

Budget Basics

**A guide to the
Anchorage School District
FY 2003-2004
Proposed Financial Plan**



Anchorage School District
Educating All Students for Success in Life

March 2003

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Anchorage School District Mission Statement

The mission of the Anchorage School District is to educate all students for success in life.

School Board Goals

Adopted January 13, 2003

Ongoing Overall Goals

Increase student **academic achievement** using data to guide adoption of curriculum, methods, materials, and professional development specifically designed to ensure that each group as designated by No Child Left Behind and the Quality Schools Initiative makes adequate yearly progress.

Establish and maintain a **supportive and effective learning environment** by providing safe, caring, barrier-free schools; promoting health and wellness; continuing to retain, recruit and train highly qualified staff; challenging each student academically; maximizing opportunities for lifelong learning; offering extracurricular activities; and collaborating with other community agencies where appropriate.

Ensure **public accountability** through continued participation in the State and Federal required testing programs; continued preparation and publication of the Profile of Performance, budget basics, and budget and bond summaries; effective consultation with community to ensure wise use of financial resources and responsible construction and maintenance of facilities; and effective communication with students, staff, parents, community and government at all levels.

Measurable Achievement Goals

We, the Anchorage School Board, Superintendent and District staff commit that:

1. Students will demonstrate increased academic achievement as indicated by improved performance on State and District measures of academic performance. Each student group will make adequate yearly progress toward meeting Anchorage and State Benchmarks for reading, writing, and math.

Performance will be assessed on:

- a. Alaska Benchmark Exams (Grades 3, 6, 8)
- b. Terra Nova Basic Skills Exams (Grades 4, 5, 7, and 9)
- c. Alaska High School Graduation Qualifying Exam

These various assessments will provide information on the status of student group performance at grade levels three through ten.

2. A higher percentage of students in each group will master basic skills and strategies to read independently by the end of the third grade as indicated by:
 - a. Meeting the Alaska standard for performance on the grade three Alaska Benchmark Reading Exam
 - b. Teacher diagnosis of student needs through teacher pre and post assessments using a variety of measures as well as teacher observation and judgment

3. A higher percentage of students in each group will demonstrate a high level of math skills and a lower percentage will demonstrate a deficient level of math skills at the end of each grade level in grades three through ten. Performance will be assessed based on:
 - a. The percentage of students in each group who meet State standards in mathematics as indicated on Alaska Benchmark Exams, Terra Nova Basic Skills Exams, and the Alaska High School Graduation Qualifying Exam will increase
 - b. The percentage of students in each group who successfully complete Algebra I in grade eight, Geometry in grade nine, and Algebra II in grade 10 will increase. Grades earned in each class will also be reported
 - c. Successful completion by students in Algebra classes for each middle and high school will be reported by student grade level
4. There will be a decrease in the dropout rate of middle and high school students as compared to the 2001-2002 school year.
5. There will be an increase in the number of students scheduled to take AP courses for the 2003-2004 school year. Counselors will review students' PSAT data as one criterion determining possible students for AP courses.



Carol Comeau
Superintendent



Jake Metcalfe
School Board President

The Anchorage School District budget guides how community resources are used to meet the educational needs of over 50,000 diverse students. Developing the budget is a lengthy and complicated process. Fortunately, the community provides a great deal of support and input. Citizens attend public forums, make recommendations at public hearings and comment through the district Website. Taxpayers share their suggestions and concerns with elected officials serving on the Anchorage School Board and the Anchorage Assembly and employees scrutinize procedures to determine the most efficient way to deliver services. The process begins in the fall and sometimes the budget doesn't see its final revision until July or August.

The development of this year's budget was strongly influenced by the results of the district's curriculum audit and the federal legislation known as No Child Left Behind. Implementing the audit recommendations and meeting the requirements of the federal law will help the district bridge the achievement gap and ensure success for all students, but the changes we will make are costly. We have worked hard to develop a budget that directs resources toward struggling students while maintaining successful programs for all students.

Quality programs that encourage academic excellence have been maintained. However, should the legislature adopt Governor Murkowski's budget, we will be unable to maintain this balance. The Anchorage School District stands to lose nearly \$11 million in revenue under the governor's proposed budget (details are at the end of this document).

The FY2003-2004 Proposed Budget includes no class size increases, no increase in user fees and no major equipment purchases. Programs that help students meet educational standards (such as summer school and after school tutoring) will continue to serve students. We have addressed many issues identified in our curriculum audit, but we still have much to do.

Some resources in the FY2003-2004 Proposed Budget are directed at program improvements like the Alaska Studies Program and enhancement of the girls hockey program. Additional assistant principals and elementary counselors will maintain safety and help students and staff focus on instruction. A Director of Safety and Emergency Preparedness will coordinate all aspects of disaster planning and crisis planning and training.

The administration and the School Board believe the budget presented in this document makes the best use of the funds available to the district. We have paid close attention to the community's concerns and have worked hard to balance the priorities listed in the beginning of this letter. We are thankful for the community's support and assistance in developing this budget.

