ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, April 22, 2020, 5:00 PM.
Virtual Meeting Only

The AFC meeting will convene immediately following a Special Assembly Meeting beginning at 5:00 p.m.

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **APPROVAL OF MINUTES**

- a. **Wednesday, April 8, 2020**

IV. **BUDGET PRESENTATIONS**

- a. **Juneau International Airport (budget page 138)**
- b. **Bartlett Regional Hospital (budget page 150)**
- c. **Debt Service (budget page 182)**
- d. **Proposed Mill Rate (budget pages 27-31)**

V. **ITEMS FOR ACTION**

- a. **School District - Funding "Outside the Cap"**
- b. **School Operating Budget (budget pages 87-89)**

VI. **INFORMATION ITEMS**

- a. **AFC Meeting Schedule**

VII. **SUPPLEMENTAL MATERIALS**

- a. **DEED COVID-19 CARES Act Allocation Memo**
- b. **CARES Act Allocation by District**

VIII. **NEXT MEETING DATE**

- a. **Wednesday, April 29, 2020**

IX. **ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

City and Borough of Juneau
Assembly Finance Committee Meeting
Wednesday, April 8, 2020 5:00 PM
Assembly Chambers

I. Call to Order

The meeting was called to order at 5:01 PM by Loren Jones, Chair.

II. Roll Call

Committee Members present: Loren Jones, Chair, Mayor Beth Weldon, and Carole Triem.

Committee Members participating telephonically: Rob Edwardson, Alicia Hughes-Skandijs, Maria Gladziszewski, Wade Bryson, and Michelle Bonnet Hale.

Committee Members absent: Greg Smith.

Staff present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Jeff Rogers, CBJ Finance Director; Adrien Speegle, CBJ Budget Analyst; Rob Palmer, City Attorney; Dave Scanlan, Eaglecrest General Manager.

Others present telephonically: Bruce Garrison, Eaglecrest Board Member.

III. Approval of Minutes

The April 1, 2020 minutes were approved as presented.

IV. Items for Discussion

Update on COVID-19 Response

Mila Cosgrove, Deputy City Manager, gave a report on COVID -19 including incident level, number of cases in Juneau, an overview of the situation at Bartlett Regional Hospital, and an update on the supply chain.

Ms. Cosgrove responded to Assembly questions.

V. Budget Presentations

A. FY21-22 Budget Overview (cont.)

Jeff Rogers, CBJ Finance Director, opened with acknowledgement of Alaska Governor Mike Dunleavy’s announcement to veto 100% of the State’s portion of school bond debt reimbursement, as well as community assistance funds. The State’s intention, as stated by the governor’s office, is to provide funding for these programs through the federal CARES Act.

Chair Jones discussed funding for the school district, how small communities are handling the school bond debt veto, and the federal CARES Act.

Rorie Watt, City Manager, responded to committee questions.

Mr. Rogers continued the budget overview presentation.

Mr. Watt and Mr. Rogers responded to committee questions.

B. Eaglecrest (budget page 84)

Dave Scanlan, Eaglecrest General Manager presented Eaglecrest FY21/22 budget beginning with Eaglecrest's response to COVID-19.

Mr. Scanlan responded to committee questions.

Chair Jones requested an overview of interdepartmental charges and Mr. Rogers offered a brief explanation.

Ms. Cosgrove responded to committee questions.

Assemblymember Carole Triem moved to hold the Eaglecrest budget in the Assembly Finance Committee budget process until a later date. No objections, motion passed unanimously.

The meeting recessed at 6:29 PM.
The meeting reconvened at 6:40 PM.

C. Capital Improvement Plan (budget page 52)

Rorie Watt, City Manager, presented the FY21-22 CIP budget. Mr. Watt stated that a revised budget memo will be included in the next week's AFC meeting packet to outline the CIP response that assumes a summer with little to no tourism season or Marine Passenger Fees.

Chair Jones mentioned two Juneau school roofs that are on the unscheduled funding project list currently.

VI. Information Items

AFC Meeting Schedule

AFC schedule has been revised. Packets should be available online the week prior to scheduled meetings.

Chair Jones responded to assembly questions.

VII. Next Meeting Date

Wednesday, April 15, 2020.

VIII. Adjournment

Meeting adjourned at 7:04 PM.

TO: Loren Jones, Chair, Assembly Finance Committee

FROM: Patty Wahto, Airport Manager p wahto

DATE: April 13, 2020

RE: COVID-19 Impacts to Airport Revenue

The Airport Board (Board) approved budgets for FY20 Projected, and FY21/FY22 Proposed. While the impact of COVID-19 has not been factored into the presented budgets, certain considerations were made in awareness of a potential impact. The full impact of COVID-19 may not be known for years.

FY20/21/22 Budget Overview:
At a special March 19, 2020, Airport Board meeting, the Board approved the use of $290,200 of Airport Fund Balance (AFB) to balance FY20. The Board also approved use of $522,800 of AFB for FY21 Proposed, and $6,600 of AFB for FY22 Proposed, while raising fees (Airport Rates & Fees Regulation) for FY22. After much consideration and public testimony by Alaska Airlines and General Aviation tenants, it was clear that raising rates for FY21 would create a hardship in light of already declining passenger traffic and potential tourism losses.

AFB currently has an available (unrestricted) balance of $1.8M plus an additional 3-month operating reserve[1] currently at $1.9M ($3.7M total AFB funds). As presented, FY20/21/22 proposes using a total of $819,600 of AFB, leaving $980K unrestricted AFB, plus the $1.9M in operating reserve ($2.88M total).

COVID-19 Impacts:
The Airport has been working with FAA, TSA, airlines and airport professional/advocacy groups to assess operational impacts and revenue losses. Revenue impacts are expected to both the operational budgets as well as capital budgets (airport improvement program funds).

Operationally, staff has assessed each variable revenue e.g. contracts based on a percentage of revenue/sales; revenues based on number of passenger, number of landings or amount of fuel, etc., and has estimated the anticipated loss based on historical as well as proposed revenues. Set revenues (rents based on lease space, minimum guarantees, etc.) are still expected as outlined in lease/contracts, without a loss/decrease.[2]

Airport Staff prepared a forecast scenario which made assumptions as to the impact of variable revenues currently (FY20), as well as in the future (FY21). Revenue losses are expected to range from a 95% decrease (now), to a 25% decrease in anticipated revenues by the middle of FY21 and beyond. The table, below, summarizes the expected losses to FY20 (down $1.32M) and FY21 (down $2.44M). As of April 10, airline passenger numbers and variable operating revenue were down 95% in April. March numbers were normal in the first half of the month, but decrease by the end of March. Passenger numbers and revenues are expected to rebound somewhat over the next few months. The losses presented in table are in addition to the Board approved budget shortages mentioned above.

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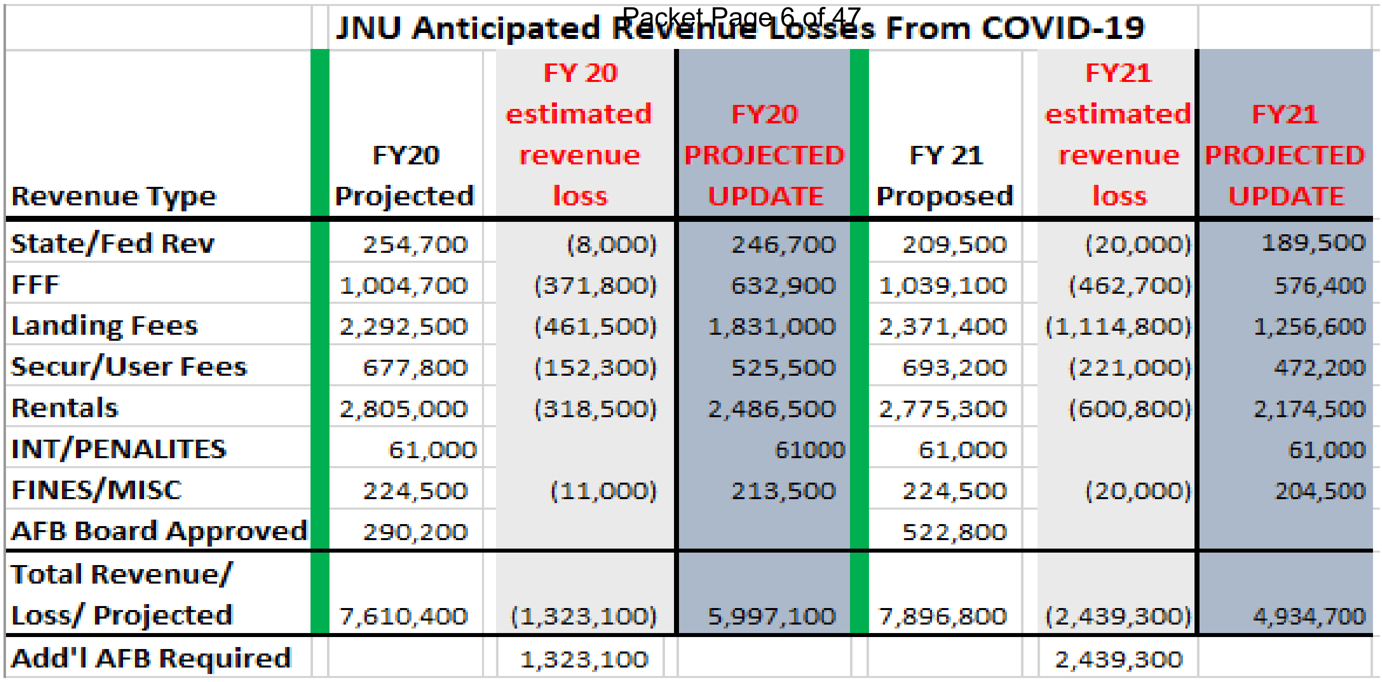
[1] The 3-month operating reserve is based on the current year expenses. The reserve will equate to $2.02M by FY22.

[2] Per FAA grant assurances, FAA has made it clear that airports may not waive rents/fees, but may defer (without interest) through December 2020, at this time.



JNU Anticipated Revenue Losses From COVID-19

Revenue Type	FY20 Projected	FY 20 estimated revenue loss	FY20 PROJECTED UPDATE	FY 21 Proposed	FY21 estimated revenue loss	FY21 PROJECTED UPDATE
State/Fed Rev	254,700	(8,000)	246,700	209,500	(20,000)	189,500
FFF	1,004,700	(371,800)	632,900	1,039,100	(462,700)	576,400
Landing Fees	2,292,500	(461,500)	1,831,000	2,371,400	(1,114,800)	1,256,600
Secur/User Fees	677,800	(152,300)	525,500	693,200	(221,000)	472,200
Rentals	2,805,000	(318,500)	2,486,500	2,775,300	(600,800)	2,174,500
INT/PENALITES	61,000		61000	61,000		61,000
FINES/MISC	224,500	(11,000)	213,500	224,500	(20,000)	204,500
AFB Board Approved	290,200			522,800		
Total Revenue/ Loss/ Projected	7,610,400	(1,323,100)	5,997,100	7,896,800	(2,439,300)	4,934,700
Add'l AFB Required		1,323,100			2,439,300	

Capital Improvement (CIP):
JNU Airport has two major projects underway: $27.1M Taxiway project ($25.4M FAA grant, $1.7M PFCs) funds appropriated in 2019; and the $24.7M Terminal project ($5.9M GO Bond, $1.1M local AFB/Sales Tax, and $17.7M Airport Revenue Bonds) funds appropriated in 2019. The Airport revenue bonds are scheduled for reimbursement from an $11.8M multi-year FAA Airport Improvement Project (AIP) Entitlement grant (FY20-23), and $5.9M Passenger Facility Charge (PFC) multi-year collections (FY19-26).

