

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 2015, the ASD tax need is calculated as follows:

FY	Approving Document	Tax Need		1/2 of FY Tax Need	2015
2014-2015	AO 2014-59	\$ 239,576,423	/2	\$ 119,788,212	Jan-Jun
2015-2016	AO 2015-41	\$ 239,410,965	/2	\$ 119,705,483	Jul-Dec
ASD Tax need for Tax Year Total				\$ 239,493,695	

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 2015 ASD mill rate, based on the 2015 ASD tax need and the Areawide service area assessed value at 03/20/2015, is calculated as follows:

$$\frac{\$ 239,493,695}{\$ 35,036,406,736} \times 1,000 = 6.84$$

CLERK'S OFFICE
AMENDED AND APPROVED

Date: 4-28-15
 Immediate Reconsideration Failed 4-28-15

Submitted by: Chair of the Assembly at
 the Request of the Mayor
 Prepared by: Office of Management
 and Budget
 For Reading: April 14, 2015

ANCHORAGE, ALASKA
AO NO. 2015-35

**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 2015.**

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. The Assembly hereby fixes the rate of tax levy for the Anchorage School District for tax year 2015. 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 **6.84** [6.87] mills

Section 2. The property tax amount approved for 2015 is:

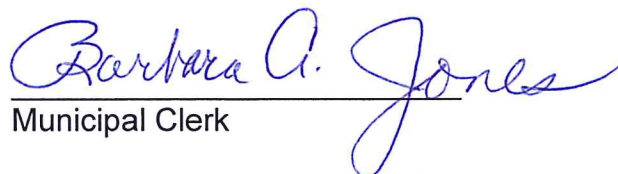
Anchorage School District **\$239,493,695** [240,602,024]

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

PASSED AND APPROVED by the Anchorage Assembly this 28th day of April, 2015.


 Chair of the Assembly

ATTEST:


 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 190-2015

Meeting Date: April 14, 2015

1 **FROM: MAYOR**

2
3 **SUBJECT: AN ORDINANCE SETTING THE RATE OF TAX LEVY,**
4 **APPROVING THE AMOUNT OF MUNICIPAL PROPERTY TAX,**
5 **AND LEVYING TAXES FOR THE ANCHORAGE SCHOOL**
6 **DISTRICT FOR TAX YEAR 2015.**
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9 This memorandum transmits the ordinance to establish the 2015 tax rate and tax
10 levy for the Anchorage School District (ASD). The ASD tax rate and tax levy are
11 based on the amount of property taxes approved to support the ASD operating
12 budget in calendar year 2015. These reflect one half of the property taxes
13 approved for ASD's fiscal year 2014-2015 revised operating budget per AO 2014-
14 59, and one half of the property taxes approved for ASD's fiscal year 2015-2016
15 approved operating budget per AO 2015-22.
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18 **THE ADMINISTRATION RECOMMENDS APPROVAL.**
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21 Prepared by: Office of Management and Budget
22 Recommended by: Marilyn Banzhaf, OMB Acting Director
23 Concur: Katherine Giard, CFO
24 Concur: George J. Vakalis, Municipal Manager
25 Respectfully Submitted: Daniel A. Sullivan, Mayor
26

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

Prepared by: Anchorage School District
For reading: April 28, 2015

CLERK'S OFFICE

APPROVED

Date: 4-28-15

ANCHORAGE, ALASKA
AO No. 2015-41(S)

1 **AN ORDINANCE AMENDING THE TOTAL AMOUNT OF THE ANNUAL**
2 **OPERATING BUDGET OF THE ANCHORAGE SCHOOL DISTRICT FOR ITS**
3 **FISCAL YEAR 2015-2016 AND DETERMINING AND APPROPRIATING THE**
4 **PORTION OF THE ASSEMBLY APPROVED BUDGET AMOUNT TO BE MADE**
5 **AVAILABLE FROM LOCAL SOURCES.**

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8 WHEREAS, the Anchorage Assembly approved AO 2015-22, approving the
9 Anchorage School District fiscal year 2015-2016 budget in the amount of
10 \$784,243,730 and appropriated \$241,627,624 in local property taxes and other
11 local sources; and