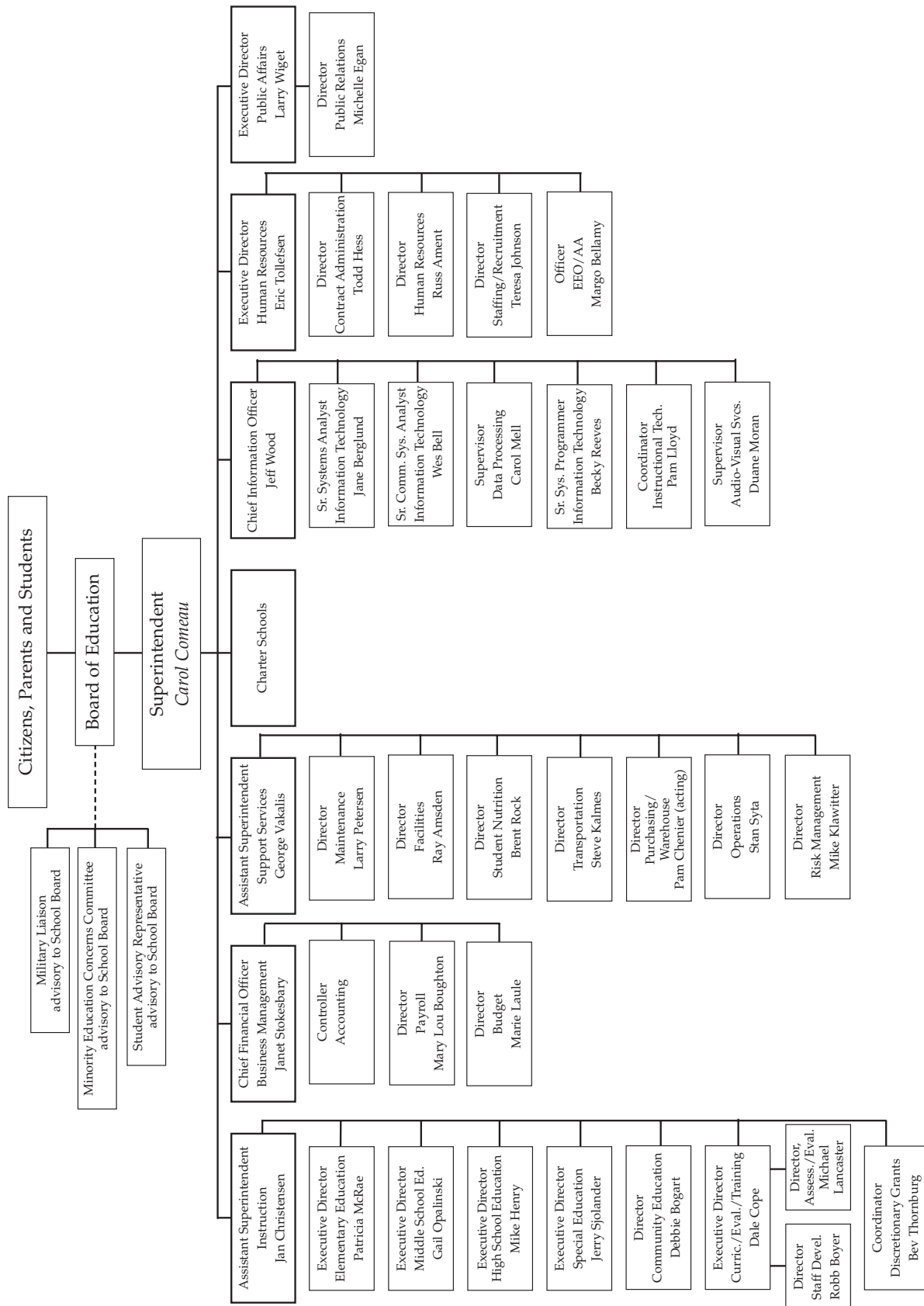
We hope this document will help you better understand the Anchorage School District budget. If you have additional questions, please contact Public Affairs at 742-4153.

Carol Comeau

JK Metcalfe

ANCHORAGE SCHOOL DISTRICT ORGANIZATIONAL CHART

MARCH 2003



Budget Development Process

Developing the Anchorage School District budget is a process that involves extensive community input. This year the district administration held several public forums to outline the requirements of No Child Left Behind, review the curriculum audit findings and discuss budget implications. The administration also invited the community to submit recommendations in writing or via the district Website.

In November, the Anchorage School Board reviewed the public input and set the upper limit of the budget, allowing the budget preparation process to begin. Department managers throughout the district presented maintenance level budget requests to the superintendent. Managers requesting budget increases or changes submitted prioritized lists that would help achieve the district's goals of improving academic achievement, increasing accountability and enhancing school and workplace safety.

The superintendent and key administrators worked together to develop the Anchorage School District Preliminary Budget which was presented to the School Board in January. The School Board listened to community input and discussed the budget at two day-long public hearings and two budget readings before adopting a proposed budget on February 6, 2003. In March the Anchorage Assembly will also hear public testimony, review the budget and approve the amount of local tax funding for the Anchorage School District Adopted Financial Plan. Throughout the spring, the school district administration monitors state and federal legislation that affects programs and revenue. The School Board may adopt a revised budget to reflect changes in state or federal funding.

Budget Development Timeline

Public Input

(the public can provide input and feedback to the ASD at any time, shading indicates formal opportunities for input)

October	November	December	January/ February	March	March- June
Public Forums Website Suggestion Box	School Board considers input and sets upper limit of budget	Administration develops budget	School Board budget hearings budget readings	Assembly review, public hear- ings, sets local tax amount	State and federal legislation monitored, budget revised if funding changes

How is the ASD budget organized?

The budget is organized and presented by fund. Each fund includes a group of accounts related to the purpose of that fund.

Below is a description of the funds that comprise the Anchorage School District budget:

- **General Fund**

This is a general purpose fund used to budget and account for all of the district's operations except for those required to be accounted for in other funds. This fund includes the individual detailed operating budgets for each of the schools and most of the departments of the district. The ongoing operations of most of the district's educational, educational support, and administrative activities are budgeted for and recorded in this fund.

