

Dear KPBSD Staff and Families,

As you are aware, after Governor Dunlevy vetoed SB 140 and the House failed to override his veto, the KPBSD and all districts in Alaska have been left in limbo regarding the budget for FY25. The Kenai Peninsula Board of Education has outlined three budget scenarios contingent upon potential funding from the State of Alaska. These scenarios reflect receiving an additional \$0, \$340, or \$680, as an increase to the Base Student Allocation (BSA) or as one-time allocation. We are all hopeful for a BSA increase as this will also provide more predictable funding for future budgets, versus one-time funding.

In accordance with Alaska Statute, the KPBSD is mandated to present a balanced budget to the KPBSD Assembly by May 1st each year. At the present moment, the state has yet to make any decisions regarding funding for the school districts. Consequently, the KPBSD will be submitting a balanced budget to the borough reflecting no increase in state funding.

The KPBSD Board of Education's proposed budget adjustments will have significant impacts on various aspects of the district:

- **The Use of all Remaining Unassigned Fund Balance:** \$5,836,963
- **Pupil Teacher Ratio (PTR) Increase:** The PTR will see an increase of 1 for high schools, middle schools, large elementary schools, and small schools, and a 5 PTR increase for Connections Home School. This adjustment will lead to the loss of 7 teaching positions, resulting in a budget reduction of \$780,332.
- **Elementary School Counselors Cut:** All six elementary counselor positions will be removed from the budget, resulting in a budget reduction of \$640,987.
- **Small Schools Adjustment Cut:** Funds allocated for small school staffing will be reduced, resulting in a budget reduction of \$320,067.
- **Support Staff Reduction in Workdays:** All KPBSD support staff will experience a reduction of 10 workdays, resulting in a budget reduction of \$817,676.
- **School Locations Supplies Reduction:** Supply budgets for schools will face a 10% decrease, resulting in a budget reduction of \$85,150.
- **School Locations Discretionary Supplies Cut:** Discretionary supplies at school locations will face a 5% decrease, resulting in a budget reduction of \$32,461.
- **Extra-Curricular and Pupil Transportation Transfers:** Travel funding for extra-curricular activities will be eliminated, resulting in a budget reduction of \$145,000. Pupil transportation will face additional consolidation of bus routes, resulting in a budget reduction of \$550,000.
- **Deferred Purchases:** Purchases of Interactive Flat Panels will be deferred, resulting in a budget reduction of \$567,981.
- **District Office Reductions:** District Office staff will see a decrease of 10 workdays and a 10% decrease in discretionary spending, resulting in budget reductions of \$259,650 and \$252,318, respectively.
- **Extra-Curricular Salaries and Facility Closures:** All assistant coaches, instructional, and academic stipends will be subject to cuts, resulting in a budget reduction of \$586,411. Cuts to associated managerial and support positions at our pools and theaters will result in budget reductions of \$739,174 and \$601,962, respectively.

- **Curriculum Material:** Curriculum material purchases for FY 25 will be deferred, resulting in a budget reduction of \$714,100.
- **Health Care Budget:** A decrease in the healthcare budget will result in a budget reduction of \$726,645.
- **Board Membership:** Dues to the Association of Alaska School Boards (AASB) will be cut, resulting in a budget reduction of \$27,360.

These adjustments reflect the necessary measures taken to align the district's budget with current funding constraints, while striving to minimize negative impact on the quality of education provided to students. Despite these challenges, every effort is being made to ensure that essential educational services are maintained to the highest possible standard within the available resources. The KPBSD remains committed to delivering a quality educational experience, acknowledging the limitations imposed by the current financial landscape.

What happens if there is a funding increase?

A funding increase of \$340 – impacts and budget reductions would still include:

- Use of entire Unassigned Fund Balance (\$5,836,963)
- Extra-Curricular Transportation Reduction (\$145,000)
- Deference of Interactive Flat Screens Purchase (\$567,981)
- District Office Discretionary Spending changed from a 10% reduction to 5% (\$126,159)
- Extra-Curricular Salaries/Benefits changed from a 50% reduction to 25% (\$293,205)
- Health Care Budget Reduction reduced (\$651,872)
- Curriculum Deferral amount reduced (\$357,050)

A funding increase of \$680 – impacts and budget reductions would still include:

- Unassigned Fund Balance (\$2,265,841)
- All other budget reductions will be removed

Thank you for your continued advocacy for our schools and public education.

Sincerely,

Clayton Holland, Superintendent