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13 WHEREAS, the State Legislature has made adjustments to State funding sources
14 which require changes to the total approved Anchorage School District budget and
15 the amount to be appropriated from local sources, now therefore,

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17 THE ANCHORAGE ASSEMBLY ORDAINS:

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19 **Section 1.** That the FY 2015-2016 Proposed Anchorage School District
20 Financial Plan in the amount of \$782,027,101 is hereby approved by the
21 Anchorage Assembly and that, of said amount, the amount of \$239,410,965 is
22 the amount of money to be contributed from local property taxes or other local
23 sources and is hereby appropriated for school purposes to fund the School
24 District for its 2015-2016 fiscal year.

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26 **Section 2.** This ordinance is effective immediately upon passage and approval.

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29 PASSED AND APPROVED by the Anchorage Assembly, this 28th day of
30 April, 2015.

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35 Chair of the Assembly

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37 ATTEST:

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40 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 185-2015Meeting Date: April 28, 2015

FROM: ANCHORAGE SCHOOL DISTRICT

SUBJECT: AO 2015-22 ANCHORAGE SCHOOL DISTRICT
FY 2015-2016 AMENDED FINANCIAL PLAN**FINANCIAL PLAN AMENDMENT UNDER DEVELOPMENT**

The Anchorage School Board and the Municipal Assembly approved the Proposed Financial Plan and Budget for FY 2015-16 in the amount of \$784,243,730 on Feb 19, 2015 and March 24, 2015, respectively. The local contribution was approved for \$241,627,624, to cover \$201,516,097 in operating and \$39,085,928 in debt service.

The district is preparing an amended financial plan that takes into account reductions in state funding associated with the Legislative budget that eliminates "one-time" funding from HB278, under funds the public education foundation formula fund by 1.4% and results in a reduction in the maximum allowable local property tax contributions under State statutes. The district has also updated the projected amount of Federal Impact Aid which results in a reduction of roughly \$0.50 in state support for each \$1 of additional federal impact aid.

This memo provides the Assembly with a revision in the local contribution to take into account those changes in the revenue outlook.

The School Board is slated to conduct a detailed review and hold a public hearing on a proposed budget amendment at their May 4, 2015 meeting.

Revenue

The amended financial plan is being prepared in response to reductions which passed the Legislature on Sunday. During last year's session, the legislature passed HB 278 which provided Base Student Allocation (BSA) increases of \$150 in FY 2014-15 and \$50 in each of FY 2015-16 and FY 2016-17. HB 278 also provided 3 years of funding outside of the Foundation Formula in the amount of \$42.95 million in FY 2014-15, \$32.24 million in FY 2015-16 and \$19.90 million in

FY 2016-17. These funds were to be divided amount all districts based on each district's Adjusted Average Daily Membership (AADM).

HB 278 further stated that any funds that were paid to districts on the basis of AADM could be used in calculating the additional allowable local contribution. The Anchorage Assembly responded to this change in legislation and increased the local property tax appropriation up to the new maximum allowed in FY 2014-15 and again for FY 2015-16. Eliminating these funds will also reduce the maximum local contribution allowable under the State Public Education Funding Formula by \$2.217 million. The Senate-House Budget Conference Committee, in addition to eliminating the "one-time" funding in HB278, under-funded the appropriation to support the public school foundation formula by ~1.4%.

In addition, the district has revised the projected amount of Federal Impact Aid (FIA) to be received for FY 2015-16. Subsequent to the budget development process, the district received the FY 2014-15 FIA payments that will be the basis for determining the amount of FIA that is deducted from the district's Foundation Formula funding. The FIA payment was approximately \$1 million more than expected which translates into approximately \$0.5 million in reduced state funding. The per-student rate for FIA has increased more rapidly than expected prompting an increase of approximately \$0.365 to the anticipated FIA for FY 2015-16.