- **Food Service Fund**

This is a special purpose fund used to budget and account for the district's Student Nutrition Program which provides breakfasts and lunches for students and school staff. The Food Service Fund is self-supporting through sales and federal reimbursement.

- **Debt Service Fund**

This is a special purpose fund used to budget and account for the principal and interest paid on voter-approved school bonds as well as the local and State revenue used to pay the annual debt service.

- **Local, State, and Federal Projects Fund**

This is a special purpose fund used to budget and account for the many categorically funded grants and contracts which are obtained to provide for specific instructional programs. The federal government provides most of the funding for these grants. Capital Construction Project grants are not included under this fund.

Projected Revenues Summary by Fund Fiscal Years 2001-02 to 2003-04

Fund	2001-02 Revised	2002-03 Revised	2003-04 Proposed	2003-04 Increase(Decrease) over 2002-2003 Revised	
				Amount	% Change
General	\$355,920,728	\$360,368,861	\$369,700,400	\$9,331,539	2.59%
Food Service	10,983,000	12,200,000	13,043,000	843,000	6.91%
Debt Service	47,751,978	51,038,651	58,394,385	7,355,734	14.41%
Local/State/ Federal Projects	\$34,000,000	40,000,000	40,000,000	-0-	0.00%
Contingency	-0-	610,655	-0-	(610,655)	(100%)
Total	<u>\$448,655,706</u>	<u>\$464,218,167</u>	<u>\$481,137,785</u>	<u>\$16,919,618</u>	3.64%

How is ASD funded?

The Anchorage School District is funded by local, state and federal sources. Revenue from the State of Alaska, through the Alaska Public School Funding Program is the district's most significant individual revenue source. For FY 2003-2004 revenue from the Alaska Public School Funding Program is expected to provide \$196,680,377 or 53.2 percent of General Fund revenue. This is down from 55.7 percent in FY2002-2003. As the assessed valuation in the municipality increases, state funding decreases.

The local municipal tax contribution is the second largest General Fund revenue source. For FY 2003-2004, the Anchorage School District is requesting \$120,948,393 in local municipal taxes. This will provide 32.7 percent of the General Fund revenue.

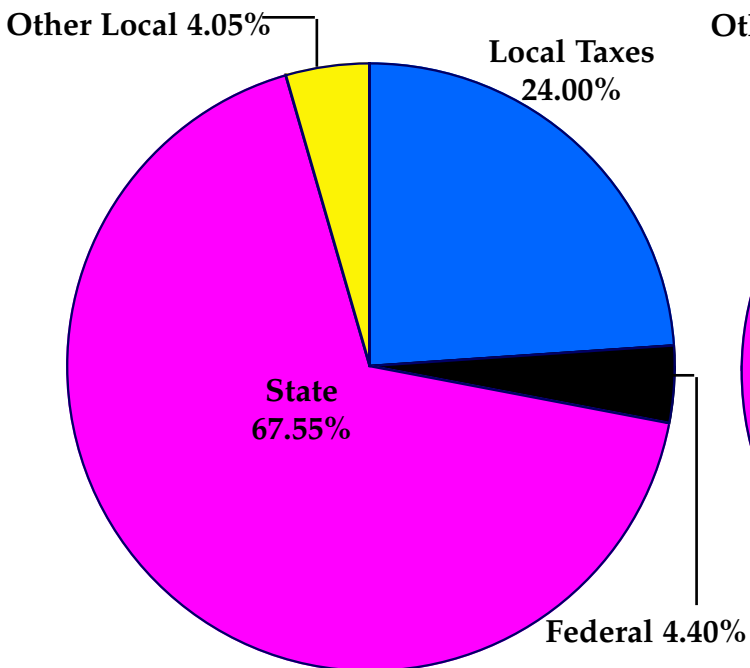
The school district also receives funding from federal sources.

The graphs below illustrate the change in funding sources over the past decade.

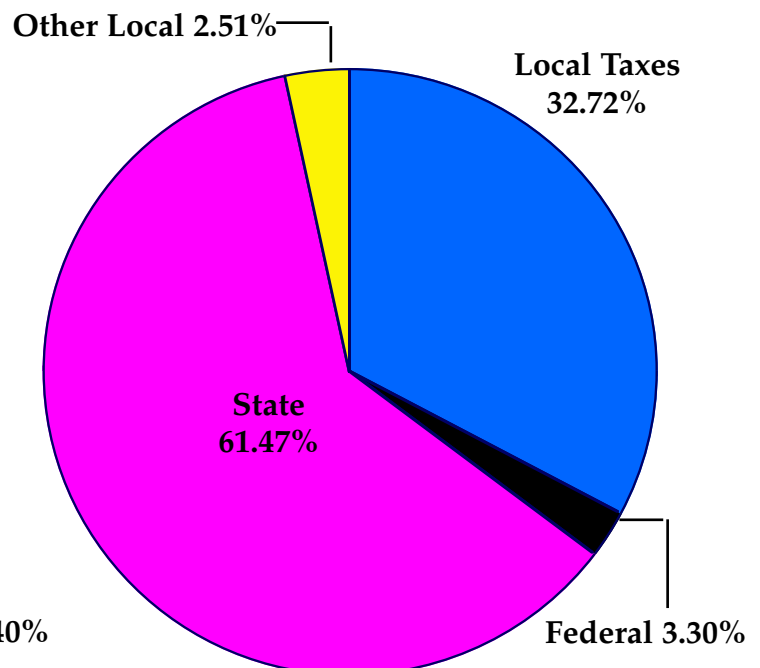
General Fund revenue sources

Ten-year comparison

General Fund Revenue 1993-1994



Proposed General Fund Revenue 2003-2004



"Other" includes fees, rentals, fund balance, etc.

