

FY23 Proposed Budget Presentation

BOARD OF EDUCATION WORK SESSION
MONDAY FEBRUARY 14, 2022

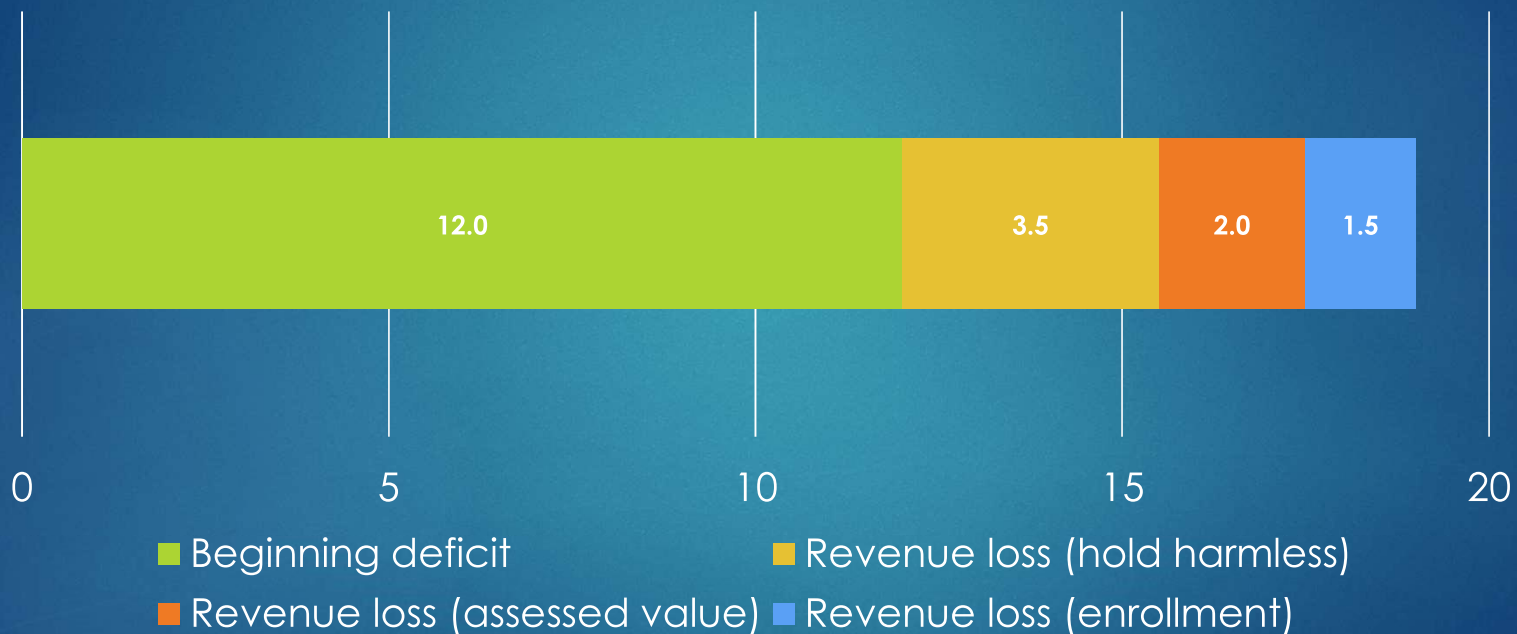
General Fund Deficit

2

- FY23 Projected Deficit = \$19.0 million
- FY24 Projected Deficit = \$23.0 million
 - Combined deficit of FY23 and FY24

