



# **BUDGET DEVELOPMENT**

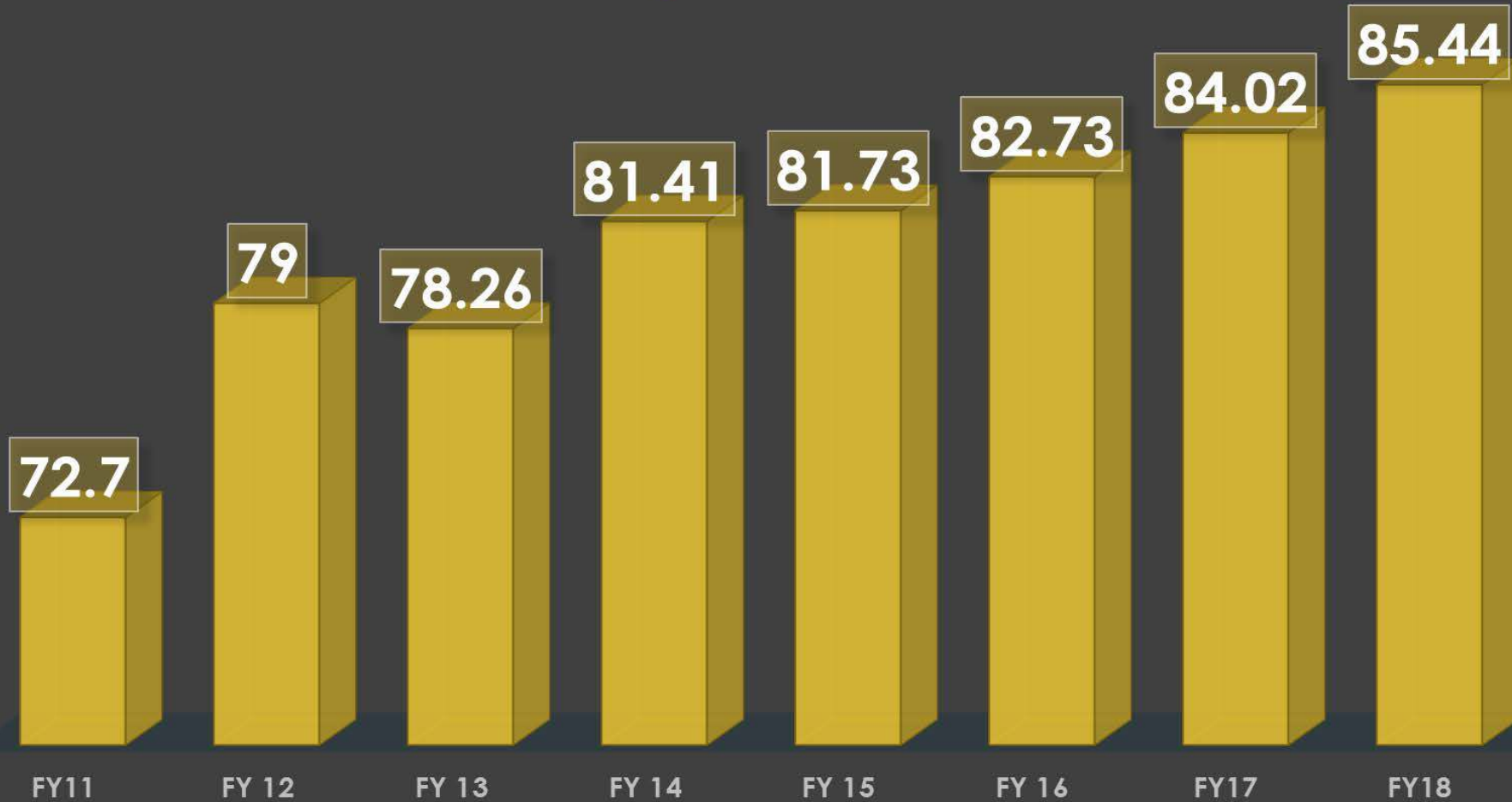
## **KPBSD General Fund Budget**

**October 30, 2018**

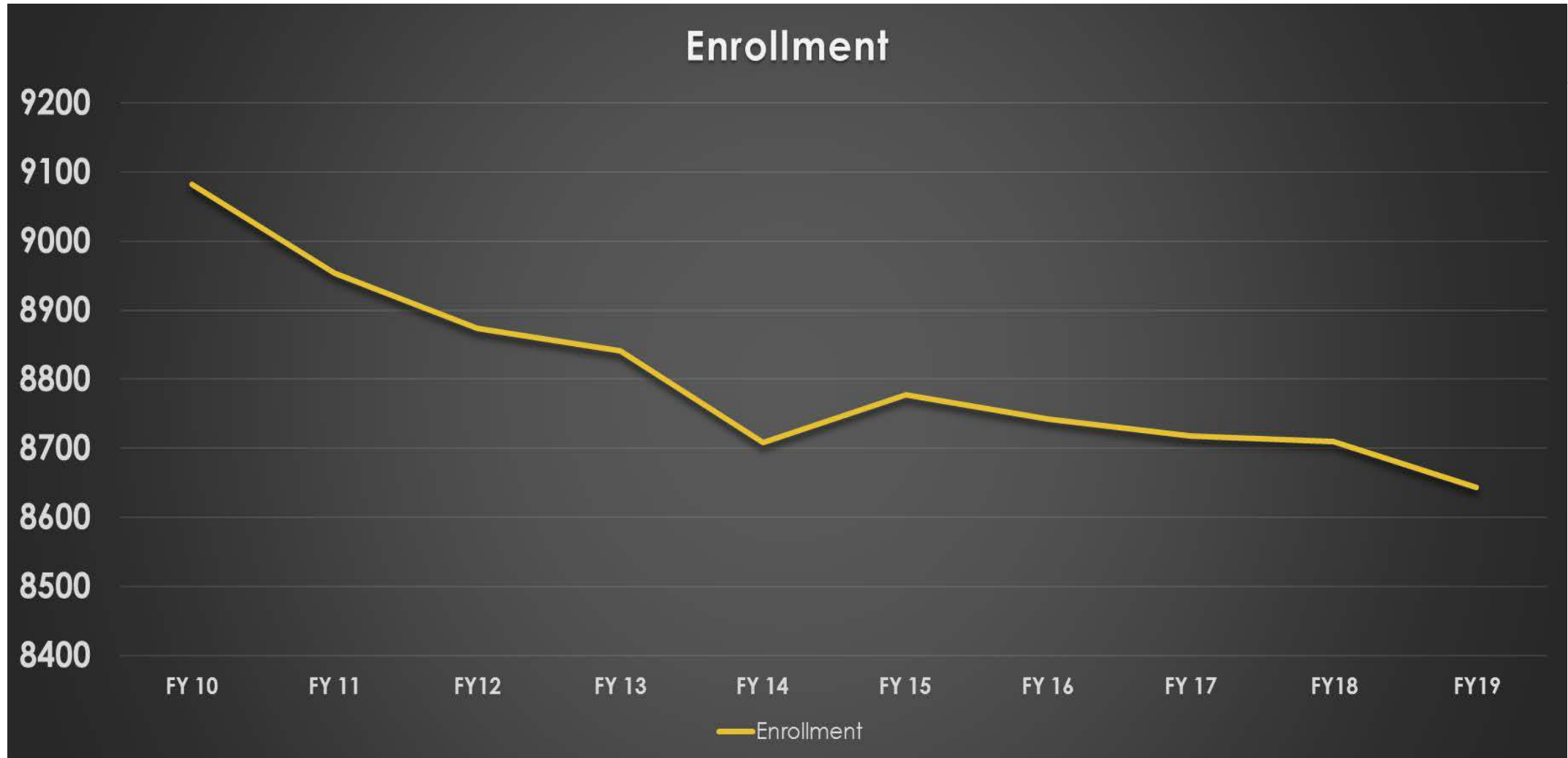
*The mission of the Kenai Peninsula Borough School District is to develop productive, responsible citizens who are prepared to be successful in a dynamic world.*

