

Kenai Peninsula Borough School District Budget Development

Sean Dusek, Superintendent

Dave Jones, Assistant Superintendent of Instructional Support

October 15, 2015

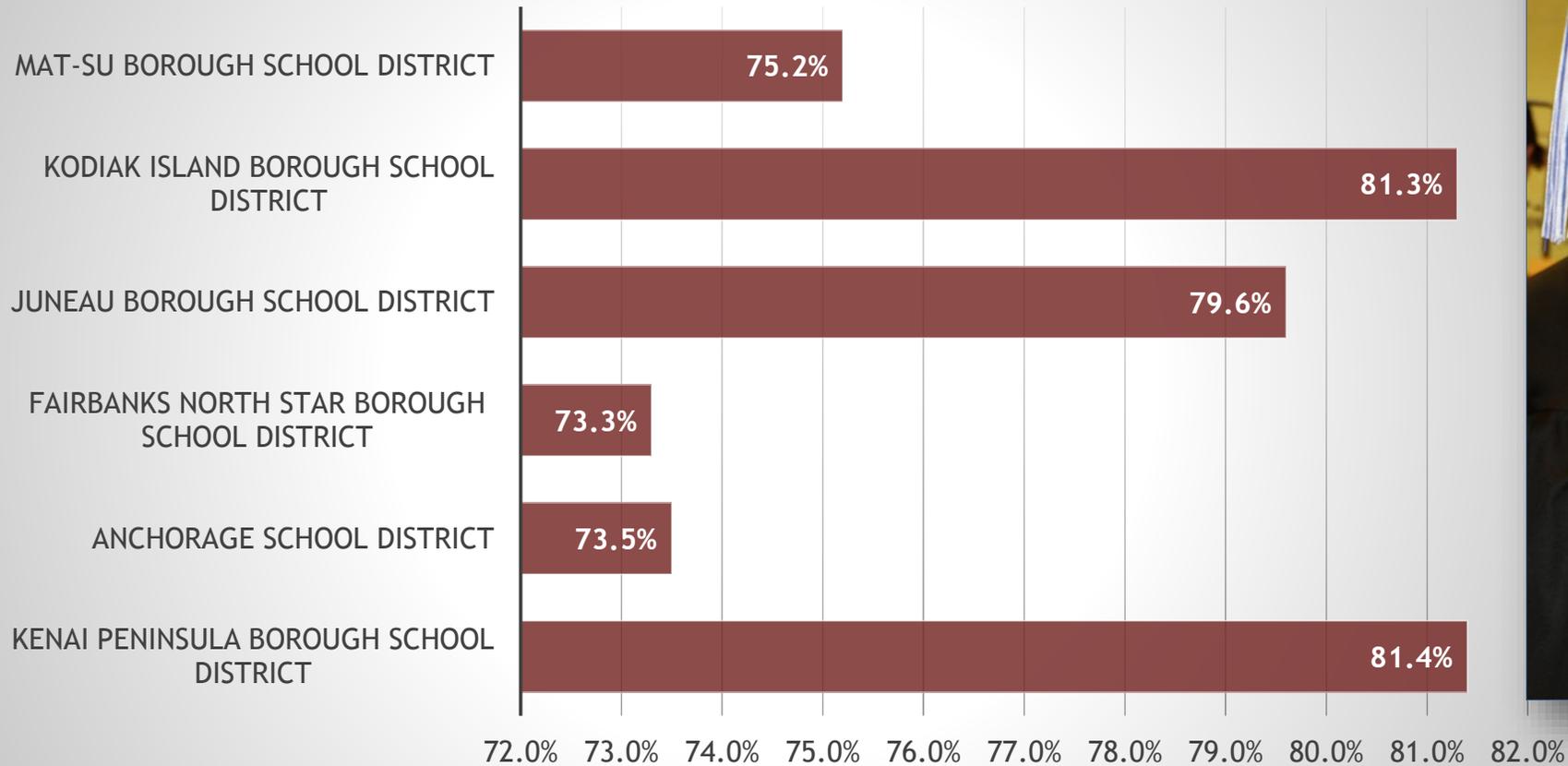


The mission of the Kenai Peninsula Borough School District is to develop productive, responsible citizens who are prepared to be successful in a dynamic world.

