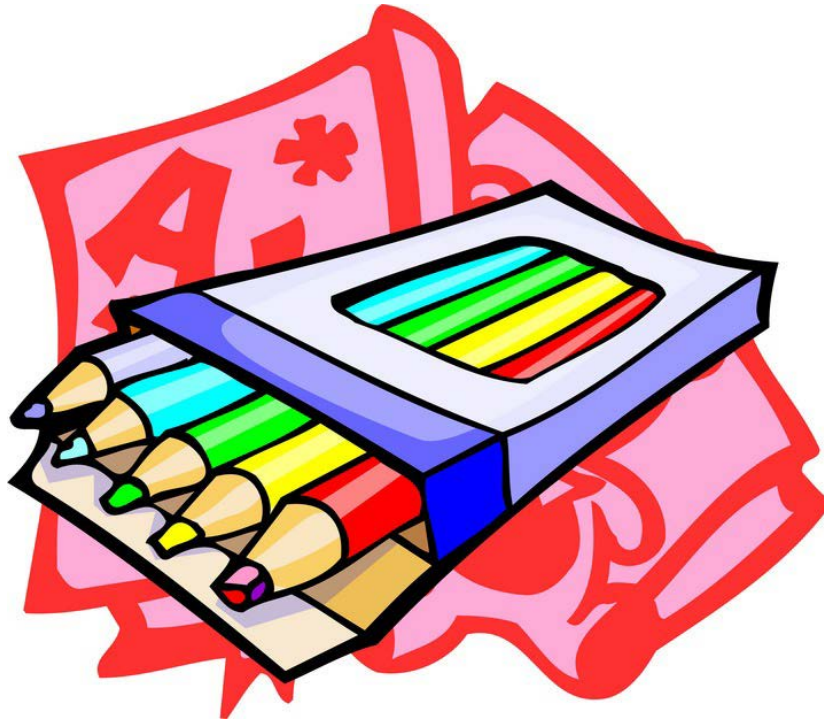


**KENAI PENINSULA BOROUGH
SCHOOL DISTRICT**

2014-2015 Preliminary Budget



Community Budget Meetings

Seward High Library – Tuesday, February 18, 2014, 5:30 pm

Soldotna High Library – Wednesday, February 19, 2014, 5:30 pm


Homer High Library – Tuesday, February 25, 2014, 5:30 pm

www.kpbsd.k12.ak.us

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8888 Fax (907) 262-9132
www.kpbsd.k12.ak.us

SCHOOL BOARD COMMUNICATION

Title:	FY15 Preliminary Budget		
Date:	January 28, 2014	Item Number:	
Administrator:	Dave Jones, Assistant Superintendent 		
Attachments:	FY15 Preliminary Budget Document		

Action Needed **For Discussion** **Information** **Other:** _____

BACKGROUND INFORMATION

The FY15 Preliminary Budget Document is presented for review by all interested parties during various upcoming budget conversations. The Board is required to approve a balanced budget (where the General Fund revenue budget equals the General Fund expenditure budget) with board action scheduled for the April 14, 2014 meeting. The following information is provided to help facilitate understanding of the FY15 General Fund Preliminary Budget.

Enrollment Projection

The process used to project the FY15 enrollment is based on a straight-line method for most schools as of October 17, 2013. The steps involved in arriving at the projection of 8,773 students included:

- Students at school sites were moved ahead one grade level, with some variance based on school administrator input.
- Charter school enrollment projections are in concert with the contractual agreement between each charter school and the district.
- Staffing for Homer Flex, Kenai Alternative and Marathon School locations according to amounts stated in Board AR 6183c.
- Kindergarten enrollment based on the average actual enrollment for FY12, FY13 and FY14, with some modifications based on additional information from school administrators.
- Sites affected by feeder schools were adjusted according to anticipated student movement.

The District was required to submit the FY15 enrollment projection to the State of Alaska Department of Education and Early Development by November 5, 2013.

Revenue Budget

The Preliminary General Fund revenue budget totals \$161,206,486, with budgeted revenue from all sources of \$154,456,357 and use of Fund Balance reserved for Health Care in the amount of \$2,156,400 and use of General Fund Balance in the amount of \$4,593,729.

The state revenue projection of \$109,730,357 includes \$74,029,142 for the Foundation Funding Program, \$274,995 in the Quality Schools grant and \$33,684,316 in payments made directly to the retirement system on behalf of the district. These On-behalf payments are also reflected in the expenditure budget. The Foundation estimate was made assuming no increase in the Base Student Allocation (BSA) in the State of Alaska Foundation Funding Formula. One time funding of \$1,741,904 included in the Governor's Preliminary Budget has been included in this estimate of state revenue.

At the local level, borough support has been included at \$43,500,000, the same level as FY14. This amount is about \$2.5 million under the maximum allowed for local contribution and the district will be increasing the amount requested from the borough after other budget changes are determined.

Expenditure Budget

The Preliminary General Fund expenditure budget of \$161,206,486 is based on the enrollment projection and other considerations noted below.

- Staffing has been adjusted to support the FY15 student enrollment projection of 8,773 using staffing formulas revised to include an increase of .5 in the Pupil/Teacher Ratio.
- Based on information from the District’s insurance broker, employer-paid share of health care was estimated at \$1,417 per employee per month or \$17,004 per year. This calculation also includes the change in employer share to assume 85% of the total health care expenditures.
- Employer-paid retirement benefits were calculated on projected salaries, including 22% of gross wages for PERS-eligible positions and 12.56% of gross wages for TRS-eligible positions.
- Schools were staffed based on the staffing formulas that fit their size and configurations as follows:

CERTIFIED FORMULAS:

ELEMENTARY SCHOOLS GRADES K-6 > 200

Elementary Classroom	Kindergarten	1:20.5 pupil/teacher ratio (PTR)
	Grades 1-3	1:22.5 pupil/teacher ratio
	Grades 4-6	1:24.5 pupil/teacher ratio
Elementary Specialists	1.5 FTE if enrollment < 270	
	2.0 FTE if enrollment 270-345	
	2.5 FTE if enrollment 346	
	3.0 FTE if enrollment >=410	
Elementary Intervention	.50 FTE if enrollment 200-350	
	1.0 FTE if enrollment > 350	

HIGH SCHOOL/MIDDLE SCHOOL

Secondary Classroom	1:24.5 pupil/teacher ratio
Secondary Program Staffing	15% of classroom allocation
Secondary Counseling	1:250 pupil/teacher ratio Grades 9-12
	1:350 pupil/teacher ratio Grades 7-8
Secondary Library	.50 FTE if enrollment > = 200
	1.0 FTE if enrollment > = 600
Secondary AD	.50 FTE if enrollment > 250 (High Schools only)
Secondary Read 180	.50 FTE if Grades 7-8 enrollment 80-150
	1.0 FTE if Grades 7-8 enrollment > 150
Secondary Intervention	.50 FTE per middle school

SMALL SCHOOLS < 200

Small Schools Elementary Classroom	1:17.5 pupil/teacher ratio Grades K-6 (1.0 FTE minimum) if ADM < 25
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Small Schools Elementary Specialists	1.0 FTE if Grades K-6 enrollment > 100
Small Schools Secondary Program Staffing	1.0 FTE if Grades 7-12 enrollment 8-20 2.0 FTE if Grades 7-12 enrollment 21-40 1:19 pupil/teacher ratio if Grades 7-12 enrollment > 40
Small Schools Intervention	.50 FTE if enrollment >= 75 (K-6 and K-8 schools only)

SUPPORT FORMULAS:

ELEMENTARY SCHOOLS GRADES K-8

Elementary Custodian	Average of 1.0 FTE/20,000 Square Feet and 1:100 pupil/custodian ratio
Elementary Secretary	1.0 FTE if enrollment < = 275 1:275 pupil/secretary ratio if enrollment > 275
Elementary Library Aide	.38 FTE if Grades K-6 enrollment < = 275 .44 FTE if Grades K-6 enrollment > = 276

HIGH SCHOOL

High School Custodian	Average of 1.0 FTE/22,000 Square Feet and 1:125 pupil/custodian ratio
High School Secretary	1:250 pupil/secretary ratio
High School Bookkeeper	1.0 FTE per school
High School Counseling Assistant	.50 FTE if enrollment 200-400 1.0 FTE if enrollment > 400
High School Library Aide	.44 FTE per school

MIDDLE SCHOOL

Middle School Custodian	Average of 1.0 FTE/22,000 Square Feet and 1:125 pupil/custodian ratio
Middle School Secretary	1:200 pupil/secretary ratio
Middle School Counseling Assistant	.50 FTE if enrollment 200-400 1.0 FTE if enrollment > 400
Middle School Library Aide	.44 FTE per school

SMALL SCHOOLS < 100

Small School Custodian	Average of FTE/18,000 Square Feet and 1:100 pupil/custodian ratio, .25 FTE minimum
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Small School Secretary .88 FTE per school

SMALL SCHOOLS > 100 WITH HIGH SCHOOL

Small School Custodian Average of
1.0 FTE/18,000 Square Feet and
1:100 pupil/custodian ratio

Small School Secretary 1.0 FTE if enrollment < 225
1.5 FTE if enrollment > = 225

- Programmatic staffing that was implemented in FY09 is still included in the staffing of the FY15 preliminary budget.
- Supply and copy budgets have been adjusted based on student enrollment projections with a small amount of Instructional Supply Budgets reserved for staff development district-wide.
- Utility budgets have been reviewed based on historical data and adjusted for anticipated changes as needed.
- Budgets for property, liability and stop-loss insurance and worker’s compensation costs, which are received as In-Kind Services from the Kenai Peninsula Borough, were budgeted at FY14 amounts.
- Fund transfers have been included for the Student Nutrition Program in the amount of \$800,000 and the Community Theater Program in the amount of \$25,000.

Use of Fund Balance and Other Considerations

The Alaska Retirement Management (ARM) Board approved changes to both TRS and PERS On-Behalf contribution rates. TRS rates increased from 41.06% to 58.19% and PERS rates increased from 13.68% to 22.03%. The total estimate for FY15 On-Behalf contributions is \$33,684,316, an increase of \$10,838,900 from FY14. As you are aware, both the Revenue and Expenditure budgets include this amount.