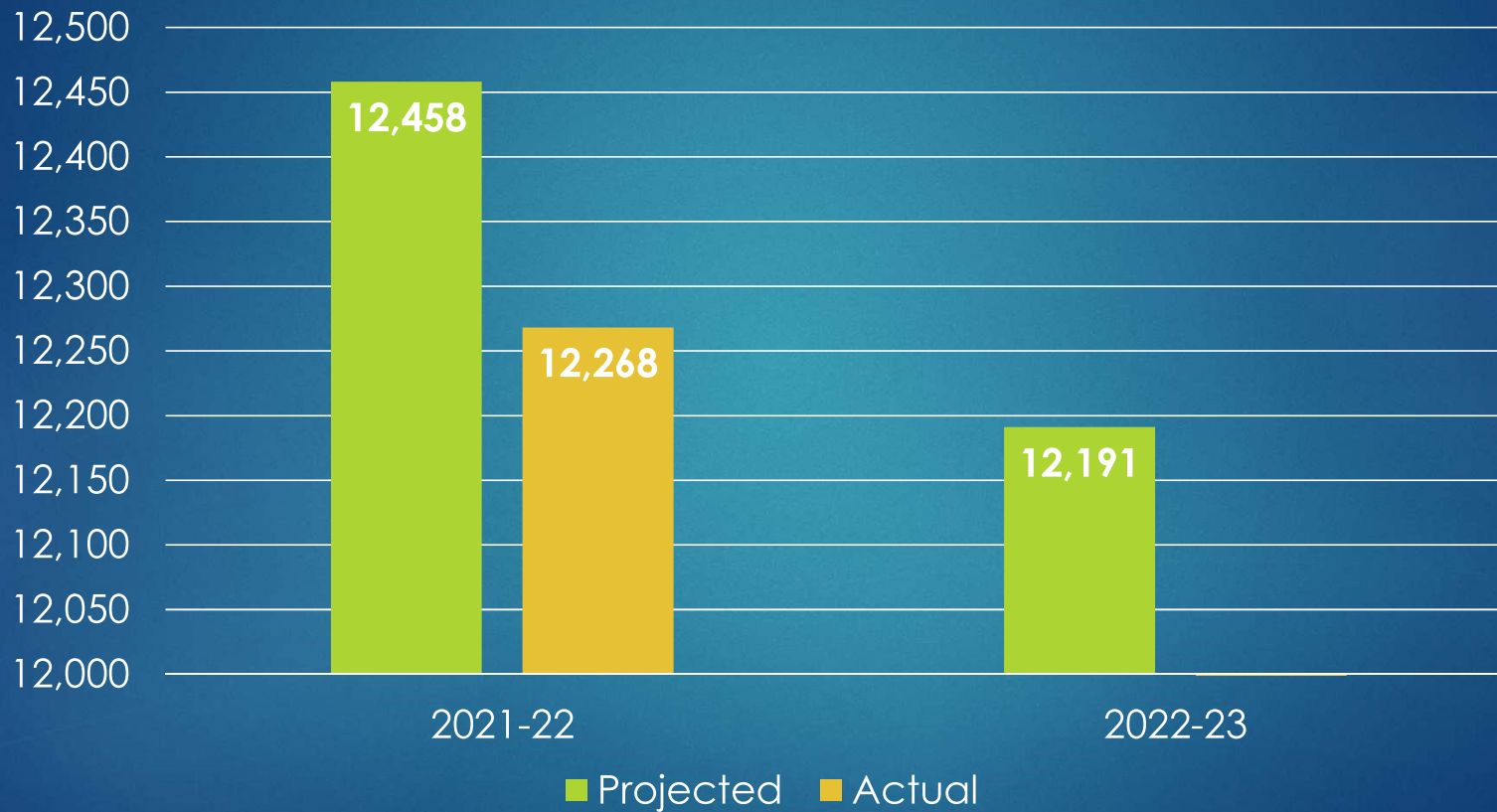
Budget Impact Summary*

\$19.0 M Reductions Needed (in Millions)

