



Quarterly Update to Kenai Peninsula Borough Assembly

December 7, 2010

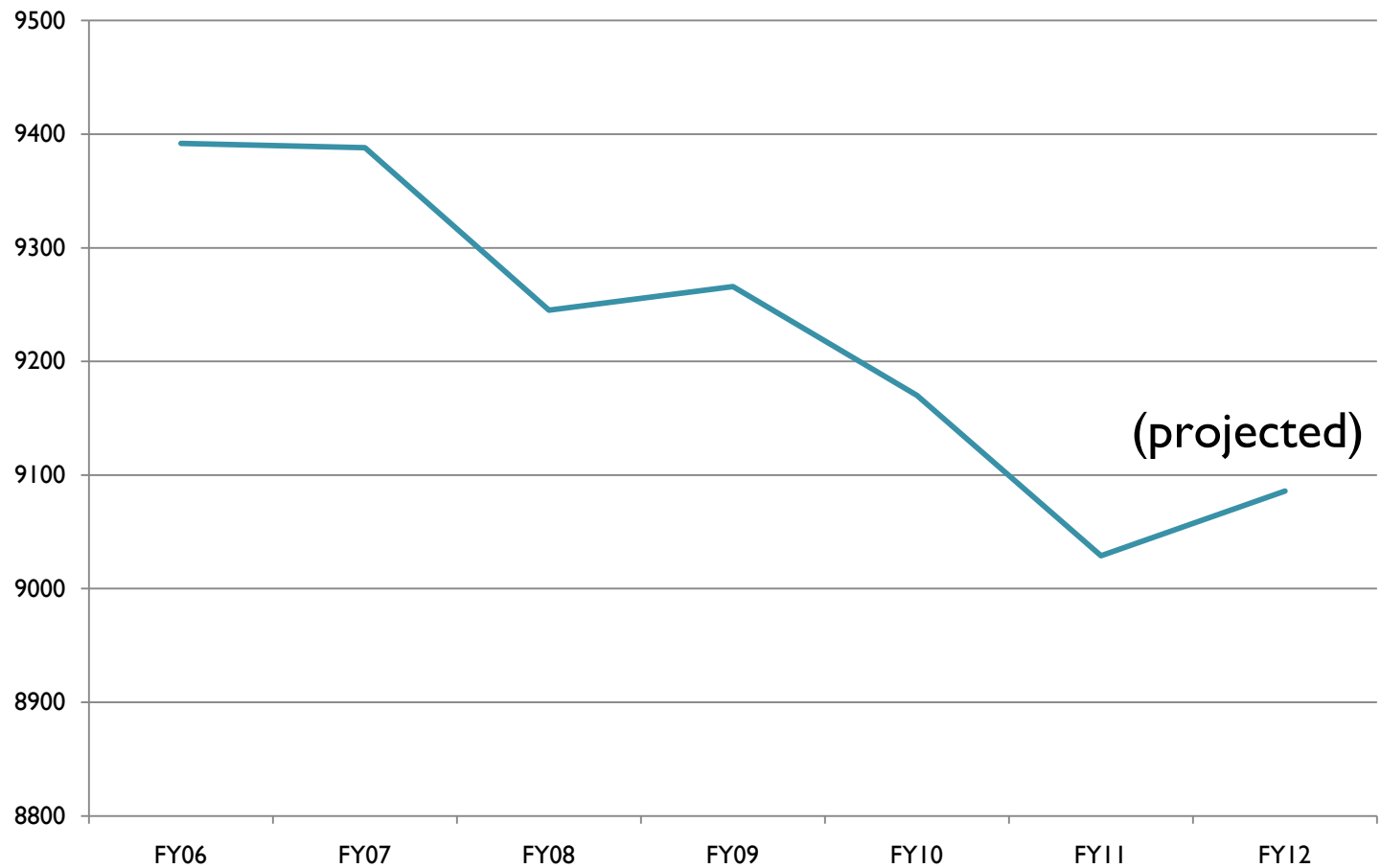
Joe Arness, Board President

Steve Atwater, Superintendent

Tonight's Presentation

- Enrollment information
- Growing Level of Poverty
- District news
- An early look at our FY12 budget

