

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION
FY 2015– 2016 Citizens Budget Review Committee**

Wednesday, February 4, 2015 ~ 5:30 – 7:00 PM Administrative Center – Boardroom

AGENDA

I. Call to Order

II. Roll call

Board Committee Member

Allyson Lambert (Chair)

Michael O'Brien (Board Member)

Citizen Committee Members (appointed by Board Member):

Anisha Adams (Dominique)

TBA (Gentry)

Michelle Williams (Haas)

Becky Williams (Hull)

Larry Ehnert (Rice)

Michelle Rizk (O'Brien)

Ms. Noelle Hohnecker (Col. Larry G. Rice, Jr.)

Tammy Dauma (Col. Sidney Zemp)

Elcee Evershed (Regional Student Council)

Staff Members

Dr. Karen Gaborik, Superintendent

Robin Mullins, Director of Business Services

Lisa Pearce, Chief Financial Officer

Sandra Weaver, Budget Specialist

III. Adoption of agenda

IV. Approval of minutes from the January 28, 2015 meeting

V. Public Comment

Public comments on items are limited to three minutes per person. People on the sign-up list will be called first. If there is time, people who did not sign up may address the committee. A person testifying must state their name and address for the record.

VI. Old Business – Review of requested data

PowerPoint Presented by Chief Financial Officer Lisa Pearce on 1/28/15

- Alaska Public School Funding "101"
- FY14-15 Budget Review
- FY15-16 Projected Revenue/Shortfall

VII. New Business

A. FY15-16 Proposed Budget Book – Review

B. Presentation by the Special Education Department by Executive Director Bob Hadaway & Incoming Executive Director Kathie Wassmann

VIII. Comments

IX. Adjourn

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION
Citizens' Budget Review Committee - Meeting Minutes
Administrative Center - Board Room
520 Fifth Avenue, Fairbanks, Alaska
January 28, 2015**

A. Preliminaries

1. Call to Order & Roll Call

Allyson Lambert, School Board Member and FY 15-16 Citizens' Budget Review Committee Chair called the meeting to order at 5:38 PM. Citizens' Budget Review Committee meetings are being recorded and will be available on the district's website.

Board Committee Members Present:

Allyson Lambert (Chair) Michael O'Brien

Citizen Committee Members Present:

Anisha Adams (Dominique) Tammy Dauma (Col. Zemp)
Becky Williams (Hull) Larry Ehnert (Rice)

Citizen Committee Members Absent:

Michelle Rizk (O'Brien) Noelle Hohnecker (Col. Rice)
Michelle Williams (Haas) TBA (Gentry)
Elcee Evershed (Regional Student Council)

Staff Present:

Lisa Pearce, Chief Financial Officer Karen Gaborik, Superintendent
Sandra Weaver, Budget Specialist Robin Mullins, Dir. of Business Svcs.(Absent)

B. Agenda

1. Adoption of Agenda

Michael O'Brien made a motion to adopt the agenda. Becky Williams seconded the motion and it carried unanimously.

2. Adoption of December 3, 2014 Minutes

Michael O'Brien made a motion to adopt the December 3, 2014 Minutes. Tammy Dauma seconded the motion and it carried unanimously.

3. Public Testimony

Allyson Lambert invited public testimony. None was received.

4. Old Business

Committee members reviewed the handouts that were previously e-mailed to them.

5. New Business

A. Alaska School Funding 101

B. FY14-15 Budget Review

C. FY15-16 Projected Revenue/Shortfall

Lisa Pearce walked committee members through the PowerPoint that included information of the *Alaska School Funding 101, FY14-15 Budget Review and FY15-16 Projected Revenue/Shortfall*.

The review was intended to show the committee the basics of the budget process in which included the revenue and expenditures components.

D. Proposed Budget Cuts Preview

E. Legislative Landscape

Superintendent Karen Gaborik shared with the committee a preview of areas that will be effected with budget cuts when the 2015-16 Budget is proposed and explained the legislative landscape.

F. Department Input Request?

The committee would like the Directors of Special Education Department to give an overview of their department at the February 4, 2015 meeting.

C. Comments

Copies of Lisa's PowerPoint will be sent to committee members before the next meeting. The committee asked if information on the following topics can be sought:

- **Where are we in comparison with other districts in regards to the minimum and maximum that the boroughs can fund with local revenue i.e. Eagle River?**
- **What is the Borough's *In Kind* list?**

The meeting adjourned at 7:00 PM.

Minutes submitted by Sandra Weaver

Upcoming Meetings:

February 4, 2015 - 5:30 PM to 7:00 PM

February 11, 2015 - 5:30 PM to 7:00 PM

February 18, 2015 - 5:30 PM to 7:00 PM

February 25, 2015 - 5:30 PM to 7:00 PM

Fairbanks North Star Borough School District 2015- 2016 Budget Process

Citizen's Budget Review Committee
Wednesday, January 28, 2015 5:30 pm
ADC Board Room

Alaska Public School Funding "101"
FY14-15 Budget Review
FY15-16 Projected Revenue/Shortfall



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 Fifth Avenue Fairbanks, Alaska 99701-4756 (907) 452-2000

Alaska Public School Funding “101”