Graduation Rate Comparisons

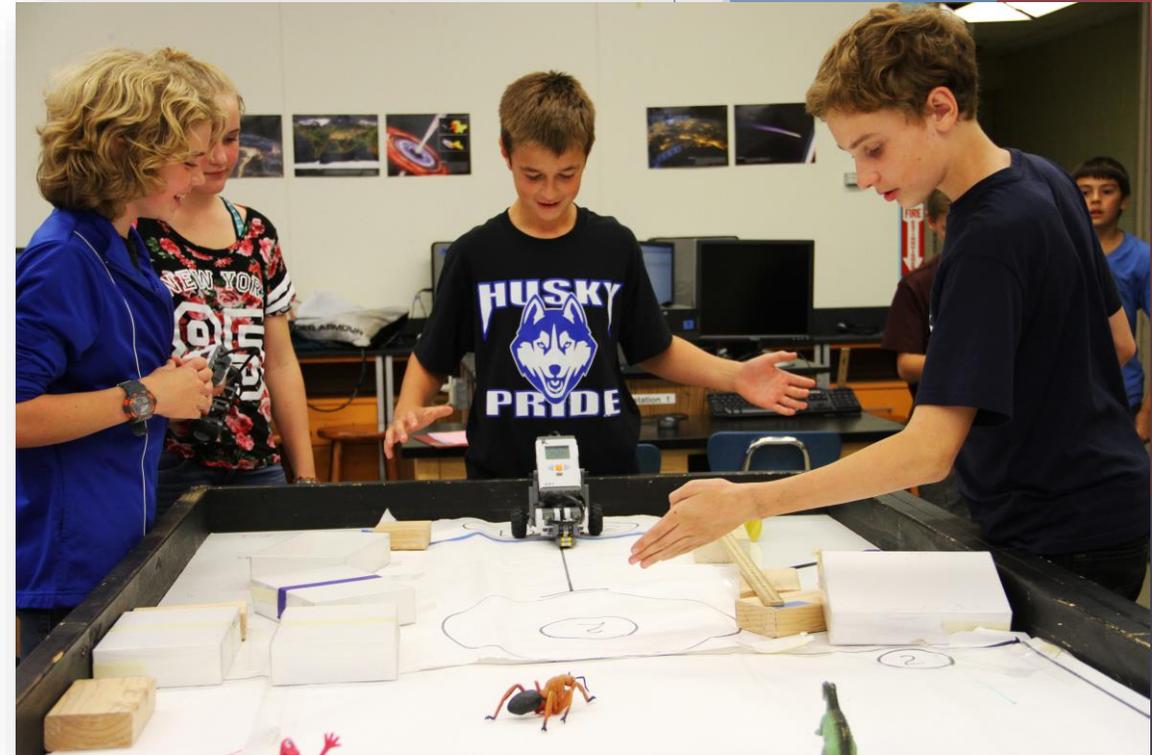
Large Alaska School Districts

FY14 Graduation Rates



Start of the Ongoing FY17 Budget Process

- ▶ Where does the money come from?
- ▶ Where does the money go?
- ▶ Balancing a budget using reserves
- ▶ Expected challenge of balancing our FY17 Budget
- ▶ Site work time to discuss revenues and expenditures



Meeting Format and Protocol

- ▶ Main purpose of this meeting is to gather site input to help guide budget development
- ▶ MS Lync has a messaging option - sites received directions
- ▶ Send emails to lolson@kpbsd.org during this meeting
- ▶ Suggestions will be recorded and compiled
- ▶ Information presented at School Board work session on November 3 - public is invited and encouraged to attend
- ▶ Subsequent meetings are part of the budget development process

Revenue: What is the Difference?