JNU Airport's FFY20 AIP grant[3] is not anticipated to be impacted, but subsequent years (FFY21-23) *may* be short of the $2.96M/annual estimate. JNU Airport FY20 PFCs are now projected to be short of the $1M/annual collections by an estimated -$215,000. PFCs for FY21 are estimated to be short -$430,000 of the annual collections. Based on decreased enplanements, PFC collections may take an extra 1-1/2 to 2 years to collect.

Summary/Funding Shortage Stopgap:
The Airport is prepared to use the remaining $980K AFB and $1.9M operating reserves, outlined above, as a stopgap for FY20/FY21 operating budgets, however a shortfall of -$872,400 is still anticipated. FY22 budget will be readdressed next year for expense cuts/increased fees. FY20 Terminal CIP would require $215,000 to cover the immediate, anticipated PFC shortages. PFC collections would continue, but take longer to collect for the project. JNU's multi-year FAA AIP grant for the terminal project may require an extra grant year as well.

In March, Congress approved the third coronavirus bill (CV3) which includes $10b in economic relief to airports nationwide as a part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. At least two of the four identified sources of FAA 'airport' money would potentially give relief to JNU Airport: general funding for commercial airports; and funding for FFY20 AIP with 100% matching funds (no local match requirements).

The first source of funding may be used for any lawful airport purpose including, but not limited to, airport operations (due to revenue losses) or CIP funding/match. The second source could provide additional funding for current CIP projects (terminal reconstruction project) as well as 100% of the grant match. The FAA has cautioned airports against making any assumptions on available funds until there is more clarity from FAA HQ; expected within the next couple weeks. JNU will inform the Assembly as soon as FAA releases funding information.

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[3] AIP Entitlement grants are based on airport enplanements and paid through the collection of airline fees/taxes (federal). Funding and basis for FAA grants is from the prior year's data (currently 2018).

JUNEAU INTERNATIONAL AIRPORT
FY 21 & FY 22 BUDGETS

April 8, 2020

April 1935 –
Pacific Alaska Airways Airport opens; Juneau, Alaska.

Photo by T Davis, Alaska State Library.

EXPENSE SUMMARY

	FY 19 PROJECTED	FY 19 ACTUALS	FY 20 UPDATED	FY 20 PROJECTED	FY 21 PROPOSED	FY 22 PROPOSED
PERSONNEL	2,981,300	2,901,361	3,070,100	3,105,100	3,141,200	3,255,000
SUPPLIES	1,179,700	1,247,587	1,114,200	1,111,500	1,058,600	1,063,600
SERVICES/CHARGES	3,340,800	3,303,835	3,406,600	3,363,600	3,651,200	3,732,000
TRAVEL/TRAINING	34,300	28,547	32,300	30,200	45,800	47,900
CAPITAL OUTLAY	0	25,690	0	0	0	0
TOTALS	**7,536,100**	**7,507,020**	**7,623,200**	**7,610,400**	**7,896,800**	**8,098,500**

REVENUE SUMMARY

	FY 19 PROJECTED	FY 19 ACTUALS	FY 20 UPDATED	FY 20 PROJECTED	FY 21 PROPOSED	FY 22* PROPOSED
STATE/FED REVENUE	265,700	248,719	286,700	254,700	209,500	200,400
FUEL FLOWAGE FEES	920,000	1,034,418	920,000	1,004,700	1,039,100	1,248,800
LANDING FEES	2,335,000	2,214,125	2,335,000	2,292,500	2,371,400	2,623,100
USER FEES/SECURITY FEES	688,600	664,439	700,400	820,300	835,700	1.068,500
RENTALS	2,910,100	2,933,413	2,869,800	2,662,500	2,632,800	2,655,800
INTEREST/PENALTIES	54,700	162,322	59,300	61,000	61,000	61,000
FINES/MISC./OTHER	226,000	250,882	217,500	224,500	224,500	234,300
TOTALS	7,400,100	7,508,318	7,388,700	7,320,200	7,374,000	8,091,900
AIRPORT FUND BALANCE	136,000		234,500		522,800	6,600
TOTALS AFTER FUND BALANCE APPLIED	**7,536,100**	**7,508,318**	**7,623,200**	**7,320,200**	**7,896,800**	**8,098,500**

***FY22 Proposed Revenues include proposed Rates/ Fees Regulation increases.**

EXPENSE vs. REVENUE SUMMARY

	FY 19 PROJECTED	FY 19 ACTUALS	FY 20 UPDATED	FY 20 * PROJECTED	FY 21 ** PROPOSED	FY 22*** PROPOSED
EXPENSES	(7,536,100)	(7,507,020)	(7,623,200)	(7,610,400)	(7,896,800)	(8,098,500)
REVENUES	7,400,100	7,508,318	7,388,700	7,320,200	7,374,000	8,091,900
DIFFERENCE	(136,000)	1,298	(234,500)	(290,200)	(522,800)	(6,600)
AIRPORT FUND BALANCE APPLIED (to REVENUES)	***~~136,000~~***		***~~234,500~~***	***290,200***	***522,800***	***6,600***
TOTAL OVER/(SHORT)	**0**	**1,298**	**0**	**0**	**0**	**0**

***FY20 Projected will require additional Airport Fund Balance**

****FY21 Proposed requires $522,800 Airport Fund Balance**

*****FY22 Proposed requires $6,600 Airport Fund Balance and contingent upon increases to Airport Rates & Fees Regulation (spring 2021).**

EXPENSES

(compared to FY20 Updated)

PERSONNEL

- FY21/22 increases in Salaries, Heath/Wellness benefit; and less time charged to federally funded projects in FY22.

(FY21 ↑ $71,100 / FY22 ↑ $184,900)

SUPPLIES

- Commodity usage slightly lower and fewer supplies needed during terminal reconstruction project.

(FY21 ↓ $55,600 / FY22 ↓ $50,600)

SERVICES/CHARGES

- Increases in Interdepartmental/Full Cost Allocation, Utilities (water/electrical), insurance and ARFF contractual services.

(FY21 ↑ $244,600 / FY22 ↑ $325,400)

TRAVEL/TRAINING

- Increases in ARFF training (FAA requirement).

(FY21 ↑ $13,500 / FY20 ↑ $15,600)

Net Expenses

↑ FY21 up $273,600

FY22 up $475,300

compared to 'FY20 Updated'

REVENUES

(compared to FY20 Updated)

FUEL FLOWAGE FEES (FFF) ~ LANDING FEES (LF) ~ SECURITY SCREENING PASSENGER FEES (SSF)

↑

- All Fees are projected to increase based projected operations and increase in fees by regulation scheduled for Spring 2021.

FFF: ↑ $119,100 FY21 / ↑ $328,800 FY22

LF: ↑ $36,400 FY21 / ↑ $288,100 FY22

SSF ↑ $135,300 FY21 / ↑ $368,100 FY22

RENTALS ~ STATE/FED REVENUES

↓

- Rentals are projected lower due to decreased leases/concessions during terminal reconstruction; Federal/State revenues down due to cuts in contractual (janitorial) & lower state fuel tax share.

Rentals: ↓ $237,000 FY21 / ↓ $214,000 FY22

Fed/State: ↓ $77,200 F21 / ↓ $86,300 FY22

INTEREST INCOME ~ MISC. REVENUES

↑

- Interest income, fines, miscellaneous incomes will see minimal increases.

Int/Misc: ↑ $8,700 FY21 / ↑ $18,500 FY22

Net Revenues

compared to 'FY20 Updated'

↓

FY21 down $14,700

***FY22 up $703,200**

↑

*Assumes increases to Rates & Fees Regulation in Spring 2021

BUDGET UNKNOWNS

Airport is prepared to tap into its $1.9M Budget Reserves due to COVID19 revenue impacts. Federal funds may be available.

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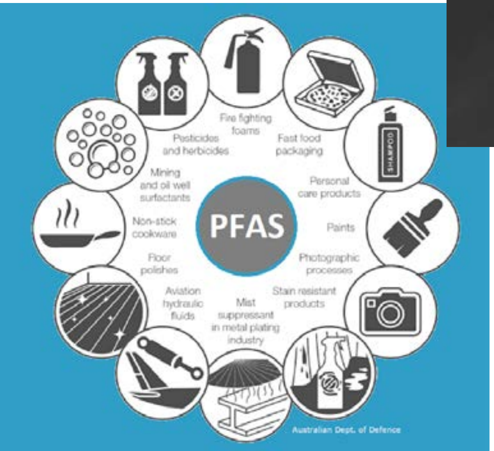
Airport has contaminated soils and groundwater due to PFAS. Additional testing and monitoring required.



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AIRPORT SUMMARY

- **Airport will require use of Airport Fund Balance* in order to balance FY21 & FY22:**

  FY21 requires $522,800

  FY22 requires $ 6,600

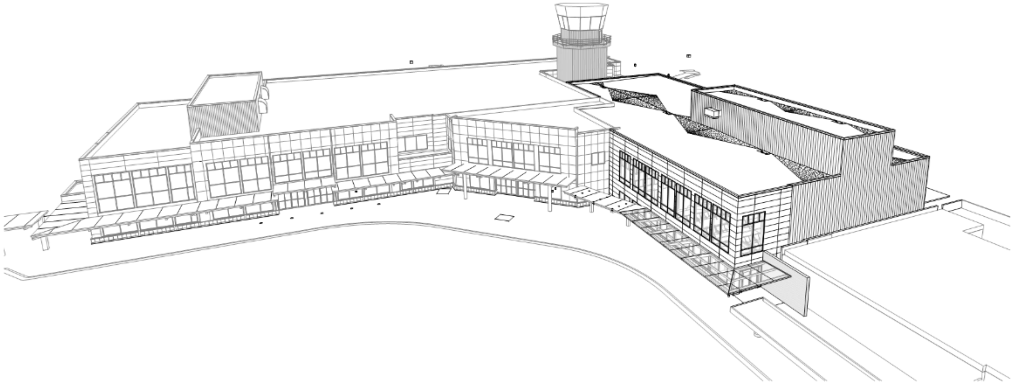
**Airport Fund Balance:*
At the close-out of FY20 Projected, excluding a 3-month operating reserve ($1.9M), the Airport projects an Airport Fund Balance of $1.5M (unrestricted funds) available.

- **Airport will require increases to Airport Rates & Fees Regulation as shown in FY22.**

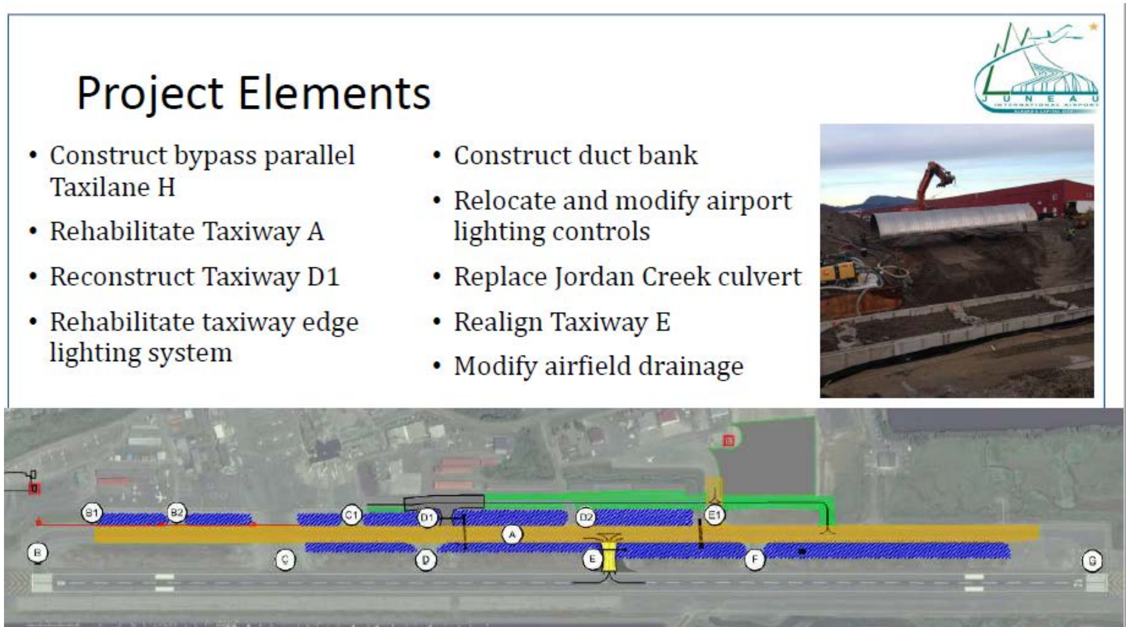
Airport Board approved the budget as presented at a special Airport Board meeting held March 19, 2020.

