

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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SCHOOL BOARD COMMUNICATION

Title: FY12 Budget Revision

Date: 11-29-11

Item Number: 10 e.

Administrator: Dave Jones, Assistant Superintendent *Dave Jones*

Attachments: FY12 Budget Revision Details

☒ Action Needed ☐ For Discussion ☐ Information ☐ Other: _____

BACKGROUND INFORMATION

FY12 student enrollment reported to the State of Alaska was 8,953. This change from the original projection of 9,086 results in a reduction of state revenue of \$1,137,030 to a total of \$72,983,737. This total includes the one-time state aid of \$1,404,575 and the increase in the funding formula for High School Vocational Education or Career and Technical Education (CTE).

Other additions to the current FY12 Revenue Budget for rollover encumbrances from FY11 and Charter School carryover funds total \$2,638,240. A rollover encumbrance brings forward funds committed to a purchase from a prior fiscal year into the current fiscal year, so a purchase order that is not complete at the end of the fiscal year will not have an impact on the subsequent year's budget. Funds committed for that purchase order are rolled forward to offset the payment that will be made. Encumbrances rolled over from FY11 into FY12 totaled \$2,130,577. Charter Schools were allowed to carry over into FY12 an amount of fund balance equal to a maximum 10% of FY11 expenditures; this carryover totaled \$507,663. The total of rollover encumbrances and Charter School carryover was \$2,638,240.

The prior revenue budget included use of fund balance in the amount of \$2,119,255. Since the revised expenditure budget exceeds the revised revenue budget, the use of fund balance will be increased by \$286,453 to a total of \$2,405,708. The current FY12 General Fund revenue budget of \$138,142,615, less the \$1,137,030 reduction in state revenue, plus the \$2,638,240 in Rollover Encumbrances and Charter School Carryover and increased use of fund balance of \$286,453 brings the total revised FY12 Revenue budget to \$139,930,278.

Reductions in the expenditure budget to reflect actual salaries and benefits for employees employed in the district for FY12 total \$1,449,107. Additional changes to expenditures include the Transportation Fund transfer, travel costs for employees at remote sites and completion of the Performance Based Curriculum. Also reflected is an increase in the Connections supply budget and an increase in the Technology plan equipment budget, offset by a decrease to the Connections equipment budget. Finally, an increase in utility costs for remote schools was mostly offset by unexpended funds for a generator and shed that will not be completed during this fiscal year. These adjustments total a reduction to the expenditure budget of \$850,577.

The current FY12 expenditure budget total of \$138,142,615, less the total changes mentioned above, plus the \$2,638,240 of rollover encumbrances and Charter School carryover, bringing the expenditure budget to a total of \$139,930,278.

FY12 GENERAL FUND BUDGET REVISION SUMMARY:

Revenue Budget

Current FY12 Revenue Budget	\$ 138,142,615
Decreased State Funding	<u>(1,137,030)</u>
Total State Funding Change	137,005,585
FY11 Rollover Encumbrances	2,130,577
Charter School Carryover from FY11	<u>507,663</u>
Total Encumbrances and Carryover	2,638,240
Increased Use of Fund Balance	286,453
Revised FY12 Revenue Budget	<u><u>\$ 139,930,278</u></u>

Expenditure Budget

Current FY12 Expenditure Budget	\$ 138,142,615
FY11 Rollover Encumbrances	2,130,577
Charter School Carryover from FY11	<u>507,663</u>
Total Encumbrances and Carryover	2,638,240
Decreased Salaries and Benefits	(1,449,107)
Transfer to Pupil Transportation Fund	750,000
Travel for Remote School Employees	13,591
Complete Development of Performance Based Curriculum	22,200
Connections Supply Budget	111,200
Decreased Connections Equipment Budget	(392,000)
Technology Plan Equipment Budget	81,000
Utility/Generator Adjustment	<u>12,539</u>
Total Expenditure Changes	(850,577)
Revised FY12 Expenditure Budget	<u><u>\$ 139,930,278</u></u>

ADMINISTRATIVE RECOMMENDATION

The Administration recommends approval of the FY12 Budget Revision. An additional revision is likely when final funding from the State of Alaska is determined in early 2012.