FY2015	Employer Rate		On-Behalf Rate (Relief Rate)		Actuarial Rate	Estimated On-Behalf Contribution
TRS	12.56%	+	58.19%	=	70.75%	\$29,622,936
PERS	22.00%	+	22.03%	=	44.03%	\$ 4,061,380

The governor’s proposed budget for the upcoming fiscal year was released in December 2013 and included a \$3 billion payment against the unfunded liability in the retirement systems. He estimated that the unfunded liability is approximately \$12 billion and stated that this action would result “in lower fixed annual payments on the rest of the debt over time.”

Estimated revenue from all sources for the FY15 Preliminary General Fund Budget totals \$154,456,357. Use of Fund Balance designated for Self Insurance in the amount of \$2,156,400 is also included in the preliminary budget, per previous discussion and planning with the board. Use of General Fund Balance in the amount of \$4,593,729 is currently shown in order to present a balanced budget. That use of fund balance will change, depending on board approval of additional expenditure reductions, additional revenue from the state or borough, or a combination of those options. The total of revenue and use of fund balance in the FY15 Preliminary General Fund Budget is \$161,206,486.

Expenditures in the FY15 Preliminary General Fund Budget total \$160,381,486. Additionally, there are transfers to other funds scheduled totaling \$825,000. The total of all expenditures and transfers for the FY15 Preliminary General Fund Budget is \$161,206,486.

Even with use of Fund Balance designated for Self Insurance, there is still a gap between revenues and expenditures in the amount of \$4,593,729. The possibility of increased funding at the state and/or local level, additional reductions to expenditures and additional use of fund balance are areas to consider in

formulating a plan to balance the budget.

Budget Forums

Opportunities for review and discussion of the FY15 budget will continue to be held around the borough until the board makes a final decision. Dates and information about the budget cycle, meetings and opportunities for the public to participate in formulating the final FY15 budget are as follows:

November 12, 2013	Community Budget Development Committee Meeting
December 3, 2013	Joint Work Session – School Board and Borough Assembly
January 14, 2013	FY15 Preliminary General Fund Budget, Board Work Session
February 3, 2014	FY15 Detailed Preliminary Budget Information, Board Work Session
February 18, 2104	Public Budget Forum, Seward High Library, 5:30 pm
February 19, 2014	Public Budget Forum, Soldotna High Library, 5:30 pm
February 25, 2104	Public Budget Forum, Homer High Library, 5:30 pm
March 3, 2014	Presentation of FY15 Budget at School Board Meeting
April 14, 2014	Presentation of FY15 Budget for Approval at School Board Meeting
April 15, 2014	Final FY15 Budget to Borough Assembly

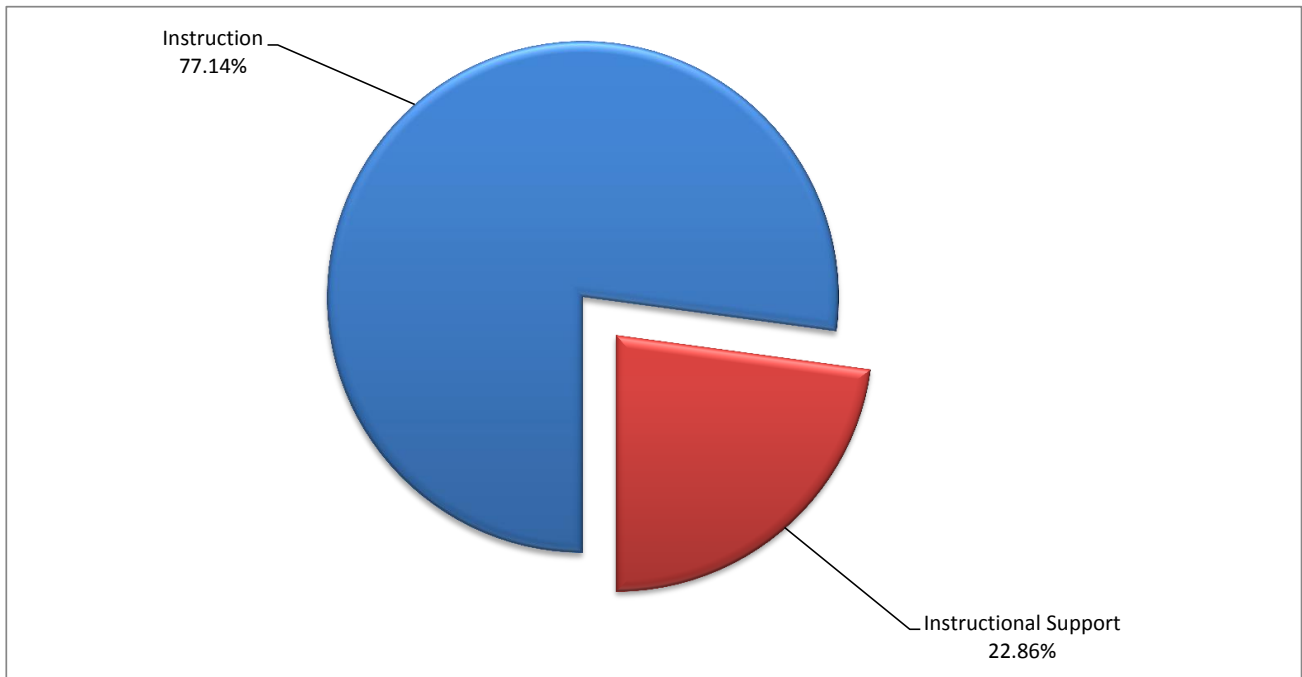
ADMINISTRATIVE RECOMMENDATION

Administration is presenting for information and discussion. No action is necessary at this time.

**Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget**

General Fund Expenditures by Function

Code	Description	Status Quo FY15 Budget	Specified Reductions	Skyview Pool Reduction	Preliminary FY15 Budget	
-4100	Regular Instruction	\$ 78,719,854	\$ (839,896)	\$ (67,352)	\$ 77,812,606	
-4200	Special Education Instruction	21,894,235	(2,759)		21,891,476	
-4220	Special Education Support - Pupil	6,659,726	(1,500)		6,658,226	
-4300	Support Services - Pupil	5,502,972	-		5,502,972	
-4350	Support Services - Instruction	4,340,603	(190,369)		4,150,234	
-4400	School Administration	7,695,815	-		7,695,815	
	Instruction Subtotal	124,813,205	(1,034,524)	(67,352)	123,711,329	77.14%
-4450	School Administration - Support	5,452,726	(150)		5,452,576	
-451X	District Administration	1,314,306	(6,950)		1,307,356	
-455X	District Administration - Support	6,431,843	(12,000)		6,419,843	
-4600	Operation and Maintenance of Plant	21,520,106	(252,000)	(112,648)	21,155,458	
-4700	Pupil Activities	2,334,924	-		2,334,924	
	Instructional Support Subtotal	37,053,905	(271,100)	(112,648)	36,670,157	22.86%
	Total Expenditures	\$ 161,867,110			\$ 160,381,486	100.00%
	Transfers to Other Funds *	825,000	-	-	825,000	
	Total Expenditures and Transfers	\$ 162,692,110	\$ (1,305,624)	\$ (180,000)	\$ 161,206,486	

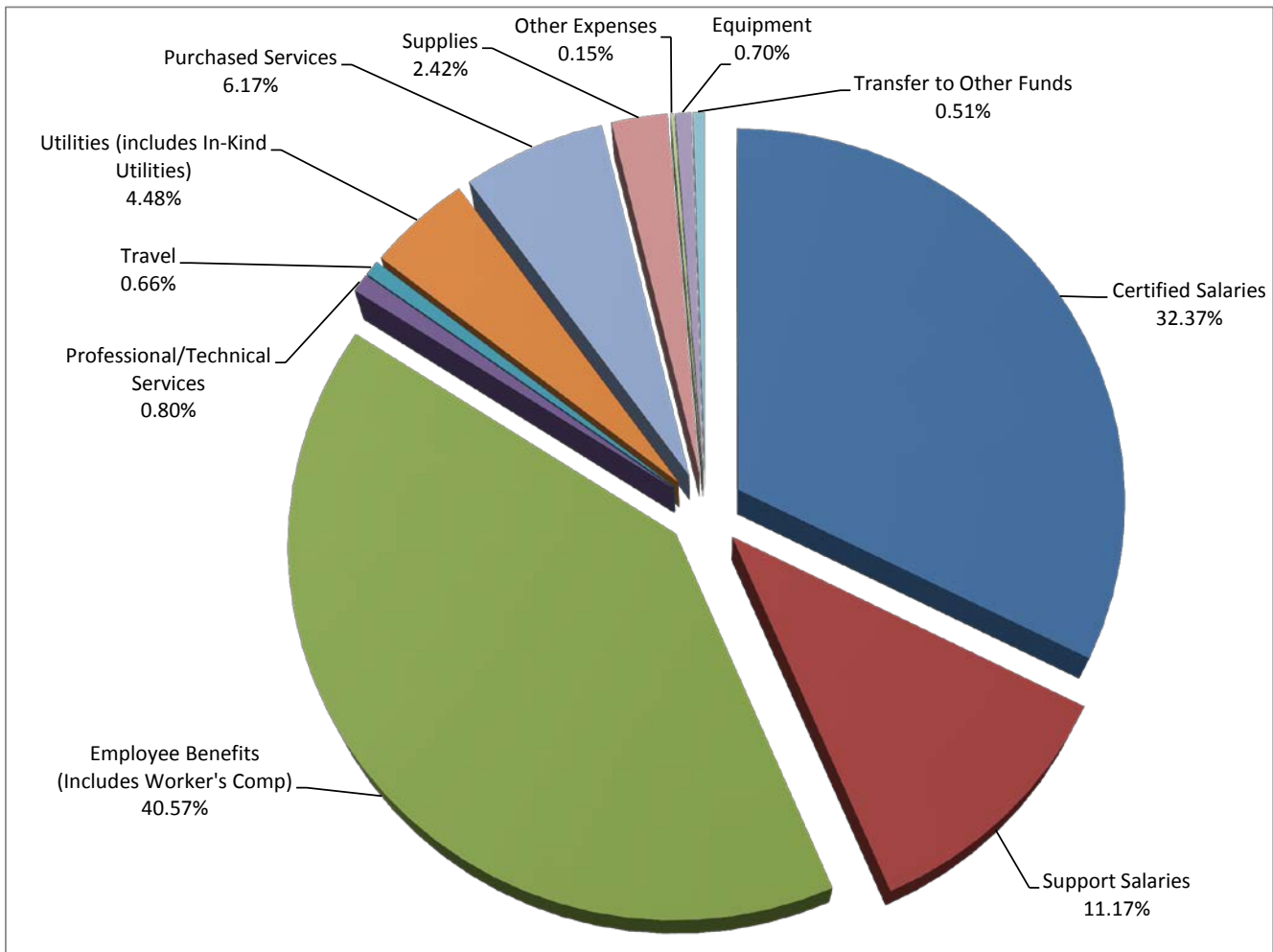


* Transfers in FY15 to Food Service of \$800,000 and to Community Theater of \$25,000.

**Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget**

Expenditures by Object

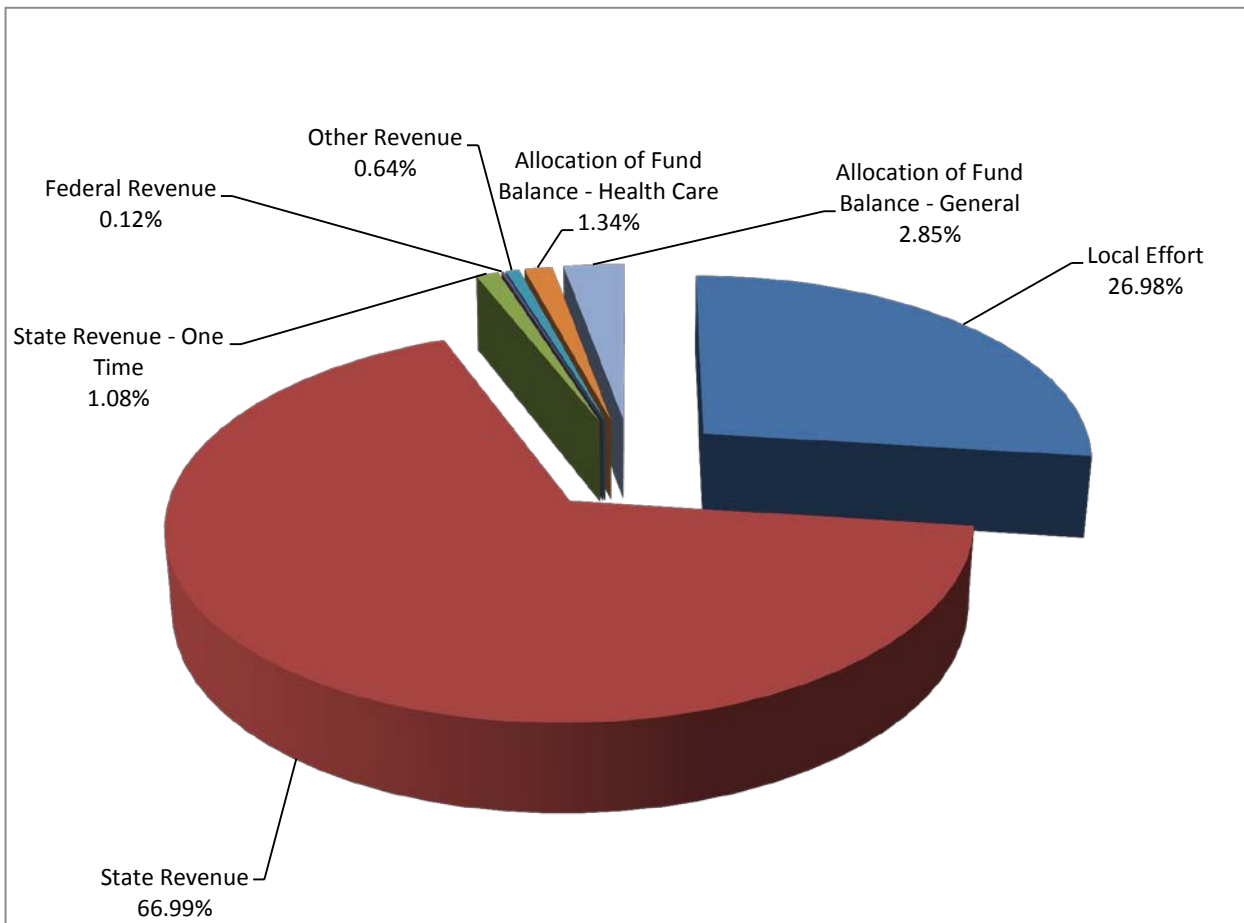
Code	Object Code Description	Status Quo FY15 Budget	Specified Reductions	Skyview Pool Reductions	Preliminary FY15 Budget	% of Total
-31XX	Certified Salaries	\$ 52,661,629	\$ (582,583)	\$ -	\$ 52,079,046	32.37%
-32XX	Support Salaries	18,170,068	(2,928)	(41,067)	18,126,073	11.17%
-35XX	Benefits (Includes Worker's Comp)	66,000,744	(263,750)	(26,285)	65,710,709	40.57%
-41XX	Professional/Technical Services	1,305,547	-	-	1,305,547	0.80%
-42XX	Travel	1,079,616	(4,000)	-	1,075,616	0.66%
-43XX	Utilities (includes In-Kind Utilities)	7,288,599	(250,000)	(112,648)	6,925,951	4.48%
-44XX	Purchased Services	10,035,127	-	-	10,035,127	6.17%
-45XX	Supplies	3,936,164	(152,363)	-	3,783,801	2.42%
-4901	Other Expenses	247,251	-	-	247,251	0.15%
-51XX	Equipment	1,142,365	(50,000)	-	1,092,365	0.70%
-5500	Transfer to Other Funds	825,000	-	-	825,000	0.51%
		\$ 162,692,110	\$ (1,305,624)	\$ (180,000)	\$ 161,206,486	100.00%



**Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget**

Revenue

Local Effort	\$ 43,500,000	26.98%
State Revenue	107,988,453	66.99%
State Revenue - One Time	1,741,904	1.08%
Federal Revenue	200,000	0.12%
Other Revenue	1,026,000	0.64%
Allocation of Fund Balance - Health Care	2,156,400	1.34%
Allocation of Fund Balance - General	4,593,729	2.85%
Total Revenue Budget	<u>\$ 161,206,486</u>	<u>100.00%</u>



As this chart illustrates, the primary source of funding for the Kenai Peninsula Borough School District is the State of Alaska. The Kenai Peninsula Borough provides a funding appropriation and in-kind services. A small amount comes from the federal government in the form of a Medicaid reimbursement. The category of "Other Revenue" includes investment earnings, E-Rate revenue, and rental of school facilities. The District has also relied on use of fund balance to make up for a shortfall between expected revenues and expenditures. Use of Fund Balance designated for Health Care is part of this preliminary budget. A final amount of use of Fund Balance for regular operations will be determined once the board has made expenditure decisions.

FY15

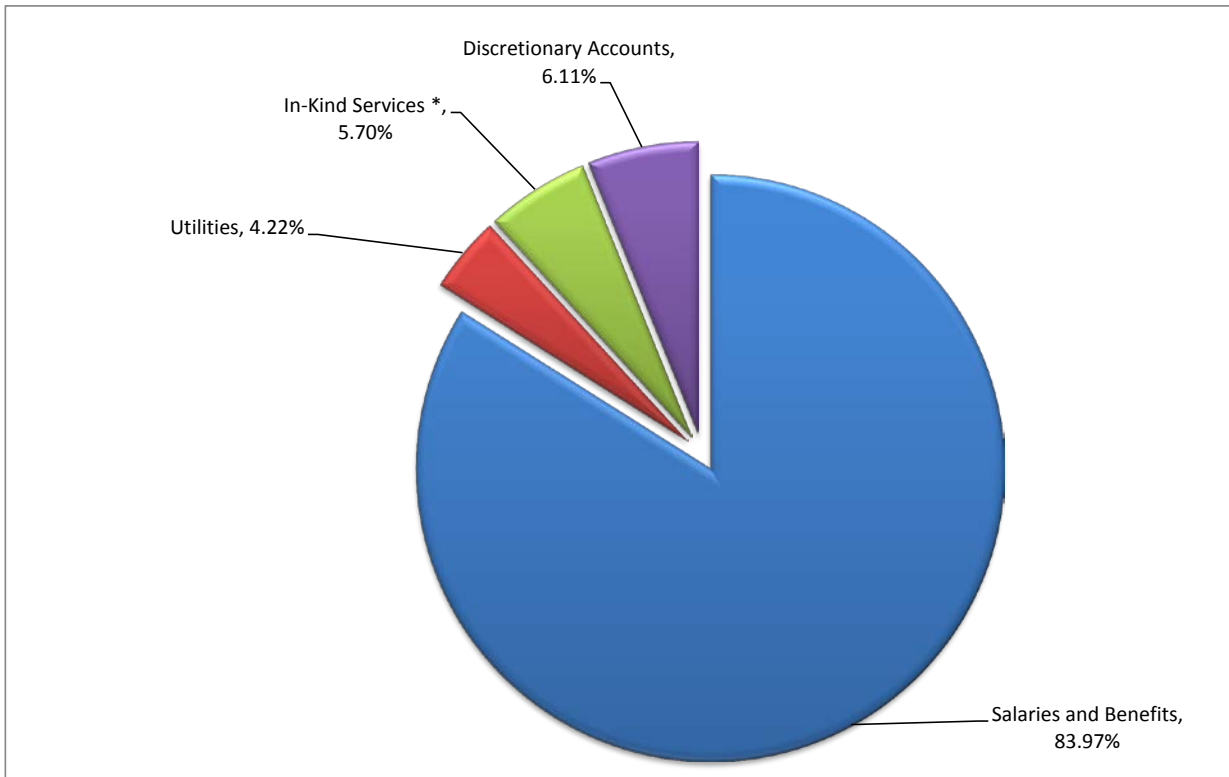
Status Quo Expenditures	\$ 162,692,110	Reduction of 2.5 FTE related to enrollment decline
Status Quo Revenues	<u>\$ 154,456,357</u>	
Status Quo Deficit	\$ (8,235,753)	
July 13 Budget Reductions	<u>\$ 1,305,624</u>	.5 PTR reduction resulted in reduction of 10.5 certified FTE and misc. stuff
Remaining Deficit	\$ (6,930,129)	
January 14 Budget Reductions		
Skyview Pool Closure	\$ 180,000	Reduction of 1.0 FTE classified and misc. stuff
Remaining Deficit	\$ (6,750,129)	
Health Care Fund Balance Usage	<u>\$ 2,156,400</u>	
Unresolved Remaining Deficit	\$ (4,593,729)	At average salary and benefits of \$80,287 would require the reduction of 57.22 certified staff (not admin)

Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget

The FY15 Preliminary General Fund Budget reflects:

Revenue	\$ 154,456,357
Expenditures	161,206,486
Difference	(6,750,129)
Use of Fund Balance - Health Care	2,156,400
Remaining Deficit	\$ (4,593,729)

Expenditure Category	FY15 Budget	% Of Total	FY14 Budget	% Of Total	FY13 Actual	% Of Total
Salaries and Benefits	\$ 135,361,602	83.97%	\$ 120,685,244	80.70%	\$ 117,281,764	80.75%
Utilities	6,798,506	4.22%	7,516,264	5.03%	6,704,792	4.62%
In-Kind Services *	9,193,414	5.70%	9,193,414	6.15%	8,691,467	5.98%
Discretionary Accounts	9,852,964	6.11%	12,144,928	8.12%	12,556,511	8.65%
	\$ 161,206,486	100.00%	\$ 149,539,850	100.00%	\$ 145,234,534	100.00%

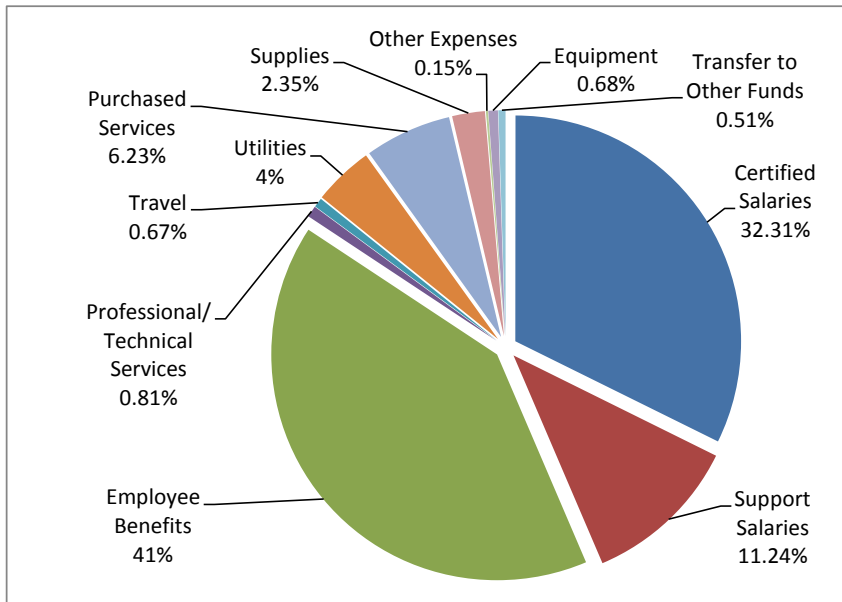


* Includes Workers Compensation Insurance costs.

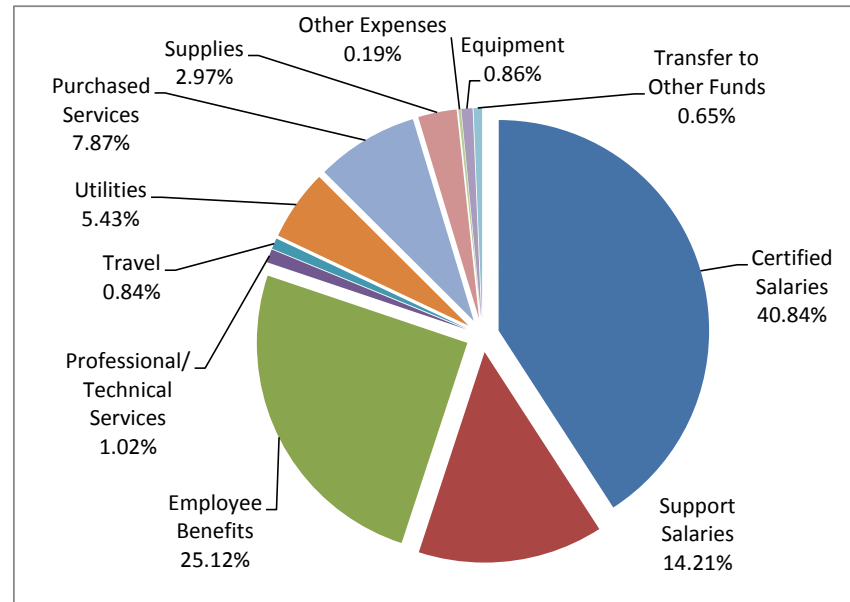
**Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget**

Expenditures by Object

<u>Code</u>	<u>Object Code Description</u>	<u>Preliminary FY15 Budget w/ on-behalf</u>	<u>% of Total</u>	<u>Preliminary FY15 Budget w/out on-behalf</u>	<u>% of Total</u>
-31XX	Certified Salaries	\$ 52,079,046	32.31%	\$ 52,079,046	40.84%
-32XX	Support Salaries	18,126,073	11.24%	18,126,073	14.21%
-35XX	Employee Benefits (Includes Worker's Comp)	65,710,709	40.75%	32,026,393	25.12%
-41XX	Professional/Technical Services	1,305,547	0.81%	1,305,547	1.02%
-42XX	Travel	1,075,616	0.67%	1,075,616	0.84%
-43XX	Utilities (includes In-Kind Utilities)	6,925,951	4.30%	6,925,951	5.43%
-44XX	Purchased Services	10,035,127	6.23%	10,035,127	7.87%
-45XX	Supplies	3,783,801	2.35%	3,783,801	2.97%
-49XX	Other Expenses	247,251	0.15%	247,251	0.19%
-51XX	Equipment	1,092,365	0.68%	1,092,365	0.86%
-5500	Transfer to Other Funds	825,000	0.51%	825,000	0.65%
		<u>\$ 161,206,486</u>	<u>100.00%</u>	<u>\$ 127,522,170</u>	<u>100.00%</u>



