

SCHOOL FUNDING - AS 14.17.410

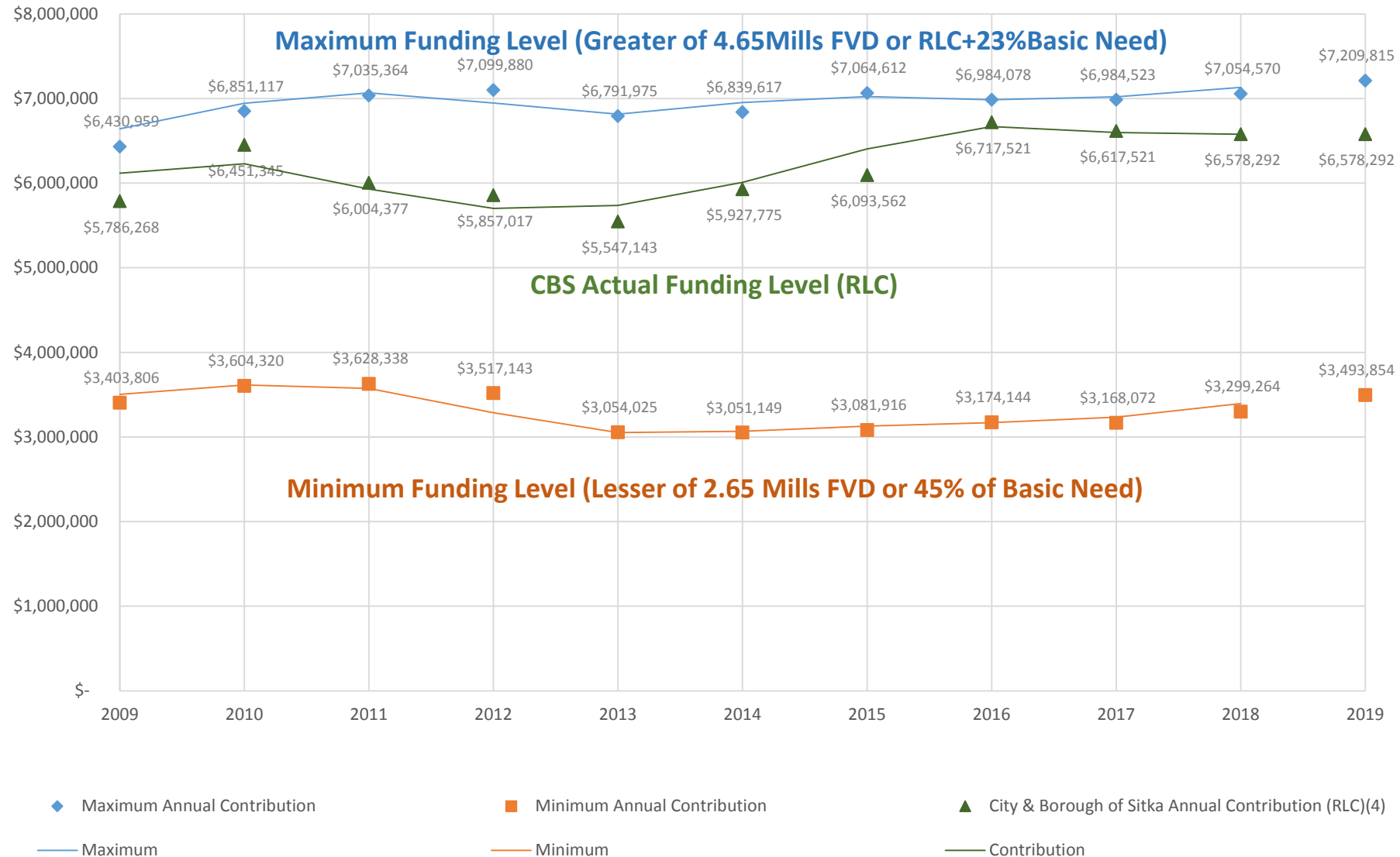
School funding is the City's largest General Fund budget expenditure (approximately 28% of the FY18 General Fund) and is based upon the **Full Value Determination (FVD)**

FVD = City's Real and Personal Property Taxbase (\$1.318B FY17)

School funding composed of three parts:

- **State Aid** (\$15M in 2016)
- **Federal Impact Aid** (Federally exempt properties e.g. Coast Guard, SEARHC)
- **Required Local Contribution (RLC)** – City and Borough of Sitka Annual Funding based upon FVD
 - Maximum (CAP) – Calculation set by state statute, primarily based on the FVD
 - Minimum – Set by the state