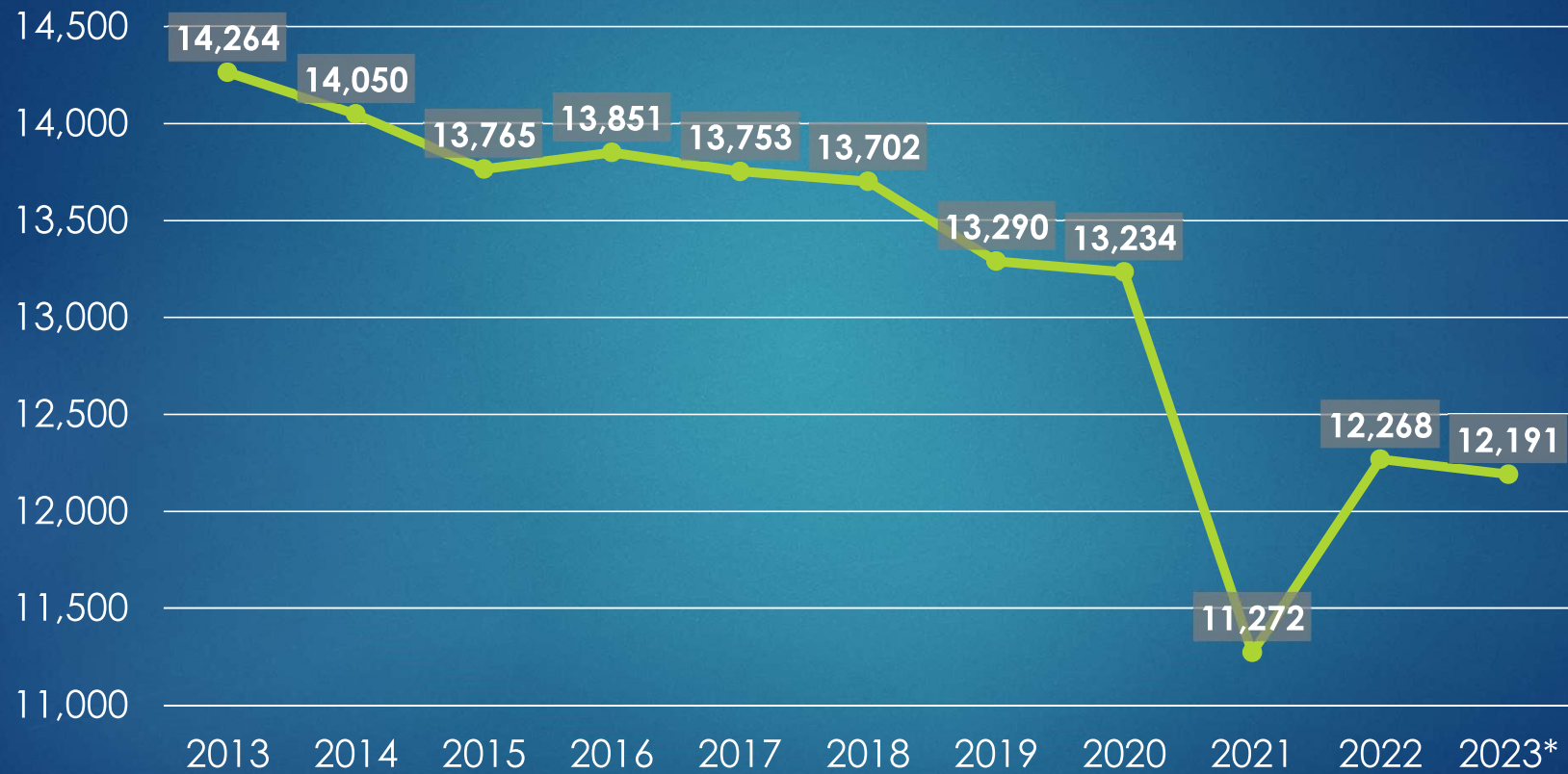


*Estimate as of 2/1/22