Including On-Behalf

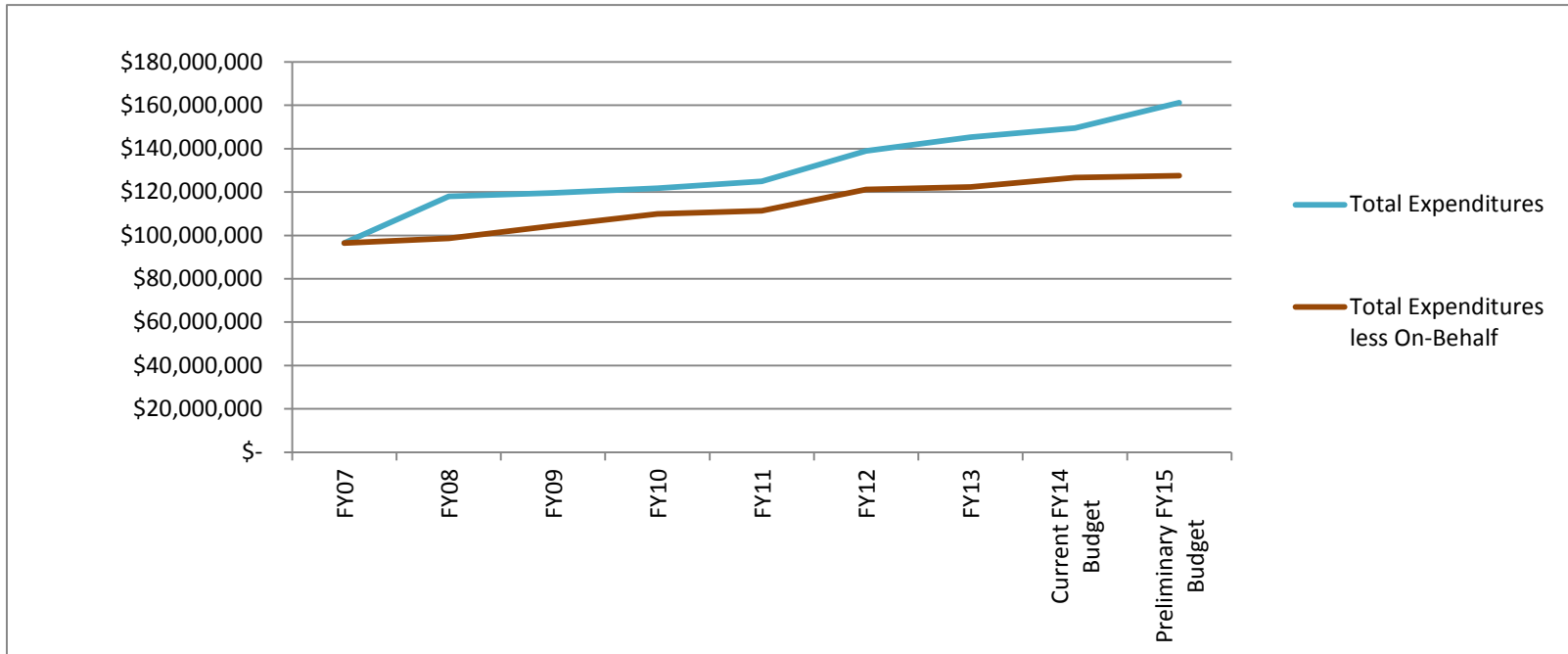


Without On-Behalf

**Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget**

Total Expenditures and Total On-Behalf

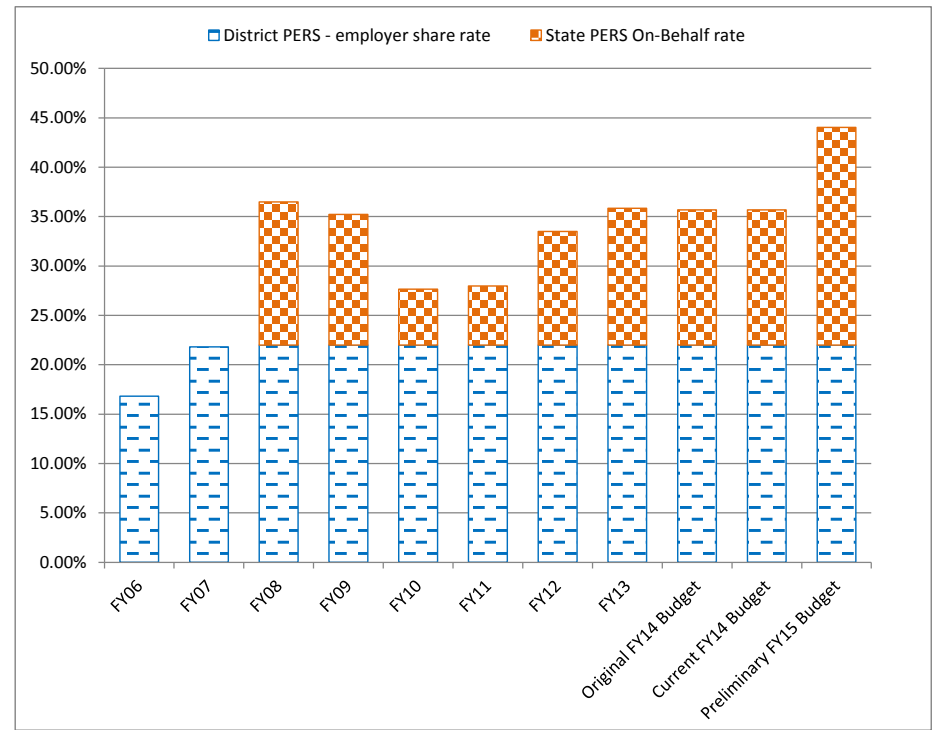
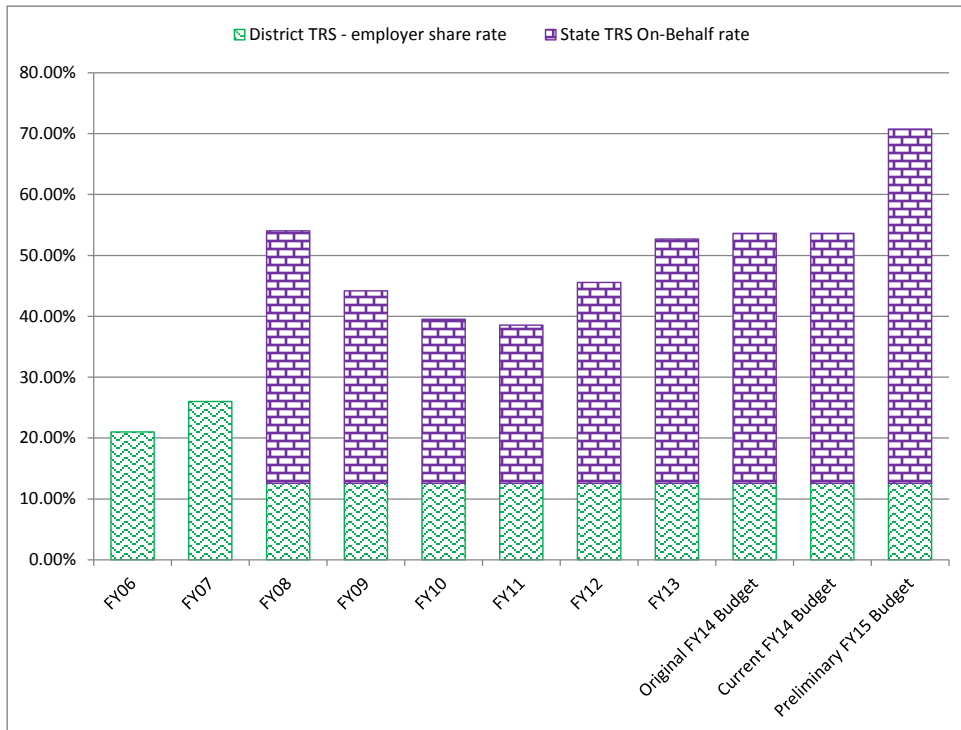
	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Current FY14 Budget</u>	<u>Preliminary FY15 Budget</u>
State TRS On-Behalf	\$ -	\$ 17,195,551	\$ 13,021,959	\$ 11,017,544	\$ 12,261,269	\$ 15,417,040	\$ 19,868,298	\$ 20,441,393	\$ 29,622,936
State PERS On-Behalf		2,126,596	2,206,037	884,022	1,354,014	2,386,774	3,039,655	2,404,023	4,061,380
Total On-Behalf	-	19,322,147	15,227,996	11,901,566	13,615,283	17,803,814	22,907,953	22,845,416	33,684,316
Total Expenditures	\$ 96,513,281	\$ 118,025,324	\$ 119,621,242	\$ 121,798,918	\$ 124,940,921	\$ 138,995,990	\$ 145,234,534	\$ 149,539,850	\$ 161,206,486
Total Expenditures less On-Behalf	\$ 96,513,281	\$ 98,703,177	\$ 104,393,246	\$ 109,897,352	\$ 111,325,638	\$ 121,192,176	\$ 122,326,581	\$ 126,694,434	\$ 127,522,170



**Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget**

PERS and TRS Employer Share and On-Behalf Costs and Rates

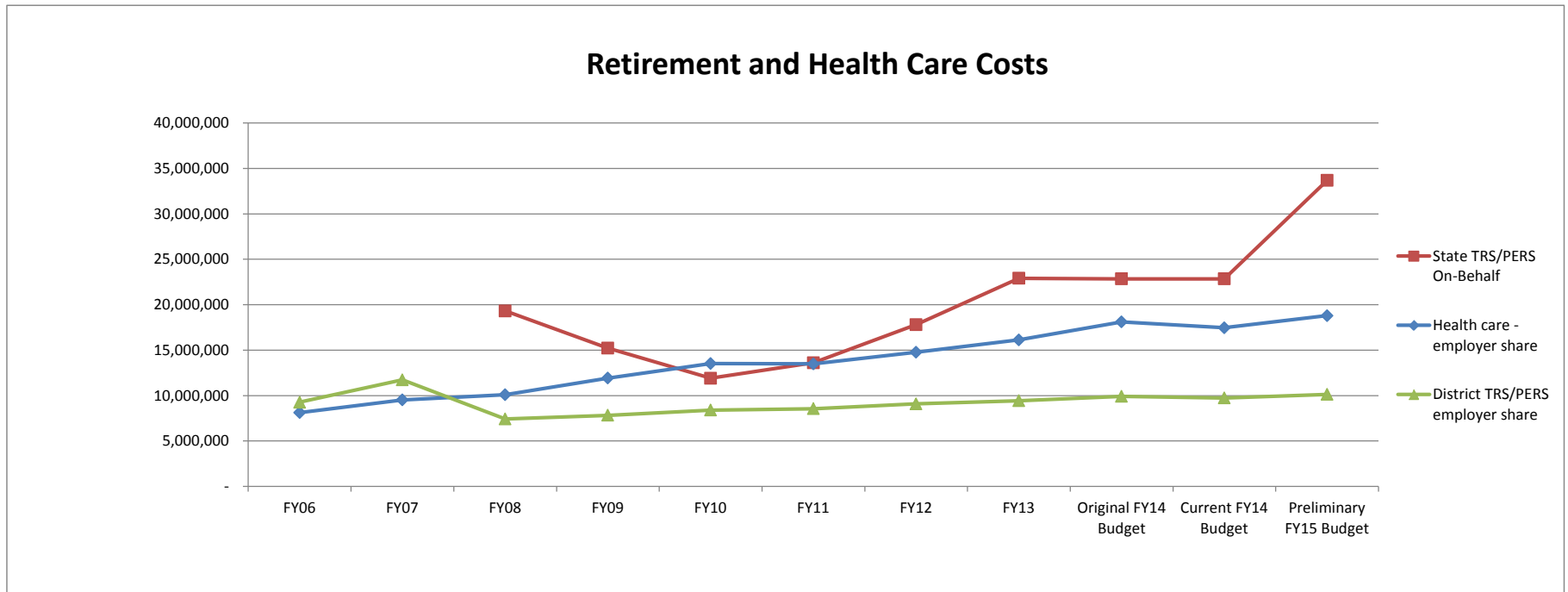
	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Original FY14 Budget</u>	<u>Current FY14 Budget</u>	<u>Preliminary FY15 Budget</u>
District TRS - employer share	\$ 7,662,030	\$ 9,449,054	\$ 4,865,797	\$ 5,170,332	\$ 5,519,989	\$ 5,683,133	\$ 5,858,595	\$ 6,024,239	\$ 6,297,808	\$ 6,175,593	\$ 6,390,290
State TRS On-Behalf			17,195,551	13,021,959	11,017,544	12,261,269	15,417,040	19,868,298	20,441,393	20,441,393	29,622,936
TRS Total	7,662,030	9,449,054	22,061,348	18,192,291	16,537,533	17,944,402	21,275,635	25,892,537	26,739,201	26,616,986	36,013,226
District PERS - employer share	1,608,009	2,273,411	2,559,255	2,663,428	2,883,039	2,874,792	3,222,825	3,415,619	3,615,222	3,559,422	3,739,208
State PERS On-Behalf			2,126,596	2,206,037	884,022	1,354,014	2,386,774	3,039,655	2,404,023	2,404,023	4,061,380
PERS Total			4,685,851	4,869,465	3,767,061	4,228,806	5,609,599	6,455,274	6,019,245	5,963,445	7,800,588
Total TRS/PERS	\$ 9,270,039	\$ 11,722,465	\$ 26,747,199	\$ 23,061,756	\$ 20,304,594	\$ 22,173,208	\$ 26,885,234	\$ 32,347,811	\$ 32,758,446	\$ 32,580,431	\$ 43,813,814
District TRS - employer share rate	21.00%	26.00%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%
State TRS On-Behalf rate			41.47%	31.61%	26.97%	26.00%	32.99%	40.11%	41.06%	41.06%	58.19%
TRS Total Rate	21.00%	26.00%	54.03%	44.17%	39.53%	38.56%	45.55%	52.67%	53.62%	53.62%	70.75%
District PERS - employer share rate	16.81%	21.81%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%
State PERS On-Behalf rate			14.48%	13.22%	5.65%	5.96%	11.49%	13.84%	13.68%	13.68%	22.03%
PERS Total Rate	16.81%	21.81%	36.48%	35.22%	27.65%	27.96%	33.49%	35.84%	35.68%	35.68%	44.03%



**Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget**

Retirement and Health Care Costs

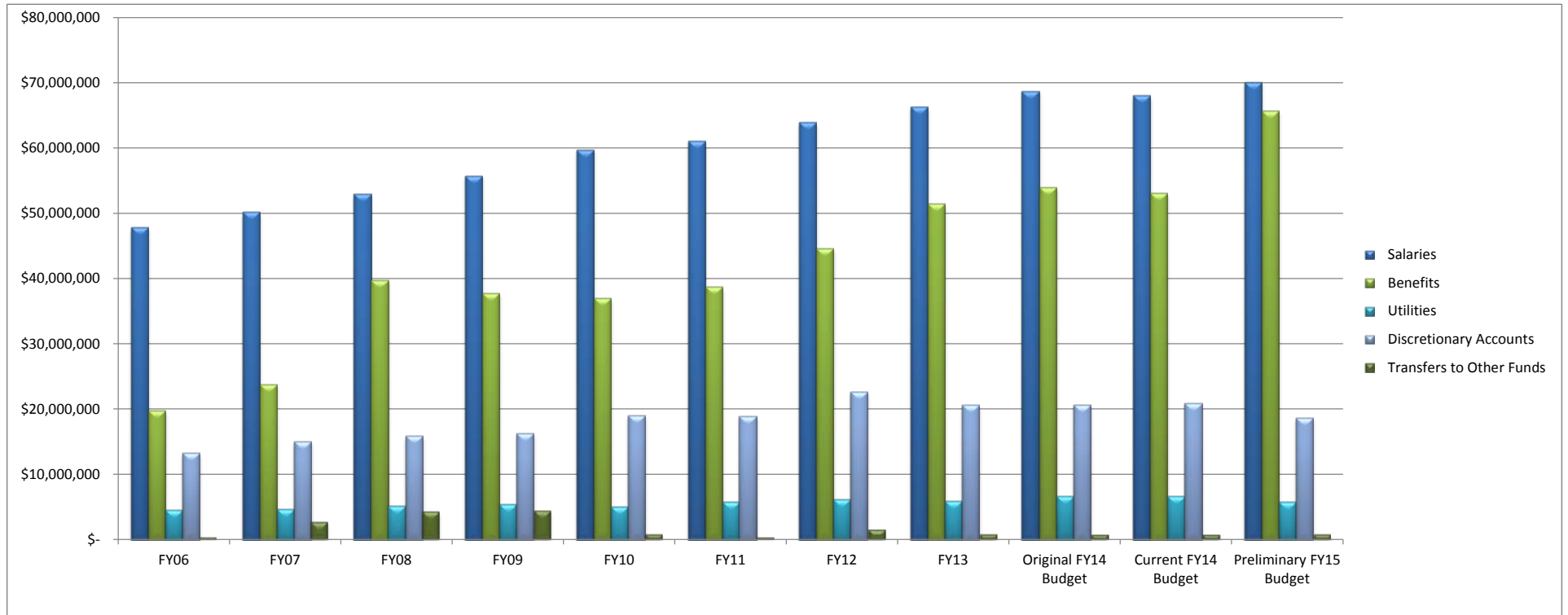
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Original FY14 Budget	Current FY14 Budget	Preliminary FY15 Budget
District TRS - employer share	\$ 7,662,030	\$ 9,449,054	\$ 4,865,797	\$ 5,170,332	\$ 5,519,989	\$ 5,683,133	\$ 5,858,595	\$ 6,024,239	\$ 6,297,808	\$ 6,175,593	\$ 6,390,290
District PERS - employer share	1,608,009	2,273,411	2,559,255	2,663,428	2,883,039	2,874,792	3,222,825	3,415,619	3,615,222	3,559,422	3,739,208
District TRS/PERS employer share	9,270,039	11,722,465	7,425,052	7,833,760	8,403,028	8,557,925	9,081,420	9,439,858	9,913,030	9,735,015	10,129,498
State TRS On-Behalf			17,195,551	13,021,959	11,017,544	12,261,269	15,417,040	19,868,298	20,441,393	20,441,393	29,622,936
State PERS On-Behalf			2,126,596	2,206,037	884,022	1,354,014	2,386,774	3,039,655	2,404,023	2,404,023	4,061,380
State TRS/PERS On-Behalf			19,322,147	15,227,996	11,901,566	13,615,283	17,803,814	22,907,953	22,845,416	22,845,416	33,684,316
Total TRS/PERS	\$ 9,270,039	\$ 11,722,465	\$ 26,747,199	\$ 23,061,756	\$ 20,304,594	\$ 22,173,208	\$ 26,885,234	\$ 32,347,811	\$ 32,758,446	\$ 32,580,431	\$ 43,813,814
Health care - employer share	\$ 8,119,479	\$ 9,526,747	\$ 10,093,355	\$ 11,921,861	\$ 13,529,785	\$ 13,486,191	\$ 14,775,278	\$ 16,127,857	\$ 18,121,644	\$ 17,461,157	\$ 18,793,841
Health care per employee	\$ 8,541	\$ 9,754	\$ 10,131	\$ 11,423	\$ 12,624	\$ 12,651	\$ 13,372	\$ 14,531	\$ 16,200	\$ 15,612	\$ 17,004



Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget

Expenditures

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Original FY14 Budget	Current FY14 Budget	Preliminary FY15 Budget
Expenditures:											
Salaries	\$ 47,847,106	\$ 50,251,299	\$ 52,939,567	\$ 55,798,145	\$ 59,791,475	\$ 61,119,674	\$ 63,977,323	\$ 66,331,540	\$ 68,734,696	\$ 68,125,588	\$ 70,154,817
Benefits	19,775,485	23,741,721	39,765,510	37,735,418	37,005,996	38,741,166	44,600,262	51,504,450	53,985,526	53,113,882	65,761,011
Utilities	4,566,495	4,709,294	5,123,696	5,391,317	5,076,596	5,858,366	6,207,041	5,905,958	6,667,160	6,626,214	5,791,506
Discretionary Accounts	13,246,888	15,088,247	15,902,493	16,245,286	19,094,572	18,859,611	22,647,114	20,675,750	20,695,375	20,899,166	18,674,152
Total	85,435,974	93,790,561	113,731,266	115,170,166	120,968,639	124,578,817	137,431,740	144,417,698	150,082,757	148,764,850	160,381,486
Transfers to Other Funds	385,948	2,722,720	4,293,736	4,451,076	830,279	362,104	1,564,250	816,836	775,000	775,000	825,000
Total Expenditures:	\$ 85,821,922	\$ 96,513,281	\$ 118,025,002	\$ 119,621,242	\$ 121,798,918	\$ 124,940,921	\$ 138,995,990	\$ 145,234,534	\$ 150,857,757	\$ 149,539,850	\$ 161,206,486

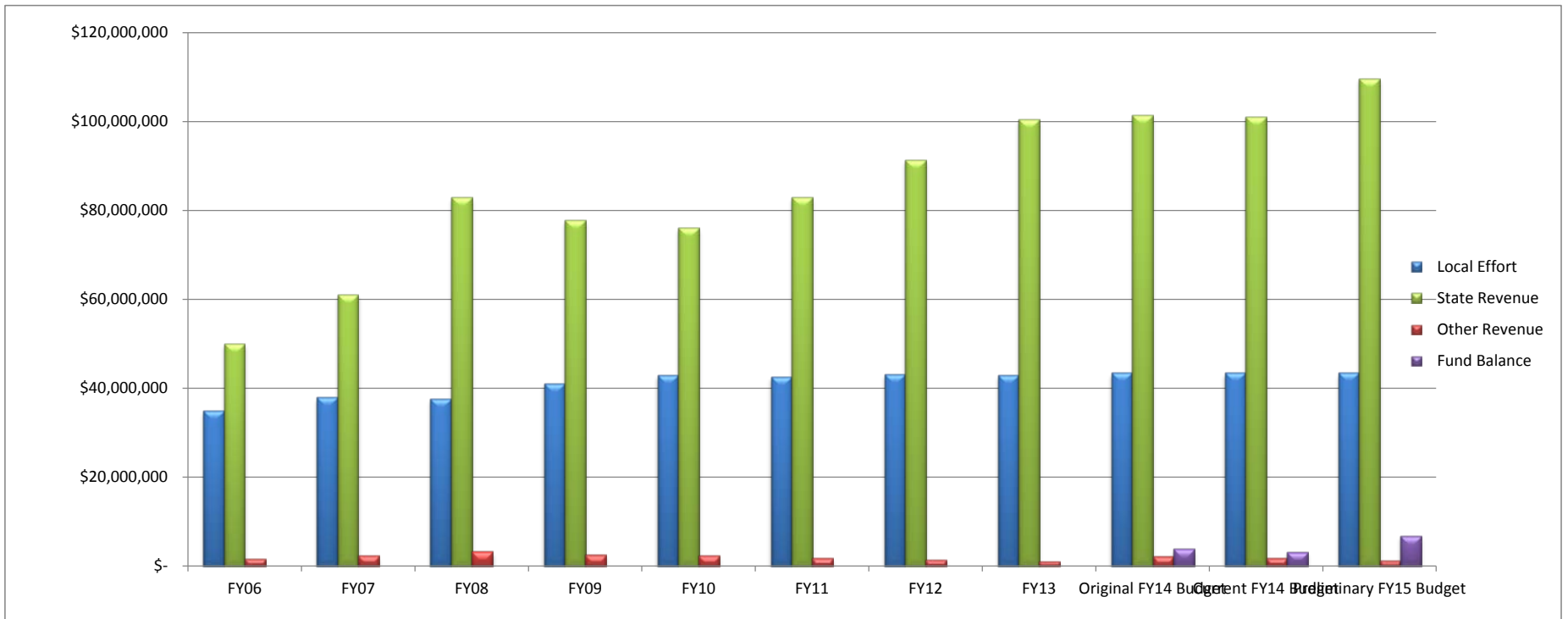


Benefits includes Workers Compensation Insurance. Discretionary includes In-Kind Services and Insurance except for Work Comp Insurance as well as Telephone and Postage.