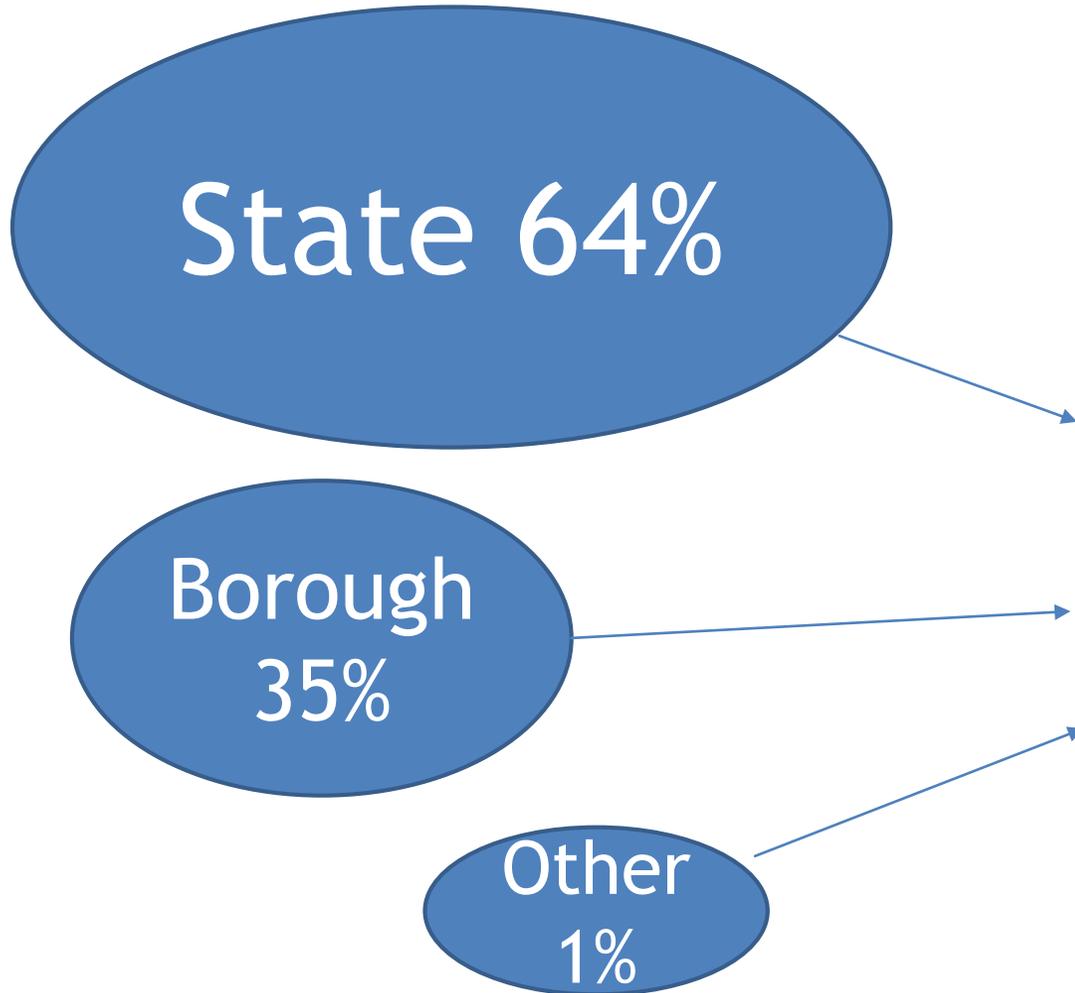
Special Revenue Funds

- ▶ Targeted funds
- ▶ Designated for specific purposes like Food Service or Pupil Transportation
- ▶ Not available for the general activities of the school district

General Funds

- ▶ Operating Fund
- ▶ Board approves budget
- ▶ Available for general activities of the school district

Where Does KPBSD's FY16 General Fund Revenue Come From?