# KPBSD GRADUATION RATE

■ KPBSD Grad Rate



# District Enrollment FY10-FY19



# Start of the FY20 Budget Process

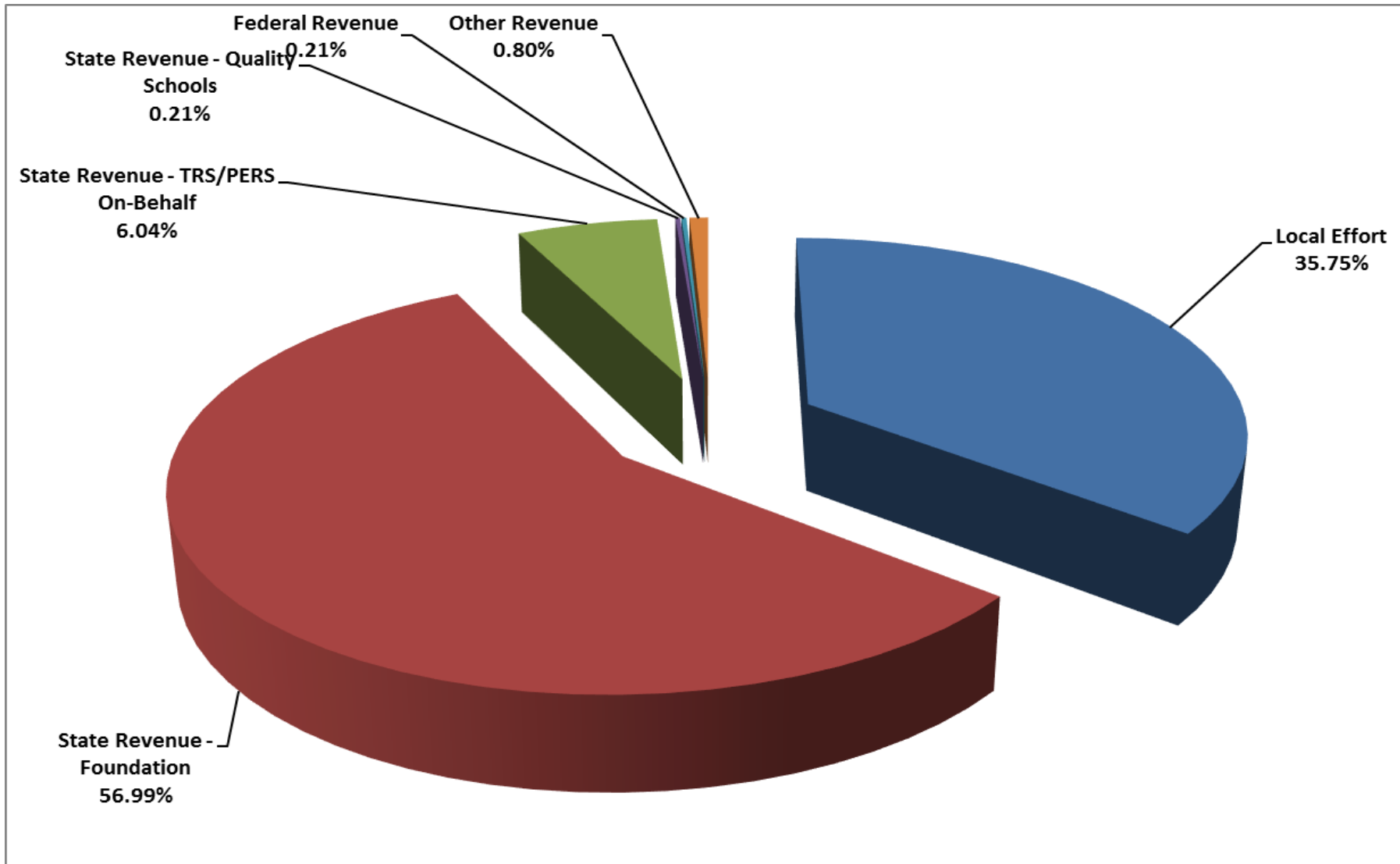
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- Main purpose of this meeting is to gather site input to help guide budget development
- Suggestions and questions should be compiled and sent to Natalie Bates by 5:00 PM Thursday, November 1, 2018
- Subsequent meetings are part of the budget development process

# Revenue – FY18 Actual

## Revenue Unaudited

Local Effort	\$ 49,738,432	35.75%
State Revenue - Foundation	79,312,743	56.99%
State Revenue - TRS/PERS On-Behalf	8,402,238	6.04%
State Revenue - Quality Schools	286,790	0.21%
Federal Revenue	298,727	0.21%
Other Revenue	<u>1,108,628</u>	<u>0.80%</u>
Total Revenue Budget	<u><u>\$ 139,147,558</u></u>	<u><u>100.00%</u></u>