Where does the money go?

The school district administration and School Board are committed to focusing resources on the areas that directly benefit students. At the same time, the school district is a large organization with over 5,200 employees and more than 90 schools and facilities; some portion of the budget must be spent to manage the district and maintain its facilities.

Over 61 percent of the district's expenditures go directly to elementary schools, middle schools and high schools. Another 16.9 percent is used to provide Special Education services to over 9,400 students with special needs. Instructional support and other specialized programs like bilingual/multicultural education, charter schools and community education account for another 8.9 percent of expenditures. Approximately 5.6 percent of the district's budget pays for facilities maintenance and 4.5% is spent on pupil transportation (busing). Only 2.8 percent of the school district's General Fund budget is used to pay for general administration.

FY 2002-2003 Revised

General Administration	\$ 10,003,252
Elementary Schools	113,498,749
Middle Schools	40,504,899
High Schools	66,948,313
Special Education Services	60,391,260
Instructional Support	15,694,690
Bilingual/Multicultural Education	7,061,210
Charter Schools	4,970,881
Community Education Services	1,835,134
Pupil Transportation Services	16,247,964
Operations and Maintenance of Facilities	20,060,710
Districtwide Non-Departmental Services	\$ 3,151,799

Total.....**\$360,368,861**

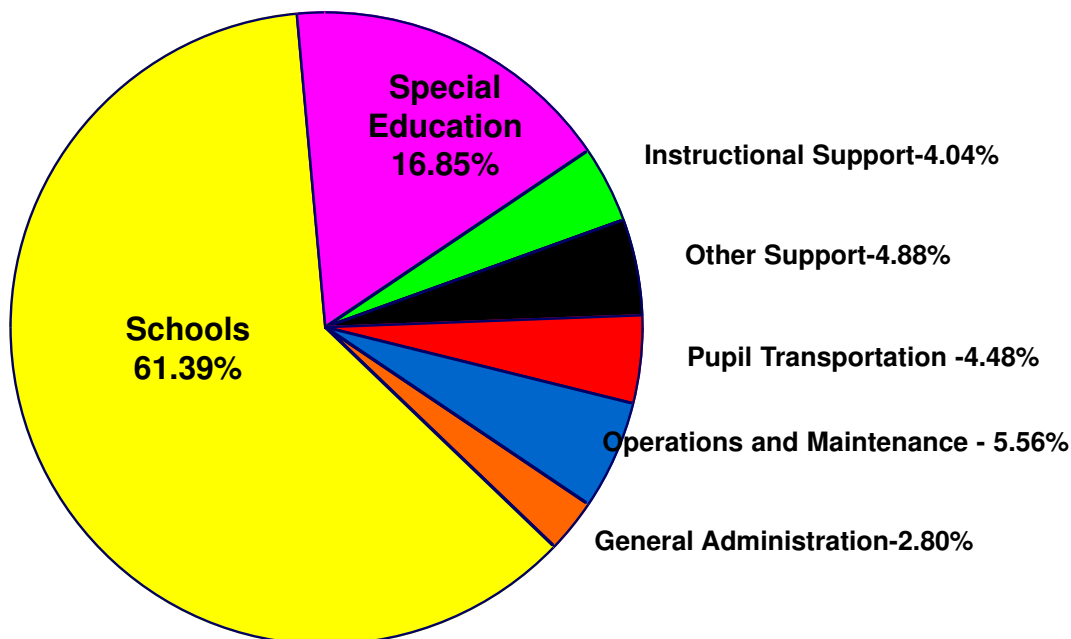
FY 2003-2004 Proposed

General Administration	\$ 10,341,472
Elementary Schools*	115,414,583
Middle Schools*	42,488,444
High Schools*	69,066,466
Special Education Services	62,276,259
Instructional Support	14,949,211
Bilingual/Multicultural Education**	7,553,918
Charter Schools**	4,964,542
Community Education Services**	1,881,147
Pupil Transportation Services	16,523,185
Operations and Maintenance of Facilities	20,572,505
Districtwide Non-Departmental Services**	\$ 3,668,668

Total.....**\$369,700,400**

* These items combined in graph to form "Schools" category. ** These items combined in graph to form "Other" category.

FY2003-2004 Proposed



Where does the money go?_____

Education is a “people intensive” business. Quality educational programs are delivered by qualified staff with a reasonable ratio of adults to students. For FY 2003-04, 85 percent of the Anchorage School District General Fund budget is spent on salaries and benefits for employees. Purchased (“contracted”) services and supplies and materials account for almost 14% of General Fund expenditures.

FY 2002-2003 Revised

Salaries	\$237,664,866
Employee Benefits	65,582,095
Purchased Services	39,963,348
Supplies and Materials	11,262,224
Capital Outlay	3,978,815
Other	<u>1,917,513</u>