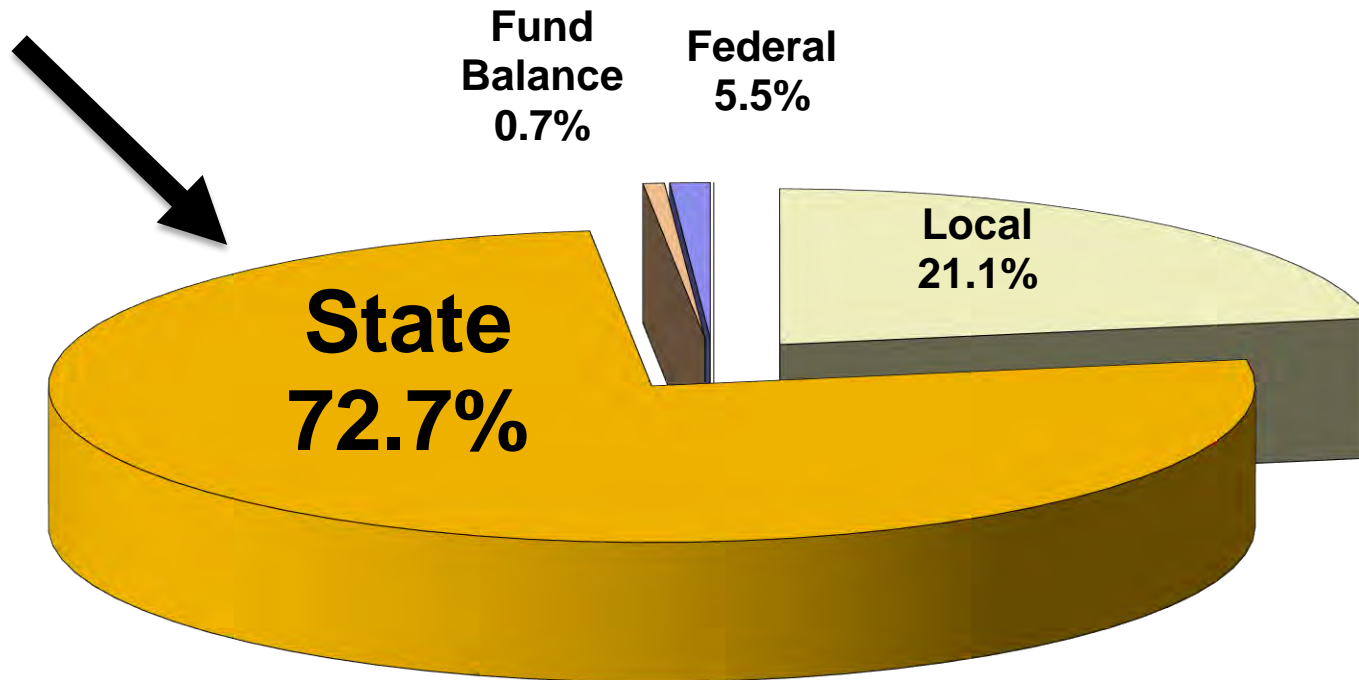
How does it work?

Alaska Public School Funding Elements

- State Aid Entitlement
- Title VIII Impact Aid
- Required Local Contribution

State Aid Entitlement

2015-16 Estimated Revenues by Source



Alaska Public School Funding Student Based Formula

- ADM – Average Daily Membership
 - Determined by 20 day count period in October

Ensuing budget year is based on projected enrollments for the following October Student Count

Adjusted ADM

- School Size Adjustment
- District Cost Factors
- Special Needs Funding
- Vocational & Technical Funding
- Intensive Services Funding
- Correspondence Programs

Equals ADJUSTED ADM

School Size Adjustment

School Size:	Formula:
– 10-19.99	39.60
– 20-29.99	$39.60 + (1.62 * (ADM - 20))$
– 30-74.99	$55.80 + (1.49 * (ADM - 30))$
– 75-149.99	$122.85 + (1.27 * (ADM - 75))$
– 150-249.99	$218.10 + (1.08 * (ADM - 150))$
– 250-399.99	$326.10 + (.97 * (ADM - 250))$
– 400-749.99	$471.60 + (.92 * (ADM - 400))$
– Over 750	$793.60 + (.84 * (ADM - 750))$

** Hold Harmless provisions exist for districts experiencing reduction in enrollment of 5% or greater*

FY16 Projected			Adjusted
School	Enrollment	School Size Adjustment	ADM
Anderson	214	218.10 + (1.08*(ADM-150))	287.22
Anne Wien	419	471.60+(.92*(ADM-400))	489.08
Arctic Light	554	471.60+(.92*(ADM-400))	613.28
Badger Road	465	471.60+(.92*(ADM-400))	531.40
Barnette(Magnet)	409	471.60+(.92*(ADM-400))	479.88
Crawford	247	218.10 + (1.08*(ADM-150))	322.86
Denali	384	326.10 + (.97*(ADM-250))	456.08
Hunter	334	326.10 + (.97*(ADM-250))	407.58
Joy	421	471.60+(.92*(ADM-400))	490.92
Ladd	471	471.60+(.92*(ADM-400))	536.92
Nordale	311	326.10 + (.97*(ADM-250))	385.27
North Pole E	515	471.60+(.92*(ADM-400))	577.40
Pearl Creek	453	471.60+(.92*(ADM-400))	520.36
Salcha	71	55.80 + (1.49*(ADM-30))	116.89
Ticasuk Brown	492	471.60+(.92*(ADM-400))	556.24
Two Rivers	87	122.85 + (1.27*(ADM-75))	138.09
University Park	504	471.60+(.92*(ADM-400))	567.28
Weller	424	471.60+(.92*(ADM-400))	493.68
Wood River	456	471.60+(.92*(ADM-400))	523.12
North Pole M	686	471.60+(.92*(ADM-400))	734.72
Randy Smith	323	326.10 + (.97*(ADM-250))	396.91
Ryan	367	326.10 + (.97*(ADM-250))	439.59
Tanana	499	471.60+(.92*(ADM-400))	562.68
Ben Eielson	348	326.10 + (.97*(ADM-250))	421.16
Hutchison H	381	326.10 + (.97*(ADM-250))	453.17
Lathrop	1,138	793.60 + (.84*(ADM-750))	1,119.52
North Pole H	757	793.60 + (.84*(ADM-750))	799.48
West Valley	978	793.60 + (.84*(ADM-750))	985.12
Golden Heart Academy	16	39.60	39.60
Chinook	150	218.10 + (1.08*(ADM-150))	218.10
Effie Kokrine	157	218.10 + (1.08*(ADM-150))	225.66
Star of the North	195	218.10 + (1.08*(ADM-150))	266.70
Watershed	199	218.10 + (1.08*(ADM-150))	271.02
	13,425		15,426.98
BEST	235	FYF Bed Count Adjustment	31.10
	13,660		