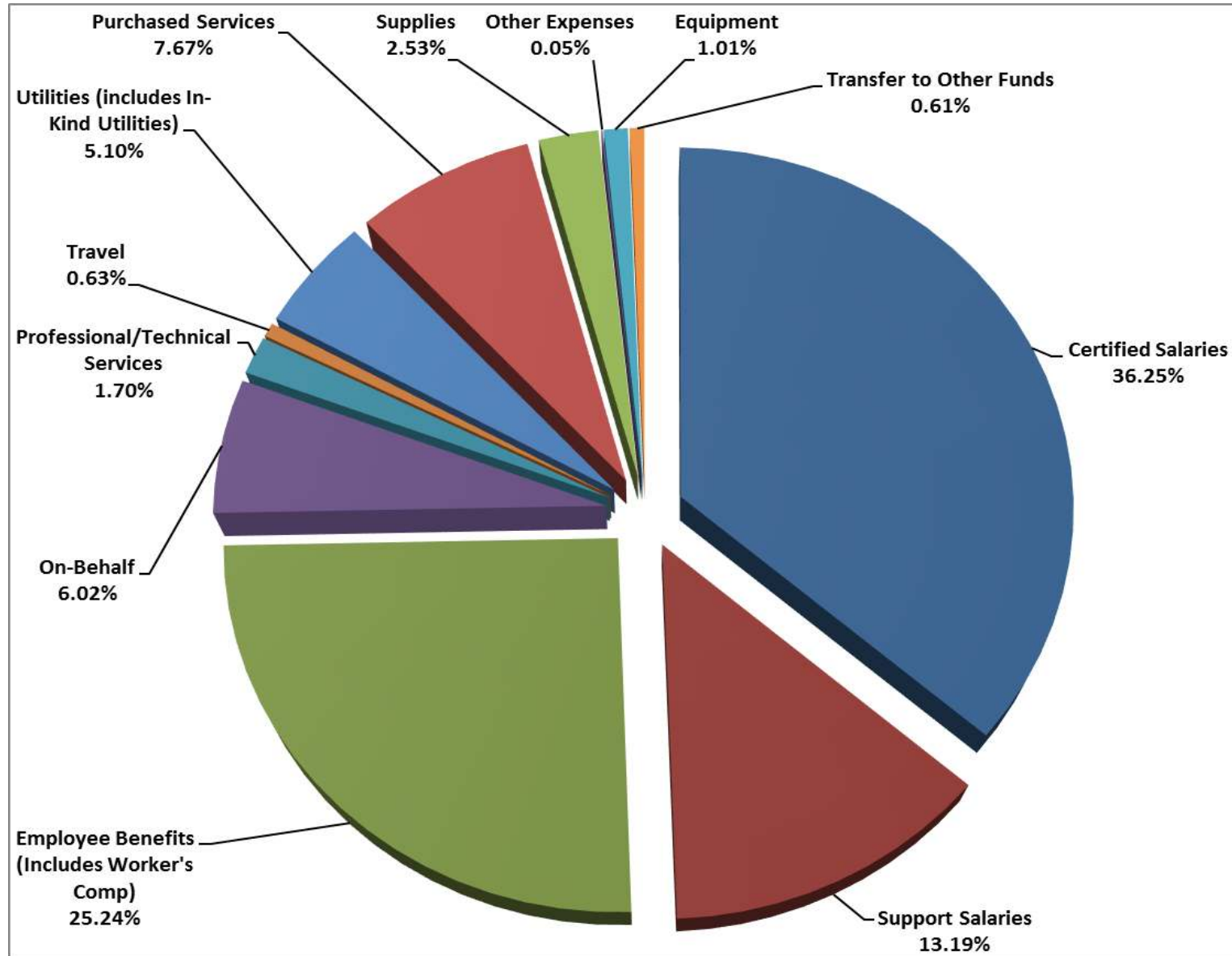
# Expenditures – FY18 Actual

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## Expenditures by Object

Unaudited

Code	Object Code Description	Unaudited FY18 Actuals	% of Total
-31XX	Certified Salaries	\$ 50,573,605	36.25%
-32XX	Support Salaries	18,396,213	13.19%
-35XX	Employee Benefits (Includes Worker's	35,216,083	25.24%
-35XX	On-Behalf	8,402,238	6.02%
-41XX	Professional/Technical Services	2,371,761	1.70%
-42XX	Travel	872,735	0.63%
-43XX	Utilities (includes In-Kind Utilities)	7,119,401	5.10%
-44XX	Purchased Services	10,693,420	7.67%
-45XX	Supplies	3,524,126	2.53%
-4901	Other Expenses	70,704	0.05%