PROPERTY TAXES

Based on the projected \$9.551 decrease in state "one-time" funding in HB278, the maximum allowable local property taxes are required to be reduced by \$2.217 million. The district request for local property tax support is adjusted as follows:

	Approved Budget FY 2015-2016	Amended Budget FY 2015-2016	Increase/ (Decrease)	Percent Change
Total Local Contribution (FY)	241,627,624	239,410,965	(2,216,659)	-0.92%
Estimated Assessed Valuation (CY)	35,029,181,874	35,029,181,874	-	0.00%
Estimated Mill Rate (CY)	6.90	6.83	(0.06)	-0.92%

Respectfully submitted,

Ed Graff
Superintendent

EG/MF/AR

CLERK'S OFFICE
APPROVED
Date: 6-24-14

Submitted by: Chairman of the Assembly
at the request of the
School Board
Prepared by: Anchorage School District
For Reading: June 10, 2014

ANCHORAGE, ALASKA
AO NO. 2014-59

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE PROVIDING
FOR A REVISION OF THE ANCHORAGE SCHOOL DISTRICT BUDGET FOR
FY 2014-2015

WHEREAS, the Second Session of the Twenty-Eighth Alaska State Legislature passed and the Governor signed House Bill 278, which increases the Base Student Allocation (BSA) \$150 to \$5,830 (\$11.131 million); and increases the factor for correspondence schools from 80 percent of Average Daily Membership (ADM) to 90 percent of ADM (\$0.5 million); and provides general operating grants outside of the BSA (\$12.807 million); and allows all funds distributed by adjusted ADM to be included in the maximum additional local contribution; and

WHEREAS, the Municipality of Anchorage Assembly passed and the Mayor signed AO 2014-54(S), which levies additional property tax revenue for schools in the amount of \$5.8 million as a result of the increase in allowable local funding provided for in House Bill 278; and

WHEREAS, the Second Session of the Twenty-Eighth Alaska State Legislature passed and the Governor signed the Capital Budget, Senate Bill 119, which appropriates district wide capital grants for schools (\$11.7 million). The district had anticipated roughly \$12.3 million in State capital grants and has adjusted its budget downward by \$0.607 million; and

WHEREAS, the Anchorage School District's Student Nutrition Department has applied for and received permission from the State of Alaska to participate in the Federal Community Eligibility Provision Program beginning in FY 2014-2015. This program allows the district to provide free breakfast and lunch to the entire student population in 10 new schools and will be funded by an additional \$2.72 million in Federal reimbursements; and

WHEREAS, the district reviewed individual federal grants and outstanding grant applications and has subsequently updated its local/state/federal grant

projection to a total of \$50.405 million, an increase of \$0.407 million from the prior projection; and

WHEREAS, the increase in revenues provided in AO 2014-54(S) and HB 278 have allowed the district to reduce the amount of fund balance needed to balance the budget by \$2.279 million, bringing the total amount down to \$1.621 million; and

NOW THEREFORE, the Anchorage Assembly ordains:

Section 1: That the following revisions in total are approved:

REVENUES

	FY 2014-2015 Adopted Budget as of 3/25/2014	Requested Revision	FY 2014-2015 Revised Budget as of 5/19/2014
<u>Fund Description</u>			
General	\$567,604,000	\$ 20,459,385	\$ 588,063,385
Local/State/Federal Projects	49,998,000	407,000	50,405,000
Debt Service	87,464,434	-0-	87,464,434
Capital Projects	12,289,000	(607,000)	11,682,000
Food Service	19,045,814	2,720,136	21,765,950
Student Activities	<u>7,048,000</u>	<u>-0-</u>	<u>7,048,000</u>
TOTAL ANCHORAGE SCHOOL DISTRICT	<u>\$743,449,248</u>	<u>\$ 22,979,521</u>	<u>\$766,428,769</u>
DIRECT APPROPRIATION			
State of Alaska TRS/PERS On-Behalf Allocation	\$185,924,000	\$ 10,978,000	\$196,902,000
TOTAL ALL FUNDS	<u>\$929,373,248</u>	<u>\$ 33,957,521</u>	<u>\$963,330,769</u>

LOCAL TAXES

	FY 2014-2015 Taxes AO 2014-33 as of 3/25/2014	Tax Increase Contribution Previously Approved	FY 2014-2015 Revised Taxes AO 2014-54(S) as of 4/28/2014
TOTAL LOCAL TAX CONTRIBUTION	<u>\$233,776,423</u>	<u>\$5,800,000</u>	<u>\$239,576,423</u>

Section 2: That this resolution is effective upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly, this 24th day of June 2014.



