

2020-21 Budget Committee

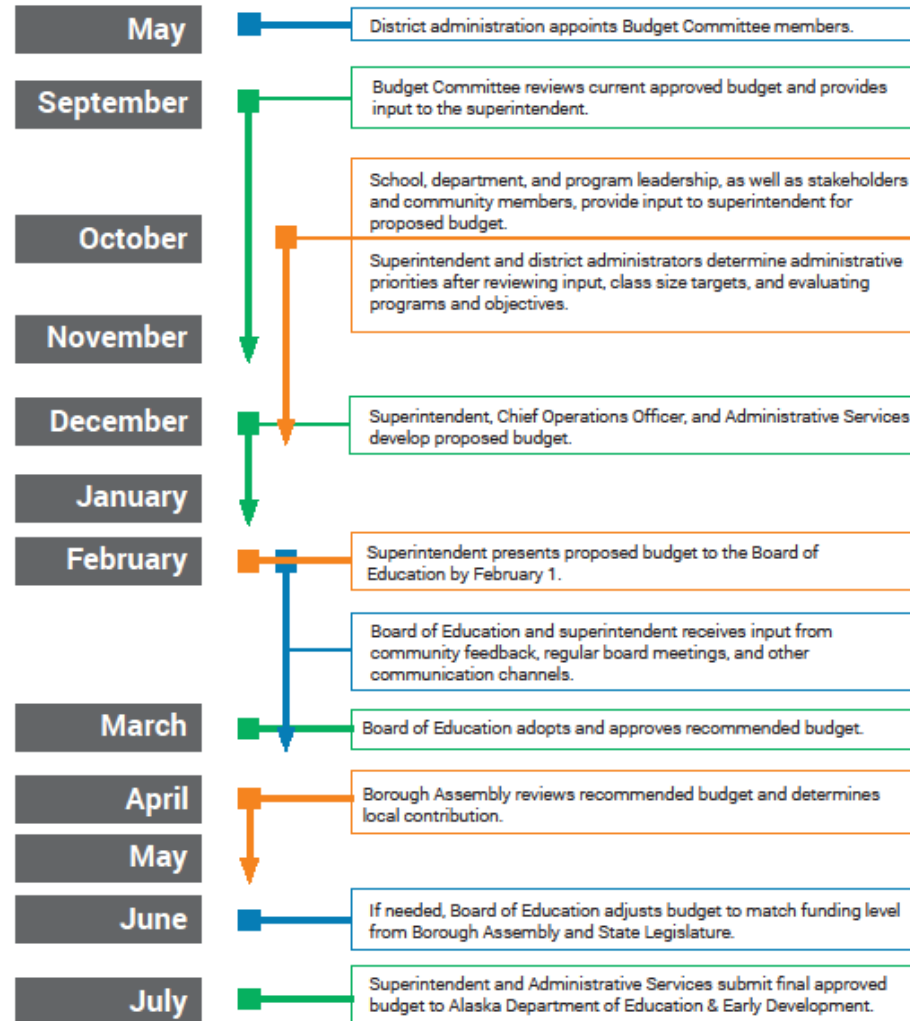
Tuesday, September 29, 2020 ADC Board Room – Zoom Presentation



Opening Remarks

Introduction to Committee Process

Budget Process Timeline



Calendar

What is our purpose?