JUNEAU
INTERNATIONAL AIRPORT

CURRENT PROJECTS



Airport has started the $23M Terminal Reconstruction Project and the $27M Taxiway Project. Both projects anticipate two years of construction (Dec 2021). The Terminal required Airport revenue bonds until the FAA multi-year grant and PFC funds are collected.



Project Elements

- Construct bypass parallel Taxilane H
- Rehabilitate Taxiway A
- Reconstruct Taxiway D1
- Rehabilitate taxiway edge lighting system
- Construct duct bank
- Relocate and modify airport lighting controls
- Replace Jordan Creek culvert
- Realign Taxiway E
- Modify airfield drainage

Questions?

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartletthospital.org

Covid-19 Update

Bartlett Regional Hospital was on track to have a better than expected patient services and financial performance. The annual budget target of $3.7 million was achieved after 8 months of the 2020 fiscal year having generated a Net Income of $4.2 million at the end of February. The projection for the end of the fiscal year had BRH achieving a Net Income of $7.7 million. This would have been the best year financially in some years. Things have changed significantly with the arrival of the Covid-19 pandemic.

It is anticipated that Bartlett Regional Hospital will be adversely impacted from a financial perspective due to the events surrounding the Covid event. Listed below are the financial impacts to date:

- Approximately halfway through March, non-urgent outpatient services were discontinued. Since that time BRH has been providing primarily inpatient and emergency services.
- Rainforest Recovery Center was emptied of residents to prepare the building for overflow of patients due to the pandemic.
- Incident Command was initiated to manage the covid-19 pandemic.
- These changes reduced gross revenue generation by 50% or $250,000 per day. After discounts net revenue will be reduced $142,000 or a loss of $4.2 million of cash revenue on a monthly basis.
- As part of the preparation, expenses being incurred related to preparedness are being identified. These include supplies, equipment and other expenses. Labor time and costs are being accumulated in a new Covid department.
- As of May 8th supplies, equipment and other expenses attributable to Covid totals $390,000.
- Labor costs through May 8th amount to $210,000.
- While Covid-19 expenses are concerning a bigger financial impact will be from the loss of revenue. The first half of March continued the strong volumes seen in February. However, once the Covid-19 changes occurred BRH ended the month with $2.3 million shortfall in revenue.
- Through April 9th BRH has a $2.2 million shortfall in revenue.
- Funding sources for Covid financial losses are being researched for recoupment. Options include FEMA, CARES legislation, CMS and insurance.
- BRH received on April 10th $1.1 million of funds through the CARES program. This represents the first $30 billion of $100 billion that will be distributed.
- Best estimate at this time is that BRH will loss approximately $4 million per month through the end of the fiscal year or $12 million for the last quarter of FY2020. While BRH has significant cash reserves ($70 million), this reserve will need to be accessed to cover operations during this time. This will reduce cash reserves by as much as $10 million.

Budget Packet

FY2021

Bartlett Regional Hospital

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Bartlett Regional Hospital
Operating and Capital Budgets
Budget Year 2021

2021 Operating Budget Framework:

BRH operations are reviewed and adjusted on an ongoing basis as opportunities arise, new rules and legislation becomes effective, staff or supply problems are encountered, and as other issues are dealt with. Operations are reviewed on an ongoing basis and not just during the budget process. Therefore, the 2021 fiscal year budget will be based on existing operations and adjusted for known changes. During the budget development the Finance staff met with 30 managers and covered the operations of 74 departments. Outlined below are the significant assumptions and known changes affecting the FY2020 budget.

Hospital and Clinic

Patient Volumes and Revenues: BRH has seen both increases and decreases in volumes in the past two years. Volume assumptions are as follows:

- BRH has seen increases in acute inpatient volumes over the past 2 years of 7.7%. To be conservative acute inpatient volumes are budgeted at the 2020 volumes. However, there will be some reduction with the opening of the Detox Unit. This is estimated to be 500 patient days removed from the Medical Floor.
- The Mental Health Unit has seen an 11.7% reduction in patient days over the past 2 years. With the unit being fully staffed it is anticipated volumes will increase 11.4% to average 9 patients per day. Patients needing this service continues to be in high demand so this seems a reasonable estimate. This will revenue by $1.1 million and increase discounts by $500,000.
- The Rainforest Recovery Unit has seen a decrease of 9.2% in its resident day volumes over the past 2 years. This was expected as the construction project took 4 beds out of service. The project will be complete very close to the start of the new fiscal year and will add 4 detox beds. Based on volumes seen in the Emergency Room it is anticipated that detox beds will average 3 residents per day. This added to the existing volume will increase resident days by 30.3%. Rainforest will charge the rate Medicaid rate so that discounts for this service are minimized. The additional revenue will be $1.3 million.
- Outpatient volumes are difficult to predict and are budgeted to remain the same as 2020.
- Physician service volumes are expected to remain the same however the mix will change. The number of surgery clinic visits will decrease by 25% due to changes in medical staff. This will be offset by additional Ophthalmology and Behavioral Health clinic visits.
- A 4% price increase will be implemented at the start of the fiscal year. A pricing study was completed in preparation for the 2021 budget (see attachment 1). The study compared BRH to 14 hospitals in Alaska and Washington and was based on CMS charge data. The study shows that BRH has a very competitive pricing structure.

Discounts and Deductions:

- 65% of the 4% price increase will have no effect on what BRH gets paid, therefore there will be a significant increase in deductions. Inpatient discounts will be reduced due to the reduction of 500 patient days from the Medical Floor.

- There could be a significant impact to reimbursement if the Rural Demonstration Project is not renewed. BRH comes to the end of its 5-year cycle on June 30, 2020. This means BRH will see a reduction of $3.2 million of Medicare reimbursement (see attachment 2). It does mean that BRH can apply to CMS for a Low Volume Adjustment to its DRG rates. This will add $1,546,000 in additional reimbursement.

Salaries and Wages:

- There will be few staffing changes included in the 2021 budget. The attached FTE schedule outlines the changes from FY2020 budget to 2021. The staff changes that will take place are as follows:
    - There will be an FTE added to the Medical Staff (Credentialing) department to provide adequate resources to meet the workload of that area.
    - There were 5.2 FTEs added to Rainforest Recovery to provide care to patients in the Detox Unit.
    - A Staffing Center will be created to coordinate staffing for all nursing departments. Currently the responsibility for maintaining staff models and filling shifts is with the department managers. Any unexpected absence (illness) is filled by the managers or the House Supervisors. This means some of BRH's higher compensated personnel are being diverted from their primary responsibility to perform a clerical function. Staffing is pieced together with many individuals involved and is an inefficient process resulting in frustration and overtime. Added 2.4 FTE's dedicated to nurse staffing should reduce frustration, allow managers to focus on their primary responsibilities, coordinate efficient staffing and reduce overtime.
    - A halftime FTE for Chief Medical Officer was added.
- According to the union contract rates there will be a cost of living increase of 1.0%
- Having learned over the course of the past 2 years that Contract Labor will be incurred to cover staff turnover until replacement staff are hired. Therefore, there is more expense in the budget than in past years. It will be reduced through the employment of much of the nursing graduates from last summer. They have completed their orientations and are now filling open positions reducing the cost of Contract Labor.

Employee Benefits:

- Benefits will remain the same as 2020. However, there will be a 7.5% Health Insurance increase in premiums paid by BRH. BRH has a self-funded health insurance program combined with CBJ. In the past the plan has maintained a healthy fund balance. However, that fund balance is being drawn down over the past number of years as medical spending has exceeded current funding. The good news has been there were no increases since 2014 to BRH or staff but it needs increased funding over the next 2 years to maintain the positive fund balance. (See attachment 3).

Medical Professional Fees:

- Professional Fees will remain mostly unchanged with a slight inflationary increase.

Materials and Supplies:

- While there is not expected to be a significant change in supply usage, a market basket inflationary increase of 2.5% was applied. Just recently, the Operating Room with the cooperation of the orthopedic surgeons standardized the orthopedic implants and related supplies to one vendor. This allows the department to stock on consignment a full range of orthopedic supplies. Previously implants and supplies were received via overnight shipping which is very expensive. This change will reduce shipping costs by $60,000.

Utilities:

- Utilities will increase as fuel and electricity prices increase.

Maintenance and Repairs:

- Maintenance and repairs will continue to increase as the facilities age and infrastructure needs upgrading.

Rentals and Leases:

- Rental and lease agreements include an annual inflation resulting in a 2.5% increase.

Insurance:

- Insurance costs show a slight decrease in premiums of 1.7%

Depreciation:

- A depreciation schedule was run that took into account 2020 capital acquisitions. A half year calculation was used for 2021 capital acquisitions.

Interest:

- Interest expense decreased slightly as principal is retired annually according to the debt amortization schedule of the bond issue.

Non-Operating Income:

- The budgeted Interest Income from CBJ shows Interest Income in the current year to return 1.75% for FY2020. The projected return for FY2021 is expected to be 1.75%