15,458.08
Adjusted ADM⁸

District Cost Factor (DCF)

FY16 Estimate 1.07

Baseline Anchorage CPI

15,458.08 Adjusted ADM (school size)

X 1.07 DCF

16,540.16 Adjusted ADM

Special Needs Funding

Special Education, Gifted & Talented,
Bilingual/Bicultural, Vocational

1.20 multiplier

16,540.16 Adjusted ADM (school size & DCF)

X 1.20 Special Needs Funding

19,848.17 Adjusted ADM

Career & Technical Funding (CTE)

Vocational and Technical Instruction
1.015 multiplier

19,848.18 Adjusted ADM (School Size, DCF, Special Needs)
X 1.015 CTE Funding
20,145.90 Adjusted ADM

Intensive Services Funding

Identified/Verified students who are receiving qualified intensive services based on an IEP and are enrolled on the last day of the 20 day count period.

Identified Students multiplied by 13

435 Identified students October 24, 2014

X 13 Intensive Services multiplier

5,655 Additional ADM

20,145.90 Adjusted ADM

School Size, DCF,
Special Needs, CTE

25,800.09 Adjusted ADM

Correspondence Program

Correspondence ADM

(B.E.S.T. - Building Educational Success Together)

0.90 multiplier

235 Correspondence ADM

X 0.90 Intensive Services multiplier

211.50 Additional ADM

25,800.90 Adjusted ADM School Size, DCF, Special Needs, CTE, Intensive

26,012.40 FINAL Adjusted ADM

Funding Units

13,425 Projected ADM 2015-16

+ 235 Projected Correspondence ADM

13,660 Projected 2015-16 ADM

**26,012.40 Adjusted ADM
(Funding Units)**

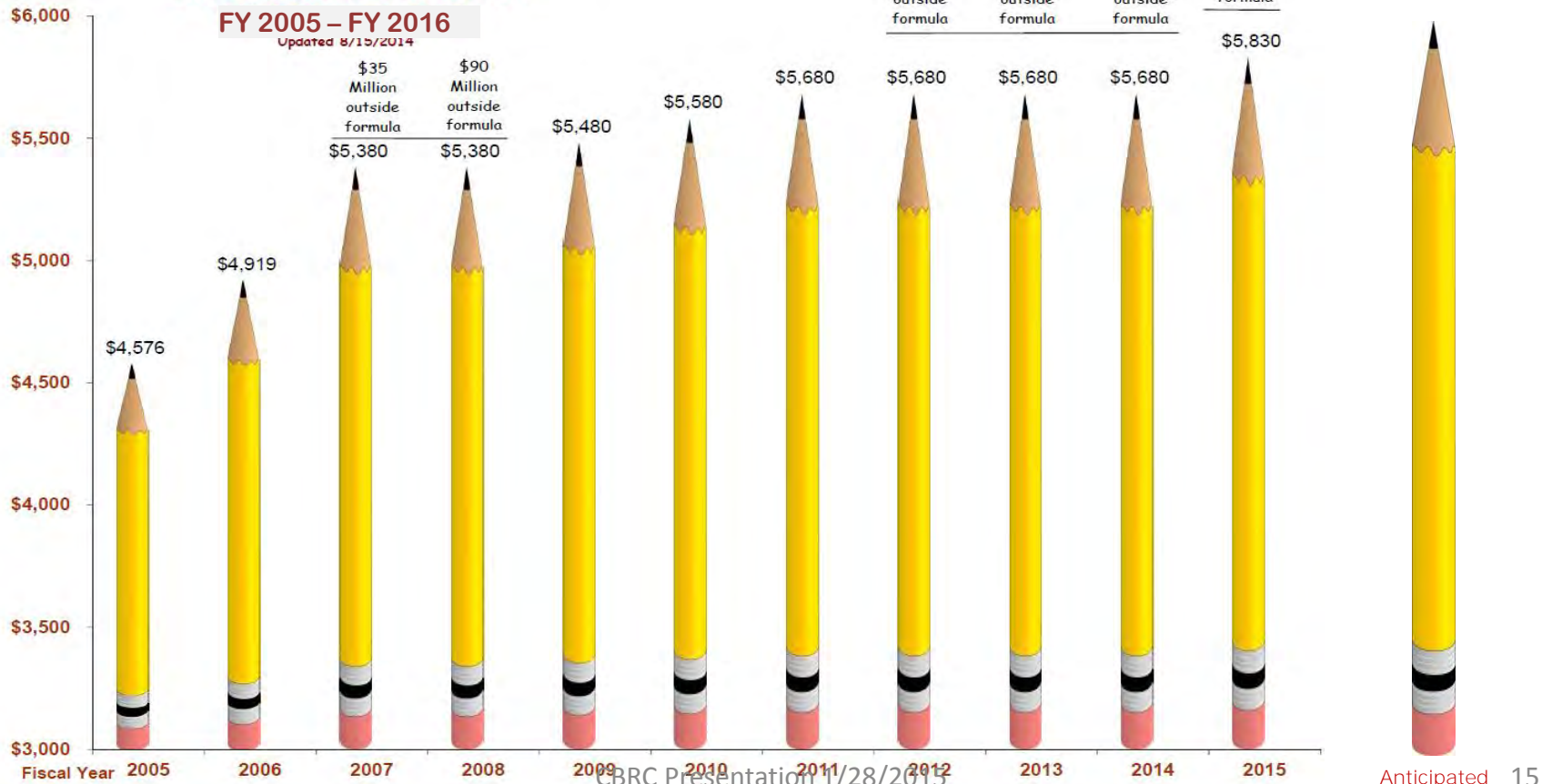
Base Student Allocation (BSA)