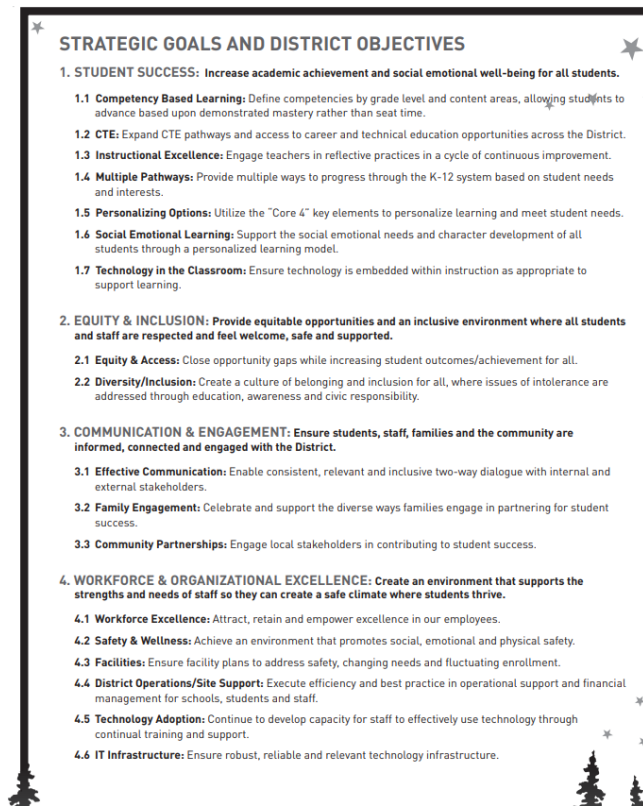
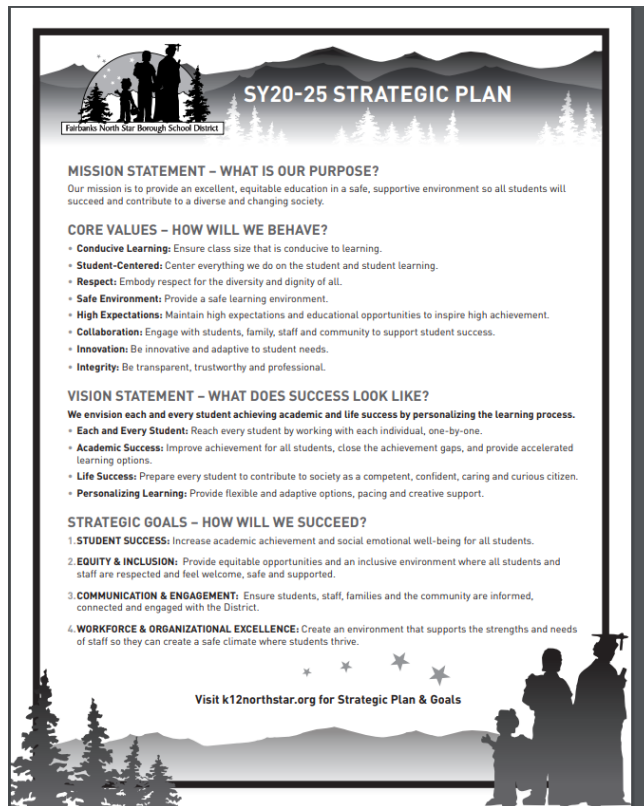
- **Understand Revenue and Cost Drivers**
- **Identify “What’s Important”**
- **Provide input and feedback**

Committee Best Practices


- a. A good budget process will:**
 - i. Incorporate a long-term perspective –
How will decisions today impact tomorrow?**
 - ii. Establish links to organizational goals**
 - iii. Focus budget decisions on results
and outcomes**
 - iv. Involve and communicate with
stakeholders**

Committee Best Practices

Guiding Document: District Strategic Plan



We Won't Get Into the Weeds.....


 **Account Inquiry [FAIRBANKS NORTH STAR BOROUGH SCHOOL DIST]**

Account

Fund ...

Org ...

Object ...

Project ... 

Acct

Acct name


Type

Rollup

Sub-Rollup

☐ MultiYr

Status

 Account Notes

4 YEAR COMPARISON

CURRENT YEAR

HISTORY

4 YEAR GRAPH







H


Yr/Per 2021/01

Fiscal Year 2021

Fiscal Year

Fiscal Year 2022

Original Budget									
Transfers In									
Transfers Out									
Revised Budget									
Actual (Memo)									
Encumbrances									
Requisitions									

 **Confirm Record Set**

Continue with this record set containing 27,184 records?