Bartlett Regional Hospital
Statistics for the Budget Year Ending June 20, 2021

Facility Utilization:	Actual FY 2017	Actual FY 2018	Actual FY2019	Projected 2020	Budget FY2021	Change FY19 to FY20	Change FY20 to FY21
Hospital Inpatient:Patient Days							
Patient Days - Med/Surg	4,723	4,795	4,476	5,042	4,542	12.6%	-9.9%
Patient Days - Critical Care Unit	969	1,062	1,077	1,134	1,134	5.3%	0.0%
Avg. Daily Census - Acute	15.6	16.0	15.2	16.9	15.6	11.2%	-8.1%
Patient Days - Obstetrics	853	804	805	814	814	1.1%	0.0%
Patient Days - Nursery	749	702	722	632	632	-12.5%	0.0%
Total Hospital Patient Days	**7,294**	**7,363**	**7,080**	**7,622**	**7,122**	7.7%	-6.6%
Births	333	315	325	290	290	-10.8%	0.0%
Mental Health Unit							
Patient Days - Mental Health Unit	2,809	3,493	3,341	2,950	3,285	-11.7%	11.4%
Avg. Daily Census - MHU	7.7	9.6	9.2	8.1	9.0	-11.7%	11.4%
Rain Forest Recovery:							
Patient Days - RRC	3,697	3,936	3,975	3,608	4,703	-9.2%	30.3%
Avg. Daily Census - RRC	10	10.8	10.9	9.9	12.9	-9.2%	30.3%
Outpatient visits	1,045	721	303	278	278	-8.3%	0.0%
Inpatient: Admissions							
Med/Surg	958	881	828	940	940	13.5%	0.0%
Critical Care Unit	474	487	479	526	526	9.8%	0.0%
Obstetrics	343	331	335	314	314	-6.3%	0.0%
Nursery	351	332	335	292	292	-12.8%	0.0%
Mental Health Unit	500	544	429	440	440	2.6%	0.0%
Total Admissions - Inpatient Status	2,626	2,575	2,406	2,512	2,512	4.4%	0.0%
Admissions -"Observation" Status							
Med/Surg	600	652	683	668	668	-2.2%	0.0%
Critical Care Unit	344	346	390	358	358	-8.2%	0.0%
Mental Health Unit	23	21	31	30	30	-3.2%	0.0%
Obstetrics	273	188	219	226	226	3.2%	0.0%
Nursery	3	12	7	2	2	-71.4%	0.0%
Total Admissions to Observation	1,243	1,219	1,330	1,284	1,284	-3.5%	0.0%
Surgery:							
Inpatient Surgery Cases	551	594	557	620	620	11.3%	0.0%
Endoscopy Cases	1,056	1,137	1,221	1,084	1,084	-11.2%	0.0%
Same Day Surgery Cases	1,270	1,233	1,153	1,220	1,220	5.8%	0.0%
Total Surgery Cases	2,877	2,964	2,931	2,924	2,924	-0.2%	0.0%
Total Surgery Minutes	192,833	178,815	184,710	181,754	181,754	-1.6%	0.0%
Outpatient:							
Total Outpatient Visits (Hospital)							
Emergency Department Visits	16,243	15,913	14,539	14,636	14,636	0.7%	0.0%
Cardiac Rehab Visits	1,145	837	1,045	768	768	-26.5%	0.0%
Lab Visits	3,924	3,707	3,035	4,738	4,738	56.1%	0.0%
Lab Tests	115,721	115,768	112,461	127,918	127,918	13.7%	0.0%
Radiology Visits	10,434	10,227	9,367	9,888	9,888	5.6%	0.0%
Radiology Tests	28,438	29,821	30,311	29,704	29,704	-2.0%	0.0%
Sleep Study Visits	212	287	311	340	340	9.3%	0.0%
Physician Clinics:							
Hospitalists	2,445	2,973	2,280	2,796	2,796	22.6%	0.0%
Bartlett Oncology Clinic	655	757	846	982	982	16.1%	0.0%
Opthalmology Clinic	N/A	N/A	N/A	214	642	N/A	200.0%
Behavioral Health Outpatient visits	N/A	N/A	N/A	4,144	4,536	N/A	9.5%
Bartlett Surgery Specialty Clinic visits	3,688	4,678	3,628	3,278	2,459	-25.0%	-25.0%
	6,788	8,408	6,754	11,414	11,415	69.0%	0.0%
Other Operating Indicators:							
Dietary Meals Served	233,711	264,982	327,287	357,296	357,296	9.2%	0.0%
Laundry Pounds (Per 100)	3,571	4,841	4,776	4,518	4,518	-5.4%	0.0%

BARTLETT REGIONAL HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
FOR THE BUDGET YEAR ENDING JUNE 30, 2021

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Projected FY 2020	Budget FY 2021	YTD %VAR
Gross Patient Revenue:						
1. Inpatient Revenue	44,901,557	48,249,464	49,315,947	56,010,554	54,877,806	-2.0%
2. Inpatient Ancillary Revenue	11,967,312	12,403,151	10,858,901	11,899,978	12,376,085	4.0%
3. Total Inpatient Revenue	56,868,869	60,652,615	60,174,848	67,910,532	67,253,891	-1.0%
4. Outpatient Revenue	83,268,288	88,584,979	98,176,935	109,875,670	114,270,912	4.0%
5. Total Patient Revenue - Hospital	140,137,157	149,237,594	158,351,783	177,786,202	181,524,803	2.1%
6. RRC Patient Revenue	3,669,861	4,261,001	4,171,399	3,762,152	5,226,647	38.9%
7. BHOPS Patient Revenue	193,804	176,720	2,478,345	3,197,518	3,325,458	4.0%
8. Physician Revenue	8,882,932	10,231,684	10,006,086	11,958,246	12,436,573	4.0%
9. Total Gross Patient Revenue	152,883,753	163,906,998	175,007,613	196,704,118	202,513,482	103.0%
Deductions from Revenue:						
10. Inpatient Contractual Allowance	28,100,239	32,220,709	35,483,854	38,126,306	37,469,666	-1.7%
10a. Rural Demonstration Project	(6,899,351)	(3,866,693)	(3,699,996)	(3,700,000)	(1,546,000)	-58.2%
11. Outpatient Contractual Allowance	26,426,690	31,237,089	34,944,251	38,443,960	40,641,581	5.7%
12. Physician Service Contractual Allowance	4,934,656	5,738,046	5,159,877	7,282,724	7,843,494	7.7%
13. Other Deductions	224,915	205,845	173,535	167,516	180,917	8.0%
14. Charity Care	767,664	1,519,195	1,082,498	817,528	850,229	4.0%
15. Bad Debt Expense	4,139,400	648,984	3,066,546	4,464,494	4,643,074	4.0%
16. Total Deductions from Revenue	57,694,213	67,703,175	76,210,564	85,602,528	90,082,960	5.2%
% Contractual Allowances / Total Gross Patient Revenue	*39%*	*40%*	*41%*	*43%*	*42%*	-0.4%
% Bad Debt & Charity Care / Total Gross Patient Revenue	*3%*	*1%*	*2%*	*3%*	*3%*	1.0%
% Total Deductions / Total Gross Patient Revenue	*38%*	*41%*	*44%*	*44%*	*44%*	2.2%
17. Net Patient Revenue	95,189,540	96,203,823	98,797,049	111,101,590	112,430,522	1.2%
18. Other Operating Revenue	2,128,963	2,040,072	4,713,981	5,013,460	5,085,744	1.4%
19. Total Operating Revenue	97,318,504	98,243,894	103,511,030	116,115,050	117,516,266	1.2%
Expenses:						
20. Salaries & Wages	38,232,761	40,448,063	42,318,786	45,607,852	47,432,166	4.0%
21. Physician Wages	2,459,297	2,481,668	3,365,983	3,837,506	3,991,006	4.0%
22. Contract Labor	2,825,500	2,344,388	3,128,019	2,232,170	1,821,457	-18.4%
23. Employee Benefits	33,352,970	22,741,753	21,798,521	24,171,938	25,501,395	5.5%
	76,870,528	68,015,872	70,611,309	75,849,466	78,746,024	3.8%
% Salaries and Benefits / Total Operating Revenue	79%	69%	68%	65%	67%	
24. Medical Professional Fees	813,862	939,526	961,500	1,003,912	1,007,408	0.3%
25. Physician Contracts	2,577,719	3,622,534	2,622,926	2,798,402	2,930,735	4.7%
26. Non-Medical Professional Fees	2,571,048	2,592,676	1,883,186	1,908,618	1,902,906	-0.3%
27. Materials & Supplies	11,350,496	11,012,692	12,918,764	13,562,778	14,106,828	4.0%
28. Utilities	1,314,928	1,453,486	1,487,682	1,535,166	1,636,086	6.6%
29. Maintenance & Repairs	3,083,324	3,135,804	3,777,711	4,468,498	4,839,113	8.3%
30. Rentals & Leases	568,516	774,421	619,667	600,710	615,774	2.5%
31. Insurance	526,496	495,081	701,158	541,464	582,464	7.6%
32. Depreciation & Amortization	7,359,593	7,422,119	7,196,120	6,976,780	6,798,914	-2.5%
33. Interest Expense	666,110	653,430	638,664	629,432	603,370	-4.1%
34. Other Operating Expenses	1,058,985	807,823	1,378,727	1,418,898	1,515,551	6.8%
35. Total Expenses	108,761,605	100,925,464	104,797,415	111,294,124	115,285,174	3.6%
36. Income (Loss) from Operations	(11,443,102)	(2,681,570)	(1,286,386)	4,820,926	2,231,092	-53.7%
Non-Operating Revenue						
37. Interest Income	337,009	590,905	2,393,728	1,220,784	1,220,786	0.0%
38. Other Non-Operating Income	3,161,755	4,016,890	1,774,397	1,673,008	1,673,014	0.0%
39. Total Non-Operating Revenue	3,498,764	4,607,794	4,168,125	2,893,792	2,893,800	0.0%
40. Net Income (Loss)	(7,944,336)	1,926,227	2,881,740	7,714,718	5,124,892	-33.6%
Income from Operations Margin	-11.76%	-2.73%	-1.24%	4.15%	1.90%	-54.3%
Net Income	-8.16%	1.96%	2.78%	6.64%	4.36%	-34.4%

BRH (Hospital) Budget
OVERVIEW

		FY20		FY21
	FY19 Actuals	**Amended Budget**	**Projected Actuals**	**Requested Budget**
EXPENSES:				
Personnel Services	$ 69,009,358	67,828,016	75,384,566	78,281,124
Commodities and Services	27,459,841	27,621,161	28,932,778	30,205,135
Capital Outlay	4,407,360	6,263,059	6,263,059	3,508,455
Debt Service	1,410,938	1,661,900	1,661,900	1,661,500
Support to Capital Projects	2,400,000	4,000,000	4,000,000	10,290,000
Total Expenses	**104,687,497**	**107,374,136**	**116,242,303**	**123,946,214**
FUNDING SOURCES:				
Charges for Services	101,401,289	101,860,129	114,134,700	115,535,900
State Grants	1,404,826	1,980,334	1,980,300	1,980,300
Federal Grants	-	-	-	-
Interest Income	2,415,942	1,277,500	1,277,500	1,220,786
Support from:				
Liquor Tax	975,000	975,000	175,000	175,000
Tobacco Excise Tax	518,000	518,000	518,000	518,000
Total Funding Sources	**106,715,057**	**106,610,963**	**118,085,500**	**119,429,986**
FUND BALANCE:				
Fund Balance Reserve	1,741,400	1,741,400	1,741,400	-
Beginning Available Fund Balance	72,232,143	74,259,703	74,259,703	77,844,300
Increase (decrease) in Fund Balance	2,027,560	(763,173)	1,843,197	(4,516,228)
End of Period Fund Balance	**$ 76,001,103**	**75,237,930**	**77,844,300**	**73,328,072**
STAFFING	**445.84**	**464.11**	**465.57**	**484.33**

Bartlett Regional Hospital
Budget Productive FTEs
For the Budget Year Ending June 30, 2021