Alaska K-12 Funding

Base Student Allocation

FY 2005 – FY 2016

Updated 8/15/2014



Estimated FY16 State Funding

District Adjusted ADM		26,012.40
Base student allocation FY16		\$ 5,880
BASIC NEED		\$ 152,952,896
Less: Required local contribution component		(28,676,941)
Less: Impact Aid component		(5,687,875)
STATE FOUNDATION AID COMPONENT		\$ 118,588,080

Other State Revenue

**Governor's proposed budget
Eliminates Supplemental Aid
which would reduce FNSBSD's
Revenue by \$3,443,627**

\$ 416,200

\$ 3,443,627

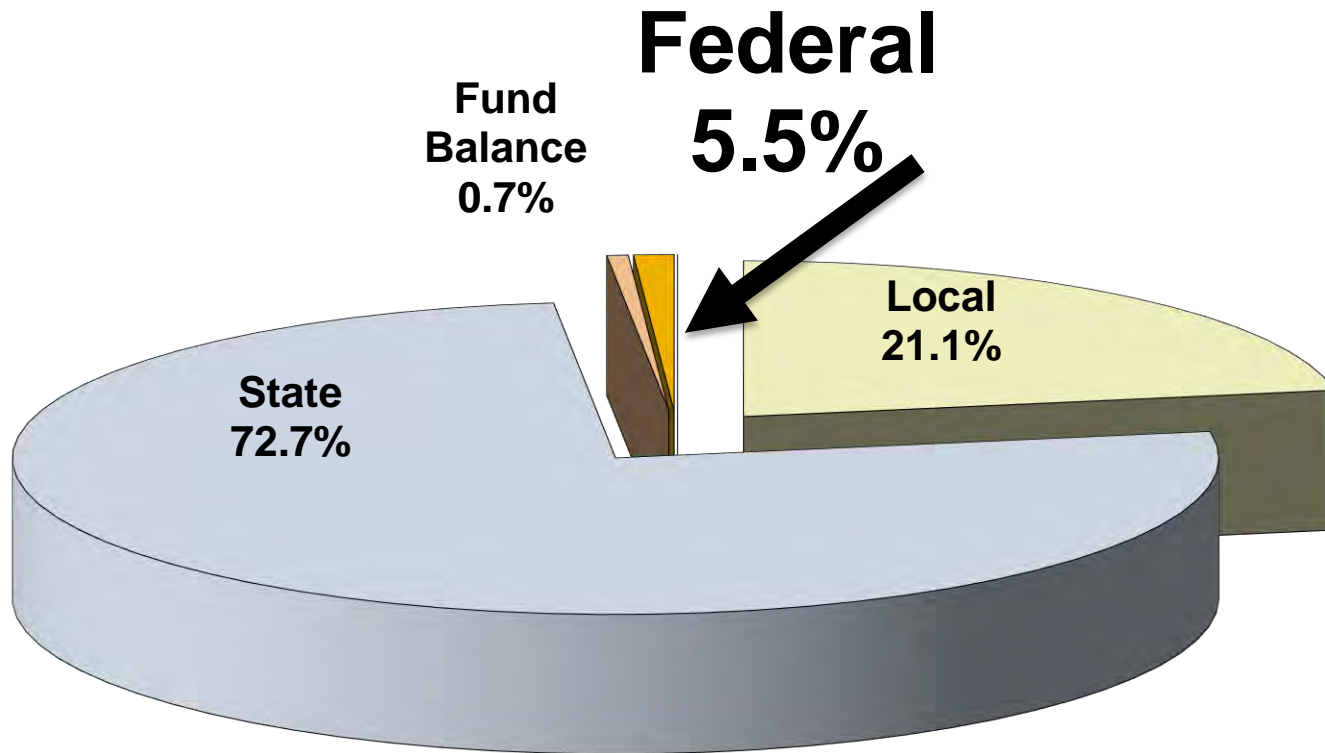
Eliminates Supplemental Aid

\$ 135,000

- Golden Heart Academy
 - On-Base contract
 - State Flow Thru Impact Aid Property
 - TRS On-behalf
 - PERS On-behalf
 - Unfunded Liability State Obligation
- \$ 1,450,000
- \$44,607,220
- \$ 8,239,590