SCHOOL FUNDING HISTORY 2009-2019



LOCAL FUNDING COMPARISONS – SITKA, STATEWIDE & SOUTHEAST

- Sitka for the past 5 years has funded schools on average to 92% of the CAP
- The statewide average funding to the cap is 87% (see next page)
- Funding to the CAP for Southeast Alaska communities ranges from 11% (Kake & Pelican) to 100% (Juneau)
- Sitka's Budgeted FY19 RLC at \$6.578M will fund to 91% of the \$7.2M CAP, no SRS funding is anticipated
- Sitka RLC \$/student \$5,492 is at mid-range (\$1,031 - \$12,159)

RLC COMPARISON DATA FOR REFERENCE

The Department of Education & Early Development
K-12 Public School Operating Fund and Selected Special Revenue Funds
Audited FY16 Revenues (Includes State of Alaska PERS/TRS Payments)

School District Revenue by Source											Revenue Source per Student (ADM)						
Type	School District	ADM	Operating Fund						Special		Operating Fund				Special	Grand	Pupil
			Local	Local(Max)	%Max	State	Federal	Other	Revenue	Total	Local	State	Federal	Other	Revenue	Total	Transportatio n
C/B	Haines	277	\$ 1,560,008	\$ 1,938,410	80%	3,251,600	-	182,920	428,521	5,423,049	5,632	11,739	-	660	1,547	19,578	178,059
C/B	Hoonah	115	\$ 228,882	\$ 771,147	30%	2,476,412	182,467	261,149	882,499	4,031,409	1,990	21,534	1,587	2,271	7,674	35,056	38,099
C/B	Hydaburg	81	\$ 104,849	\$ 454,062	23%	1,909,220	191,702	78,740	451,059	2,735,570	1,294	23,571	2,367	972	5,569	33,772	-
C/B	Juneau	4,736	\$ 24,856,764	\$ 24,829,221	100%	43,884,518	102,876	600,956	5,094,986	74,540,100	5,248	9,266	22	127	1,076	15,739	3,271,011
C/B	Kake	108	\$ 111,357	\$ 609,749	18%	2,187,133	603,446	154,628	642,686	3,699,250	1,031	20,251	5,587	1,432	5,951	34,252	33,815
C/B	Ketchikan Gateway	2,239	\$ 8,529,765	\$ 11,087,667	77%	25,718,469	3,284	351,324	2,143,755	36,746,597	3,810	11,487	1	157	957	16,412	1,747,826
C/B	Klawock	115	\$ 240,000	\$ 786,952	30%	2,607,794	839,143	84,066	291,843	4,062,846	2,087	22,676	7,297	731	2,538	35,329	73,885
C/B	Kodiak Island	2,420	\$ 10,905,600	\$ 11,602,158	94%	30,402,652	2,644,417	2,287,493	2,321,990	48,562,152	4,506	12,563	1,093	945	960	20,067	2,038,105
C/B	Pelican	13	\$ 25,835	\$ 140,071	18%	526,305	-	3,123	32,428	587,691	1,987	40,485	-	240	2,494	45,207	-
C/B	Petersburg	461	\$ 1,800,000	\$ 2,817,874	64%	6,792,228	-	203,328	493,095	9,288,651	3,905	14,734	-	441	1,070	20,149	190,651
C/B	Sitka	1,315	\$ 6,867,521	\$ 6,984,593	98%	15,061,807	304,438	285,446	1,961,027	23,896,480	4,779	11,454	232	217	1,491	18,172	605,984
C/B	Skagway	101	\$ 1,228,013	\$ 1,228,013	100%	1,147,911	-	22,674	594,605	2,993,203	12,159	11,365	-	224	5,887	29,636	4,034
C/B	Wrangell	270	\$ 667,800	\$ 1,462,220	46%	3,839,995	851,645	121,696	591,884	6,073,020	2,473	14,222	3,154	451	2,192	22,493	208,864
C/B	Yakutat	81	\$ 522,000	\$ 536,716	97%	1,331,954	143,464	320,357	202,355	2,520,130	6,444	16,444	1,771	3,955	2,498	31,113	56,299
Statewide Totals		129,280	\$479,987,787	\$ 551,946,418	87%	\$ 1,322,110,794	\$125,557,569	\$ 93,738,065	\$ 175,060,833	\$ 2,196,455,048	3,713	10,227	971	725	1,354	16,990	\$ 79,028,876

This report is provided in accordance with Alaska Statute 14.03.120(b)

Definitions:

C/B City or Borough School District (organized Alaska).
REAA Regional Educational Attendance Area (unorganized Alaska).
ADM Average daily student count taken during the month of October.
Local FY16 City/Borough appropriations, including In-kind, as reported in audits.
State FY16 State Operating fund revenue, including the State of Alaska required payment for TRS & PERS.