Kenai Peninsula Borough School District FY15 Preliminary General Fund Budget

Revenue

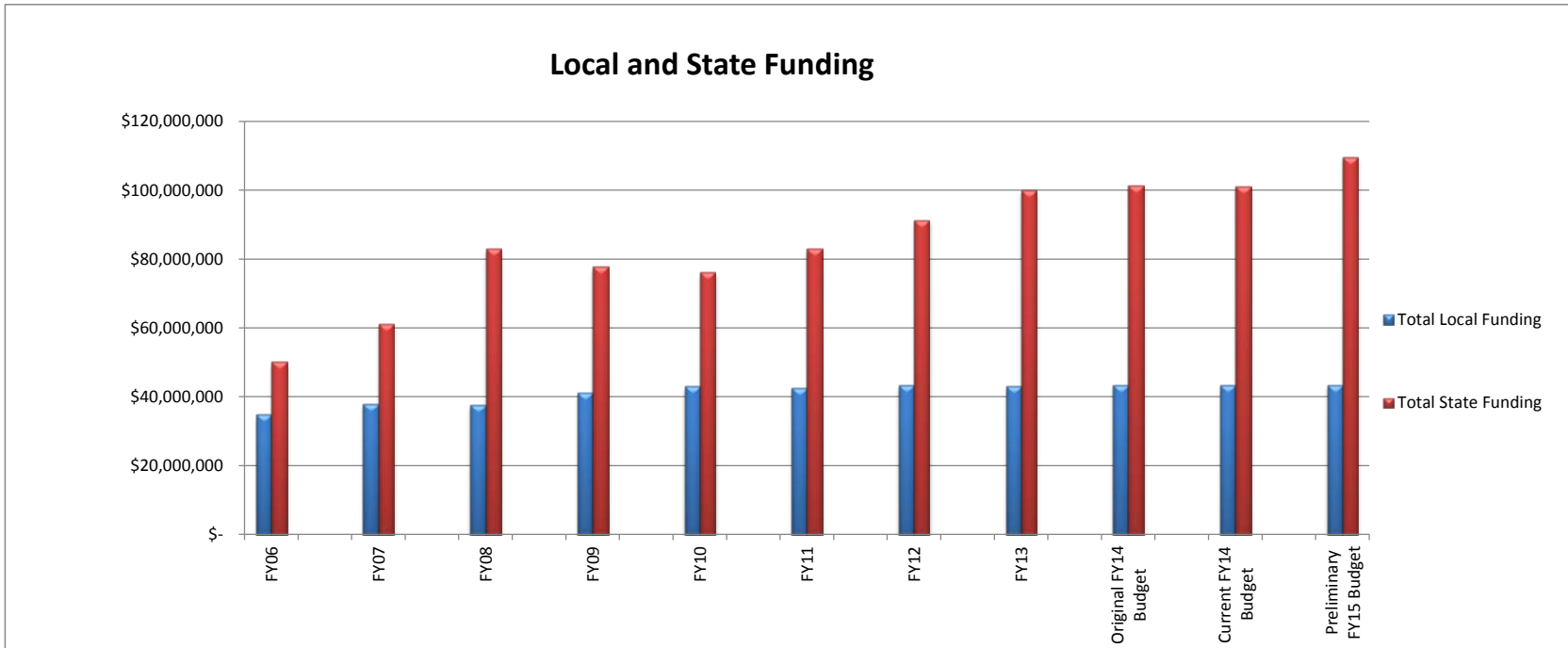
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Original FY14 Budget	Current FY14 Budget	Preliminary FY15 Budget
Revenue:											
Local Effort	\$ 34,973,682	\$ 37,941,676	\$ 37,701,117	\$ 41,146,945	\$ 42,983,376	\$ 42,588,135	\$ 43,251,135	\$ 43,000,000	\$ 43,500,000	\$ 43,500,000	\$ 43,500,000
State Revenue	50,113,534	61,075,422	82,980,305	77,791,520	76,214,721	83,001,993	91,374,686	100,482,008	101,405,040	101,075,368	109,730,357
Other Revenue	1,632,908	2,319,659	3,246,043	2,451,333	2,439,519	1,708,470	1,375,405	1,011,547	2,176,000	1,782,500	1,226,000
Fund Balance	-	-	-	-	-	-	-	-	3,776,720	3,181,982	6,750,129
Total Revenue:	\$ 86,720,124	\$ 101,336,757	\$ 123,927,465	\$ 121,389,798	\$ 121,637,616	\$ 127,298,598	\$ 136,001,226	\$ 144,493,555	\$ 150,857,760	\$ 149,539,850	\$ 161,206,486



**Kenai Peninsula Borough School District
FY15 Preliminary General Fund Budget**

Local and State Funding

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Original FY14 Budget	Current FY14 Budget	Preliminary FY15 Budget
Local Funding:											
Borough In-Kind	\$ 7,386,090	\$ 7,553,047	\$ 7,755,139	\$ 8,198,090	\$ 9,170,034	\$ 9,394,362	\$ 9,584,253	\$ 9,193,414	\$ 9,193,414	\$ 9,193,414	\$ 9,193,414
Borough Appropriations	27,587,592	30,388,629	29,945,978	32,948,855	33,813,342	33,193,773	33,666,882	33,806,586	34,306,586	34,306,586	34,306,586
Total Local Funding	\$ 34,973,682	\$ 37,941,676	\$ 37,701,117	\$ 41,146,945	\$ 42,983,376	\$ 42,588,135	\$ 43,251,135	\$ 43,000,000	\$ 43,500,000	\$ 43,500,000	\$ 43,500,000
State Funding:											
Foundation Program	\$ 49,779,053	\$ 59,959,314	\$ 60,523,098	\$ 62,317,926	\$ 64,062,960	\$ 69,123,351	\$ 71,895,908	\$ 75,563,384	\$ 75,076,483	\$ 74,747,655	\$ 74,029,142
Grants	224,126	995,531	1,740,731	245,599	250,195	263,359	270,389	275,933	275,401	274,557	274,995
Other State Revenue	110,355	120,577	1,394,329				1,404,575	1,734,738	3,207,740	3,207,740	1,741,904
TRS On-Behalf			17,195,551	13,021,958	11,017,544	12,261,269	15,417,040	19,868,298	20,441,393	20,441,393	29,622,936
PERS On-Behalf			2,126,596	2,206,037	884,022	1,354,014	2,386,774	2,629,710	2,404,023	2,404,023	4,061,380
Total State Funding	\$ 50,113,534	\$ 61,075,422	\$ 82,980,305	\$ 77,791,520	\$ 76,214,721	\$ 83,001,993	\$ 91,374,686	\$ 100,072,063	\$ 101,405,040	\$ 101,075,368	\$ 109,730,357



**Kenai Peninsula Borough School District
FY14 In-Kind Services Budget Breakdown**

<u>Services</u>	<u>Amount</u>		
Audit	\$ 60,000		
Custodial	129,154		
Maintenance	7,038,861		
Utilities	<u>81,145</u>		
		7,309,160	Services Subtotal
<u>Insurance</u>			
Liability Insurance	804,155		
Property Insurance	525,873		
Workers Compensation Insurance			
W/C - Certified	\$ 485,632		
W/C - Support	43,088		
W/C - Custodial	<u>25,506</u>		
W/C Ins Subtotal	<u>554,226</u>		
		<u>1,884,254</u>	Insurance Subtotal
Total In-Kind	<u>\$ 9,193,414</u>	<u>\$ 9,193,414</u>	

KPBSD
Preliminary FY15
FOUNDATION FORMULA ESTIMATE

as of 12/6/2013

SCHOOL	Projected FY15 Enrollment	FORMULA	ADJUSTED ADM	
Step #1 Aurora Borealis Charter	185	$218.1+(1.08*(185-150))$	255.9	
Chapman Elementary	97	$122.85+(1.27*(97-75))$	150.79	
Chapman Secondary	20	$39.6+(1.62*(20-20))$	39.60	
Cooper Landing	21	$39.6+(1.62*(21-20))$	41.22	
Fireweed Academy Charter	116	116 x 1.18	136.88	
Greatland Academy Charter	45	45 x 1.18	53.10	
Homer Flex	36	(Counted with SoHi)		
Homer High School	385	$326.10 + (.97*(385-250))$	457.05	
Homer Middle School	180	$218.1+(1.08*(180-150))$	250.5	
Hope	18	39.6	39.60	
Kachemak Selo	60	$55.80 + (1.49*(60-30))$	100.50	
Kaleidoscope Charter	252	$326.10 + (.97*(252-250))$	328.04	
K-Beach Elementary	383	$326.10 + (.97*(383-250))$	455.11	
Kenai Alternative	78	(Counted with SoHi)		
Kenai Central High School	526	$471.6 + (0.92*(526-400))$	587.52	
Kenai Middle School	339	$326.10 + (.97*(339-250))$	412.43	
Marathon School	10	39.6	39.60	
McNeil Canyon	136	$122.85+(1.27*(136-75))$	200.32	
Moose Pass	18	39.6	39.6	
Mountain View Elementary	415	$471.6 + (0.92*(415-400))$	485.40	
Nanwalek	80	$122.85+(1.27*(80-75))$	129.20	
Nikiski Middle/Senior	415	$471.6 + (0.92*(415-400))$	485.40	
Nikiski North Star	339	$326.10 + (.97*(339-250))$	412.43	
Nikolaevsk	71	$55.80 + (1.49*(71-30))$	116.89	
Ninilchik Elementary	73	$55.80 + (1.49*(73-30))$	119.87	
Ninilchik Secondary	68	$55.80 + (1.49*(68-30))$	112.42	
Paul Banks	161	$218.1+(1.08*(161-150))$	229.98	
Port Graham	20	$39.6+(1.62*(20-20))$	39.6	
Razdolna	83	$122.85+(1.27*(83-75))$	133.01	
Redoubt Elementary	372	$326.10 + (.97*(372-250))$	444.44	
River City Academy	75	(Counted with SoHi)		
Seward Elementary	282	$326.10 + (.97*(282-250))$	357.14	
Seward High School	182	$218.1+(1.08*(182-150))$	252.66	
Seward Middle School	118	$122.85+(1.27*(118-75))$	177.46	
Skyview High School	0	0	0.00	
Skyview Middle School	351	$326.10 + (.97*(351-250))$	424.07	
Soldotna Elementary	269	$326.10 + (.97*(269-250))$	344.53	
Soldotna High School	587	$471.6 + (0.92*(776-400))$	817.52	
Soldotna Middle	0	0	0	
Soldotna Montessori	165	$218.1+(1.08*(165-150))$	234.3	
Soldotna Prep	191	$218.1+(1.08*(191-150))$	262.38	
Sterling Elementary	200	$218.1+(1.08*(200-150))$	272.10	
Susan B English	47	$55.80 + (1.49*(47-30))$	81.13	
Tebughna	36	$55.80 + (1.49*(36-30))$	64.74	
Tustumena Elementary	177	$218.1+(1.08*(177-150))$	247.26	
Voznesenka	105	$122.85+(1.27*(105-75))$	160.95	
West Homer Elementary	227	$218.1+(1.08*(227-150))$	301.26	
Step #2 Total All KPBSD Schools	8,014.00		10,293.90	(AS 14.17.450. School Size Factor)
Step #3 District Cost Factor			1.171	(AS 14.17.460. District Cost Factors)
Total After Adjustment for District Cost Factor			12,054.16	
Step #4 Special Needs Factor			1.2	(AS 17.17.420. Special Needs)