Title VIII Impact Aid

2015-16 Estimated Revenues by Source



Federal Impact Aid

- Provides funds to school districts for children of parents living and/or working on federal property “in-lieu of local tax revenues.” After deductions, 90% of the eligible received funds are used in the calculation of state aid.
- Estimated FY16 Impact Aid \$13,019,740
 - Net \$7,331,853 after deduct to state funding (See slide 16)

Fairbanks North Star Borough School District

Impact Aid Summary

2016 Federal Application Student Information

October 24, 2014 Count

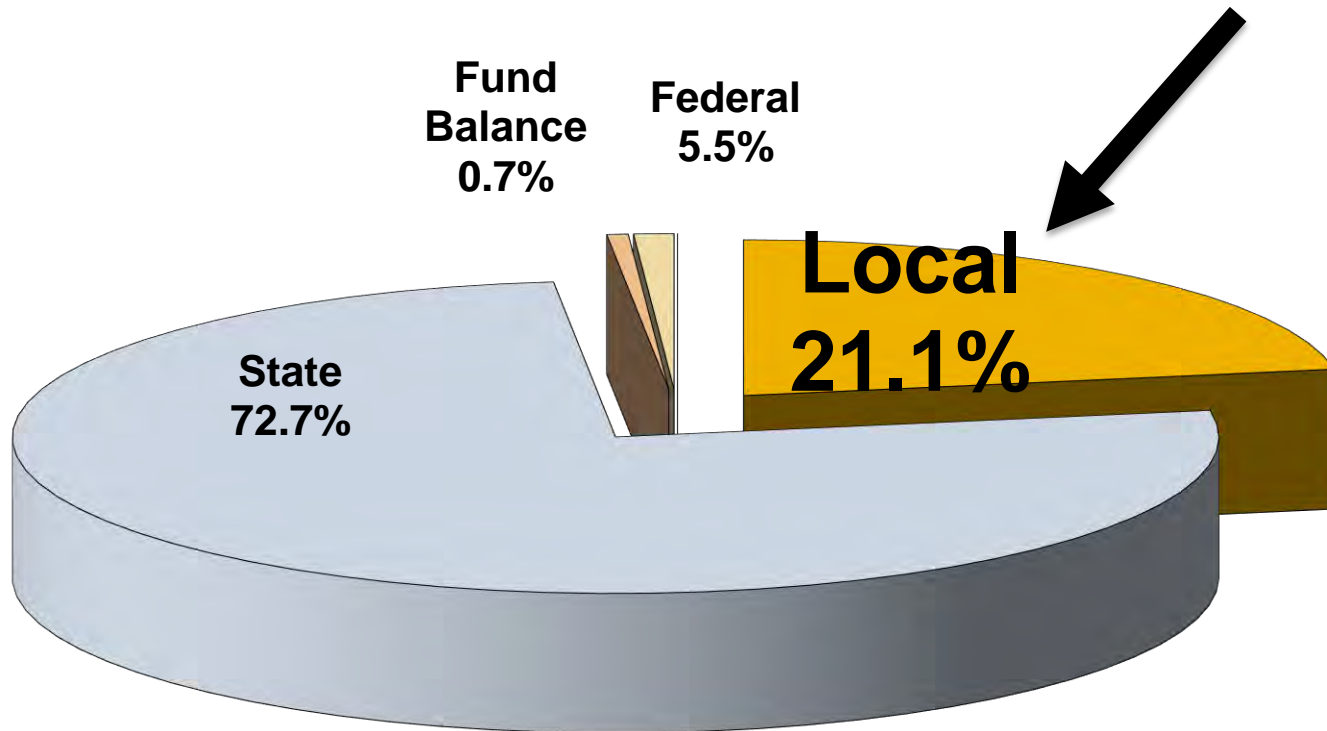
		Reg Ed	SPED	TOTALS
CATEGORY A Students				
Uniformed Services				
	FTWW-Army	1,186	168	1,354
	EAFB- Air Force	474	81	555
Total Category A		1,660	249	1,909
CATEGORY B Students				
	Air Force	145	15	160
	Army	<u>452</u>	<u>55</u>	<u>507</u>
	Sub-Total Uniformed	597	70	667
	BLM	68	12	80
	Fish & Wildlife	<u>19</u>	<u>1</u>	<u>20</u>
	Sub-Total BLM/Fish & Wildlife	87	13	100
	AAFES	14	3	17
	Civil FTWW	<u>298</u>	<u>54</u>	<u>352</u>
	Sub-Total - FTWW	312	57	369
	Civil EAFB	82	9	91
	Air National Guard	<u>157</u>	<u>24</u>	<u>181</u>
	Sub-Total - EAFB	239	33	272
	FAA	51	6	57
Total Category B		1,286	179	1,465
Grand Total Category A & B		2,946	428	3,374

Other Federal Revenue

- Department of Defense cost share to provide JROTC staff \$304,560

Local Contribution

2015-16 Estimated Revenues by Source



Minimum / Maximum

Minimum Required Local Contribution to Education		Maximum Allowed Local Contribution to Education	
The LESSOR of:		The GREATER of:	
Preceding year basic need	\$ 153,188,969	Full and true value of taxable property @ 2.00 mills January 1, 2014 Assessed Valuation	\$ 10,821,487,250
	x 45%		x .0020
- or -	\$ 68,935,036	- or -	\$ 21,642,975
Full and true value of taxable property @ 2.65 mills January 1, 2014 Assessed Valuation	\$ 10,821,487,250	Current year basic need	\$ 152,952,912
	x .00265	Plus certain state funding outside foundation formula	\$ 3,443,627
	\$ 28,676,941		\$ 156,396,539
<i>Deduction to Basic Need State Funding (see slide 16)</i>			x 23%
			\$ 64,648,145

Prior Year (FY15) Local Contribution	\$ 49,906,000
Loss of FY16 State Aid based on change in assessed valuation	<u>\$ 847,770</u>
Proposed Local Contribution Request for FY16	\$ 50,753,770
	78.6%
	of "cap"

Other Local Revenue

- Other Local Revenue \$ 1,067,000
(i.e. E-Rate reimbursement, correspondence fees, etc.)

