

## **Kenai Peninsula Borough School District**

### **Budget Development FAQs**

**10-25-2016**

**Q: Can we get clarification on what “Utility Services” and “Staff Travel” entail?**

**A:** Utility Services is a subtotal of account codes where the object code (last 4 digits) is in the group from -4310 through -4332.

- 4310 Water and Sewage
- 4320 Garbage
- 4331 Postage
- 4332 Telephone

Another grouping or subtotal closely related to Utility Services is Energy Services, which includes the following:

- 4350 In-Kind Utilities
- 4360 Electricity
- 4370 Natural/Bottled Gas
- 4380 Fuel for Heating

Staff travel includes meals, mileage and other travel expenses for employees. It is a subtotal of the 3 object codes that start with -420X. This includes reimbursements to itinerant employees who service several schools. It also includes costs of travel to other locations in the district for group trainings or inservices, as well as costs to travel outside the district for professional development or trainings.

**Q: Where do the account names come from?**

**A:** The titles of accounts are grouped according to the Alaska Department of Education and Early Development Uniform Chart of Accounts and Account Code Descriptions for Public School Districts. The hope is that if all districts use the same coding system, it's more likely that interested parties can compare financial statements and budgets between districts and be comparing apples to apples.

**Q: Why don't you cut sports?**

**A:** Student Activities include competitive sports as well as academic clubs (such as Battle of the Books), music festivals, drama and dance productions, yearbook, debate and forensics and intramural activities. The benefits to students of participation in extra-curricular activities are well documented and in FY16 over 70% of middle and high school students participated in at least one activity.

In addition to the General Fund contribution, there is extensive community support in the form of fundraising and booster clubs. Funds raised that are accounted for within the district's 710 (Student Activity) Fund is over \$2M per year and supports the majority of travel costs and other expenses like uniforms for all teams and activities.

The amount the district spent in FY16 out of the General Fund on Student Activities was about \$1.67M, which was about 1.2% of total expenditures. Coach/advisor stipends with

benefits at High Schools totaled \$814,545 and Athletic Director positions (.50 FTE) at high schools salaries / benefits totaled \$245,206.

Besides the salaries and benefits, a portion of activity travel was also paid; the travel amount has been reduced by \$20,000 in the FY17 budget to \$180,000. An additional \$50,000 is budgeted for travel to state tournaments and \$75,000 for safety equipment. The district provides \$15,000 for ice time, which leaves about \$50,000 (73%) that teams must pay for through fundraising.

The breakdown of Student Activity costs is as follows:

High School total	\$1,144,075
Middle School total	224,783
Elementary School total	25,983
Other (K-12, Alternative) total	28,717
Athletic Directors .50 @ 5 HS	245,206
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FY16 General Fund Total	1,668,764

**Q: Can you quit bussing students to school and use that money for teachers?**

**A:** No. The Transportation Fund is a grant (also known as a Special Revenue Fund) from the State of Alaska specifically to provide Home-to-School transportation for students. If the district didn't offer student transportation to and from school, we would not get those funds from the state.

**Q: If transportation is funded through a grant, how does changing the bus routes in the Homer area increase available revenue for the district?**

**A:** The state funds transportation on a per pupil basis, so if enrollment continues to decline, transportation funding will also be reduced. However, losing 20 or even 100 students district-wide isn't likely to reduce the number of bus routes we will need to have for the home-to-school services, so we need to make sure the current funding will be enough to provide the needed services. The district recently signed a 10 year contract with Apple Bus beginning July 1, 2017. Because we pay by the number of buses we need each day, running two routes with one bus cuts the number of buses needed for that area in half. Any savings will stay in the Transportation Fund's fund balance, to be used only for transportation services. The plan is that we will not have to transfer money from the General Fund to supplement the transportation funding we receive from the state.

**Q: Can you close the pools?**

**A:** There are pros and cons to any decision, but that is an option. It's important to realize that revenue generated by each pool is used to pay for lifeguard salaries and benefits, supplies and chemicals for that pool. The only district-paid employee is the pool manager. As a result of the review of pools in 2014-15, we have also made changes in overall staffing and implemented other efficiencies. At this time, the pool in Seldovia is closed because the previous pool manager retired and there have been no qualified applicants for the position.

Pool utility costs are paid through the General Fund, as the pools are not metered or otherwise separated from the school buildings. For that reason, utility cost savings are difficult to estimate. General fund savings from closing the pools would come from pool manager salaries and benefits (around \$600,000) and utility costs. Total paid for fuel for heating and natural gas costs for the schools with pools in FY16 was \$553,294, so closing pools would likely recoup a portion of that amount.

During the FY16 budgeting process, the overwhelming public response was to keep the pools open, with some suggestions about operations and ideas to save money. One drawback of closures would be the inability of most students to learn to swim, which is an important skill to have since we live near water.

**Q: Why don't you cut the Special Education department?**

**A:** Our students with special needs are entitled to an education. The Individuals with Disabilities Education Act (IDEA) entitles every student from age 3 to age 18 or 21, to a free and appropriate public education (FAPE) in the least restrictive environment (LRE). The district's responsibility, through the Pupil Services Department, is to work with the parents of students who are identified as needing special services to create an Individualized Education Plan (IEP) for the student and determine the best way for the student to receive services.