KPBSD
Preliminary FY15
FOUNDATION FORMULA ESTIMATE

as of 12/6/2013

Total After Adjustment for Special Needs Factor	14,464.99	
Step #5 Vocational Education Adjustment	1.015	(CS SB 84+HCS CSSB 182)
Total After Adjustment for High School Vocational Education	14,681.96	
Step #6 Special Education Intensive Services Factor (13* 146)	1898	(AS 17.17.420. Intensive Services Funding)
Adjusted Students + Special Education Intensive Services	16,579.96	
Step #7 Correspondence (759* .80)	607.2	(AS14.17.430 Funding for Correspondence)
Total District Adjusted ADM	17,187.16	
Step #8 Base Student Allocation Value	\$5,680	(AS 14.17.470. Base Student Allocation)
Step #9 Basic Need	\$97,623,086	
Step # 10 Less Required Local Effort (.00265 * 8,903,375,090)	\$23,593,944	(AS 14.17. 410.(b)(2) Public School Funding)
Step # 11 Regular State Aid FY 15	\$74,029,142	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**Borough Revenue Cap Estimate
Estimate Per Projected Enrollment
FY15 Required and Maximum Contribution Estimates**

as of 12/6/2013

Required FY 15 Contribution Options (The Lesser of the Following Two)

A. 2013 Full Tax Value x 2.65 Mills =	\$ 8,903,375,090	x .00265	\$23,593,944
B. 45% of FY14 Basic Need =	\$ 97,467,672	x 45% =	\$43,860,452

Additional Allowable Local FY 15 Contribution Options (The Greater of the Following Two)

A. 23% of FY15 Basic Need =	\$ 97,623,086	x 23% =	\$22,453,310
B. 2013 Full Tax Value x 2 Mills =	\$ 8,903,375,090	x .002 =	\$17,806,750

Maximum Local Contribution Allowable FY 15 (The Sum of the Following Two)

Required Local Contribution =	\$ 23,593,944		
Additional Allowable Local =	<u>\$ 22,453,310</u>		
Total Maximum Allowable Contribution =			\$46,047,254

FY14 Borough Support \$43,500,000

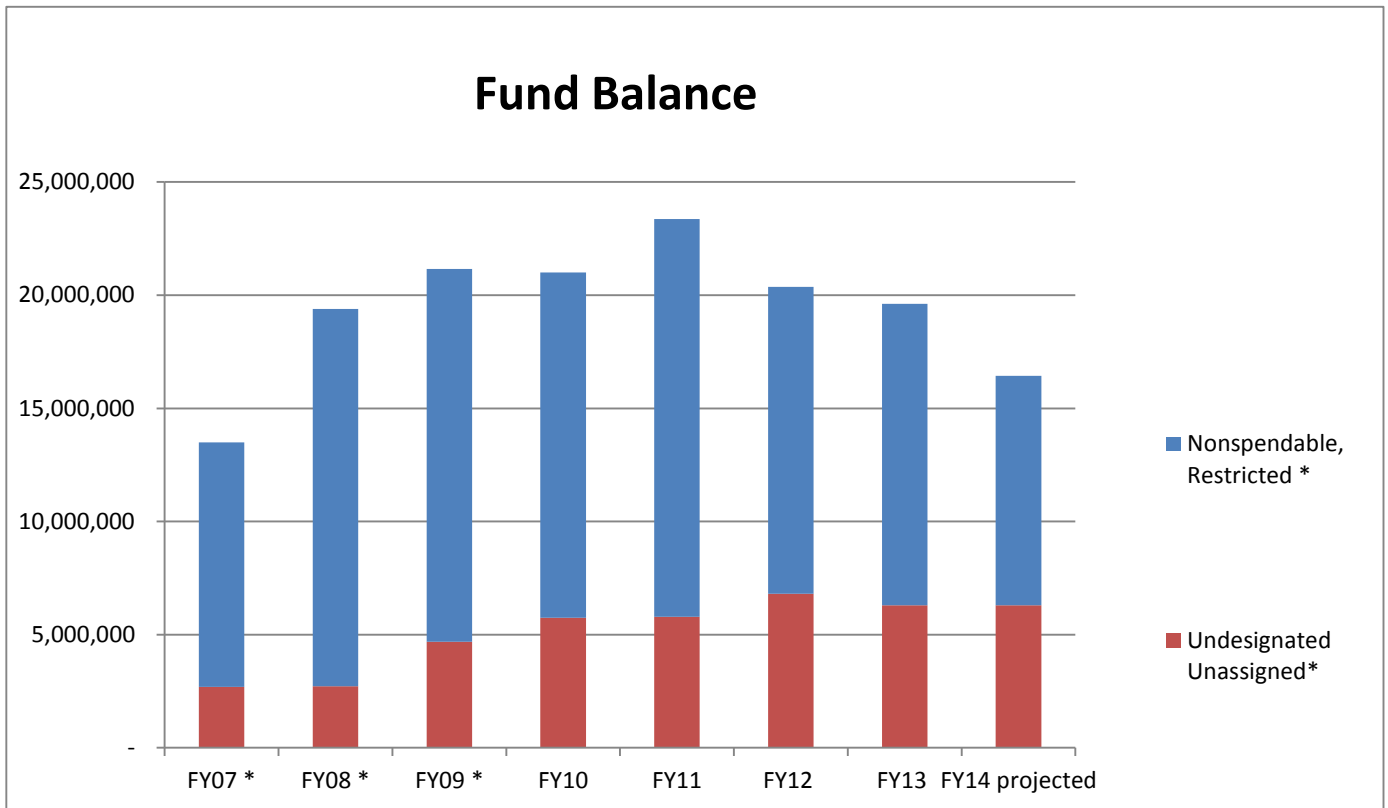
Room to Cap \$2,547,254

History of Property Values:

2010	7,987,010,000
2011	8,338,641,710
2012	8,573,591,170

Kenai Peninsula Borough School District
Fund Balance FY10 through FY14 (projected)

	FY07 *	FY08 *	FY09 *	FY10	FY11	FY12	FY13	FY14 projected
Nonspendable, Restricted *	10,803,313	16,673,903	16,478,990	15,263,651	17,567,004	13,555,760	13,332,782	10,150,800
Undesignated Unassigned*	2,688,335	2,720,208	4,683,677	5,737,714	5,792,038	6,808,518	6,290,517	6,290,517
Total Fund Balance	13,491,648	19,394,111	21,162,667	21,001,365	23,359,042	20,364,278	19,623,299	16,441,317



* The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 in February 2009, which substantially changed the focus of and terminology used for fund balance reporting. Prior to FY10, fund balance was divided between Reserved and Unreserved, with Unreserved divided between Unreserved Designated and Unreserved Undesignated. Starting in FY10, the previous components of fund balance were replaced by Nonspendable, Restricted, Committed, Assigned and Unassigned fund balance. There is not a clear correlation between all the components of fund balance in the two methods. In this graph, the component listed for FY09 and prior years that most closely compares to the current Undesignated Unassigned component is the amount listed as Unreserved Undesignated.

**Kenai Peninsula Borough School District
Fund Balance as of June 30, 2013**

Fund Balance - GASB 54 requirements

Nonspendable:

Inventories	\$ 698,412
Prepaid Items	1,017,300

Restricted for:

Facilities Maintenance	1,485,931
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Assigned to:

Charter Schools	556,395
School Incentive Purchases	453,462
Self-Insurance Health Care	4,284,173
Professional - Technical Services	41,645
Staff Travel	2,309
Utility Services	14,450
Purchased Services	119,820
Supplies	181,724
Equipment	700,441
Subsequent Year Operations	3,776,720

Unassigned \$ 6,290,517

Total Fund Balances \$ 19,623,299

Fund Balance - State of Alaska

Schedule of Compliance AS 14.17.505

Total fund balance - School Operating Fund	\$ 19,623,299
less exemptions per 4 ACC 09.160(a)	
Encumbrances	1,060,389
Inventory	698,412
Prepaid items	1,017,300
Self insurance	<u>4,284,173</u>
Total exemptions	7,060,274

Fund balance subject to 10% limitation \$ 12,563,025

Nonexempt fund balance as a percentage of current year expenditures:

Fund balance subject to limitation	12,563,025			
		=		=
Current year expenditures	144,417,698			<u>8.69%</u>