Yes, Continue

No

Financing Our Future

Financing Our Future

Funding Sources

a. Federal

b. State

c. Local

Funding Sources – Federal

a. Impact Aid

b. Medicaid

c. Other – JROTC

Funding Sources – State

- a. Foundation Funding*
- b. QSI – Quality School Initiative*
- c. TRS/PERS On Behalf Funding*
- d. On-Base Contract*

Funding Sources – Local

a. Local contribution (Borough)

- *Required Minimum Contribution*
- *Maximum Allowable Contribution*
- *b. Other local revenue*

Funding Sources – State

a. District Adjusted Average Daily Membership (ADM)

i. Step 1. Adjust: ADM for School Size

ii. Step 2. Apply: District Cost Factor

iii. Step 3. Apply: Special Needs Factor

iv. Step 4. Apply: Vocational & Technical Funding

v. Step 5. Add: Intensive Services Count

**vi. Step 6. Add: Correspondence Student Counts =
District Adjusted (ADM)**

b. Adjusted ADM * \$5930 (BSA) = Basic Need

Alaska Public School Foundation Formula

- Funding for the school district is based off its Average Daily Membership (ADM). ADM is the average student enrollment for 20 school days, ending on the fourth Friday in October. The ADM is then adjusted by the following factors, determined by the State of Alaska, to get the Adjusted Average Daily Membership (AADM).

School Size Adjustment



SCHOOL SIZE FACTOR

A formula from the school size factor table is used to calculate the adjusted ADM for each school. Smaller schools will be adjusted at a greater level than larger schools.

Step 1: 13,013 (ADM) - > 15,260

District Cost Factor (DCF)

Cost factors are specific to each school district and dependent on geographic location. The district's school size adjusted ADM is multiplied by the cost factor.

Step 2: 15,260 -> 16,329



Special Needs Funding

SPECIAL NEEDS FACTOR

Includes special education, gifted/talented, and bilingual/bicultural. The previously adjusted ADM is multiplied by the special needs factor.

Step 3: 16,329 -> 19,564

Career & Technical Funding (CTE)

Assist districts in providing career and technical education services in grades 7-12. The district's previously adjusted ADM is multiplied by the vocational and technical education factor of 1.015.



Step 4: 19,564 -> 19,888

Intensive Services Funding



INTENSIVE SERVICES COUNTS

Adjustment for students meeting qualifications and receiving specialized services. The district's intensive count is added to the previously adjusted ADM.

Step 5: 19,888 -> 25,192

Correspondence Program



CORRESPONDENCE STUDENT COUNTS

Adjustment for students enrolled in correspondence courses. The correspondence count is added to the previously adjusted ADM.

Step 6: **25,192** -> 25,434 (AADM)

AADM

The AADM is then multiplied by the **Base Student Allocation (BSA)**, which is set annually by the State of Alaska, to determine the district's **Basic Need Entitlement**.

$$25,434 \text{ (AADM)} \times \$5,930 \text{ (BSA)} = \$150,821,017 \text{ (Basic Need Entitlement)}$$

Determination of Final State Aid

The **Required Local Contribution** equals the full and true value of taxable property multiplied by the mill rate.

$\$11,427,749,901 \times .00265 = \$30,283,537$

The **Deductible Federal Impact Aid** is: $\$7,539,546$

State Foundation Aid

The **State Foundation Aid**, or the level of funding provided to the district from the State of Alaska, is determined by the Basic Need Entitlement subtracted by the Required Local Contribution and the Level of Federal Impact Aid.