Chair of the Assembly

ATTEST



Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 237-2014

Meeting Date: June 10, 2014

FROM: ANCHORAGE SCHOOL DISTRICT

SUBJECT: ANCHORAGE SCHOOL DISTRICT REVISED FINANCIAL PLAN
AND BUDGET: FY 2014-2015

On May 19, 2014, the Anchorage School Board approved changes to the Anchorage School District Budget for fiscal year 2014-2015 reflecting increases associated with State Legislation (Base Student Allocation, Adjusted Average Daily Membership for correspondence schools, general operating grants outside the BSA, capital grants, increased allowable local contribution), increases to the local contribution, approval of additional schools participating in the Federal Eligibility Provision Program, and an updated estimate of competitive Federal grant receipts. [See Exhibit 1]

The proposed increase in the Anchorage School District's upper spending limit increases the upper limit by \$22.980 million, raising the total direct budget from \$743.449 million to \$766.428 million as delineated in Table 1 below.

Table 1. Anchorage School District Budget - FY 2014-2015

Table Line #	Fund Description	FY 2014-2015 Budget	Proposed Increase	FY 2014-2015 Proposed Revised Budget
1	General	\$ 567,604,000	\$ 20,459,385	\$ 588,063,385
2	Local/State/Federal Projects	49,998,000	407,000	50,405,000
3	Debt Service	87,464,434	-	87,464,434
4	Capital Projects	12,289,000	(607,000)	11,682,000
5	Food Service	19,045,814	2,720,136	21,765,950
6	Student Activities	7,048,000	-	7,048,000
7	Total Direct	743,449,248	22,979,521	766,428,769
8	State of Alaska TRS/PERS On-Behalf Allocation	\$ 185,924,000	\$ 10,978,000	\$ 196,902,000
9	TOTAL ALL FUNDS	<u>\$ 929,373,248</u>	<u>\$ 33,957,521</u>	<u>\$ 963,330,769</u>

26 The proposed revision is further delineated by funding source in Table 2 below.
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Table 2. Proposed Revisions to the Anchorage School District Budget - FY 2014-2015

Summary	Local Funding	State of Alaska Foundation Formula	State of Alaska Funding Outside Formula	Federal Funding	Total
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MUNICIPALITY OF ANCHORAGE RELATED UPDATES

AO 2014-54(S)

Additional Allowable Funding Under House

Bill 278	\$ 5,800,000				\$ 5,800,000
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STATE OF ALASKA RELATED UPDATES

House Bill 278

\$150 Increase to Base Student Allocation	\$ 11,131,000				\$ 11,131,000
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Change in Correspondence Charter School from 80% of ADM to 90% of ADM	\$ 500,265				\$ 500,265
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General Operating Grant Outside the Funding Formula			\$ 12,807,120		\$ 12,807,120
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Removal of the Expected Incremental Funding in the Governor's Original Operating Budget			\$ (7,500,000)		\$ (7,500,000)
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Senate Bill 119

Decrease in the Amount of Expected Capital Grants	\$ (607,000)				\$ (607,000)
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FEDERAL GOVERNMENT RELATED UPDATES

10 New Schools Participating in the Federal Community Eligibility Provision Program				\$ 2,720,136	\$ 2,720,136
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Updated Competitive Federal Grant Projection				\$ 407,000	\$ 407,000
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OTHER LOCAL UPDATES