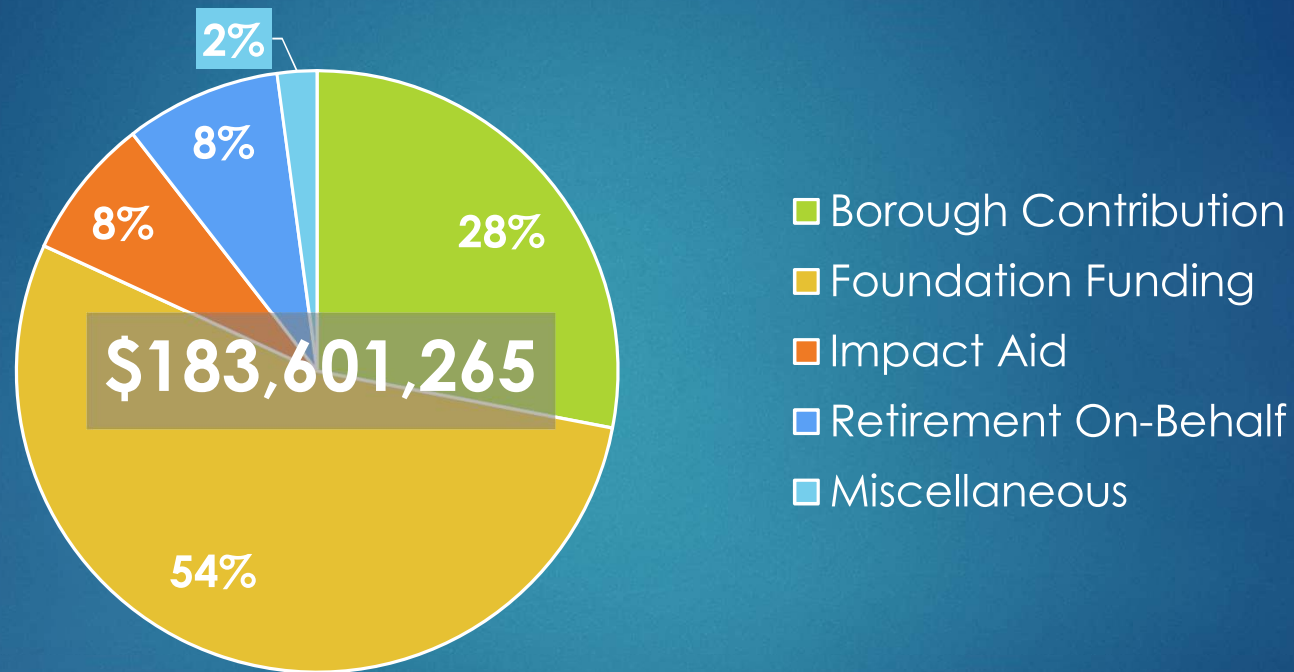
Student Enrollment



Enrollment Trend (*projected)