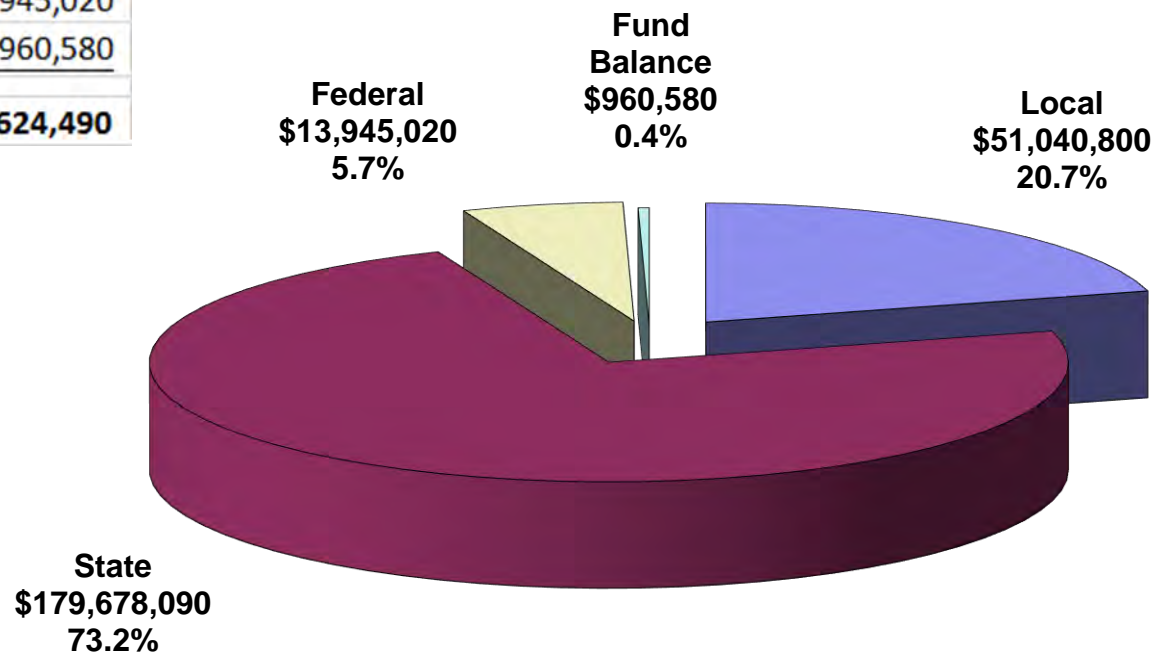
2015-2016 ESTIMATED REVENUE

Local Revenues	\$ 51,820,770	21.1 %
State Revenues	\$ 176,879,717	72.7 %
Federal Revenue	\$ 13,324,300	5.5 %
Use of Fund Balance	<u>\$ 1,757,551</u>	0.7 %
 TOTAL Estimated 2015-2016 Revenue	 <u>\$ 243,782,338</u>	