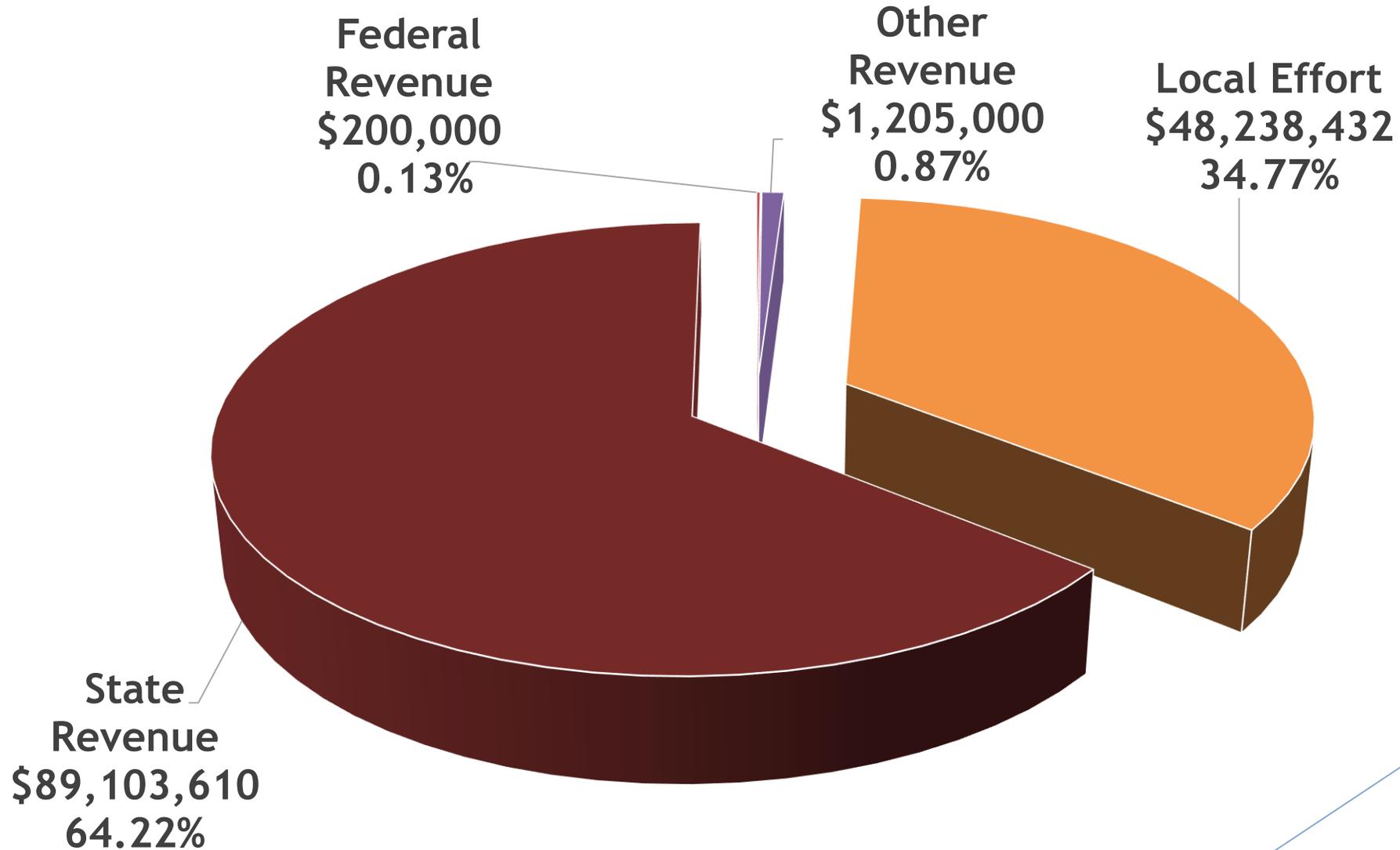


Revenue

- ▶ Does the KPBSD Board of Education have the authority to raise revenue?

No

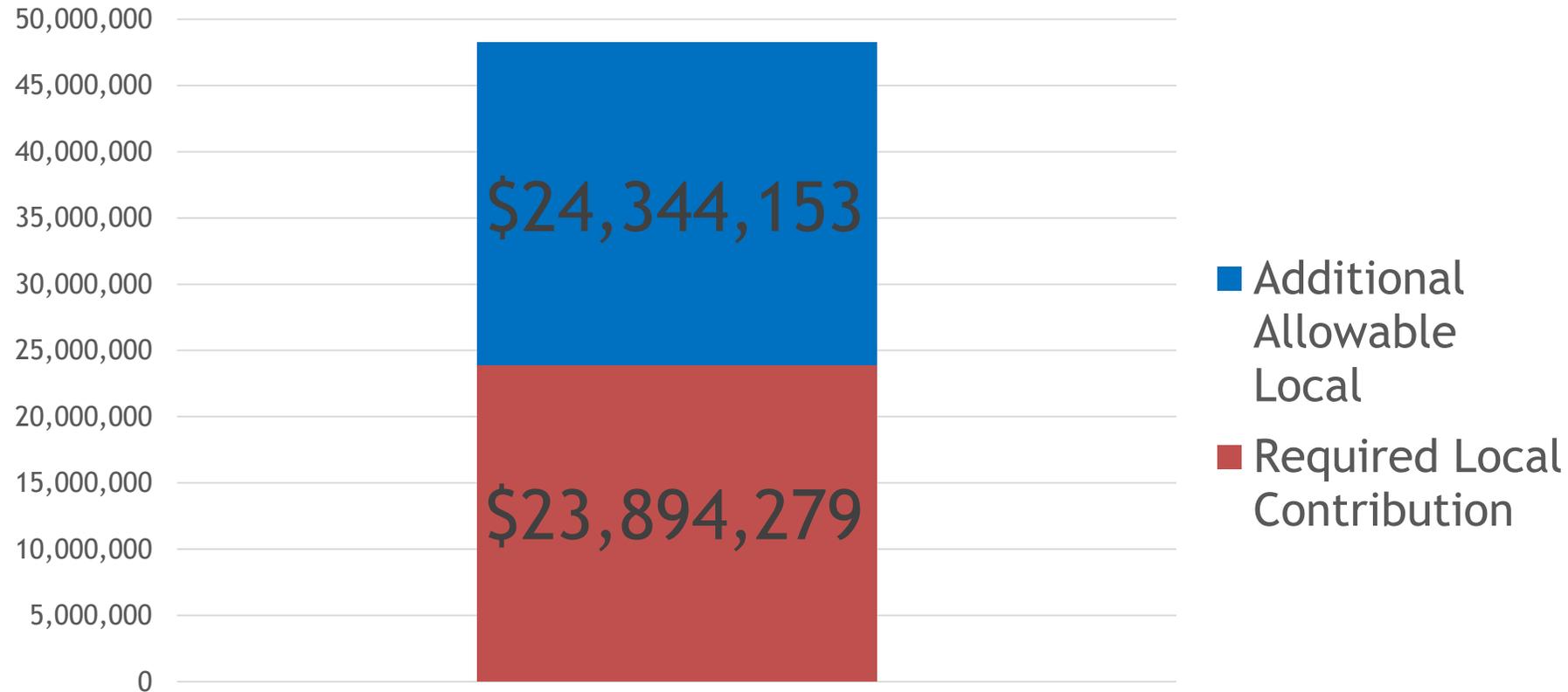
FY16 Original General Fund Revenue Budget



Fiscal Authority

- ▶ State provides about **64%** of KPBSD general fund budget.
 - ▶ Determined by the Legislature
- ▶ KPBSD provides about **35%** of KPBSD general fund budget.
 - ▶ Determined by the Borough Assembly
- ▶ Federal and other sources provide about **1%** of KPBSD general fund budget.

