

Kenai Peninsula Borough School District

FY23 COMMUNITY BUDGET FORUMS

February 2022



Agenda

- Original FY23 Preliminary Budget Summary
- FY23 Projected Enrollment
- FY23 Preliminary Budget - Revenue
- FY23 Preliminary Budget - Expenditures
- FY23 Preliminary Budget Summary
- COVID-19 Grant Funds
- Legislative – House Bills 220, 272 and 273

Preliminary FY23 General Fund Budget Summary – Original

Revenue	\$131,526,240
Expenditures	137,849,728
Transfer to Other Fund – Student Nutrition & Extra-Curricular Travel	<u>695,000</u>
Total Expenditures and Transfers	138,544,728
Excess (Deficiency) of Revenues over Expenditures	\$(7,018,488)

The Board of Education provided direction to administration to use ESSER funding to close the deficit.

FY23 Preliminary Budget Process – Projected Enrollment

The process used to project the FY23 enrollment is based on a straight-line method. The steps involved were:

1. Grades at all school sites were moved ahead one grade level with some variance based on principal input.
2. Charter school enrollment projections are in concert with the contractual agreement between the School District and the charter school.
3. AR 6183 (c) notes the enrollment staffing for Homer Flex, Kenai Alternative and Marathon locations.
4. Kindergarten enrollment was based on the average of actual enrollment, for FY20, FY21 and FY22 and administrator recommendations.
5. Sites affected by feeder schools were adjusted appropriately

The projected enrollment for FY23 is 8,429

The District was required to submit the FY23 enrollment projections to the Department of Education and Early Development on November 5, 2021

FY23 Preliminary Budget Process - Revenue

- State of Alaska
 - Foundation funding based on projected enrollment
 - Quality Schools funding \$16 per Adjusted Average Daily Membership (AADM)
 - TRS/PERS On-Behalf
- Kenai Peninsula Borough
 - Appropriation
 - In-Kind
- Other
 - Erate
 - Interest Earnings
 - Other

Preliminary FY23

General Fund Budget – State of Alaska Revenue

	FY21 Actual	FY22 Original	FY22 Revised	FY23 Preliminary
State of Alaska Foundation \$5,930 BSA	\$76,021,227	\$71,118,602	\$73,755,851	\$73,591,664
State of Alaska Supplemental	32,630	-	-	-
State of Alaska Quality Schools	281,762	272,307	279,423	276,554
State of Alaska TRS/PERS On-Behalf	<u>10,735,075</u>	<u>10,832,981</u>	<u>10,832,981</u>	<u>6,478,022</u>
Total	\$87,070,694	\$82,223,890	\$84,868,255	\$80,346,240

- State of Alaska – Base Student Allocation at same levels as FY17, FY18, FY19, FY20, FY21, FY22 and FY23 - \$5,930
- Hold Harmless provision. If a school district's AADM decreased by five percent or more from one fiscal year to the next fiscal year, the school district may use the last fiscal year before the decrease as the base year to offset the decrease.
 - FY21 75% of the difference in AADM from base year FY20
 - FY22 50% of the difference in AADM from base year FY20
 - FY23 25% of the difference in AADM from base year FY20

Preliminary FY23 General Fund Budget – KPB Revenue

	FY21 Actual	FY22 Original	FY22 Revised	FY23 Preliminary
KPB Appropriation	\$36,526,177	\$36,637,268	\$36,537,314	\$38,537,314
KPB In-Kind	11,362,732	11,362,732	11,462,686	11,462,686
KPB Grant Funding	<u>2,111,091</u>	=	<u>2,000,000</u>	=
Total	\$50,000,000	\$48,000,000	\$50,000,000	\$50,000,000

Preliminary FY23 General Fund Budget - Revenue

	FY21 Actual	FY22 Original	FY22 Revised	FY23 Preliminary
State Of Alaska	\$87,070,694	\$82,223,890	\$84,868,255	\$80,346,240
Kenai Peninsula Borough	50,000,000	48,000,000	50,000,000	50,000,000
Other Revenue	<u>782,750</u>	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,180,000</u>
Total Revenue	\$137,853,444	\$131,403,890	\$136,048,255	\$131,526,240

- Other Revenue: E-rate, Interest Earnings and Other Miscellaneous.

Preliminary FY23 General Fund Budget - Expenditures

- The employee salaries were calculated with step increases.
- The Healthcare calculation was based on FY22 HDHP rates + 5%. This amount may be updated at a later date if more information is received. The split for health care is 85/15 per the negotiated agreement.
- A lapse calculation of 2% was used for salaries and benefits.
- Utilities based on a 3-year average.
- Instructional/Office supply and copy budgets updated based on projected enrollment.