Reduction in the Use of Fund Balance	\$ (2,279,000)				
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SUBTOTAL	\$ 3,521,000	\$ 11,024,265	\$ 5,307,120	\$ 3,127,136	\$ 22,979,521
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Associated Change in Projected State of Alaska TRS/PERS On-Behalf Payments					\$ 10,978,000
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TOTAL CHANGE - ALL FUNDS					<u>\$ 33,957,521</u>
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28
 29 **House Bill 278**

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 31 The Legislature passed HB 278 which increases the Base Student Allocation
 32 \$150 from \$5,680 to \$5,830 for FY 2014-2015. The bill provides \$50 BSA increases
 33 in FY 2015-2016 and 2016-2017 as well. The net effect of this change is
 34 approximately \$11.131 million for FY 2014-2015. In addition to the BSA

increase, HB 278 changed the amount of the adjustment to Average Daily Membership (ADM) of correspondence schools from 80% of ADM to 90% of ADM which increased the district's total Foundation Formula revenue by about \$0.5 million.

HB 278 provides additional funding for general operating expenditures outside the BSA in the amount of \$42.95 million for FY 2014-2015, \$32.24 million for FY 2015-2016, and \$19.9 million for FY 2016-2017 which will be distributed to all districts statewide based on their adjusted ADM. Anchorage's share of these funds will be approximately \$12.807 million for FY 2014-2015. These funds replace the one-time incremental funding of about \$7.5 million that Anchorage was due to receive, and had previously budgeted, from the Governor's proposed operating budget.

HB 278 also changed the formula for the maximum allowable local contribution that local governments can contribute to education and now includes funds provided outside the BSA, distributed on the basis of adjusted ADM, to be included in the additional allowable contribution calculation. This includes the general operating grants listed above as well as the Quality Schools Grant.

AO 2014-54(S)

The Municipality of Anchorage Assembly passed and the Mayor signed Assembly Ordinance AO 2014-54(S) increasing the local contribution to ASD by \$5.8 million, the additional maximum allowed under the new formula set forth in HB 278. The additional funds have allowed the district to invest in additional FTE for direct classroom instruction.

In addition, the Assembly discontinued the practice of billing the district for the Anchorage Police Department personnel (\$2.25 million), known as School Resource Officers that have offices in school district facilities, as well as a share of the cost of tax collection (\$0.25 million). This resulted in a reduction of \$2.5 million that the district was able to put back into direct classroom instruction providing an additional 26 FTE. This brings the total number of direct classroom instruction teachers added by Assembly Ordinance to support schools to 86 FTE.

Senate Bill 119

The Legislature signed Senate Bill 119 including \$12 million in capital budget appropriation grants that will benefit the Anchorage School District consisting of \$10 million for a variety of capital grants, \$172,626 in re-appropriations, and \$1.4 million in pass through grants to community groups to support student athletic

activities. The district anticipated receiving roughly \$12.3 million in capital grants from the State and has adjusted its budget downward by \$.06 million to reflect the actual grant award.

Federal Grants

Federal grants were originally budgeted at \$49.998 million. The district continues to review individual grant awards and outstanding applications. Based on currently available information, the district projects an increase of \$0.407 million for a revised total of \$50.405 million in federal grants.

Federal Sources and Uses – Student Nutrition

The Anchorage School District Student Nutrition Department has applied for and received permission from the State of Alaska to participate in the Federal Community Eligibility Provision Program beginning in FY 2014-2015. Participation in the program will enable the Student Nutrition department to provide free breakfast and lunch to the entire student population in 10 new schools, bringing the district total to 30 schools offering free meals to their students.

Under the Community Eligibility Provision Program, the district expects to generate an additional \$2.72 million in federal reimbursement for meals to be included as new revenue for the Food Service Fund with a corresponding increase in expenditures.

Reduction in the Use of Fund Balance

The increase in revenues provided in AO 2014-54(S) and HB 278 have allowed the district to reduce the amount of fund balance needed to balance the budget by \$2.279 million, bringing the total amount down to \$1.621 million.

Respectfully submitted,



Ed Graff
Superintendent

EG/MF

Reference – Anchorage School District Board Memo #222 (May 19, 2014)
<http://www.asdk12.org/budget/>