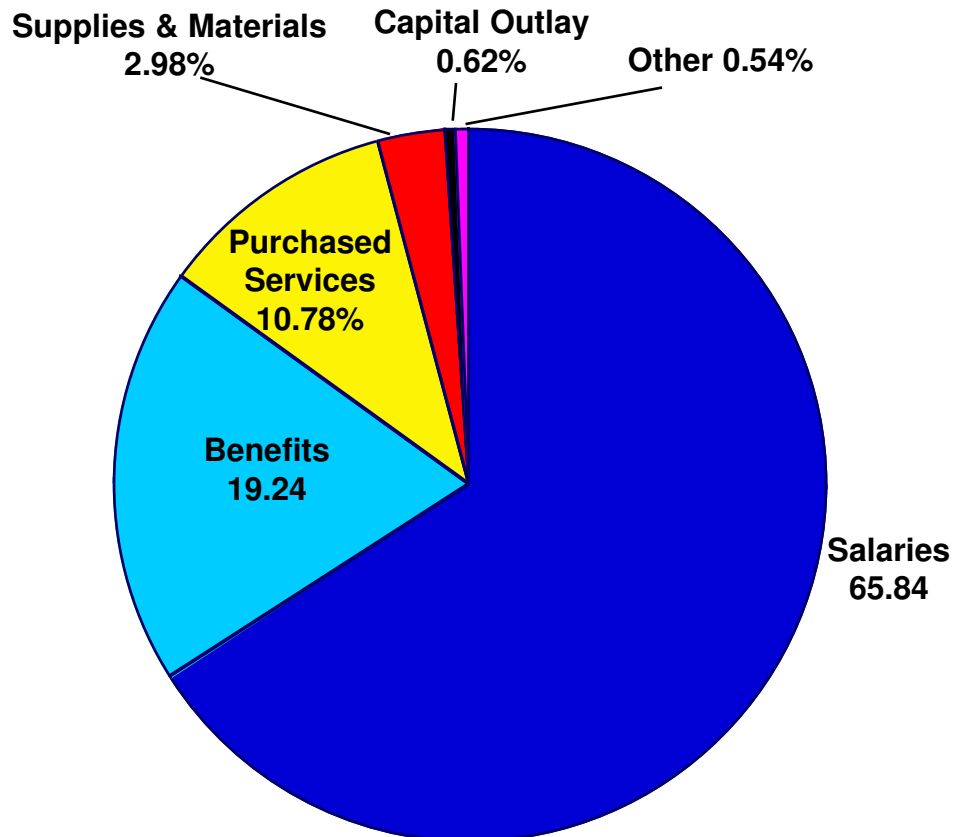
Total **\$360,368,861**

FY 2003-2004 Proposed

Salaries.	\$243,392,953
Employee Benefits	71,143,817
Purchased Services.	39,860,787
Supplies and Materials.	11,014,169
Capital Outlay	2,285,029
Other	<u>2,003,645</u>

Total. **\$369,700,400**

General Fund Expenditures by Object Code FY2003-2004 Proposed



How does the ASD budget affect taxes?_____

TOTAL LOCAL TAX APPROPRIATION AND MILL RATES FOR TEN FISCAL YEARS

Fiscal Year(A)	<u>Fiscal Year Local Tax Appropriation</u>			Assessed Valuation	<u>Mill Rate</u>		
	General Fund	Debt Service Fund	Total Taxes Fiscal Year (B)		General Fund	Debt Service Fund	Total (D)
1994-1995	71,773,335	4,736,571	76,509,906	11,212,573,346	6.16	0.30	6.46
1995-1996	73,916,642	9,660,000	83,576,642	11,535,851,890	6.35	0.63	6.98
1996-1997	81,961,764	9,949,485	91,911,249	12,056,420,080	6.47	0.81	7.28
1997-1998	87,682,805	13,244,587	100,927,392	12,530,839,276	6.77	0.93	7.70
1998-1999	92,162,281	17,296,488	109,458,769	13,619,403,181	6.64	1.13	7.77
1999-2000	97,565,255	20,068,118	117,633,373	14,505,001,156	6.51	1.28	7.79
2000-2001	102,613,029	23,986,502	126,599,531	15,116,000,590	6.62	1.46	8.08
2001-2002	107,301,568	28,219,506	135,521,074	15,977,582,221	6.57	1.63	8.20
2002-2003	114,373,207	28,581,375	142,954,582	17,821,600,651	6.22	1.59	7.81
2003-2004	120,948,393	21,855,607	142,804,000	18,754,539,321	6.27	1.35	7.62

(A) Fiscal Year is July 1st through June 30th.

(B) Amounts shown are actual taxes received from the Municipality of Anchorage for FY 1994-95 through FY 2002-2003 and projected taxes for FY 2003-2004.

(C) The mill rate is calculated on calendar year taxes.

What changed in the 2003-2004 Proposed Budget? (revenue) _____

ANCHORAGE SCHOOL DISTRICT
GENERAL FUND
SUMMARY OF MAJOR BUDGETED REVENUE INCREASES AND REDUCTIONS
AND SCHOOL BOARD ACTIONS
FY 2003-2004 COMPARED TO FY 2002-2003

FY 2002-2003 Revised Budget	\$ 360,368,861
Major Budgeted Revenue Reductions:	
Alaska Public School Funding Program	(3,915,319)
Learning Opportunity Grant	(14,278)
Facilities Rentals	(15,000)
Total Major Budgeted Revenue Reductions	(3,944,597)
Adjusted Revenues After Reductions	356,424,264
Major Budgeted Revenue Increases:	
Use of Fund Balance	5,044,000
Tax Appropriation	6,575,186 *
Federal Impact Aid	1,300,000
Tuitions	100,000
Pupil Transportation	75,900
McLaughlin Youth Detention Grant	44,000
R.O.T.C.	30,000
Interest Earnings	25,000
National Association of Secondary School Principals (NASSP) reimbursement	37,000
Other Local Revenues	45,050
Total Major Budgeted Revenue Increases	13,276,136
FY 2003-2004 Proposed Revenue Budget	<u>\$ 369,700,400</u>
Summary Totals:	
FY 2002-2003 Revised Revenue Budget, August 26, 2002	\$ 360,368,861
Net Change (total of revenue reductions and increases)	9,331,539
FY 2003-2004 Proposed Revenue Budget	<u>\$ 369,700,400</u>

* This amount will be increased by \$251,621 based on Consumer Price Index (CPI) and 5-year average Anchorage municipal population revisions (2/21/03).