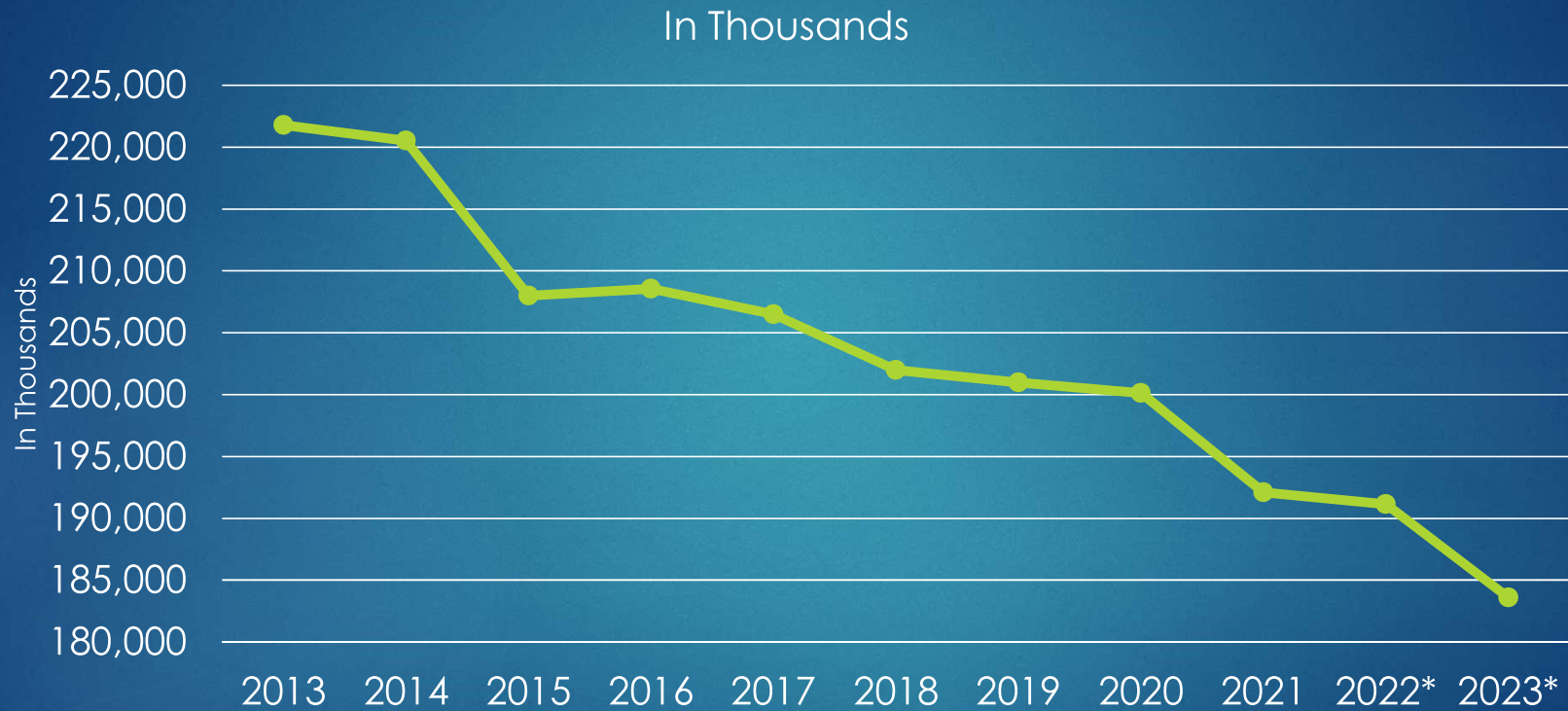


FY23 General Fund Revenues



- \$7.5 M decrease from FY22 Approved Budget

General Fund Revenue Trend



*Estimate as of 2/1/22

Fund Balance: State vs Borough

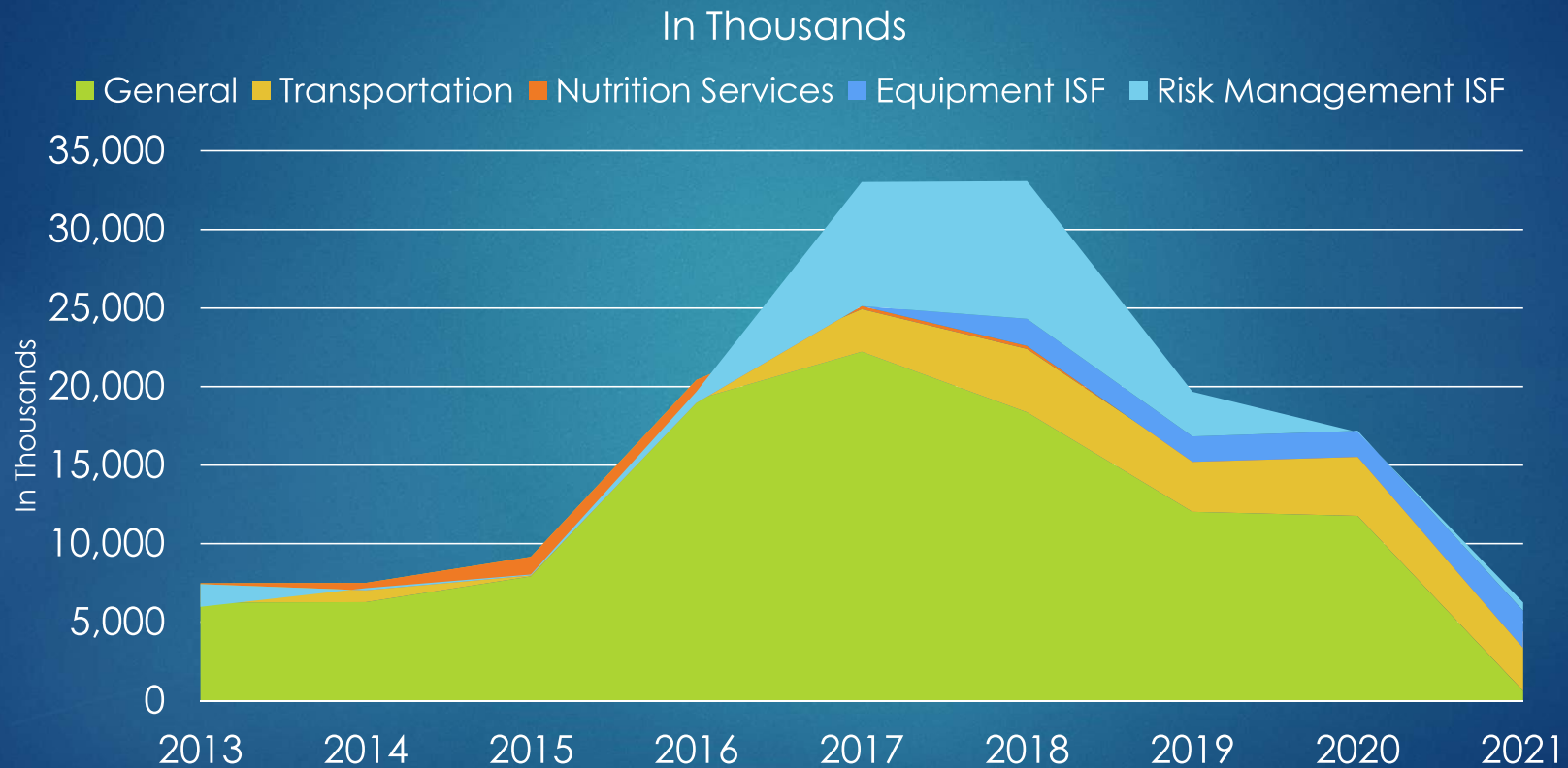
Fund Balance – State Calculation

- **FY21 \$0.0 M**
- Board Policy 412:
6-8% of General Fund
expenditures

Fund Balance – Borough Calculation

- **FY21 \$5.9 M**
- \$2.9 M funds in
Equipment and Risk
Management
- Unrestricted funds in
General Fund is ZERO

Fund Balance per Borough Code



Budget Process Timeline

10

September

- Budget Committee reviews current approved budget and provides input to the superintendent.

October/November

- School, department, and program leadership, as well as stakeholders and community members, provide input to superintendent for proposed budget.
- Superintendent and district administrators determine administrative priorities after reviewing input, class size targets, and evaluating programs and objectives.

Budget Process Timeline

11

December/January

- Superintendent, Chief Operations Officer, and Administrative Services develop proposed budget.

February

- Superintendent presents proposed budget to the Board of Education by February 1.

February/March

- Board of Education and superintendent receive input from community feedback, regular board meetings, and other communication channels.

Budget Process Timeline

12

March

- Board of Education adopts and approves recommended budget.