-51XX	Equipment	1,412,344	1.01%
-5500	Transfer to Other Funds	850,000	0.61%
		<u>\$ 139,502,630</u>	<u>100.00%</u>





# Recent Reductions

Since FY15 reductions of over \$8.4 million

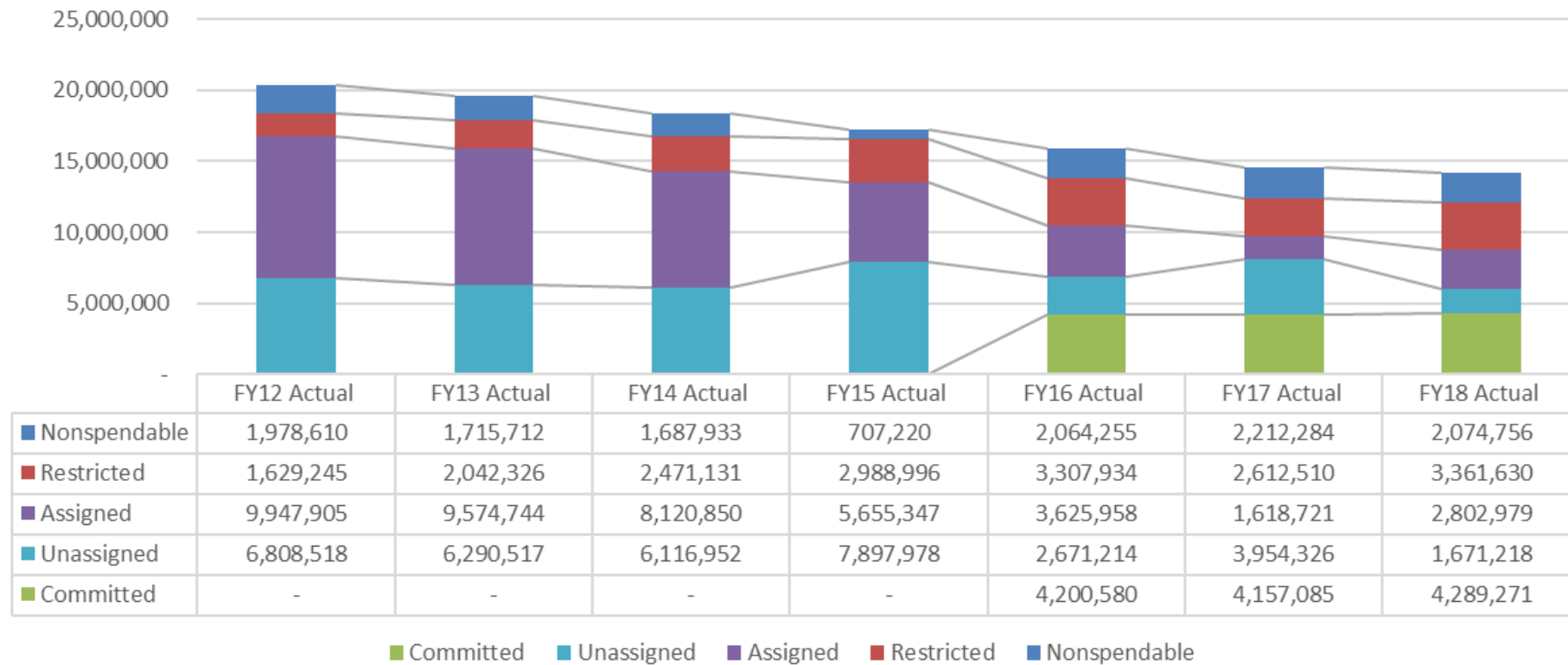
- **Over 10 District Office positions\***
- Curriculum, Supplies, Travel\*
- Student Nutrition Services
- Certified staff adjustments in FY15, FY16 mainly due to enrollment
- Unallocated for class size adjustment
- Custodians and ELL tutors for FY18
- Extra-curricular travel and safety funds
- **Recent Site Council recommendations that have been implemented.\***
  - More Distance Delivery
  - Itinerant Administrators
  - Transportation consolidation