Department Description	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2020 FTEs Budget	FY 2021 FTE Budget	Change
Nursing Administration	10.22	6.98	8.51	9.03	9.74	0.71
Med/Surg	36.09	32.85	36.46	36.26	35.92	(0.34)
Critical Care	19.16	20.79	19.19	20.02	20.00	(0.02)
Mental Health	21.36	19.98	18.50	21.58	20.00	(1.58)
Rainforest Recovery Center	28.57	26.27	21.63	26.17	25.24	(0.93)
Obstetrics	17.60	18.25	19.63	19.29	19.93	0.64
Respiratory Therapy	5.46	5.41	5.43	5.75	5.75	0.00
Cardio/Pulmonary Rehab	0.85	1.05	1.22	1.37	1.36	(0.01)
Psychiatric Emergency Services	-	-	0.36	-	7.05	7.05
Mental Health Outpatient Svcs	4.94	6.01	10.51	8.21	16.80	8.59
Bartlett Surgery Special Clinics	2.00	0.91	0.94	0.87	0.86	(0.01)
General Surgery	8.12	10.95	11.55	10.93	10.45	(0.48)
Bartlett Medical Oncology Clinic	1.76	2.57	2.50	2.37	2.29	(0.08)
Ophthalmology	-	-	-	-	2.28	2.28
Hospitalist	4.54	6.72	7.36	7.54	8.14	0.60
Physician Office Admin	7.12	6.09	5.98	6.05	6.05	0.00
Operating Room	14.41	13.13	18.18	14.51	15.96	1.45
Central Sterile Supply	1.55	0.86	0.83	0.86	1.81	0.95
Post Anesthesia Recovery Unit	1.66	1.70	0.87	1.72	1.89	0.17
Same Day Surgery	8.72	8.56	9.89	8.08	8.72	0.64
Infusion Therapy	1.38	3.62	2.84	2.57	3.98	1.41
Emergency Dept	22.36	22.89	23.47	23.22	24.45	1.23
Trauma	-	-	-	0.30	-	(0.30)
Laboratory	18.99	20.51	20.22	19.45	19.84	0.39
Histology	3.54	3.21	3.69	3.48	3.09	(0.39)
Diagnostic Radiology	9.51	8.28	8.57	7.88	8.13	0.25
Ultrasound	3.74	5.21	5.24	3.43	4.32	0.89
Nuclear Medicine	0.11	0.08	0.12	0.11	0.10	(0.01)
CT Scan	4.55	5.64	5.51	5.23	4.89	(0.34)
MRI	2.51	3.35	2.66	2.40	3.05	0.65
Mammography	2.35	2.37	3.15	2.77	3.15	0.38
Wellness	0.17	0.15	0.83	0.55	0.48	(0.08)
BRH Pharmacy	13.81	14.16	15.86	18.21	15.88	(2.34)
Physical Therapy/Occup Therapy	10.63	11.43	11.61	12.41	11.48	(0.94)
Speech Therapy	1.35	1.61	1.54	1.74	1.53	(0.22)
Dietary	18.03	16.96	18.31	17.51	18.41	0.90
BRH Nutrition	2.29	2.51	2.43	2.40	2.45	0.05
Environmental Services	19.82	19.40	19.65	19.56	19.80	0.24
Laundry	3.50	3.90	3.20	4.29	3.21	(1.08)
Materials Mgmt	4.14	4.86	4.86	4.49	4.86	0.37
Facilities Management	16.80	17.71	18.27	20.45	17.75	(2.70)
Patient Access Services	18.32	17.74	17.81	18.16	18.25	0.09
Case Management	9.85	11.40	10.35	13.12	11.51	(1.61)
Health Info Mgmt	8.51	7.69	8.09	7.72	8.11	0.39
Medical Staff	1.85	2.16	2.17	2.23	2.16	(0.07)
General Accounting	4.06	4.31	3.99	4.31	4.33	0.02
Patient Financial Services	11.09	12.37	10.65	12.87	12.87	(0.00)
Information Services Mgmt	8.83	10.64	11.64	11.04	12.53	1.49
Human Resources	3.96	3.77	3.96	4.33	4.10	(0.23)
Staff Development	2.66	2.65	2.47	2.99	2.41	(0.58)
Patient Education	0.80	0.84	0.85	0.86	0.81	(0.05)
Quality Review	3.11	3.31	3.29	3.36	3.85	0.49

Department Description	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2020 FTEs Budget	FY 2021 FTE Budget	Change
Employee Health	0.85	1.21	1.17	1.77	1.53	(0.24)
Development Programs	0.94	0.25	0.41	2.11	1.68	(0.43)
Executive Office	6.69	7.18	5.77	4.29	5.76	1.47
Compliance	1.75	1.73	1.66	1.75	1.70	(0.05)
Grant Administration	0.92	0.81	0.79	0.77	0.79	0.02
Community Relations	0.84	0.83	0.83	0.83	0.86	0.03
Crisis Intervention Grant					1.16	1.16
	438.74	445.84	457.45	465.57	484.33	18.76

A) Increase in FTEs from FY2020 to provide care to patients in the new Detox Unit.
B) New service in FY2020 of Emergency Psychiatric Services supported by revenue.
C) Expanded service in FY2020 of Outpatient Mental Health Services supported by revenue.
D) New service in FY2020 of Ophthamology provided supported by revenue.

Bartlett Regional Hospital
Six Year Department Improvements Plans

Project	Priority	FY21	FY22	FY23	FY24	FY25	Future
Asphalt Replacement Drive From Admin to JMC	1	400,000					
Crises Stabilization	2	5,500,000	1,500,000				
Study to Determine a Secondary Campus Access	3	90,000					
Operating Room Ventilation	4	300,000					
Deferred Maintenance	5	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Master Facility Project	6		$x,xxx,xxx	$x,xxx,xxx	$x,xxx,xxx	$x,xxx,xxx	
Parking Ramp (200 places)	7		2,000,000				
Relocate & Remodel Biomed, Dietary, Laundry, Materials Management Building	8		2,500,000	2,500,000			
Medical Office Building	9			2,000,000	1,000,000		
Remodel Laboratory (5000 Sq Ft)	10						3,750,000
Maintenance Building for Equipment	11						750,000
Oxygen Tank (Bulk) Storage	12						500,000
Totals		10,290,000	10,000,000	8,500,000	5,000,000	4,000,000	9,000,000

1. Asphalt Replacement: This is to repair and reconstruct existing campus roadway that is deteriorating. $500,000 was included in CIP for FY2020. However that is not adequate funding to complete the project. The total cost is currently estimated at $900,000 so and additional $400,000 is added to the project. This project is scheduled to begin in the Spring of 2020.

2. Crises Stabilization: This project would create an 8-bed crisis stabilization center at Bartlett Regional Hospital, serving adults (4 beds) and youth (4 beds) from Juneau and the surrounding communities who are experiencing behavioral health crises. This project was included in CIP for FY2020 at $3,500,000. This project has expanded as the location for the building is located on the site of the existing Behavioral Outpatient Services building which was scheduled to be replaced. The new building would consist of 2 levels with Behavioral Outpatient Services on the first floor with a second floor for Crises Stabilization. Grant dollars of $1,700,000 have been awarded to the Crises Stabilization project.

3. Secondary Campus Access: To study the feasability of establishing a second access to BRH campus from Egan.

4. Operating Room Ventilation: The ventiliation system in the Operating room needs to be updated. Pats are no longer available for the current equipment. The new system will also provide for redundency preventing a shutdown of the OR.

5. Deferred Maintenance: These funds are to address infrastructure projects. These funds will be used for known and planned projects and also used to address replacement are repairs that are not anticipated.

6. BRH is completing a Master Facility Campus Plan study that will identify facilities most in need of replacement or upgrade. The board of directors will have a Startegic Planning session where this information along with other materials in the spring. As a result there may be projects identified to be completed in future. The timing and cost is unknown at this time but it is expected a facility plan will be developed in the near future.

Bartlett Regional Hospital
5 Year Capital Plans

Dept #	Dept	Description	Priority	FY2021	FY2022	FY2023	FY2024	FY2025	Future	Additional Comments
6010	Med/Surg Unit	Hill-Rom Centrella Smart 255 bed need a total of 25 bed replacement. All beds iclude top of line matresses. 8 beds per year to order. 2024 has one bed to order.	2	82,045	82,045	82,045	10,070			Beds end of life as of Dec 2019, company no longer manufacturing beds. Parts may be avilable a few years. Includes top of line matress. Last time beds replaced we had to upgrade matresses within one year due to patient complaints of feeling metal bar in bed. Bed has safety features to reduce falls. current freight charge included. Does not include a potential 1.5- 3% change in cost or shipping through the years. Hospitals that purchased beds include Fairbanks, Provience, Central Solotna and Valdez.
6010	Med/Surg Unit	Bariatric bed chairs	1	18,000						
6010	Med/Surg Unit	Hill-Rom Centrella 355 Smart bed + blower matress for pressure sore control. 40 inch wide bed	2	17,974						Replacement of rental air matress. Which keeps breaking down and we keep sending it back for repairs.
6020	CCU	WiFi for Zoll Defibs hospital wide	1	38,201					12,000	Current Zoll Defibs on crash carts require manual download of data. Requires subscription renewal every 5 years.
6020	CCU	Glidescope	1	19,970						Replacement-current one end of life
6020	CCU	ICU Beds	1	43,369			44,000			Replacement
6020	CCU	US machine	2						80,000	New in 2019 - plan for future replacement
6020	CCU	Patient Lift	3					20,000		Replacement
6080	Obstetrics	GCX Fetal Monitoring Carts/ Workstations	1	50,000						Replace wood portable fetal monitoring carts and provide new carts in all LDRP rooms. Replacement/ Upgrade
6080	Obstetrics	GE Halo Bassinet	1	15,400						Replacement (4 last year, 4 this year)
6080	Obstetrics	Labor and Delivery beds (1/ yr)	3		25,000	25,000	25,000			Replacement
6080	Obstetrics	Neonatal Bililight for phototherapy	2	5,100						End of life
6080	Obstetrics	Welch Allyn Thermometers	1	10,000						Hospital-wide oral/rectal thermometer upgrade. Current ones can no longer be fixed per Biomed.
6210	Operating Room	Intellicart	1	99,000						
6210	Operating Room	ENT Instrumentation Set	1	69,925						
6210	Operating Room	Medtronic Surgical Equipment	1	28,091						
6210	Operating Room	Surgical Scope Replacements	1	100,979						
6230	Emergency Department	Single sign on for computers	1	75,000						1. Implement badge/tap system with Single-Sign-On for virtual desktops in ED. Base infrastructure to allow for other departments to follow going forward. Will minimize the repeated logging-in process and allow increased provider/nurse productivity as the desktop will follow staff between rooms/patients. Other departments will be able to leverage this option at a much lower cost once the initial investment is made and a proof-of-concept is worked out.
6230	Emergency Department	ED Stretchers with scales (2 new each year)	1	20,000	20,000	20,000	20,000	20,000		Replacement. Current guidelines for stroke care and heart attack care REQUIRE that patients get weighed, as the medications given to dissolve clots is weight based. Not having a way to accurately get a patients weight places them at risk for either receiving to little medication or to much. Currently we have one bed scale, which is in constant state of repair as it a refurbished model. The goal would be to have all ED strecthers with scales.
6230	Emergency Department	Bedside computer charting	3	12,000						Currently nurses have to use WOWS to chart at the bedside of a critical patient, and room space is limited. I would like to have arms and laptops so the laptops that can be opened and then closed for space saving, allowing bedside charting.
6060	Mental Health Unit	Move Elopement Door	1	20,000						Moving the locked door would allow patients to walk a square around the unit.
7070	Pharmacy	Omnicell Anesthesia Workstations	1	257,000						Replacement for Plexus pharmacy carts
7070	Pharmacy	Omnicell CPM Standalone (Central Pharmacy Manager)	3		115,000					Pharmacy inventory manangement system.