FY 14-15 Budget Review

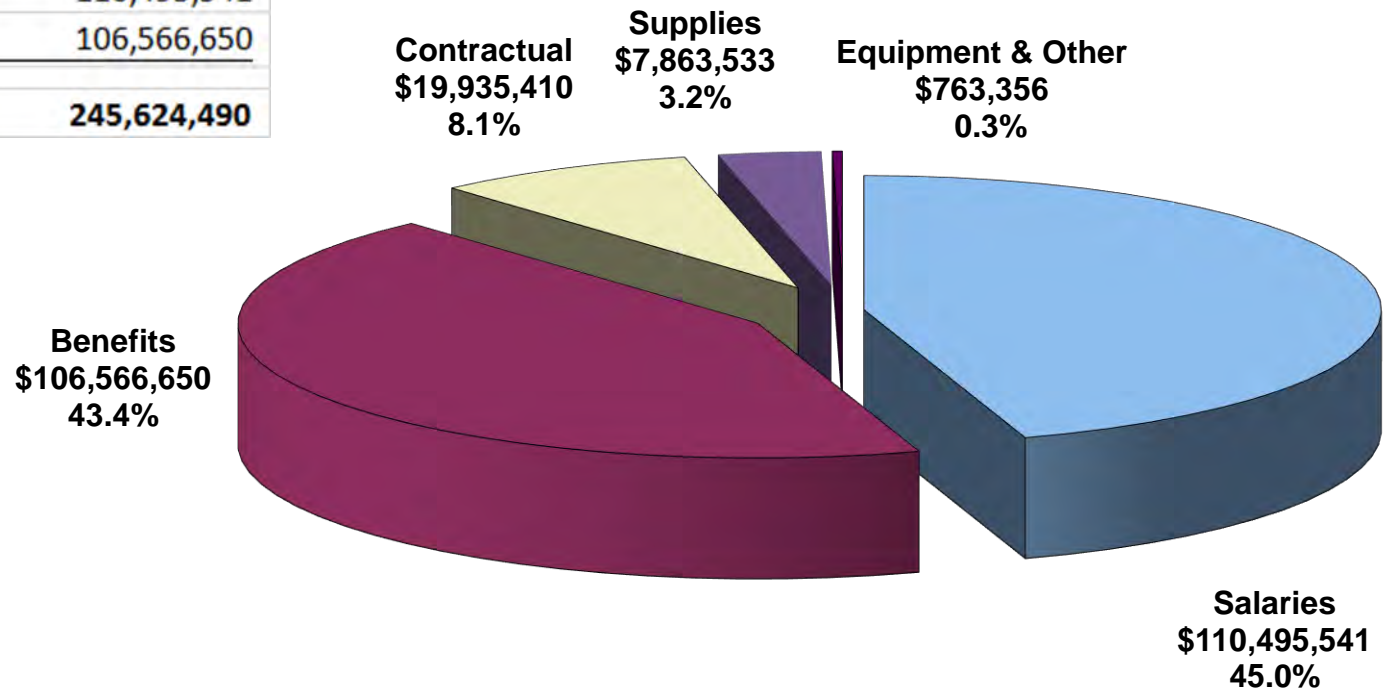
2014-2015 BUDGETED REVENUE

<u>Revenue Source</u>	<u>Operating Fund</u>
Local	\$ 51,040,800
State	\$ 179,678,090
Federal	\$ 13,945,020
Fund Balance	\$ 960,580
	\$ 245,624,490



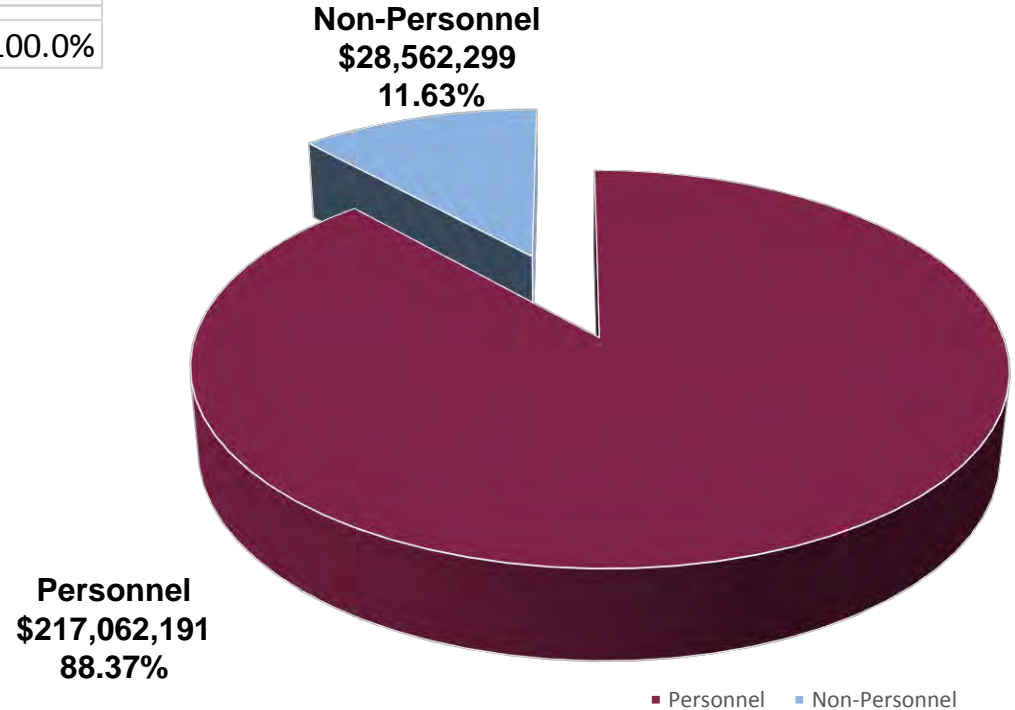
2014-2015 BUDGETED EXPENSE by Object

<u>Expense Object</u>	<u>Operating Fund</u>
Contractual	\$ 19,935,410
Supplies	\$ 7,863,533
Equipment & Other	\$ 763,356
Salaries	\$ 110,495,541
Benefits	\$ 106,566,650
	\$ 245,624,490