Amount approved by the School Board as of 2/06/03.

What changed in the 2003-2004 Proposed Budget? (expenditures)

ANCHORAGE SCHOOL DISTRICT
GENERAL FUND
SUMMARY OF MAJOR BUDGETED EXPENDITURE INCREASES AND REDUCTIONS
AND SCHOOL BOARD ACTIONS
FY 2003-2004 COMPARED TO FY 2002-2003

FY 2002-2003 Revised Budget **\$ 360,368,861**

Major Expenditure Increases & Decreases:

Districtwide

Pending Negotiations	1,865,000
Previously Settled Employee Contracts	6,110,310
Teacher's Retirement System Increase from 11% to 12%	1,530,944
Workers' Compensation Rate Increases	106,463
Property Insurance	153,000
Computer/TV Monitors Disposal Fee (Reduced from \$88,500)	65,000
Utility Rate Increases (2% to 8%)	258,499

Total Districtwide Increases: 10,089,216

Personal Leave (Mandated Reporting Change)	(404,931)
Unemployment Rate Decrease from .1092% to .1028%	(14,873)
PERS Rate Decrease from 9.35% to 9.25%	(60,949)
Indirect Cost	(234,674)
Equipment Replacement Fund	(213,964)
Redemption of Principal on Long-Term Debt	(37,572)
Liability Insurance (Mandated Reporting Change)	(53,000)

Total Districtwide Decreases: (1,019,963)

Total Districtwide Changes: 9,069,253

Elementary

Elementary School Counselors - Creating Successful Futures (5.0 FTE)	319,000
Teacher Aides - Creating Successful Futures (2-3.5 hour assistants - .875 FTE)	19,659
Full Day Kindergarten Aides - Various schools (1.658 FTE)	17,194
Textbooks - The Great Body Shop	170,000

Total Elementary Increases: 525,853

Elementary & Secondary Classroom Teachers - Enrollment Reduction (10 FTE)	(638,000)
Recruitment Incentive - Unallocated	(4,000)
Bus Stop Monitors for transporting Denali Students to Kennedy Elementary School	(15,000)
Unallocated Adjustments (Converted to FTE staff for Creating Successful Futures)	(337,500)
New Equipment (One-time computer purchase for teachers)	(1,100,000)

Total Elementary Decreases: (2,094,500)

Total Elementary Change: (1,568,647)

Charter Schools

Family Partnership Enrollment Adjustment	34,852
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Total Charter Increases: 34,852

Other Charter School Reductions (largely due to change in indirect cost rate)	(41,191)
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Total Charter Decreases: (41,191)

Total Charter Change: (6,339)

What changed in the 2003-2004 Proposed Budget? (expenditures/continued)

Special Education

Special Service Teacher - Pilot Gifted Program at Chugach Optional Transferred from Deaf Program (.5 FTE)	31,900
Special Service Teacher - Pilot Gifted Program at Rogers Park (1.0 FTE)	63,800
Related Services Specialists - Speech/Language (10.6 FTE)	505,095
Behavior Strategists - Psychology (3.0 FTE)	142,869
Occupational Therapist Aide - OT/PT Transferred from Deaf Program (.5 FTE)	20,906
Building Rental - Crossroads Program	25,550
Total Special Education Increases:	790,120
Special Service Teacher - Deaf Transferred to Gifted (.5FTE), O.T/P.T (.5FTE,) Psychology (1.0 FTE)	(127,600)
Special Service Teachers - Speech/Language to pay for Related Services Specialists (8.5 FTE)	(542,300)
Supplies for Mt. Iliamna Students Transferred to Elementary Schools	(18,000)
Substitute Teachers - Classified/Certificated (Gifted, Blind/Visually Impaired, OT/PT, Psychology)	(50,861)
Total Special Education Decreases:	(738,761)
Total Special Education Change:	51,359

Bilingual Education

Additional Bilingual Tutors (10 positions - 8.75 FTE)	259,342
Total Bilingual Increases:	259,342

Middle Schools

Middle School Classroom Teachers Based on Enrollment & Middle School Concept (12 FTE)	765,600
Assistant Principal - Wendler (1.0 FTE)	79,500
Assistant Principal - Polaris (1.0 FTE)	79,500
Co-Principal - Central (1.0 FTE)	85,000
Supply/Equipment Allocation Based on Student Enrollment and Emergency Funds	30,495
Total Middle School Increases:	1,040,095
Counselor - Polaris (1.0 FTE) (Reallocated to Assistant Principal)	(63,800)
Recruitment Incentive - Unallocated	(4,000)
On-Line Testing	(50,000)
Leadership In-Service	(50,000)
Middle School Data	(52,000)
Total Middle School Decreases:	(219,800)
Total Middle School Change:	820,295

High Schools

High School Classroom Teachers (8.0 FTE) for Enrollment	510,400
Supply/Equipment Allocation Based on Student Enrollment	20,700
Principal - Continuation School (1.0 FTE)	86,769
Administrative Assistant - Continuation School (Increase from 1/2 year to full year)	26,847
ROTC Instructor Salaries (Determined per Agreement w/Department of Defense)	54,258
Neighborhood Patrol Officer for 6 High Schools (2.628 FTE) (transferred from Unallocated)	79,730
Girls Hockey Officials, Uniforms, Safety Gear, Ice Time	74,500
ASAA Dues (Increase of \$1 per student and student participation)	23,704
Total High School Increases:	876,908