Bartlett Regional Hospital
5 Year Capital Plans

Dept #	Dept	Description	Priority	FY2021	FY2022	FY2023	FY2024	FY2025	Future	Additional Comments
7070	Pharmacy	Upgrade 3rd floor cleanroom	1		1,000,000					The current cleanroom does not meet the updated USP 797 physical requirements.
7070	Pharmacy	Infusion pump integration	1			250,000				Infusion pump integration with Meditech. Not sure if Meditech will be able to do this, or if we'll have to use Iatric.
7070	Pharmacy	Specialty pharmacy	2						?	We're in discussion with a PBM, Alluma, to help us provide specialty meds for CBJ employees. Will start in new pharmacy by Infusion, but we'll probably outgrow that space.
7070	Pharmacy	surveillance software	1		30,000					Software for controlled substance surveillance.
7070	Pharmacy	pharmacy shelving	2		50,000					The current shelves are at end of life, do not work well, and attempts to repair have failed.
7091	Physical rehab	Bedside swallow study scope	1	26,000						Bedside swallow study equipment which increases timeliness of testing patients who may have reduced swallowing capability, with subsequent aspiration pneumonia or other complications. This will allow studies to be expedited on the weekends or during hours when it may be difficult to schedule the study in DI. This device is new technology that greatly improves safety and quality of care.
9200	Information Systems	VxBlock server blade expansion and storage expansion	1	250,000						Given the time between initial design conversation (August 2018) and delivery of VxBlock our extra capacity has been consumed by several projects that all have required servers and storage. Additionally, we have the ability to cluster our MEDITECH environment to make it High-Availability and reduce downtimes which will require us to spin up 87 more servers. Additional space will be required as we continue to expand MEDITECH with ED Module and more clinics on Web Ambulatory.
9200	Information Systems	Wireless Access Points and 2nd Wireless Controller for High-Availability	2	380,000						Replacement of our wireless access points (8 years old and EOL). Add a second wireless controller for High Availability. Would be advantageous to have this upgraded as we Go-Live with Expanse this year.
9200	Information Systems	Workstation Replacements	2	150,000	150,000	150,000	150,000	150,000		If VDI Poject is successful we can move these funds to that line item and replace workstations with thin-clients and bad/tap option
9200	Information Systems	VxBlock server blade expansion and storage expansion	2		150,000	150,000	150,000	150,000		Server and Storage needs are continually growing. The new system allows us to easily expand. Includes VMware licensing as well.
9200	Information Systems	Virtual Desktop Infrastructure Pilot Project (badge/tap system)	2	75,000						ED would like to test a project for a badge/tap system to log into workstations in the ED and make it easier for their desktop to follow them between patients.
9200	Information Systems	MEDITECH ED Module	1	350,000						is a patient safety issue and T-System is no longer innovating their product. Costs continue to increase and functionality is not improving.
9200	Information Systems	MEDITECH Web Ambulatory Expansion for BMOC & BSSC	1	112,000						Cost may be less to bring BMOC and BSSC onto Web Ambulatory module. ROI will be paid back in less than 2-years due to eClinicalWorks cost of $15K/month
9200	Information Systems	OB Intellispace Perinatal Meditech module		150,000						Cost to add the OB model & monitoring intergration into Meditech
9200	Information Systems	FairWarning EHR Auditing System	1	124,400						Internal auditing and reporting system for HIPAA compliance
9200	Information Systems	Camera System Replacement	1	225,000						New camera system across the hospital. 125 cameras with artificial intelligence, 10-years cloud based storage, HD/4K resolution, 5-years support contract. Will remove 2 exisiting systems that we have in place currently and decrease the storage footprint on the network (currently 2TB of space).
7041	Diagnostic Imaging	Patient monitor	1	30,000						
7041	Diagnostic Imaging	DI/IT Software	1	150,000						
7045	MRI	MRI Prostate Coil	1	60,000						Requested by physicians in town for treatment
7045	MRI	MRI Replacement	1		2,600,000					Current MRI was purchased in 2008
7043	Ultrasound	Unltrasound Reaplacement	1						175,000	4 units new in 2019
7044	CT Scan	CT Replacement	1					1,500,000	1,500,000	2 CT Machines replacements

Bartlett Regional Hospital
5 Year Capital Plans

Dept #	Dept	Description	Priority	FY2021	FY2022	FY2023	FY2024	FY2025	Future	Additional Comments
7047	Mammography	3D Mammography Replacement	1						400,000	New in 2017. Estimating Life is 10 years
9530	Compliance	Add entry/exit to ED waiting room (after PAS renovation)	1	50,000						Patient and visitor safety. There will be a significant entrapment hazard for patients and visitor using the ED waiting room after the proposed modifications are made to the registration area. There will only be one public way in and out of the waiting area and individuals could potentially become entrapped if the entrance/exit becomes blocked. This becomes a significant hazard when the patient population of the ED is considered; which has a high rate of violence and/or agression.
9530	Compliance	Replace 6 Fire Doors. Replacement doors to include lites.	1	60,000						Employee safety. In the 3 older stairwells of the main hospital there are 6 doors that pose a significant fall hazard to individuals using these staircases. The landings on the inside of the stairwell are not large enough to allow safe door-swing avoidance without a significant danger of falling down the stairs. Doors should be replaced with similar doors with at least 1/4 lite (window) for traffic awareness. Doors are located at: 2nd, 3rd floor of stariwell 1; 1st, 2nd, 3rd floor of stairwell 2; 3rd floor of stairwell 3.
9530	Compliance	Dietary Dishwasher		50,000						Staff Safety
9530	Compliance	Modify an appropriate number of rooms at RRC to meet ADA requirements.	1	100,000						Compliance. If there were a patient that has ADA needs, RRC may not be able to admit because of challenges with ADA Title II, which could lead to a discrimination lawsuite. Enforcement action for Title II usually comes through DOJ; private lawsuits can also be filed in federal court. There is no grandfather clause for older construction. We are required to make "reasonable necessary modifications."
9530	Compliance	Need more warehouse storage space. Materials are stored too close to the fire suppression system in MM even when inventory are at minimum levels (18" storage rule)	1						?	Employee, visitor, patient safety. Part of the Hospital Facilities Master Plan?
8360	Facilities	Triage Tent	1	20,000						Current Unit Has reached end of useful life
8360	Facilities	Decon Tent	1	10,000						Current Unit Has reached end of useful life
8360	Facilities	Commons Furniture	2	25,000						Phased Replacement
8360	Facilities	Commons Furniture	2		25,000					Phased Replacement
8360	Facilities	Commons Furniture	2			25,000				Phased Replacement
8360	Facilities	Commons Furniture	2				25,000			Phased Replacement
8360	Facilities	Commons Furniture	2					25,000		Phased Replacement
8360	Facilities	Commons Furniture	2						25,000	Phased Replacement
8360	Facilities	Box Truck	1	75,000						Well Past Useful Life. Used to transport medical waste.
8360	Facilities	Large Format Scanner	3	6,000						To allow Maintenance to scan blueprints
8360	Facilities	Tablets for Maintainers	3	18,000						Allowing mobile entry of work order and PM data
8360	Facilities	Philips Patient Monitor	1	30,000						For Biomed to conduct PM"s and as a departmental extra.
8210	Laundry	Washers	2		100,000					
8360	Facilities	Sec officer defensive tools	1		60,000					TBD
8360	Facilities	Interior Genie Lift	3		6,000					To safely reach difficult elevated interior areas
8200	Environmental Services	Med/Surg Curtains	1		75,000					
8360	Facilities	Plow Truck	1		75,000					
8360	Facilities	Ford Escape	2		35,000					
8210	Laundry	Driers	1			80,000				
8200	Environmental Services	Carpet Extractor	1			15,000				
8360	Facilities	Campus Wide Radio System	2			100,000				
8360	Facilities	John Deere	1			30,000				
8200	Environmental Services	ED/OB/CCU Curtains	1			75,000				
8360	Facilities	Jeep	2			35,000				
8360	Facilities	Med Tester	1				15,000			Biomed Equipment Safety Test
8200	Environmental Services	Sterile Meryl	1				100,000			

Bartlett Regional Hospital
5 Year Capital Plans

Dept #	Dept	Description	Priority	FY2021	FY2022	FY2023	FY2024	FY2025	Future	Additional Comments
8360	Facilities	Jeep	2				35,000			
8200	Environmental Services	SDS Curtains	1					75,000		
8360	Facilities	Bobcat	2						90,000	Purchased new in 2019
Totals				3,508,455	4,598,045	1,037,045	574,070	1,940,000	2,282,000	

1 Patient Safety/Compliance
2 End of Life/Revenue Enhancer/Cost Saver
3 Future End of Life/Nice to have

MEMORANDUM

CITY AND BOROUGH OF
JUNEAU
ALASKA'S CAPITAL CITY

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

DATE: April 15, 2020

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Debt Service Overview**

Introduction

Typically, the calculation of the debt service mill rate is simple. Annual required debt service payments are simply divided by the borough's total assessed valuation. So, to pay $6 million of general obligation debt service from $5 billion of property assessed valuation, CBJ would need to assess a 0.12% tax or 1.2 mills on property value. It can be just that easy.

Unfortunately, CBJ's calculation of the debt service mill rate is made considerably more complex by two factors:

1. Anticipated state reimbursement of school bond debt is highly uncertain
2. In 2013, CBJ voted affirmatively to pre-fund future debt service costs from 1% temporary sales tax

Uncertainty of School Bond Debt Reimbursement

The Proposed FY2021/2022 Budget assumes that the state will honor 50% of its commitment to reimburse school bond debt in both years. That assumption follows the Governor's FY2020 veto of school bond debt reimbursement down to 50% of the amount committed. For FY2021, the Legislature funded 100% of school bond debt reimbursement in the budget, but the Governor vetoed 100% of that amount—which would result in zero dollars coming to CBJ as state reimbursement. However, the Governor indicated that it is his intention to fund 100% of school bond debt reimbursement via federal funding from the CARES Act.

Observers have speculated that budget items like school bond debt reimbursement may not be eligible for CARES Act funding. The Governor's Chief of Staff indicated on a call with the Alaska Municipal League that the state would work with the federal government to obtain the flexibility to meet community needs—whatever those needs were. To add to the uncertainty, the Senate President sent a letter to the federal government seeking to understand the Governor's potential latitude in allocating CARES Act funds. Hence, uncertainty prevails.

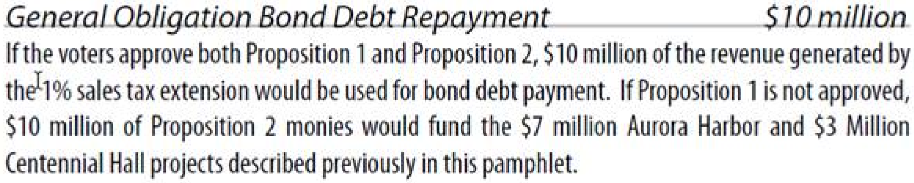
Mechanically, debt service payments for all bond issues (including schools) are made from the debt service fund. State reimbursement of school debt is just a funding source to the debt service fund. Hence, the state's failure to reimburse school bond debt erodes the debt service fund balance and eventually causes it to go negative.

The Assembly Finance Committee took action at its meeting on January 8, 2020 to direct staff to introduce an ordinance to fund unreimbursed school bond debt from the general government fund. That ordinance would have transferred funds from the general government fund to the debt service fund. However, with the dire financial uncertainty that ensued from COVID-19, the Finance Department delayed drafting and introducing that appropriation until the Assembly Finance Committee could consider the issue in the process of reviewing the FY2021 budget proposal. Hence, school bond debt service payments for FY2020 have been made from the debt service fund, but the amount unreimbursed by the state has not been resolved. Effectively, the debt service fund is still holding the tab.

2013 Ballot Measures: Prefunding Future Debt Service Costs with Sales Tax

Juneau voters endorsed two interrelated ballot measures in 2013. The first was a $25 million general obligation bond package, and the second was a 5-year extension of the temporary 1% sales tax for projects. One of the items funded by the extension of the 1% sales tax for projects was “Bonded Debt Service,” the future cost of the related $25 million bond. In general, this leveraging strategy generated more funding in the near-term while mitigating the medium-term impact on the debt service mill rate. Effectively, sales tax receipts were used to pre-fund future debt repayments, which would have had a mitigating effect on the debt service mill rate.

The description of Bond Debt Prepayment from the voter information pamphlet:



General Obligation Bond Debt Repayment $10 million

If the voters approve both Proposition 1 and Proposition 2, $10 million of the revenue generated by the 1% sales tax extension would be used for bond debt payment. If Proposition 1 is not approved, $10 million of Proposition 2 monies would fund the $7 million Aurora Harbor and $3 Million Centennial Hall projects described previously in this pamphlet.

From FY2015 to FY2019, a portion of the 1% sales tax for projects was transferred from sales tax fund to the debt service fund. Over five fiscal years, those transfers totaled $10 million. By the end of FY2019, $4.9 million had effectively “subsidized” the debt service mill rate, and the debt service fund had accumulated a balance of $5.1 million. Projections from Finance indicate that this $5.1 million debt service fund balance would have continued to pay a portion of general obligation debt costs for the next 2 to 3 years, effectively continuing to subsidize the debt service mill rate over that time.