Preliminary FY23 General Fund Budget - Expenditures

Salaries – Includes Step Increases	\$64,141,881	48.76%
Benefits	40,571,376	30.85%
Workers Compensation	1,570,859	1.19%
Professional and Technical	1,244,926	0.95%
Travel	595,365	0.45%
Utilities	6,795,494	5.17%
Purchased Services (Includes In-Kind Maintenance and Charter school rent and in-kind)	11,213,088	8.53%
Supplies	3,737,210	2.84%
Other Expenses (Includes in-direct from grants)	24,406	0.02%
Equipment	936,635	0.71%
Transfers to Other Funds – Student Nutrition & Extra-Curricular Travel	<u>695,000</u>	<u>0.53%</u>
Total Expenditures	\$131,526,240	100.00%

Preliminary FY23 General Fund Budget Summary

Revenue	\$131,526,240
Expenditures	130,831,240
Transfer to Other Fund – Student Nutrition & Extra-Curricular Travel	<u>695,000</u>
Total Expenditures and Transfers	<u>131,526,240</u>
Excess (Deficiency) of Revenues over Expenditures	\$0

KPBSD COVID-19 Education Related Grant Funds

1. Coronavirus Aid, Recovery and Economic Security (CARES) act
 - Elementary and Secondary School Emergency Relief (ESSER) fund
 - \$2,295,953
 - Fully Expended in FY21

2. Coronavirus Response and Relief Supplemental Appropriations (CRRSA) act
 - Elementary and Secondary School Emergency Relief (ESSER II) fund
 - \$9,088,405

3. American Rescue Plan (ARP)
 - Elementary and Secondary School Emergency Relief (ESSER III) fund
 - \$20,414,897

Elementary and Secondary Emergency Relief (ESSER II) fund
\$9,088,405
Period of Availability 7/1/2021-6/30/2023

- Salaries and Benefits \$8,459,891

75.5 Certificated Staff and 14 Non-Certificated Staff.

Other Staffing - Certificated and non-certificated substitutes, temporary help, nurses additional pay, and certificated prep time payments.

- Other Items \$166,912

Disposal of PPE supplies, digital learning software, PPE supplies, and air purifiers

- Indirect \$461,602

The ESSER II grant funds will be fully expended in FY22.

Elementary and Secondary Emergency Relief (ESSER III) fund

\$20,414,897

Period of Availability 7/1/2021-6/30/2024

- 20% Percent to be used to address learning loss.
 - \$4,082,979
- FY22 – One-Time payments in the amount of \$1,500.00 per FTE for KPEA and KPESA member, in-lieu of a salary increase
 - \$2,072,731
- FY23 - 78 FTE Certificated and Non-Certificated staff salaries and benefits.
 - Budgeted at \$7,582,968

Legislative Information

House Bills 220, 272 and 273

HB220 Retirement Systems

Defined Benefit Options

HB220 Establishes employee choice.

TRS III and PERS IV, and all future employees would have a choice between a Defined Contribution or Defined Benefit retirement plan.

New employees have 90 days to decide.

Existing TRS III and PERS IV employees can use their DC accounts to buy years of services credit in the new system.

HB220 maintains the status quo for health care benefits as TRS III and PERS IV.

HB272 Increase Base Student Allocation

This is a two-year increase of the Per Pupil Base Student Allocation (BSA).

Increase BSA in FY23 from \$5,930 by \$253.

\$6,153 would increase our Estimated Foundation Revenue by \$3,854,470.

Increase BSA in FY24 by \$55.

\$6,208 would add an additional \$950,654 in Foundation Revenue.

HB273 Increase Base Student Allocation for Inflation

This legislation adds inflation proofing to the BSA in the foundation formula.

Each Fiscal Year, the BSA number would be inflation proofed based on the average of three prior Calendar Years of the CPI of Urban Alaska, less one year lag.

FY23 would have an increase to the BSA of \$97.

\$6,027 would increase our Estimated Foundation Revenue by \$1,676,608.

Questions?

- Email: ehayes@kpbsd.org
- **KPBSD Finance Department:** go.kpbsd.org/finance

Kenai Peninsula Borough School District

*The mission of the Kenai Peninsula Borough School District is
to empower all learners to positively shape their futures.*

www.kpbsd.org

