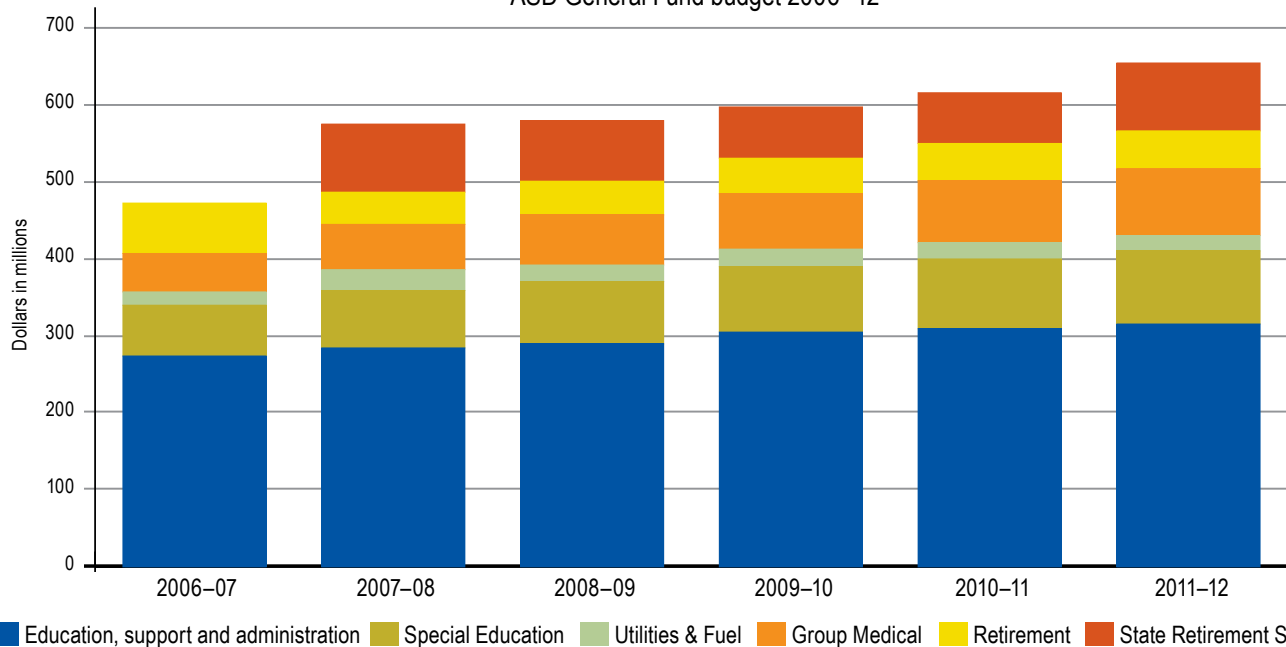


Understanding the Budget

ASD General Fund budget 2006–12



Why the ASD budget is growing

The Anchorage Assembly has final approval on the district's overall budget; however the detailed operating expenses are under the district's control. Within the General Fund, there are some costs that are not within the district's control. ASD has oversight on whether to commit to expenses but it cannot always control increases to those expenses. For example, the district chooses to provide bus transportation to students who live more than one mile from their neighborhood school. However, the district doesn't choose the cost of the fuel needed to operate the school buses. So when fuel costs increase, the district's budget for that service must also increase. Cost increases can add up quickly when you take into account the fact that school buses drive more than 3 million miles each year transporting ASD students to and from school.

■ **Education, support and administration** – This covers the daily, ongoing operations of the district, including employee salaries.

■ **Special education** – This accounts for expenses necessary to meet federal special education requirements.

■ **Utilities and fuel** – Electricity, heat, fuel, garbage disposal, etc. are included in this category. Increases in rates are determined by the utilities. The district is working to lower the amount of this fund through energy-efficient practices.

■ **Group medical** – This accounts for medical premiums for employees budgeted in the General Fund. Medical rates are negotiated in all employee contracts. This includes contributions for AEA members' medical costs although members do not use ASD's medical plan. In 2010 the district transitioned to a self-insured medical plan, which is generating cost savings for the district.

■ **Retirement** – This covers retirement contributions for current employees. ASD contributes 12.56 percent of each TRS employee's salary and 22 percent of each PRS employee's salary. This is approximately one-third of the state-required contribution set by the ARM board. This does not include rates employees pay into their own retirement accounts.

■ **State Retirement System Liability** – This accounts for money the state gives the district to cover the unfunded liability in the state retirement system. This accounts for approximately two-thirds of state-required retirement contributions. This is considered pass-through money because once the district receives the funds from the state, it has to turn around and give that money right back to the state for employee retirement contributions.