Federal
Other
Special
NOTE:

FY16 Federal revenues reported in the Operating fund (Impact Aid & other minor Federal revenues).
FY16 Earnings on investments, E-rate and Other Local revenue as listed in audits.
All sources of revenues (Local, State, Federal, Other) in Special Revenue funds, except Pupil Transportation, Food Service and Community Schools.
This spreadsheet does not include Capital Project grants or Debt Service; this spreadsheet may be different from the department's annual reports to National Center for Education Statistics (NCES).

RLC – WHAT CAN LEGALLY BE INCLUDED IN THE CAP – AS 14.17.410 & 3 AAC 132

Within the Cap

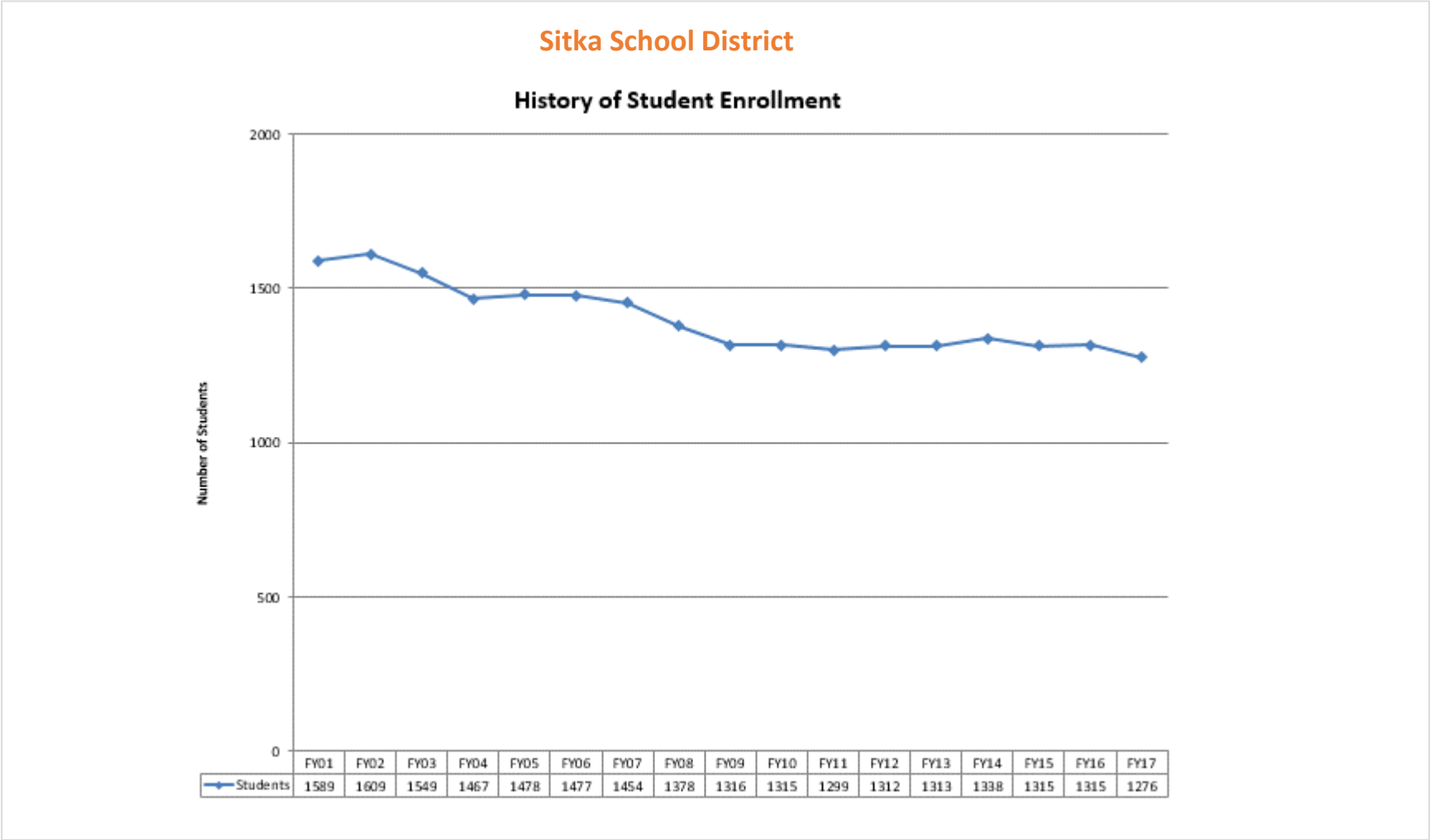
- Operating Expenses
- Secure Rural Schools (SRS)
 - Funds can be used for schools or roads, at the City's discretion
 - Per 3 AAC 132.100 SRS funds must be used only for the operation, maintenance, repair or construction of public schools, and may be used as the local government contribution to public schools under AS 14.17.410
 - SRS funds distributed to Sitka sole discretion of City for allocation & distribution