KPBSD's Recent Enrollment Trend



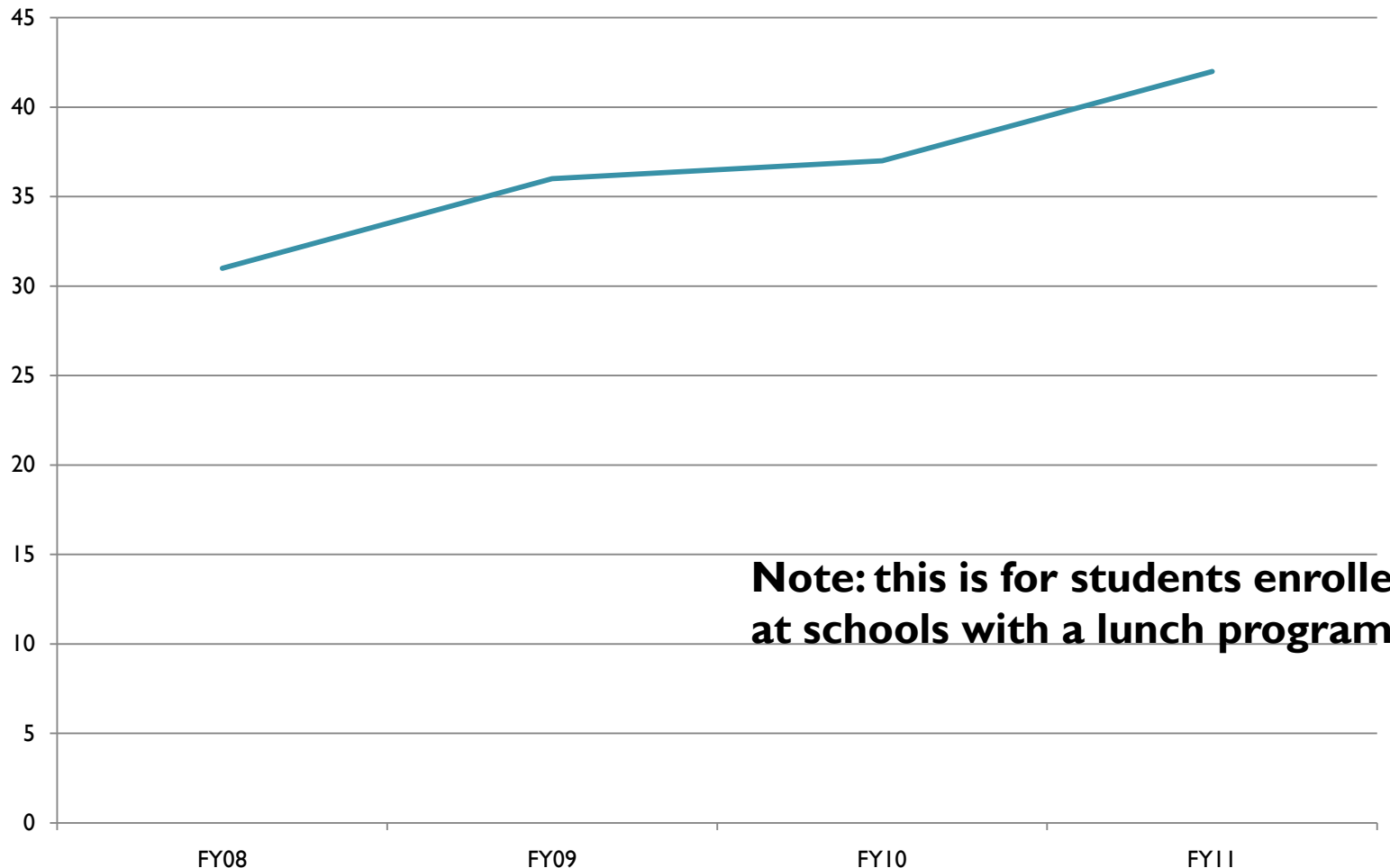
Enrollment at KPBSD's Four Smallest Schools

Current Enrollment (11/30/10)

Projected Enrollment next 3 years

- | | | |
|------------------|----|----------|
| • Cooper Landing | 8 | 13,15,16 |
| • Hope | 14 | 11,12,10 |
| • Moose Pass | 20 | 18,20,21 |
| • Port Graham | 15 | 21,21,23 |

Percent of Students Qualifying for Free or Reduced Lunch (Dec. 2010)



KPBSD schools with greater than 55% of students qualifying for free and reduced lunch

Nanwalek	69%
Homer Flex	64%
Kenai Alternative	62%
Mountain View	59%
Nikolaevsk	59%
Ninilchik	59%
Chapman	57%
Nikiski North Star	56%

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District News

- Curriculum Audit-revamp our approach to curriculum
- New Teacher Evaluation System- pilot this year- leader in the state in the move to determine teacher effectiveness.
- New Federal Money (Jobs Bill) = \$1.3 million used to fund positions that support instruction
- Student Safety- transfer money for activities transportation
- Equipment Fund
 - Dedicated revenue source (in policy)
 - Annual expenditure from fund to replace equipment begins this year

Looking Ahead- Funding for FY12

Budget Assumptions

- Goal is to roll forward existing level of service
- No increase is scheduled to the Base Student Allocation
- We know District Cost Factor will increase = approximately \$1.5 million

Rolling Forward Existing Level of Service-An early estimate of changes in cost

FY11 Revised Budget

FY12 Preliminary Estimate

Certified Salaries
\$48.1 million

Certified Salaries
\$49 million

Support Salaries
\$14.8 million

Support Salaries
\$15.1 million

Benefits
\$24.6 million

Benefits
\$26.2 million

Total
\$87.5 million

Total
\$90.3 million

Change = \$2.8 million ↑

Considerations

- Use of fund balance this year
- New money for FY12 with District Cost Factor increasing (\$1.5 million)
- Estimate of 10% increase to health care costs
- Per our negotiated agreement 2% increase to certified and support salaries

Bottom Line

To maintain our existing level of service with current use of fund balance and the increase to our district cost factor, district will need an estimated \$1.3 million more than received this year.

Borough's Local Contribution- maximum amount is decreasing

FY11 Cap	\$45,929,422
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FY11 Borough Contribution	\$43,251,135
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FY12 Cap estimate	\$45,830,029 ↓
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Challenge of maintaining existing level of
service beyond FY13 when District Cost
Factor is at 100%

Budget Meetings

- Introduction of budget to school board
February 21
- Area Budget Meetings
 - February 24 Homer High Library
 - March 1 Soldotna High Library
 - March 3 Seward High Library

When you can, visit our schools



QUESTIONS?