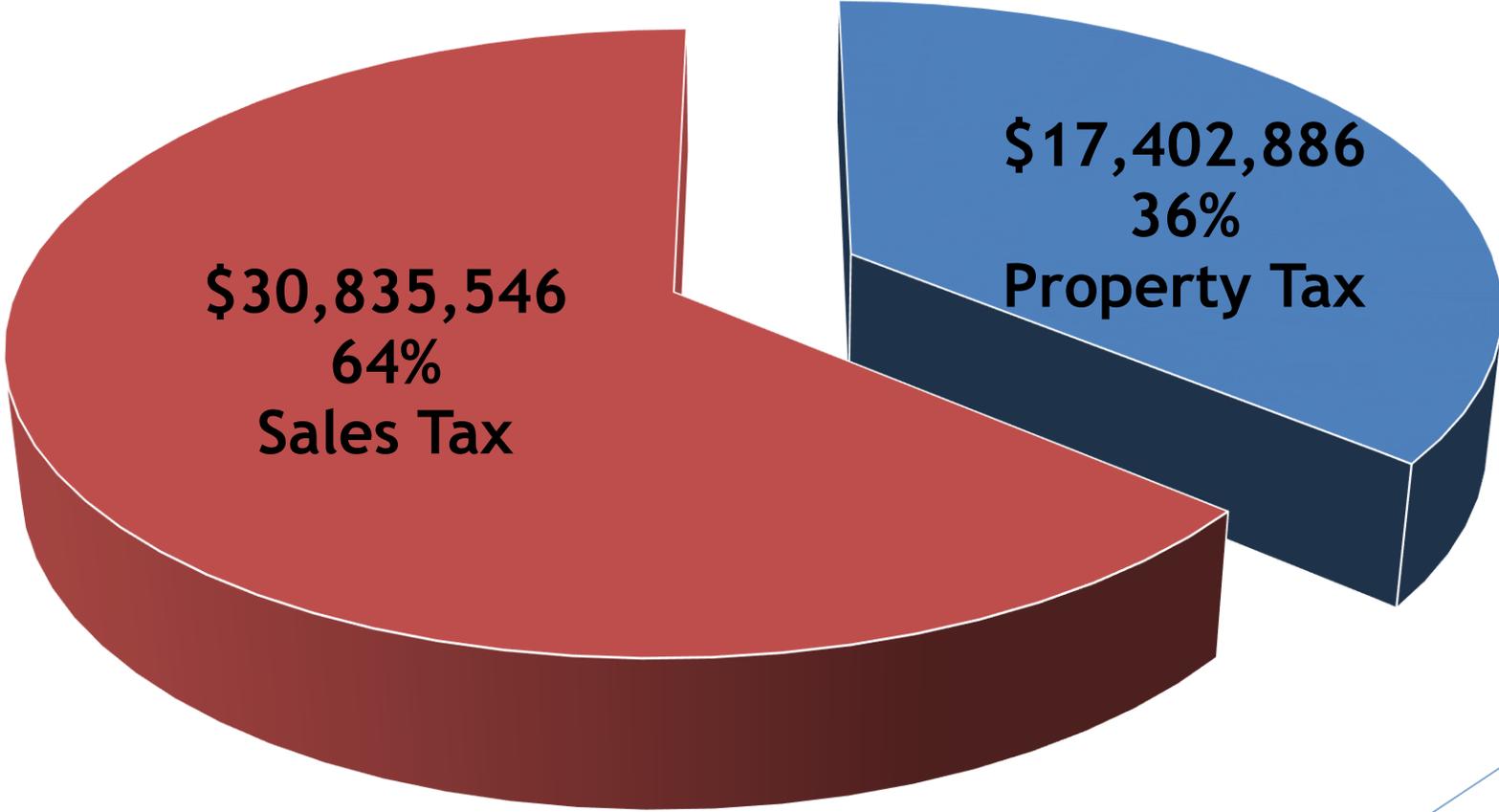
Kenai Peninsula Borough (KPB) Local Contribution: Required and Allowed