City has historically designated SRS funds towards the CAP & School District has not, therein lies the difference in the RLC numbers reported by each

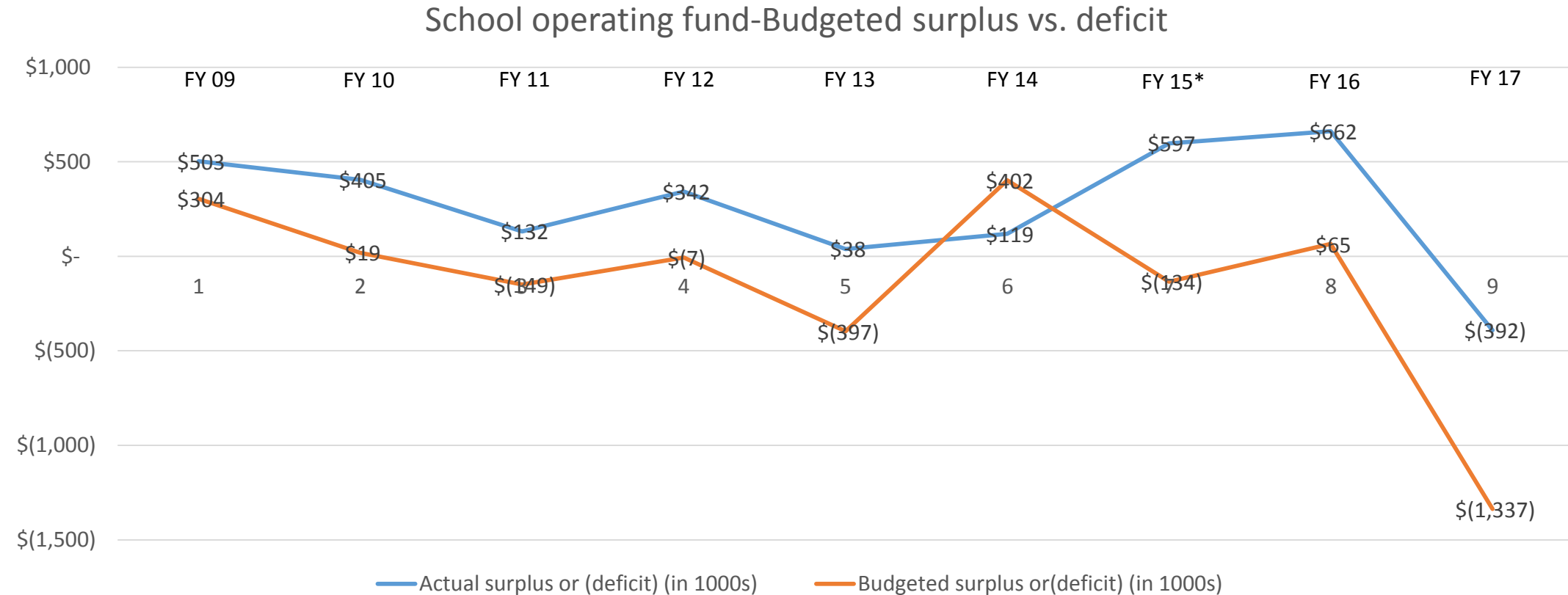
Outside the Cap

- Funding for activities outside the normal school program
 - Community Schools
 - Student Activity Travel/Intramural
 - Pool Operations & Maintenance

SCHOOL ATTENDANCE STATISTICS



SCHOOL BUDGETED SURPLUS VS DEFICIT



Observations:

- *Excluding FY15 (when a significant PERS/TRS adjustment was made on both revenue and expense side), on average SSD has come under budget by an average of \$443,000.
- On average SSD has budgeted a deficit (expense exceeding revenues) of -137,000
- Actual performance shows an average annual surplus of \$267,000
- On average, the variance between the budgeted surplus/deficit has been positive \$381,000