\$ 150,821,017 Basic Need Entitlement

- \$30,283,537 Required Local Contribution

- \$7,539,546 Level of Federal Impact Aid

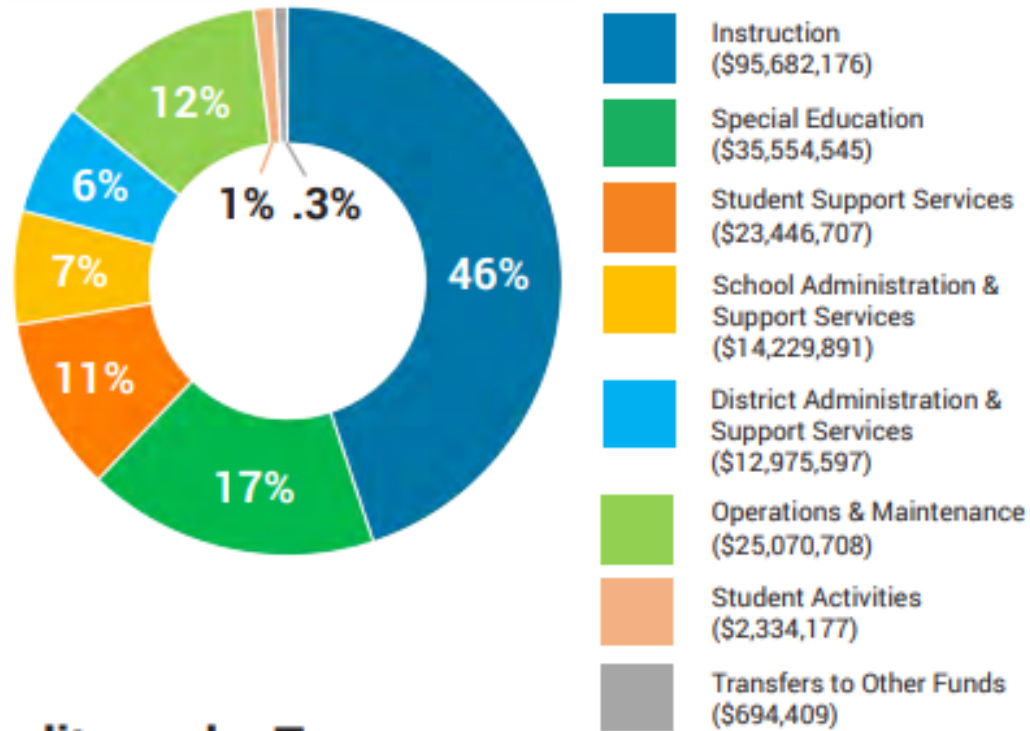
State Foundation Aid \$112,997,934

Expenditures

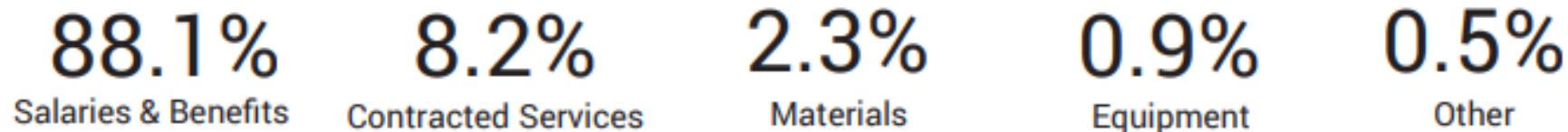
Expenditures

In order to maintain high quality services in the schools, reduced funding and inflationary costs have been offset with the use of fund balance. Overall, approximately 88% of the operating fund is spent on salaries and benefits, with the remainder allocated to supplies, materials, contracted services, and equipment. There is a significant increase in cost to the general fund due to rising health insurance costs. Benefits from cost savings that were generated from insurance plan design changes 3 years ago have run their course, and the health portion of the benefit rate required a 2% increase due to rising claims. This 2% increase represents approximately \$2.3 million in added expenditures charged to the general fund.

FY 2020-21 General Fund Expenditures



FY 2020-21 General Fund Expenditures by Type



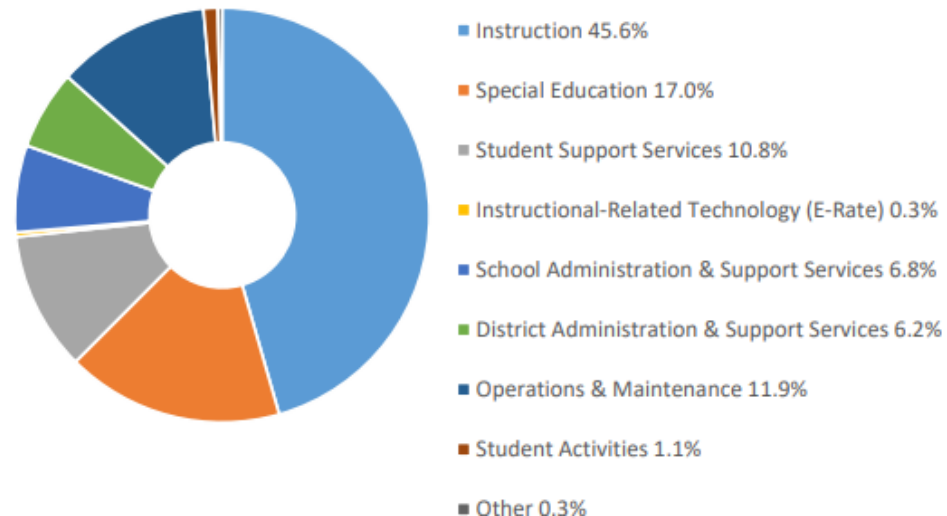
Expenditure Report - Operating Fund by Function