What changed in the 2003-2004 Proposed Budget? (expenditures/continued)

High School Continued

Textbooks - Alaska Studies Supplies & Materials	(50,000)
Contracted Services - Instructional	(12,000)
Recruitment Incentive - Unallocated	(4,000)
Contracted Services - Northwest Accreditation School Team Visits	(15,500)
Building Rent - Continuation School	(30,000)
Activity/Field Trips (Transferred to Girls Hockey Ice Time)	(16,200)
Unallocated Adjustments for Neighborhood Patrol Officers (transferred to positions)	(100,000)
LOG funds transferred to the Continuation School to Support FTE positions	(59,350)
Supplies & Equipment - Continuation School	(52,500)
New Equipment (One-time purchase of computers)	(255,000)
Total High School Decreases:	(594,550)
Total High School Changes:	282,358

Instructional Support

Testing & Program Evaluation Coordinator - Assessment & Evaluation (1.0 FTE)	79,633
Curriculum & Instructional Services - Alaska Studies Program (Added Days)	50,000
Total Instructional Support Increases:	129,633
Curriculum & Instructional Services - Science Kits	(200,000)
Curriculum & Instructional Services - Textbook Adoptions	(285,000)
Training & Professional Development - Contracted Services Administration (Teacher Induction Module)	(75,000)
Training & Professional Development - Added Days (Cooperative Teacher Training) Reduced by 1/2	(38,000)
Training & Professional Development - Learning Through Performance	(25,000)
Assessment & Evaluation - Local Writing Assessment	(131,000)
Curriculum & Instructional Services - AKCIS Software License (\$8,000) Contracted Services (\$10,000)	(18,000)
Total Instructional Support Decrease:	(772,000)
Total Instructional Support:	(642,367)

Administration/Support Services/Community Education & Community Services

Director - Security/Emergency Preparedness (1.0 FTE)	97,243
Administrative Assistant - Security/Emergency Preparedness (1.0 FTE)	39,507
Auditorium Technician - Community Services (1.0 FTE)	62,190
Senior Clerk - Pupil Transportation (1.0 FTE)	27,800
Wendler to Dimond - District (7.5 FTE)/Contracted Routes	761,000
4 Standby Bus Drivers - Pupil Transportation (3.0 FTE)	97,128
Recruitment - Human Resources	30,000
Mandated Requirements - Increased Cost Cesspool Pumping, Quarterly Groundwater Monitoring, Sprinkler System Testing, Relocatable Zoning Permits, etc.	148,000
Camper Host Program, Security Services, False Alarms Charges	35,500
Utility Monitoring of Pools	20,000
Fuel	32,991
Legal Fees	50,000
Custodial Supplies	36,740
Administration/Support Services/Community Education & Community Services Increases:	1,438,099

What changed in the 2003-2004 Proposed Budget? (expenditures/continued)

Administration/Support Services/Community Education & Community Services Continued

Contracted Transportation	(233,820)
4 Bus Attendants - Pupil Transportation (2.275 FTE)	(65,007)
Unallocated Adjustments	(62,000)
New, Expendable & Replacement Equipment	(17,946)
Total Administration/Support Services/Community Education & Community Services Decreases:	<u>(378,773)</u>
Total Administration/Support Services/Community Education & Community Services Change:	<u>1,059,326</u>
Total Major Budgeted Expenditure Increases	15,184,118
Total Major Budgeted Expenditure Reductions	<u>(5,859,538)</u>
Net Change	<u>9,324,580</u>
Rounding	6,959
FY 2003-2004 Proposed Budget	<u>\$ 369,700,400</u>

Amount approved by Anchorage School Board as of 2/06/03.

How will the governor's proposed budget affect ASD? _____

District officials have just begun researching the impact of the governor's proposed budget. According to preliminary estimates (3/12/03), the governor's proposed budget would result in a \$10.77 million shortfall in revenue for the 2003-2004 district budget. The details are outlined below.

ANCHORAGE SCHOOL DISTRICT SUMMARY OF ESTIMATED IMPACT OF GOVERNOR'S PROPOSED BUDGET FISCAL YEAR 2003-2004

Program	Governor's Proposed Funding Level	Comparison to ASD FY 2003-2004 Proposed Budget
Education Formula	Fully Fund	\$ -
Learning Opportunity Grants (also included Section 93/HB 2006 in District's calculations)	Decrease \$10 million from \$30 million to \$20 million	(3,356,000)
Pupil Transportation	80% of FY 2002-2003 (equates to 74.2% proration)	(3,384,000)
School Debt Reimbursement [1]	90% Proration	(3,110,000)
Community Schools	Eliminate	(150,000)
Tuition Students (Wards of the court)	Eliminate	(775,000)
Total Estimated Revenue Shortfall		\$ (10,775,000) [2]

[1] Includes approximately \$2.5 million for the currently scheduled FY 2003-2004 debt service payments and \$607,000 for a proposed July 2003 bond sale which includes a portion of the April 2003 bond propositions.

[2] In addition to the estimated revenue shortfall, the District's expenditures may also increase due to the Governor's proposed user fees such as the \$.12 increase to the motor vehicle fuel tax or the seasonal Statewide sales tax. Currently, the District is exempt from the State motor vehicle fuel tax.