# Budget Deficit – Past 7 Years

	FY12	FY13	FY14	FY15	FY16	FY17	FY18 Unaudited
Revenue	\$136,001,226	\$144,493,555	\$148,107,611	\$271,584,144	\$140,818,264	\$139,750,288	\$139,147,558
Expenditures	\$138,995,990	\$145,234,534	\$149,334,044	\$272,731,469	\$142,197,864	\$141,065,303	\$139,502,630
Deficit	(\$2,994,764)	(\$740,979)	(\$1,226,433)	(\$1,147,325)	(\$1,379,600)	(\$1,315,015)	(\$355,072)

**FY19 Budgeted Deficit - (\$1,430,222)**

# Fund Balance



# Near Future

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## REVENUE FY20

- **State Revenue**
  - Determined by the Legislature
- **KPB Revenue**
  - Determined by the Borough Assembly

## EXPENDITURES FY20

- Additional Needs and Requests
- Reductions

# State of Alaska Revenue

## FY19 - SB 142

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Senate Bill (SB) 142 was passed allocating a one-time grant for K-12 education of \$20 million dollars to be disbursed to school districts based on Adjusted Daily Membership (ADM).

**KPBSD was estimated to receive \$1.4 million in one-time revenue for FY19 based on the projected enrollment.**

# State of Alaska Revenue

## FY20 – HB 287 (More \$ ?)

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House Bill (HB) 287 also passed the Twenty-Ninth Alaska State Legislature with language that allocated \$30 Million in one-time funding for K-12 education in FY20. This would be \$10 Million more than the \$20 Million in one-time funding passed for FY19. If our enrollment stayed steady, it could mean approximately \$702,576 in new one-time funds for FY20 beyond the FY19 one-time funding. This would provide approximately \$2.1 million for FY20.

\* Sec. 4. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The sum of \$30,000,000 is appropriated from the general fund to the Department of Education and Early Development to be distributed as grants to school districts according to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the fiscal year ending June 30, 2020.

***However.....***

# State of Alaska Revenue

## FY20 – HB 287 Contingency Clause (Less \$ ?)

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\* Sec. 7. CONTINGENCY. The appropriations made in secs. 4 and 5(c) and (d) of this Act are contingent on passage by the Thirtieth Alaska State Legislature and enactment into law of a version of Senate Bill 26.

Therefore, what this means is that the next legislature, the Thirtieth Alaska State Legislature, has to pass the bill as well before it is funded. The last time future school funding was passed with this type of contingency language, it was not passed by the subsequent legislature. This could mean that not only would we not get the additional \$700 for FY20; we would also not get the \$1,405,152 we are currently scheduled to receive in FY19.

# Kenai Peninsula Borough (KPB) Revenue Room to the Cap (More \$ ?)

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FY19 Maximum Support Allowable	\$52,119,378
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FY19 Budgeted KPB Support	<u>\$49,738,432</u>
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Possible Additional Funding From KPB	\$ 2,380,946
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# Kenai Peninsula Borough (KPB) Revenue Projected Deficit FY20 (Less \$ ?)

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KPB Projected FY20 Budget Deficit (\$2,300,000)

*Will KPB reduce KPBSD Support for FY20?*

*Sales tax? More revenues?*

# KPBSD Expenditures FY20

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*Are there additional students services that need to be added to the budget?*

*Is it time to utilize expenditure reductions previously considered, but not implemented?*

# Information and Next Steps

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More information can be found on the KPBSD Website finance page:

- <http://www.kpbsd.k12.ak.us/departments.aspx?id=38>
- Links to Informational Videos, Budget FAQ's, and budget documents.

## Tonight:

- Current school celebrations!
- Questions, suggestions, impacts
- Suggestions and questions should be compiled and sent to Natalie Bates by 5:00 PM, Thursday, November 1, 2018
- Advocacy

# Questions and Comments?

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