Discussion

This memo is weedy, for sure. Nevertheless, these intricacies of the debt service fund are relevant to any decisions about how to resolve unreimbursed school bond debt. Namely, the amount of school bond debt service that was not reimbursed by the state in FY2020 has been “paid” by the accumulated debt service fund balance—which built up from sales tax receipts deposited there to mitigate the cost of the 2013 general obligation bond debt service. That is allowable and reasonable, but it eliminates a portion of a future debt service subsidy, which will cause the debt service mill rate to be higher than expected in the future. Additionally, any amount of unreimbursed school debt in FY2021 and FY2022 will similarly erode the debt service fund balance or cause it to go negative.

In order to address the shortage in the debt service fund, the Committee must strike the balance between transferring in general funds and adopting a higher debt service mill rate. Generally, the more general funds transferred, the lower the future debt service mill rate. The less general funds transferred, the higher the future debt service mill rate is required to be. But striking this balance is a challenge because the Committee does not know how much school bond debt will be reimbursed in the future. And, in the current environment, any transfer of general funds may require an increase to the areawide mill rate to generate the necessary revenue. A debt service fund model is available to the Committee. That model demonstrates the outcome of these variables.

Recommendation

I recommend that the Committee take no action in FY2020—meaning do not transfer general funds into the debt service fund (which the AFC directed staff to do in its January meeting). In the midst of the COVID-19 crisis, it is sensible to use the prefunding of other general obligation debt that accumulated in the debt service from 1% sales tax receipts. Doing nothing preserves unrestricted general government funds to be used for their highest purpose in the coming year. This will induce slightly higher than expected debt service mill rates in the future, but those rates could be similarly subsidized by future transfers from general funds.

Likewise, I recommend that the Committee authorize the 1.2 debt service mill rate as proposed. If funds for reimbursement of FY2021 school debt remain fully vetoed and unfunded, the Committee will need to appropriate general funds to cover any unreimbursed amount. The same will be true in FY2022 and beyond, though the amount of school debt service, and the expected reimbursement, drops significantly in FY2023.

FY2019-FY2025 Debt Service Fund Model

4/15/2020

	FY19	FY20	FY21	FY22	FY23	FY24	FY25
GG Transfer	1,148,300	-	3,094,300	3,200,000	600,000	-	-
School Debt Reimbursement %	75%	50%	50%	50%	50%	50%	50%
Total Debt Service Payments	**17,850,400**	**16,019,100**	**15,705,600**	**14,408,500**	**10,363,400**	**7,858,300**	**5,932,500**
School Debt Reimb (SOA)	(8,453,900)	(3,548,000)	(3,279,200)	(2,818,200)	(1,339,700)	(543,900)	(226,300)
Federal Subsidy	(94,800)	(184,500)	(126,000)	(97,300)	(70,700)	-	-
Port & Dock PDF	(2,097,400)	(2,094,800)	(2,095,400)	(2,093,600)	(2,095,000)	(2,092,500)	(2,092,500)
Property Tax	(6,377,781)	(6,020,500)	(6,126,000)	-	-	-	-
From Debt Fund Balance	321,781	(4,171,300)	(984,700)	-	-	-	-
From GG Fund Balance or Reserve	(1,148,300)	-	(3,094,300)	(3,200,000)	(600,000)	-	-
Total Funding Sources	**(17,850,400)**	**(16,019,100)**	**(15,705,600)**	**(8,209,100)**	**(4,105,400)**	**(2,636,400)**	**(2,318,800)**
Ending Fund Balance	***(5,156,000)***	***(984,700)***	**-**	**-**	**-**	**-**	**-**

Additional (Less) Property Taxes Needed	**-**	**-**	**-**	**6,199,400**	**6,258,000**	**5,221,900**	**3,613,700**
Set/Proposed Debt Service Mil Levy	**1.30**	**1.20**	**1.20**	**-**	**-**	**-**	**-**
Debt Service Mil needed			**-**	**1.20**	**1.20**	**0.99**	**0.68**
Total Mil Levy	**1.30**	**1.20**	**1.20**	**1.20**	**1.20**	**0.99**	**0.68**

FY 21 Funding Request Detail

Type	Description	FY20	FY21 Increase	FY21 Total	Notes
K-12	HS Activities	1,079,300	20,000	1,099,300	Increase for variable salaries
K-12	MS Activities	102,200	-	102,200	Fixed salaries
K-12	UAS Auto Shop	N/A	-	N/A	No longer an option
K-12	Transportation	50,000	-	50,000	
K-12	Food Service	50,000	243,600	293,600	Cashier salaries and avg deficit
Other	Kinder Ready	300,000	-	300,000	Last minute state funding in FY20
Other	Community Schools	95,000	-	95,000	
Other	RALLY	-	115,000	115,000	Average deficit
	Total	**1,676,500**	**378,600**	**2,055,100**	

FY 21 Funding Request Summary

Required Local	$14,916,200
To the Cap	+11,925,900
Outside the Cap	+2,055,100
Total	$28,897,200

JSD Letter, pg. 7

ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA

School Operating Budget (budget pages 87-89)

MANAGER'S REPORT:

This ordinance will appropriate to the School District an FY21 operating budget of $87,337,400. This is an overall decrease in the budget of $1,601,700 from the FY20 Amended Budget. The School District's operating budget is:

General Operations	$71,122,400
Special Revenue (pupil transportation, food service, etc.)	$16,215,000
Total Budget	$87,337,400

The FY21 school budget is supported with a combination of funding sources including CBJ local funding of $28,518,600. The local funding consists of: $26,842,100 for general operations, and $1,676,500 for programs and activities outside of the state funding cap. These programs and activities include: $1,181,500 million for student activities, $50,000 for pupil transportation, $50,000 for food service, $95,000 for Community Schools and $300,000 for Kinder Ready. The general operations support is an increase of $64,800 over FY20 Amended. The other program and activities funding is flat to FY20 Amended, for a net funding increase of $64,800.

State statute requires the Assembly to determine the total amount of local educational funding support to be provided and provide notification of the support to the School Board within 30 days of the School District's budget submission. The district's budget was submitted March 27, 2020. To meet this timing provision, it is necessary for the Assembly to determine the amount of funding and provide notice in the month of April. This amount cannot subsequently be reduced, unless the amount exceeds the State funding CAP, but it can be increased. If the Assembly does not set the amount and furnish the School Board with notice within 30 days, the amount requested by the School District is automatically approved. By Charter, the Assembly is required to appropriate the School District's budget no later than May 31, 2020. On April 22, 2020, a meeting is scheduled for the Assembly to state, by motion, the amount of local funding to be provided to the School District.

RECOMMENDATION:

The City Manager recommends holding the charter required public hearing for this ordinance, followed by a motion to set the amount of local funding to be provided to the school district, and then referral of the ordinance back to the Assembly Finance Committee for additional review.

Presented by: The Manager
Introduced: April 1, 2020
Drafted by: Finance

Ordinance of the City and Borough of Juneau

Serial No. 2020-10

An Ordinance Appropriating Funds from the Treasury for FY21 School District Operations

Section1. Classification. This ordinance is a non-code ordinance.

Section 2. Estimated Funding Sources. The following amounts are the estimated funding sources for the City and Borough of Juneau School District, for the fiscal year beginning July 1, 2020, and ending June 30, 2021. It is anticipated that these estimated funding sources will meet the appropriations set forth in Section 3 of this ordinance.

ESTIMATED REVENUE:	
State Support	$ 45,835,700
Federal Support	5,500,000
User Fees, Permits, and Donations	4,377,000
Student Activities Fundraising	2,100,000
Total Revenue	**$ 57,812,700**
TRANSFERS IN:	
General Governmental Fund School District Support:	
Operations	26,842,100
Special Revenue	1,676,500
Total Transfers In	**$ 28,518,600**
Fund Balance Decrease	1,006,100
Total Estimated Funding Sources	**$ 87,337,400**

Section 3. Appropriation. The following amounts are hereby appropriated for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

APPROPRIATION:	
General Operations	$ 71,122,400
Special Revenue	16,215,000
Total Appropriation	**$ 87,337,400**

Section 4. Effective Date. This ordinance shall be effective immediately upon adoption.

Adopted this ___ day of ___, 2020.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

City and Borough of Juneau
Assembly Finance Committee (AFC)

FY21/22 Proposed Budget Calendar and Key Dates – as of 4/15/2020
Wednesdays at 5:00pm, unless otherwise stated
All meetings will include an update on COVID-19 as necessary

APRIL 2020

1st **Special Assembly Meeting – 5:30pm –Followed by Assembly Finance Committee**

Special Assembly Meeting to Introduce FY21/22 Proposed budget, immediately Followed by Assembly Finance Committee meeting, Chambers

A. Introduction of the General Operating CBJ Budget Ordinance 2020-09
B. Introduction of the General Operating School District Budget Ordinance 2020-10
C. Introduction of the Mill Levy Ordinance 2020-08
D. Introduction of the CIP Resolution 2877

1st **AFC Meeting #1 – 5:30pm - Immediately following Special Assembly Meeting**

A. Distribution of the Operating Budget, Capital Budget and Capital Improvement 6-Year Plan
B. FY21/22 Proposed Budget Overview
C. School District Budget Presentation
D. Docks & Harbors (Carl Uchytil, Port Director)

8th **AFC Meeting #2 – 5:00pm**

A. FY21/22 Proposed Budget Overview (cont.)
B. Eaglecrest Ski Area (Dave Scanlan, Eaglecrest General Manager)
C. Capital Improvements Projects Program Budget/Plan

15th **AFC Meeting #3 – 5:00pm**

A. Hotel-Bed Tax Funding
B. Travel Juneau (Liz Perry, President/CEO)
C. Revised Passenger Fee Recommendations – For Review
D. Childcare

22nd **Special Assembly Meeting - 5:00pm - Followed by Assembly Finance Committee**

Within 30 days after receipt of the (school) budget, the assembly shall determine the amount to be made available from local sources for school purposes, and shall furnish the School board with a statement (motion) of the amount to be made available for FY21 School District operations. (Charter Section 13.6 (b))

Public hearings on the following (must be completed by May 1, per Charter Section 9.6)

A. General Operating CBJ Budget Ordinance 2020-09
B. General Operating School District Budget Ordinance 2020-10
C. Capital Improvement Program (CIP) Resolution 2877
D. Mill Levy Ordinance 2020-08

22nd **AFC Meeting #4 (Immediately following Special Assembly Meeting)**

A. Juneau International Airport (Patty Wahto, Airport Manager)
B. Bartlett Regional Hospital Presentation (Kevin Benson, CFO)
C. Debt Service Presentation
D. Proposed Mill Rate Presentation
E. School District - Funding “Outside the cap” – For Action
F. School Operating Budget – For Action

29th AFC Meeting #5 – 5:00pm

A. Marine Passenger Fee Recommendations – For Action
B. Capital Improvements Projects Program Budget/Plan – For Action
C. Requested Budget Increments
D. Pending Items List

MAY 2020

6th AFC Meeting #6 – 5:00pm

A. Requested Budget Increments
B. Pending Items List
C. FY20 Supplemental Review

13th AFC Meeting #7 – 5:00pm

A. Fund Balance – Committee Questions
B. Pending Items List – For Final Action
C. Set Mill Rates – For Final Action
D. Final FY21/22 Proposed Budget Decisions –
  a. CIP Resolution 2877
  b. Mill Levy Ordinance 2020-08
  c. General CBJ Operating Ordinance 2020-09

18th Regular Assembly Meeting – Monday – 7pm

A. Adoption of the School District's General Operating Budget Ordinance 2020-10

20th BREAK – No meeting unless needed for critical items.

27th BREAK – No meeting unless needed for critical items.