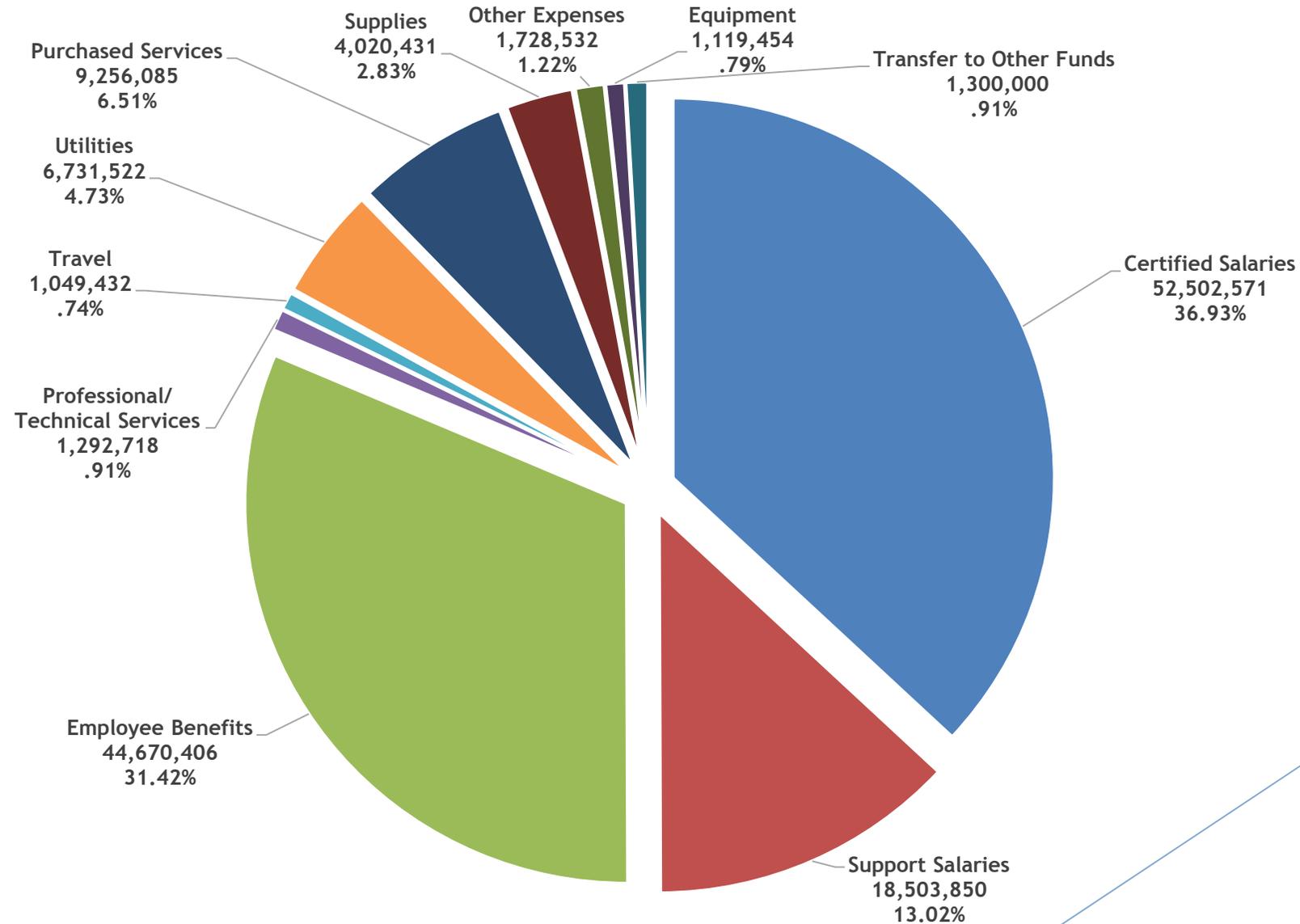
FY16 Local Contribution: \$48,238,432

**FY16 Borough funding is the maximum allowable contribution.
*Thank you!***

Kenai Peninsula Borough FY16 Projected Contribution By Source



FY16 Original General Fund Expenditure Budget



Salaries and benefits are about **81%** of FY16 Budget

▶ Staffing levels are determined by formulas

▶ **Elementary K-6 Schools with 200+ students**

Kindergarten 1:20.5 pupil-to-teacher ratio

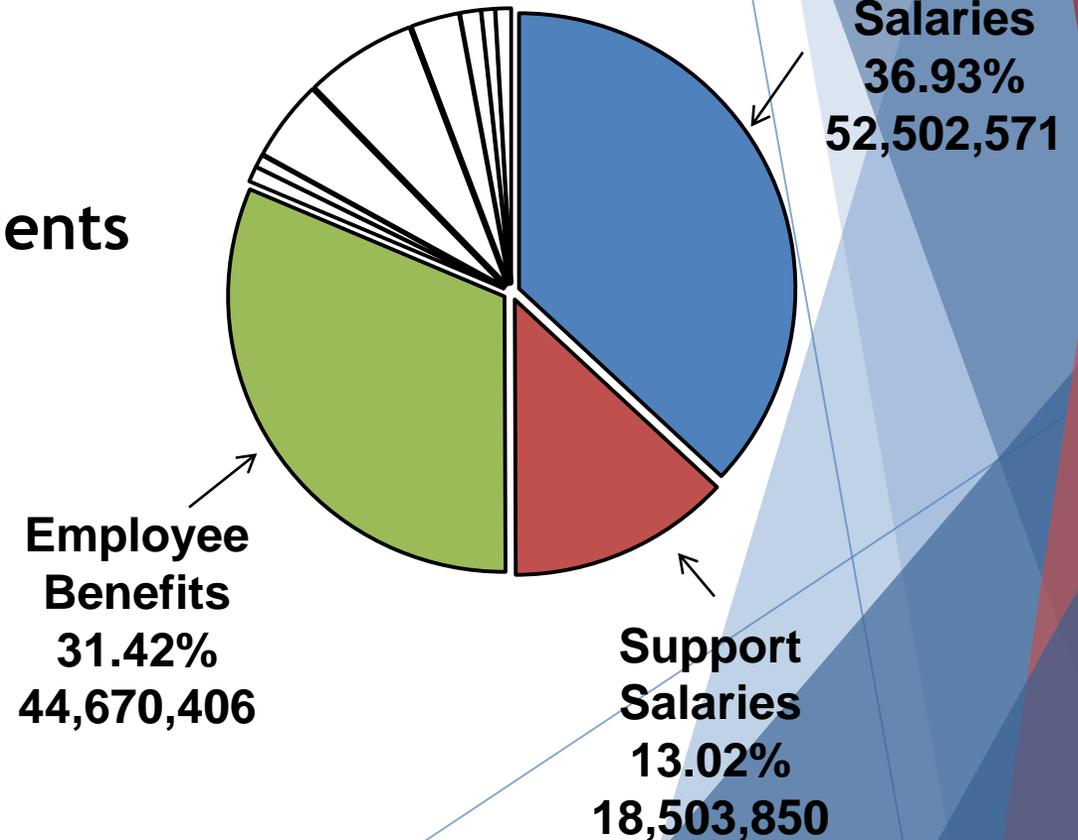
Grades 1-3 1:22.5 pupil-to-teacher ratio

Grades 4-6 1:24.5 pupil-to-teacher ratio

▶ **High School and Middle School**

Secondary Classroom:

1:25 pupil-to-teacher ratio



Main General Fund Expenditure Categories besides Salaries and Benefits

▶ Purchased Services

Includes In-kind services and Liability and Worker's Comp. Insurance

▶ Professional and Technical Services

▶ Utilities

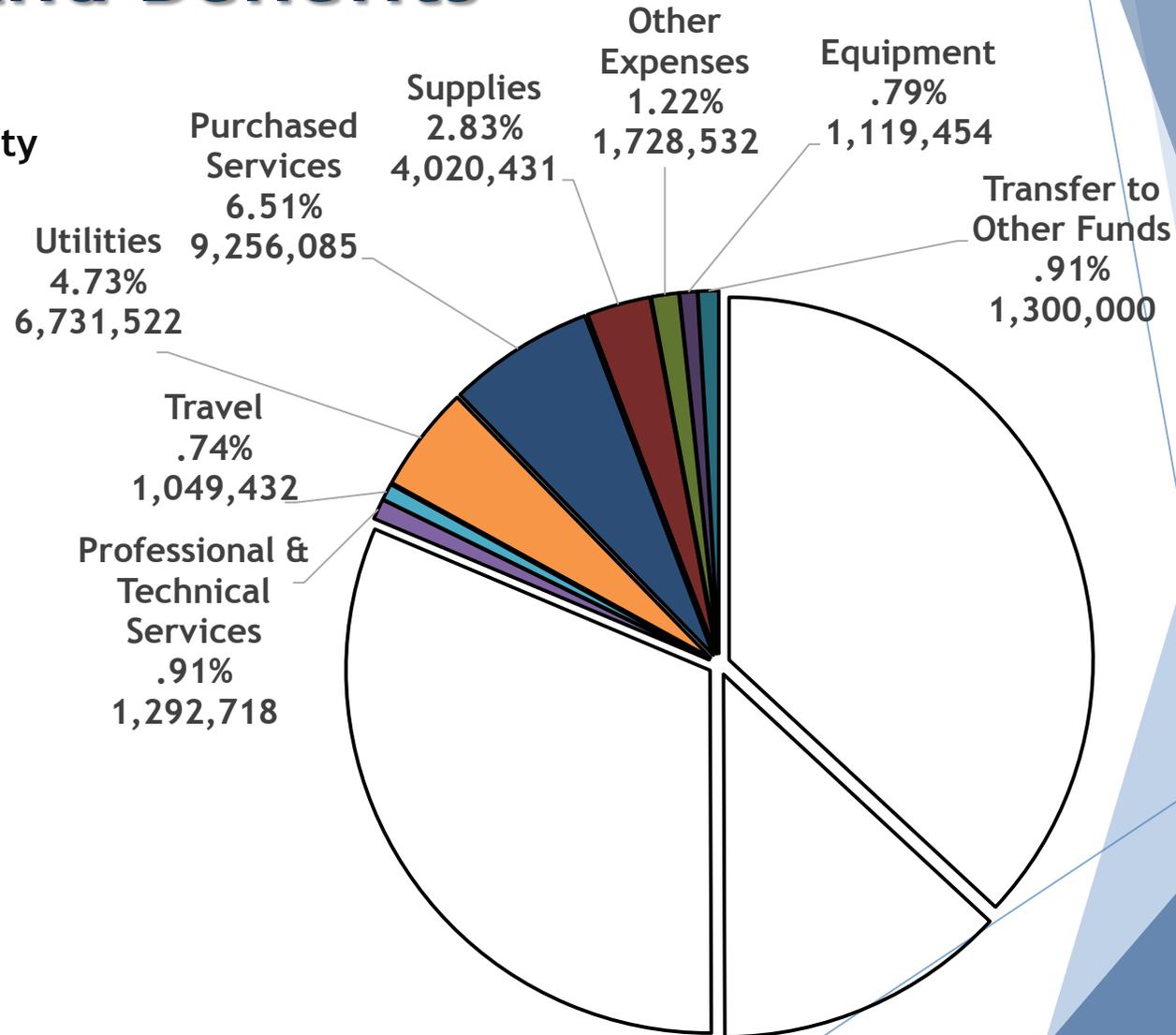
▶ Supplies

- ▶ Books
- ▶ Paper
- ▶ Software
- ▶ Custodial Supplies

▶ Travel

▶ Transfer

- ▶ Food Service Fund



The FY16 Original General Fund Budget Reflects:

Revenues

\$138,747,042

Expenditures

-142,175,001

Difference = Use of Fund Balance

(\$3,427,959)



Budget Deficit

Use of Fund Balance - Past Four Years

| | FY12 | FY13 | FY14 | FY15 |
|---|---------------------|--------------------|---------------------|---------------------|
| Revenues | \$ 136,001,226 | \$ 144,493,555 | \$ 148,107,611 | \$ 271,584,144 |
| Expenditures | <u>138,995,990</u> | <u>145,234,534</u> | <u>149,334,044</u> | <u>272,731,469</u> |
| Excess (Deficiency) of Revenues over Expenditures | (2,994,764) | (740,979) | (1,226,433) | (1,147,325) |
| Use of Fund Balance | \$ 2,994,764 | \$ 740,979 | \$ 1,226,433 | \$ 1,147,325 |

FY15 and FY16 Reductions

Reductions for FY15 Budget - totaling \$1,254,000

- ▶ Reduce School Board travel - \$4,000
- ▶ Reduce Technology equipment - \$50,000
- ▶ Reduce Supply budgets - \$50,000
- ▶ Reduce Software - \$100,000
- ▶ Reduce Utilities - \$250,000
- ▶ Reduce District Office Staffing (2.0 FTE) - \$150,000
- ▶ Increase PTR by .5 District-Wide (8.5 FTE) - \$650,000

Reductions for FY16 Budget - totaling \$1,425,000

- ▶ Reduce State Tournament Travel Reimbursement - \$25,000
- ▶ Reduce Utility Budgets - \$550,000
- ▶ Reduce Curriculum supply budget - \$50,000
- ▶ Consolidate positions and efficiencies in pool operations; consolidate D/W positions - \$200,000 (2.0 FTE)
- ▶ Right-size Small Elementary Schools staffing formula to bring staff FTE and class sizes into equity with other elementary schools - \$250,000 (3.5 FTE)
- ▶ Increase PTR at Secondary level (grades 7-12) by .5 to 1:25 - \$350,000 (4.0 FTE)

Looking Ahead to our FY17 Budget

- ▶ **State's fiscal climate has gotten worse - we anticipate additional reductions**
- ▶ **We project significant use of reserves if we roll forward existing services**
- ▶ **Your task tonight is to offer input to the school board on where the district should prioritize expenditures**
- ▶ **We encourage all of our stakeholders to engage in the sustainable futures conversation**
- ▶ **We believe Alaska's children should be the #1 priority**

YOUR CHARGE: Provide input for School Board

▶ Review materials

- ▶ FY16 Budget Document
 - Site budget and enrollment
- ▶ PDF of PowerPoint

▶ Discuss ideas for FY17 Budget Development

- ▶ Revenues
- ▶ Expenditures

▶ Compile ideas by site

▶ Governor's Sustainable Future Website

<http://bit.ly/AlaskaConversationBuildingSustainableFuture>

▶ Send summary to nbates@kpbsd.org



Thank you for participating!



The mission of the Kenai Peninsula Borough School District is to develop productive, responsible citizens who are prepared to be successful in a dynamic world.