



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Office of Superintendent

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M E M O R A N D U M

DATE: June 21, 2010
TO: Members, Board of Education
FROM: Steve Atwater, Ph.D. 
Superintendent of Schools
RE: Resolution 10-11-1

Background: Alaska Statute 14.17.410 (2) states that a borough is required to provide funding to its school district. This prescribed level of local funding has a set minimum (four mills of assessed value of property) and a maximum or cap amount. During this past year's funding cycle, the District built its budget on the maximum amount of allowed local funding. As you know, the Borough funded the District at \$2 million less than this cap.

I feel that the process that the Borough used to arrive at this local funding level is unwieldy. The District would like to remedy this by working more closely with the Borough so as to avoid much of the uncertainty that accompanies the current funding process.

Resolution 10-11-1 proposes that the Borough Administration and Assembly meet in a joint worksession with the Board to begin to explore the creation of an alternative process for calculating the local funding of schools.

Recommendation: The administration recommends that the Board approve this resolution.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

RESOLUTION 10-11-1

LOCAL EFFORT FUNDING PLANNING MEETING

Due to the interconnected nature of funding for the Kenai Peninsula Borough School District (District) and the Kenai Peninsula Borough (Borough) and the ultimate impact of funding decisions on students and communities of the Kenai Peninsula and

WHEREAS, the District has operated using a conservative approach to maintain financial resources to meet the goals of the District's Long Range Plan and

WHEREAS, HB273 enacted increases to the base student allocation and other components of the State of Alaska education funding formula for FY09, FY10, and FY11 and the 2010 Alaska Legislature did not extend increases to the base student allocation beyond FY11 and

WHEREAS, the District did not seek supplemental funding due to increased enrollment for FY10 due to Kenai Peninsula Borough Assembly expressed concerns about future Borough revenue and

WHEREAS, for the first time since the inception of a funding cap, the Kenai Borough Assembly funded under the fully allotted education funding formula that was petitioned for by the Board of Education for FY11 and

WHEREAS, the District developed fund balance to maintain current pupil/teacher ratios in its long range plan to offset differential costs absent an increase to the base student allocation and

WHEREAS, reduced local effort funding and current District fund balance estimates, along with no increase to the base student allocation indicate a limited ability to maintain pupil/teacher ratios beyond FY12 and

WHEREAS, the Kenai Peninsula Borough current revenue and fund balance estimates indicate limited resources for Borough operations in the future and

WHEREAS, circumstances seem appropriate to review and update the Kenai Peninsula Borough Local School Funding Policy to provide parameters for budgeting, transparent Borough Administration, Assembly and Board of Education communications, and to set a long-term plan to orient incoming Assembly members on complex budget processes and documents

THEREFORE BE IT RESOLVED, that the Kenai Peninsula Borough Board of Education requests a joint Board, Borough Administration and Assembly planning meeting on September 7, 2010 to address these and other appropriate issues in preparation for the FY12 budget cycle.

ADOPTED BY THE KENAI PENINSULA BOROUGH SCHOOL DISTRICT BOARD OF EDUCATION THIS DATE OF 12 JULY 2010.

Joe Arness, President
Kenai Peninsula Borough School District
Board of Education

ATTEST:
Sally Tachick
Notary Public, State of Alaska
My Commission Expires 07/25/20 13