April/May

- Borough Assembly reviews recommended budget and determines local contribution.

June/July

- If needed, Board of Education adjusts budget to match funding level from Borough Assembly and State Legislature.
- Final approved budget submitted to Alaska Department of Education & Early Development.

Budget Assumptions

13

- Status quo base student allocation \$5,930
- Decrease in enrollment of 294 students
- Increase in Local Contribution of \$2.0 M

Revenue – All Funds

| Fund Name | 2022-23 Proposed | 2021-22 Approved | Over(Under) |
|---------------------------|-----------------------|-----------------------|---------------------|
| General (Operating) | \$ 183,601,265 | \$ 191,158,653 | \$ (7,557,388) |
| Student Transportation | \$ 12,696,574 | \$ 13,536,006 | \$ (839,432) |
| Nutrition Services | \$ 5,338,131 | \$ 5,613,406 | \$ (275,275) |
| Local Programs | \$ 275,000 | \$ 275,000 | \$ - |
| State Programs | \$ 100,000 | \$ 100,000 | \$ - |
| Federal Programs | \$ 32,822,860 | \$ 20,715,166 | \$ 12,107,694 |
| Student Activities (Club) | \$ 3,000,000 | \$ 3,000,000 | \$ - |
| Grand Total | \$ 237,833,830 | \$ 234,398,231 | \$ 3,435,599 |

General Fund – Local Revenue

15

| Local Revenue | 2022-23 Proposed | 2021-22 Approved | Over(Under) |
|----------------------------|----------------------|----------------------|---------------------|
| Local Borough Contribution | \$ 51,445,400 | \$ 49,445,400 | \$ 2,000,000 |
| Other Local Sources | \$ 457,000 | \$ 457,000 | \$ - |
| Correspondence Fees | \$ 25,000 | \$ 25,000 | \$ - |
| E-Rate Reimbursement | \$ 425,000 | \$ 425,000 | \$ - |
| Building Rental Fees | \$ 250,000 | \$ 250,000 | \$ - |
| Total Local Revenue | \$ 52,602,400 | \$ 50,602,400 | \$ 2,000,000 |

General Fund – State Revenue

16

| State Revenue | 2022-23 Proposed | 2021-22 Approved | Over(Under) |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Foundation Funding | \$ 98,845,279 | \$ 160,221,531 | \$ (7,376,252) |
| Quality Schools Initiative | \$ 379,620 | \$ 393,550 | \$ (13,930) |
| On-base Schools Contract | \$ 1,450,000 | \$ 1,450,000 | \$ - |
| Other State Revenue | \$ 185,000 | \$ 185,000 | \$ - |
| TRS - On-Behalf | \$ 12,652,306 | \$ 12,652,306 | \$ - |
| PERS - On Behalf | \$ 2,732,100 | \$ 2,732,100 | \$ - |
| Total State Revenue | \$ 116,244,305 | \$ 123,634,487 | \$ (7,390,182) |

General Fund – Federal Revenue

17

| Federal Revenue | 2022-23 Proposed | 2021-22 Approved | Over(Under) |
|------------------------------|----------------------|----------------------|-----------------------|
| Other Direct Federal (ROTC) | \$ 304,560 | \$ 304,560 | \$ - |
| Impact Aid | \$ 14,000,000 | \$ 16,167,206 | \$ (2,167,206) |
| Medicaid Reimbursement | \$ 450,000 | \$ 450,000 | \$ - |
| Total Federal Revenue | \$ 14,754,560 | \$ 16,921,766 | \$ (2,167,206) |

General Fund – All Revenue

18

| Revenue | 2022-23 Proposed | 2021-22 Approved | Over(Under) |
|----------------------|-----------------------|-----------------------|-----------------------|
| Local Revenue | \$ 52,602,400 | \$ 50,602,400 | \$ 2,000,000 |
| State Revenue | \$ 116,244,305 | \$ 123,634,487 | \$ (7,390,182) |
| Federal Revenue | \$ 14,754,560 | \$ 16,921,766 | \$ (2,167,206) |
| Total Revenue | \$ 183,601,265 | \$ 191,158,653 | \$ (7,557,388) |

