

# Kenai Peninsula Borough School District

## FY18 PRELIMINARY BUDGET WORK SESSION

December 6, 2016



# Current FY17 General Fund Budget

Revised December 5, 2016

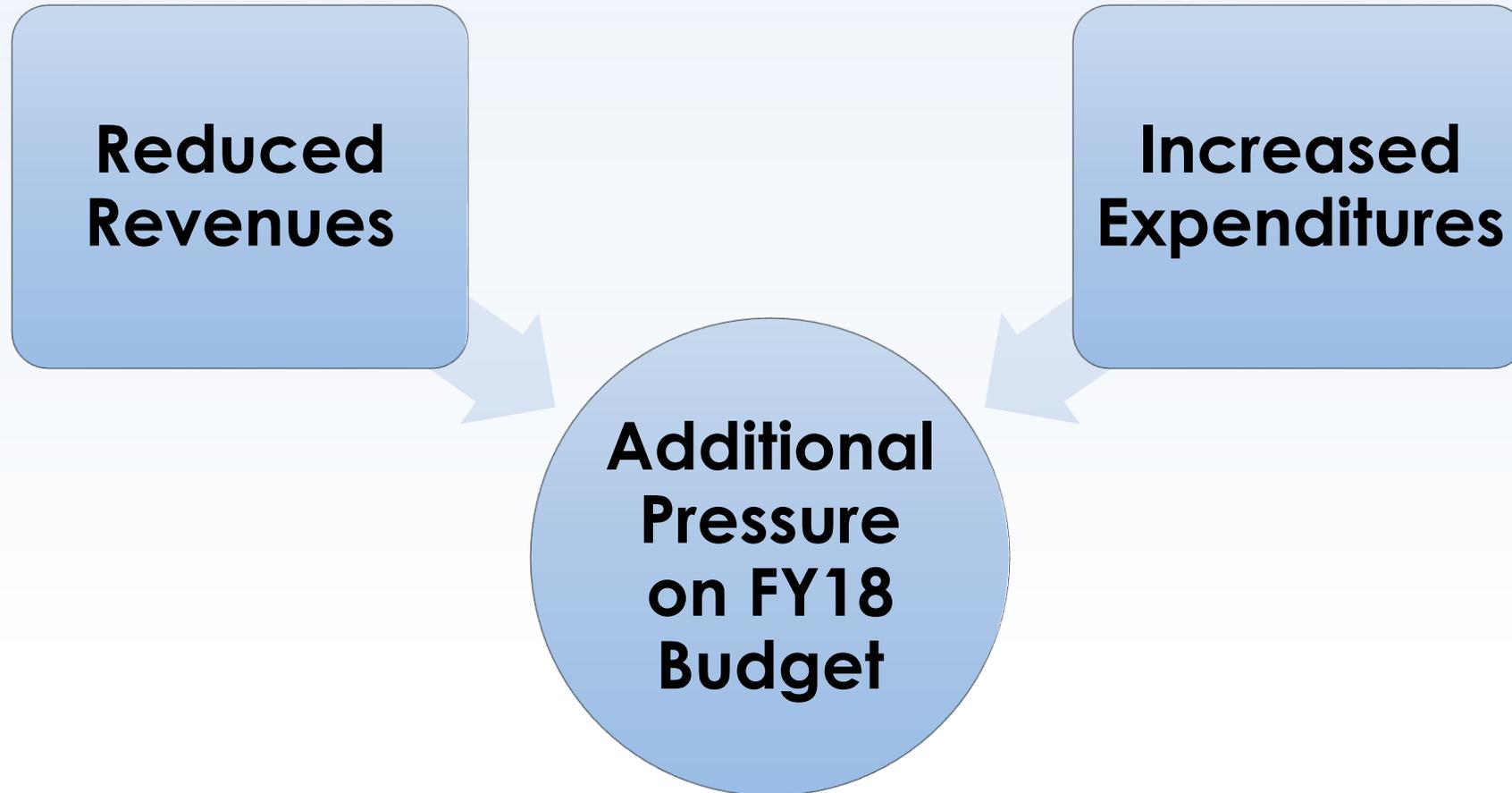
Revenues	\$139,441,890
Expenditures	<u>- \$141,683,518</u>
Deficit	(\$2,241,628)
Use of Fund Balance	<u>\$2,241,628</u>
Net Balance	-0-

# Budget Deficit

## Use of Fund Balance

	FY12	FY13	FY14	FY15	FY16	Budgeted FY17
Revenues	\$136,001,226	\$144,493,555	\$148,107,611	\$271,584,144	\$140,818,264	\$139,441,890
Expenditures	138,995,990	145,234,537	149,334,044	272,731,469	142,197,864	141,683,518
Difference	<u>(2,994,764)</u>	<u>(740,982)</u>	<u>(1,226,433)</u>	<u>(1,147,325)</u>	<u>(1,379,600)</u>	<u>(2,241,628)</u>
<b>Use of Fund Balance</b>	<b>\$2,994,764</b>	<b>\$740,982</b>	<b>\$1,226,433</b>	<b>\$1,147,325</b>	<b>\$1,379,600</b>	<b>\$2,241,628</b>