How will the governor's proposed budget affect ASD?_____

ANCHORAGE SCHOOL DISTRICT ESTIMATED IMPACT OF GOVERNOR'S PROPOSED BUDGET RELEASED ON MARCH 5, 2003 FISCAL YEAR 2003-2004

Governor Murkowski's FY 2004 Budget and Invest Plan - Department Budget Overviews Department of Education and Early Development, Pages 12-14, FY 04 Budget Highlights - Funding for Schools:

* Education Formula - fully fund - \$670 million

	Based on 1/2/03 DEED Spreadsheet	
	Statewide	ASD
<u>Current Same as Governor's Proposal (no change):</u>		
Total Entitlement (Incl Quality Schools)	\$ 674,095,585	\$ 198,581,783 [1]
Less: Alyeska Central School	(1,200,000) [2]	
	<u>\$ 672,895,585</u>	
ASD FY 2003-2004 Proposed Budget		\$ 196,680,377

[1] DEED staff indicate error in their calculation for ASD; should be \$196,533,661

[2] ACS total funding is \$3.86 million, but only the portion for summer school is estimated to be saved since students will be served by other districts during the school year (verified by DEED).

* Learning Opportunity Grants (LOG) - decrease \$10 million to \$20 million

	Based on 1/23/03 DEED Spreadsheet	
	Statewide	ASD
<u>Current:</u>		
LOG (FY 2002-2003)	\$ 23,340,900	\$ 8,757,356
FY 2003-2004 Unadjusted ADM (1/2/03 DEED spreadsheet)	133,115.43	49,945.00
Calculated LOG - Per Unadjusted ADM	\$ 175.34	
Section 93, Senate Bill 2006	\$ 6,000,000	\$ 1,920,731
FY 2003-2004 Adjusted ADM (1/2/03 DEED spreadsheet)	212,338.10	67,966.41
Calculated Section 93 - Per Adjusted ADM	\$ 28.26	
Total Current FY 2002-2003 LOG & Section 93	<u>\$ 29,340,900</u> [3]	<u>\$ 10,678,087</u>
<u>Governor's Proposal:</u>		
Reduction from \$30 M to \$20 M	\$ 20,000,000	\$ 7,278,184
Calculated Percentage Proration	68.16%	
<u>Estimated Loss in Revenue Based on DEED Spreadsheet</u>		(3,399,903)
ASD FY 2003-2004 Proposed Budget		
LOG		\$ 8,711,750
Section 93		1,922,296
		<u>\$ 10,634,046</u>
Variance Compared to Budget - Shortfall		\$ (3,355,862)

[3] Calculations include Section 93 of Senate Bill 2006 in addition to LOG in order to approximate \$30 million (verified by DEED)

* Pupil Transportation - 80% of Current Year Level - \$43.2 million (savings \$10.7 million)

	Based on 2/27/03 DEED Spreadsheet	
	Statewide	ASD
<u>Current:</u>		
FY 2002-2003	\$ 53,933,800	\$ 16,574,909
FY 2003-2004	\$ 58,145,400	\$ 18,793,314
<u>Governor's Proposal:</u>		
80% of FY 2002-2003	\$ 43,147,040	\$ 13,946,518
Calculated Percentage Proration	74.21%	
<u>Estimated Loss in Revenue Based on DEED Spreadsheet</u>		\$ (4,846,796)

How will the governor's proposed budget affect ASD?_____

Pupil Transportation - continued:

ASD FY 2003-2004 Proposed Budget	
General Fund	\$ 16,954,400
Debt Service Fund	376,000
	<u>\$ 17,330,400</u> [4]
Variance Compared to Budget - Shortfall	\$ (3,383,882)

[4] FY 2003-2004 budget less than DEED due to transfer of bus purchase to bonds and reductions in bus services as approved by School Board in proposed budget after estimate submitted to DEED.

* School Debt Reimbursement - Prorated at 90% (savings \$6.6 million)

	ASD
<u>Current (includes proposed bond sale in July 2003 & approval of April 2003 bond propositions):</u>	
ASD FY 2003-2004 Proposed Budget	\$ 25,011,582
2000 GO & 2002 GO Bonds - Est. eligible Prop C	3,824,576
2002 Bond Prop - Est. eligible Prop C - Prop. July 2003 Bond Sale of \$15.85 M	155,782
April 2003 Bond Prop - Eligible Prop C - Prop. July 2003 Bond Sale of \$109.245 M	1,853,988
April 1999 Bond Prop - Prop. July 2003 Bond Sale of \$12.89 M	234,698
Total Estimated State Debt Reimbursement for FY 2003-04	<u>\$ 31,080,626</u>
<u>Governor's Proposal:</u>	
90% Proration	\$ 27,972,563
Variance Compared to Budget - Shortfall	\$ (3,108,063)

* Community Schools - Eliminate (\$500,000 savings)

	ASD
<u>Current:</u>	
ASD FY 2003-2004 Proposed Budget	\$ 150,000
<u>Governor's Proposal:</u>	
Eliminate	\$ -
Variance Compared to Budget - Shortfall	\$ (150,000)

Additional reductions not included in Governor Murkowski's FY 2004 DEED Budget Overview:

* Tuition Students - Eliminate program (\$2.225 million savings) (Wards of the court)

	ASD
<u>Current:</u>	
ASD FY 2003-2004 Proposed Budget	\$ 775,000
<u>Governor's Proposal:</u>	
Eliminate	\$ -
Variance Compared to Budget - Shortfall	\$ (775,000)

TOTAL LOSS OF REVENUE (VARIANCE FROM ASD FY 2003-04 PROPOSED BUDGET) \$ (10,772,807) [5]

[5] In addition to the estimated revenue shortfall, the District's expenditures may also increase due to the Governor's proposed user fees such as the \$.12 increase to the motor vehicle fuel tax or the seasonal Statewide sales tax. Currently the District is exempt from the State motor vehicle fuel tax.