By May 31st, the assembly must determine the amount to be made available from local sources for school purposes (Charter Section 13.6 (b))

JUNE 2020

3rd AFC Meeting

A. TBD

8th Regular Assembly Meeting – Monday – 7pm

A. Adoption of the General Operating CBJ Budget Ordinance 2020-09
B. Adoption of the CIP Resolution 2877
C. Adoption of the Mill Levy Ordinance 2020-08

10th BREAK – No meeting unless needed for critical items.

The Charter requires that the following budget actions be made by June 15th:

- **Appropriating Ordinances Adopting a Budget (Charter Section 9.7 (a))**
- **Mill Levy Ordinance (Charter Section 9.7 (b))**
- **CIP by Resolution (Charter Section 9.8)**

THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Education
& Early Development

OFFICE OF THE COMMISSIONER

801 West Tenth Street, Suite 200
P.O. Box 110500
Juneau, Alaska 99811-0500
Main: 907.465.2800
TTY/TDD: 907.465.2815
Fax: 907.465.4156

MEMORANDUM

TO: **Superintendents**
Business Managers

FROM: **Dr. Michael Johnson, Commissioner**

DATE: **April 22, 2020**

SUBJECT: **Guidance on CARES Act Funds**

CARES Act: Elementary and Secondary Emergency Relief Fund

The Coronavirus Aid, Relief and Economic Security (CARES) Act, signed into law on March 27, 2020, provides funding and flexibilities for States to respond to the COVID-19 emergency in K-12 schools. In addition to providing a variety of waivers for assessments, accountability, reporting and funding carryover, the CARES Act provides an economic stimulus to individuals, businesses, and schools.

The CARES Act provides education funding to state education agencies (SEA) and local education agencies (LEA) to support schools as they are dealing with the effects of the COVID-19 Pandemic (*Cares Act Section 18003(c))*. Funding has not yet been distributed to SEAs, but the Alaska Department of Education and Early Development (DEED) is proactively creating a streamlined process for distributing the CARES Act stimulus funding to districts.

Funding will be distributed to districts according to Alaska's Title I-A allocation formula. Please note that this funding is not Title I-A funding; however, the Title I-A funding formula is the mechanism used to determine district funding levels. Estimated allocations for districts are attached and can be found on DEED's COVID-19 website. If a district does not receive Title I-A funding, it will not be eligible to receive a CARES Act allocation based on the Title I-A formula from DEED.

As soon as DEED is notified of the final allocation, calculations will be finalized. Districts will then have a reasonable amount of time to apply for CARES Act funds using DEED's Grant Management System (GMS). It is DEED's intention that the application process be as streamlined as possible. While the CARES Act funding is not subject to the Title I-A Carryover Limitation, funding does expire September 30, 2021. As additional information from the U.S. Department of Education (US ED) becomes available, it will be made available to districts.

Funding for the CARES Act is very flexible. Under the law, funds may be used for any activity authorized by the Elementary and Secondary Education Act (ESEA), Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, the Perkins Career and Technical Education (CTE) Act, or McKinney-Vento Homeless Act, in addition to other activities to help with the response to COVID-19, including preparedness and response efforts, sanitation, professional development, distance learning, and other activities. As with all federal funds, 2 CFR Part 200 applies.

Title I-A ranking and serving as well as school and Title I-A student eligibility provisions do not apply to CARES Act funding. Additionally, the restriction on carryover limits outlined in the funding waiver for Title I-A does not apply to CARES Act funds. There is a definite end date for the expenditures.

A waiver to remove the maintenance of effort will be submitted to US ED for both districts and the state.

Equitable Services
Private schools are eligible for equitable services through the district (*CARES Act Section 18005(b)).*

Districts must reach out to all private schools located within their district boundaries for Title I-A and Special Education in order to inform private schools of the CARES Act funding and determine whether the private schools wishes to participate. A previous decision by a private school to turn down Title I-A funds does not impact its eligibility to participate in CARES Act funding (*CARES Act Section 18005(a)).*

Application Process
US ED is required to provide states with an application or application process within 30 days of the CARES Act passage, and then has 30 days to approve applications. At this time, an application has not been made available to DEED.

Once funding levels have been finalized by US ED, districts will use GMS to create budgets and indicate which activities they will be funding with the CARES Act funds. The following delineates the twelve activities outlined in the Act.

1. Authorized Programs *CARES Act Section 18003(d)(1).*
   - Elementary and Secondary Education Act (ESEA)
     - Title I-A Improving the Academic Achievement of the Disadvantaged
     - Title I-C Education of Migratory Children

  - Title I-D Educational Support for Neglected, Delinquent or At-Risk Children and Youth
  - Title II-A Supporting Effective Instruction
  - Title III-A Language Instruction for English Learners and Immigrant Students
  - Title IV-A Student Support and Academic Enrichment
  - Title IV-B 21st Century Community Learning Centers
- Individuals with Disabilities Education Act (IDEA)
- Adult Education and Family Literacy Act (AEFLA)
- Carl D. Perkins Career and Technical Education Act (Perkins)
- McKinney Vento Homeless Education Assistance Act

2. Coordination of LEA preparedness and response efforts to improve coordinated responses with other agencies to prevent, prepare for, and respond to coronavirus. *CARES Act Section 18003(d)(2).*

3. Providing principals and other school leaders with the resources necessary to address school needs. *CARES Act Section 18003(d)(3).*

4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth. *CARES Act Section 180003(d)(4).*

5. Developing and implementing procedures and systems to improve LEA preparedness and response efforts. *CARES Act Section 18003(d)(5).*

6. Training and professional development for LEA staff on sanitation and minimizing the spread of infectious diseases. *CARES Act Section 18003(d)(6).*

7. Purchasing supplies to sanitize and clean LEA facilities. *CARES Act Section 18003(d)(7).*

8. Planning for and coordinating during long-term closures, including how to provide meals, technology for online learning, guidance on IDEA requirements, and ensuring other educational services can continue to be provided consistent with all applicable requirements. *CARES Act Section 18003(d)(8).*

9. Purchasing educational technology (including hardware, software, and connectivity) for students served by the LEA that aids in regular and substantive educational interactions between students and their classroom teachers, including assistance technology or adaptive equipment. *CARES Act Section 18003(d)(9).*

10. Providing mental health services and supports. *CARES Act Section 18003(d)(10).*

11. Planning and implementing activities related to summer learning and supplemental afterschool programs and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care. *CARES Act Section 18003(d)(11).*

12. Other activities that are necessary to maintain operations and continuity of services and continuing to employ existing staff. *CARES Act Section 18003(d)(12).*

CARES Act: Governor's Emergency Education Relief Fund

Approximately $3 billion of the $30.75 billion Education Stabilization Funds in the CARES Act is allocated for the Governor's Emergency Education Relief Fund (GEERF), Section 18002. The State of Alaska is estimated to receive $6,503,527.

These funds are allocated to governors to use at their discretion on education relief. The governor can use these funds for emergency support to local educational agencies, institutions of higher education, and other education entities. Funding can also be used to support childcare and early childhood education, for social and emotional support, and to protect education related jobs.

While these are flexible discretionary funds that governors can use to meet the needs of students, schools (including charter schools and non-public schools), postsecondary institutions, and other education-related organizations, the law provides more clarity in that SEAs may use grants awarded under the GEERF to:

- Provide emergency support to local educational agencies that have been significantly impacted by COVID-19 to continue to provide educational services to students as well as support the LEA's ongoing functionality. *CARES Act Section 18002(c)(1).*

- Provide emergency support to institutions of higher education that provide services to students significantly affected by COVID-19. *CARES Act Section 18002(c)(2).*

- Provide support to any education-related entities deemed essential for carrying out emergency educational services to students for activities that are authorized under the ESEA, IDEA, Carl D. Perkins Career and Technical Education Act, Adult Education and Family Literacy Act, and McKinney-Vento. *CARES Act Section 18002(c)(3).*

- Provide support to any education-related entities deemed essential for providing childcare and early childhood education, social and emotional support, and the protection of education-related jobs. *CARES Act Section 18002(c)(3).*

Approximately $3.7 million from the State of Alaska's allocation will be distributed to 35 districts in order to ensure all districts receive funding equal to or greater than the allocation of the $30 million one-time funds through the foundation formula versus the allocation based on the Title I-A funding formula for the Elementary and Secondary Emergency Relief Funds.

Distribution of Funds

DEED will be applying for GEERF on behalf of the Governor through the *Certification and Agreement for Funding under the Education Stabilization Fund Program Governor's Emergency Education Relief Fund* (application) released by the US ED this week.

Timeline

Each Governor will have one year, from the date of the State's award, to award funds. Any funds not awarded within one year of the award must be returned to the US ED for reallocation. *CARES Act Section 18002(d).*

Department of Education & Early Development
Prepared 4/21/2020
DRAFT - Estimated CARES Act Funding for Alaska School Districts

School District	Estimated Elementary and Secondary School Emergency Relief Funds	Estimated Governor's Emergency Education Relief Funds	Total Estimated CARES Act Funds
Alaska Gateway	$ 172,490	$ 4,686	$ 177,176
Aleutian Region	-	23,096	23,096
Aleutians East Borough	32,493	79,731	112,224
Anchorage	12,069,484	-	12,069,484
Annette Island	141,380	-	141,380
Bering Strait	1,272,764	-	1,272,764
Bristol Bay Borough	16,938	20,334	37,272
Chatham	83,998	-	83,998
Chugach	44,592	37,427	82,019
Copper River	126,862	3,264	130,126
Cordova	27,308	75,145	102,453
Craig	69,134	32,129	101,263
Delta/Greely	181,823	19,201	201,024
Denali Borough	23,506	128,690	152,196
Dillingham	108,887	30,505	139,392
Fairbanks N. Star Borough	2,454,271	482,199	2,936,470
Galena	9,679	542,011	551,690
Haines Borough	50,468	19,665	70,133
Hoonah	78,813	-	78,813
Hydaburg	42,518	-	42,518
Iditarod Area	105,084	18,478	123,562
Juneau Borough	608,728	401,129	1,009,857
Kake	42,518	3,142	45,660
Kashunamiut	313,525	-	313,525
Kenai Peninsula Borough	2,295,953	-	2,295,953
Ketchikan Gateway Borough	493,965	94,633	588,598
Klawock	52,888	-	52,888
Kodiak Island Borough	288,290	297,445	585,735
Kuspuk	224,341	-	224,341
Lake & Peninsula Borough	128,244	63,603	191,847
Lower Kuskokwim	2,884,979	-	2,884,979
Lower Yukon	2,094,772	-	2,094,772
Mat-Su Borough	3,997,351	-	3,997,351
Nenana	23,506	168,238	191,744
Nome	181,823	13,891	195,714
North Slope Borough	338,759	387,281	726,040
Northwest Arctic Borough	1,089,904	-	1,089,904
Pelican	-	9,726	9,726
Petersburg	60,493	81,781	142,274
Pribilof	1,383	26,215	27,598
Saint Mary's	151,750	-	151,750
Sitka Borough	152,096	152,251	304,347
Skagway	-	36,783	36,783
Southeast Island	48,394	60,665	109,059
Southwest Region	470,805	-	470,805
Tanana	14,173	6,864	21,037
Unalaska	10,716	109,132	119,848
Valdez	43,209	133,289	176,498
Wrangell	77,776	8,963	86,739
Yakutat	22,123	8,760	30,883
Yukon Flats	185,626	-	185,626
Yukon/Koyukuk	196,687	148,504	345,191
Yupiit	544,779	-	544,779
Mt. Edgecumbe High School	415,152	-	415,152
TOTAL	**$ 34,567,200**	**$ 3,728,856**	**$ 38,296,056**

DRAFT - *Grant amounts are subject to change as additional guidance and information is received*