REFERENCE

General Fund Expenditures (Non-Capital)	<u>FY19 (PROJ)</u>	<u>FY18</u>	<u>FY17</u>	<u>FY16</u>	<u>FY15</u>	<u>FY14</u>	<u>FY13</u>	<u>FY12</u>	<u>FY11</u>	<u>FY10</u>	<u>FY09</u>
Calendar Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Maximum Annual Contribution	\$ 7,209,815	\$ 7,054,570	\$ 6,984,523	\$ 6,984,078	\$ 7,064,612	\$ 6,839,617	\$ 6,791,975	\$ 7,099,880	\$ 7,035,364	\$ 6,851,117	\$ 6,430,959
Funding as % of Cap	91%	93%	95%	96%	86%	87%	82%	82%	85%	94%	90%
Sitka Funding as % of Cap-5YR Average	92%										
Sitka Funding as % of Cap-10YR Average	89%										
Statewide Funding as % of Cap (FY16)	87%										
Minimum Annual Contribution	\$ 3,493,854	\$ 3,299,264	\$ 3,168,072	\$ 3,174,144	\$ 3,081,916	\$ 3,051,149	\$ 3,054,025	\$ 3,517,143	\$ 3,628,338	\$ 3,604,320	\$ 3,403,806
Full Value Determination (FVD) ⁽¹⁾	\$ 1,318,435,400	\$ 1,245,005,400	\$ 1,195,498,800	\$ 1,197,790,200	\$ 1,162,987,200	\$ 1,151,376,900	\$ 1,152,462,400	\$ 1,194,784,900	\$ 1,178,401,100	\$ 1,166,392,200	\$ 1,066,134,900
Average Daily Membership (ADM) ⁽²⁾	1225	1238	1276	1315	1315	1338	1313	1312	1299	1315	1316
Sitka Population	8,748	8,748	8,748	8,914	8,922	9,085	9,051	9,065	9,023	8,881	8,747
Local Funding (Governed by the Cap)											
General Fund Revenue	\$ 6,578,292	\$ 6,578,292	\$ 6,617,521	\$ 6,717,521	\$ 5,717,520	\$ 5,527,521	\$ 5,320,344	\$ 5,320,342	\$ 5,428,920	\$ 5,731,484	\$ 4,976,490
Secure Rural Schools-Per AAC 3 AAC 132.100 (SRS) ⁽³⁾	\$ -	\$ -	\$ -	\$ -	\$ 376,042	\$ 400,254	\$ 226,799	\$ 536,675	\$ 575,457	\$ 719,861	\$ 809,778
City & Borough of Sitka Annual Contribution (RLC)⁽⁴⁾	\$ 6,578,292	\$ 6,578,292	\$ 6,617,521	\$ 6,717,521	\$ 6,093,562	\$ 5,927,775	\$ 5,547,143	\$ 5,857,017	\$ 6,004,377	\$ 6,451,345	\$ 5,786,268
Other School Expenditures Outside the Cap											
Contracted Services (Community Schools, Student Travel, Pool)	\$ -	\$ -	\$ -	\$ 272,483	\$ -	\$ -	\$ 140,392	\$ 140,392	\$ 143,257	\$ 150,796	\$ 146,400
Major Maintenance Reimbursement	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 139,956	\$ 138,802
Total Expenditures	\$ 6,728,292	\$ 6,728,292	\$ 6,767,521	\$ 7,140,004	\$ 6,243,562	\$ 6,077,775	\$ 5,837,535	\$ 6,147,409	\$ 6,297,634	\$ 6,742,097	\$ 6,071,470
Total Expenditure Per-Student (\$/Student)	\$ 5,492	\$ 5,434	\$ 5,304	\$ 5,430	\$ 4,750	\$ 4,542	\$ 4,446	\$ 4,684	\$ 4,847	\$ 5,127	\$ 4,613

(1) FVD – is the total taxable real and personal property taxbase for the City and Borough of Sitka for the fiscal year, two years prior to the current fiscal year.

(2) ADM – is the average number of enrolled students during the 20-school day count period. The 20-school day count ends the fourth Friday of October. Reports are due within two weeks after the end of the 20-school day count period.

(3) SRS – Secure Rural Schools funding is also known as National Forest Receipts and has historically been appropriated by Congress; these funds are anticipated to be phased out therefore no funding has been assumed.

(4) RLC – is the school funding required local contribution, subject to the Maximum and the Minimum Annual Contribution Limits

Citizens' Task Force Recommendation: Funding >= 92% of Cap