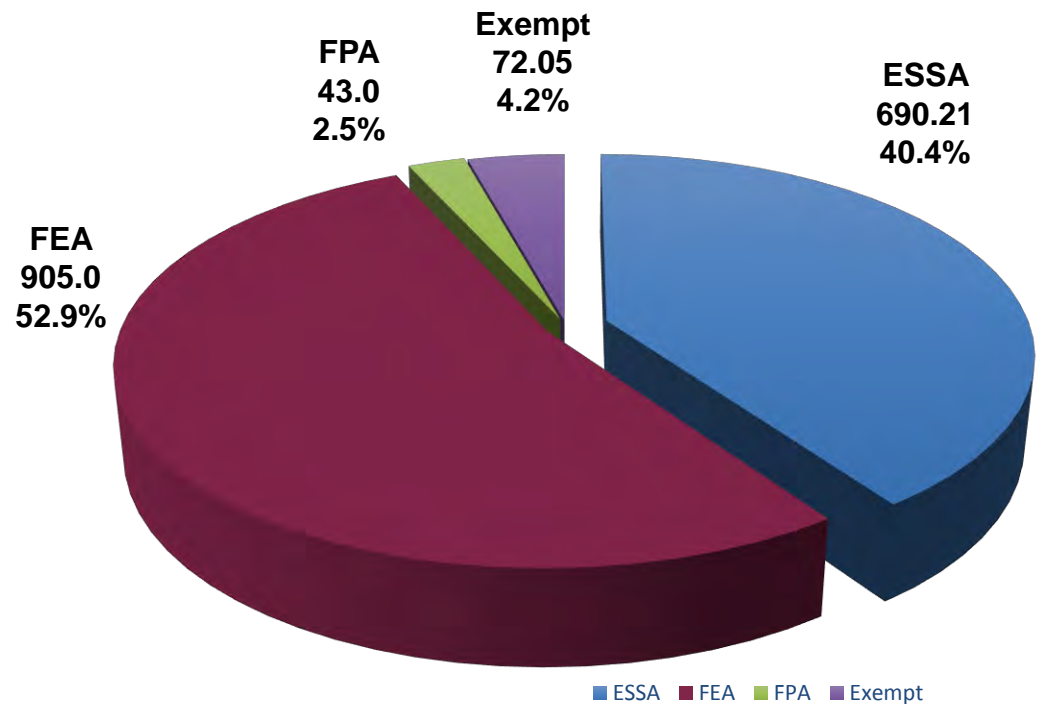
2014-2015 BUDGETED EXPENSE by Category

Personnel	\$ 217,062,191	88.37%
Non-Personnel	\$ 28,562,299	11.63%
	\$ 245,624,490	100.0%



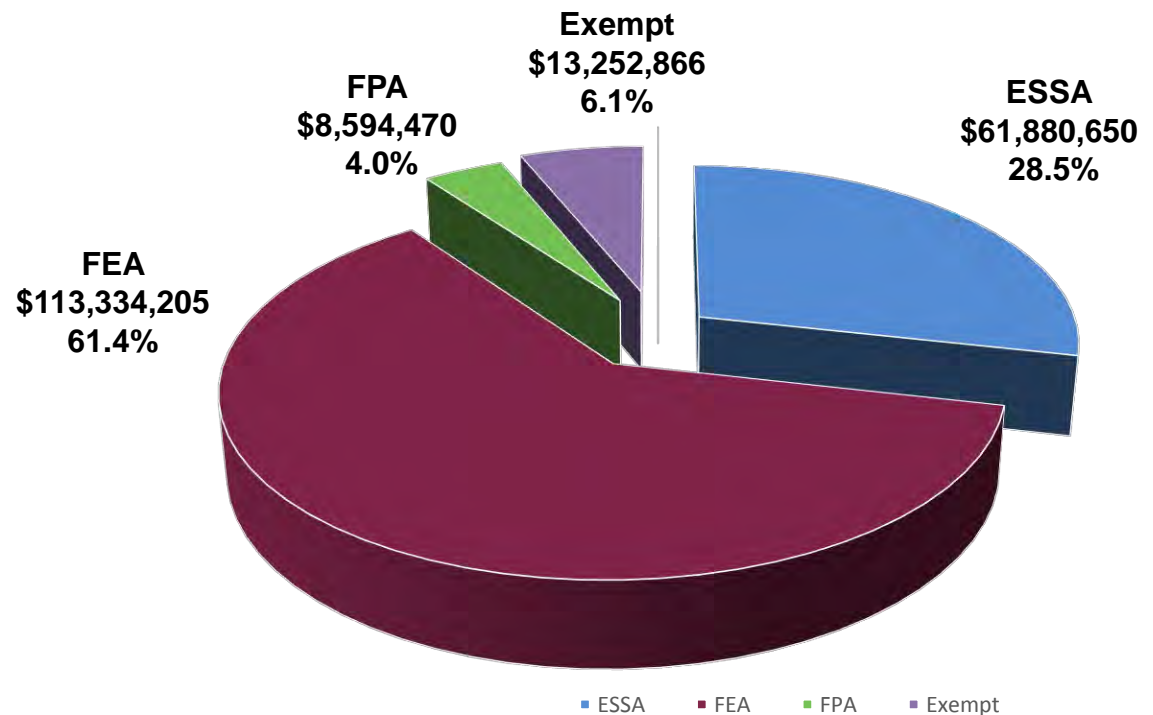
2014-2015 FTE Summary by Employee Group

<u>Employee Group</u>	<u>FTE</u>
ESSA	690.21
FEA	905.00
FPA	43.00
Exempt	<u>72.05</u>
	1710.26



2014-2015 Cost Summary by Employee Group

Employee Group	S&B
ESSA	\$ 61,880,650
FEA	\$ 133,334,205
FPA	\$ 8,594,470
Exempt	\$ 13,252,866
	\$ 217,062,191



FY15-16 Projected Revenue/Shortfall

FY15-16 Challenges

• Revenue Decrease	- \$ 2,639,123
Less FY15 Fund Balance Approved	- \$ 960,580
Plus FY16 Fund Balance Proposed	+ <u>\$ 1,757,551</u>
	\$ 1,842,152
• Expense Increases	
– Staffing costs Status Quo	+ \$ 3,931,584
– Instructional non-personnel (i.e. language arts curriculum, computer refresh lease, bandwidth, online assessment)	+ \$ 1,965,000
Projected Shortfall	- <u>\$ 7,738,736</u>

FY15-16 Unresolved Issues

- Legislative Outcomes
 - Governor's proposed budget cuts additional \$3.4M from FNSBSD state revenue
- Local Contribution TBD
 - Borough commitment (April/May)
 - Ketchikan ruling
- ESSA Negotiations

Preview

FY15-16 Proposed Cuts