Fairbanks North Star Borough School District
2020-21 Approved Budget
Operating Fund

	2020-21 Approved Budget	2019-20 Approved Budget	Over(Under) 2019-20 Approved Budget
Instruction	\$ 95,682,176	\$ 96,034,854	\$ (352,678)
Special Education	\$ 35,580,462	\$ 36,186,058	\$ (605,596)
Student Support Services	\$ 22,723,931	\$ 22,347,929	\$ 376,002
Instructional-Related Technology (E-Rate)*	\$ 722,777	\$ -	\$ 722,777
School Administration & Support Services	\$ 14,229,891	\$ 14,613,461	\$ (383,570)
District Administration & Support Services	\$ 12,975,597	\$ 13,820,000	\$ (844,403)
Operations & Maintenance	\$ 25,070,708	\$ 25,488,683	\$ (417,975)
Student Activities	\$ 2,334,177	\$ 2,333,175	\$ 1,002
Other	\$ 694,409	\$ 1,577,177	\$ (882,768)
Total	\$ 210,014,127	\$ 212,401,337	\$ (2,387,210)

*State of Alaska Uniform Chart of Accounts requires all E-Rate Technology purchases to be identified independently through this Function.

2020-21 Approved Budget Operating Fund by Function

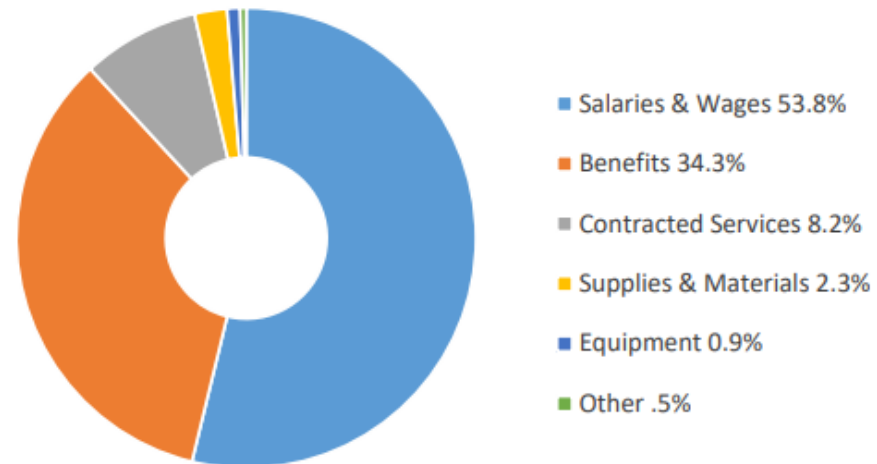


Expenditure Report - Operating Fund by Category

Fairbanks North Star Borough School District
2020-21 Approved Budget
Operating Fund

	2020-21 Approved Budget	2019-20 Approved Budget	Over(Under) 2019-20 Approved Budget
Salaries & Wages	\$ 112,995,544	\$ 114,706,248	\$ (1,710,704)
Benefits	\$ 72,093,935	\$ 70,005,679	\$ 2,088,256
Contracted Services	\$ 17,309,019	\$ 17,841,958	\$ (532,939)
Supplies & Materials	\$ 4,815,543	\$ 5,726,666	\$ (911,123)
Equipment	\$ 1,911,449	\$ 2,378,449	\$ (467,001)
Other	\$ 888,638	\$ 1,742,337	\$ (853,699)
Total	\$ 210,014,127	\$ 212,401,337	\$ (2,387,211)

**2020-21 Approved Budget
Operating Fund by Category**



Group Discussion

Review of 2019-20 Committee Report

What is important to us?