# Future expectations:



# Assumptions used in creation of FY18 Preliminary Expenditure Budget:

## Staffing:

- Moved employees one step on new salary schedules
- Loss of 3 FTE due to drop in FY18 projected enrollment (no change to PTR)
- Overall Salary/Benefit budgeting reduction of 1% to account for staff turnover

## Health Care Plan Changes:

- Open enrollment period ends December 16<sup>th</sup> – clearer picture then
- Implement High Deductible Health Plan (HDHP) with Health Reimbursement Account (HRA) – estimate 25 choose this plan
- Employees covered elsewhere may opt out – estimate 10 drop

# FY18 Preliminary Expenditure Budget

## Expenditures:

Salaries and Benefits	\$113,927,677	81.01%
Professional/Technical	1,341,135	0.95%
Travel	1,035,979	0.74%
Utilities	6,457,396	4.59%
Purchased Services	9,308,642	6.62%
Supplies	4,279,289	3.04%
Other Expenses	1,991,679	1.42%
Equipment	1,188,703	0.85%
Transfer	1,100,000	0.78%
Total Expenditures	<u>\$140,630,500</u>	

# FY18 Preliminary Revenue Budget

## Revenue:

KPB Appropriation	\$37,583,417
KPB In-Kind	10,655,015
Miscellaneous Revenue	480,000
ERATE	700,000
Foundation	79,228,895
Quality Schools	286,147
TRS/PERS On-Behalf	8,247,847
Medicaid	200,000
Total Revenue	<hr/> <b>\$137,381,321</b>

# Unassigned Fund Balance

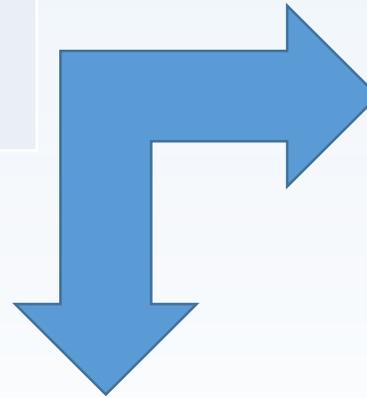
FY16 Unassigned Fund Balance	\$ 2,671,214
FY17 Additional Use of Fund Balance	(\$274,200)
Reallocation of Restricted to Unassigned	1,000,000
New Unassigned Fund Balance	<hr/> \$ 3,397,014
Unassigned available for FY18 Deficit	\$ 1,132,338

# FY18 Preliminary Anticipated Deficit

Revenues	\$137,381,321
Expenditures	140,630,500
Anticipated Deficit	3,249,179
Planned Use of Fund Balance	1,132,338
Remaining Deficit	\$2,116,841

# Preliminary Estimated Impact on FTEs

Fiscal Year	Total FTE
FY17	415.50 FTE
FY 18 (Status Quo PTR w/New Enrollment Projections)	412.50 FTE (loss of 3 FTE due to enrollment)



PTR Change	Total FTE
+2 Across All Categories	387.00 FTE
Loss of 28.50 FTE	

PTR Change	Total FTE
+1 Across All Categories	400.00 FTE
Loss of 15.50 FTE	

# FY18 State of Alaska Revenue Scenarios

	Status Quo BSA	1% Reduction to BSA	3% Reduction to BSA	5% Reduction to BSA
State Revenue	\$79,515,042	\$78,459,876	\$76,331,661	\$74,221,330
Deficit	(3,249,179)	(4,304,345)	(6,432,560)	(8,542,891)
Planned Use of Fund Balance	1,132,338	1,132,338	1,132,338	1,132,338
Remaining Deficit	(\$2,116,841)	(\$3,172,007)	(\$5,300,222)	(\$7,410,553)

# FY18 KPB Revenue Scenarios – Maximum Allowable Contribution

	Status Quo BSA	1% Reduction to BSA	3% Reduction to BSA	5% Reduction to BSA
Required Local	\$26,824,174	\$26,824,174	\$26,824,174	\$26,824,174
Additional Allowable	24,458,020	24,215,332	23,725,842	23,240,466
<b>Total Maximum Allowable Contribution</b>	<b>51,282,194</b>	<b>51,039,506</b>	<b>50,550,016</b>	<b>50,064,640</b>
Deficit	(205,417)	(1,503,271)	(4,120,976)	(6,716,683)
Planned Use of Fund Balance	205,417	1,132,338	1,132,338	1,132,338
<b>Remaining Deficit</b>	<b>\$0</b>	<b>(\$370,933)</b>	<b>(\$2,988,638)</b>	<b>(\$5,584,345)</b>

# FY18 Preliminary Budget Timeline

- Board Input today
- Mid-December – Governor’s Budget will be released.
- January 16, 2017 – Board work session – Big Numbers
- February 6, 2017 – Board work session – Preliminary Budget Document
- February Public Budget Forums
  - 2/14/17 Seward High Library, 5:30 p.m.
  - 2/15/17 Soldotna High Library, 5:30 p.m.
  - 2/21/17 Homer High Library, 5:30 p.m.

# Kenai Peninsula Borough School District

*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.*

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