General Fund – Expenditures by Function

| Function | 2022-23 Proposed | 2021-22 Approved | Over(Under) |
|--|-----------------------|-----------------------|-----------------------|
| Instruction | \$ 767,68,171 | \$ 82,358,833 | \$ (5,590,662) |
| Special Education | \$ 34,493,447 | \$ 33,665,483 | \$ 827,964 |
| Student Support Services | \$ 21,934,013 | \$ 23,042,966 | \$ (1,108,953) |
| Instructional-Related Technology (E-Rate) | \$ 681,841 | \$ 722,777 | \$ (40,936) |
| School Administration | \$ 13,278,159 | \$ 14,281,716 | \$ (1,003,557) |
| District Administration | \$ 12,588,869 | \$ 12,912,502 | \$ (323,633) |
| Operations & Maintenance | \$ 21,945,326 | \$ 22,008,082 | \$ (62,756) |
| Student Activities | \$ 1,722,589 | \$ 1,702,741 | \$ 19,848 |
| Other | \$ 188,850 | \$ 463,553 | \$ (274,703) |
| Total Expenditures by Function | \$ 183,601,265 | \$ 191,158,653 | \$ (7,557,388) |

General Fund – Expenditures by Category

| Function | 2022-23 Proposed | 2021-22 Approved | Over(Under) |
|---|-----------------------|-----------------------|-----------------------|
| Salaries & Wages | \$ 98,621,338 | \$ 101,846,286 | \$ (3,224,948) |
| Benefits | \$ 60,713,603 | \$ 65,395,756 | \$ (4,682,153) |
| Contracted Services | \$ 16,803,550 | \$ 16,832,051 | \$ (28,501) |
| Supplies & Materials | \$ 5,720,936 | \$ 5,068,462 | \$ 652,474 |
| Equipment | \$ 1,474,154 | \$ 1,472,499 | \$ 1,655 |
| Other | \$ 267,686 | \$ 543,600 | \$ (275,914) |
| Total Expenditures by Category | \$ 183,601,265 | \$ 191,158,653 | \$ (7,557,390) |

“ The goal of the 2022-23 Proposed Budget is to provide quality services to students within the context of significantly decreased revenue. ”

FY23 Elementary Schools

22

Teacher allocations have been adjusted based on current school enrollment projections and the pupil-to-teacher ratio.

Reductions

- 38.6 FTE Certified Staff
- 1.0 FTE Program Secretary (Barnette)
- 0.5 FTE Teacher (Barnette supplemental)

School Closures

- Anderson
- Joy
- Nordale - repurposed

FY23 Secondary Schools

23

Teacher allocations have been adjusted based on current school enrollment projections and the pupil-to-teacher ratio.

Investments

- 7.1 FTE Certified Staff (addition of 6th grade less enrollment decline and PTR)
- 3.0 FTE Safety Assistants
- 1.0 FTE Assistant Principal
- 1.0 FTE Secretary
- 1.0 FTE CTE Teacher
- 0.5 FTE Counselor

Reductions

- 4.0 FTE Grade 6 Secretary
- 2.0 FTE Teachers (Hutchison small school allocation)

FY23 Districtwide

24

Investments

- 24.0 FTE Special Ed (restored from CARES)
- 3.3 FTE English Language Learners (restored from CARES)
- 2.0 FTE Nursing
- 1.0 FTE BEST Teacher (increased enrollment)
- 0.5 FTE After School Program (restored from CARES)
- BEST Allotments
- Cybersecurity Software

Reductions

- Reduction in Benefit Rate
- 3.0 FTE Shift Custodians
- 2.0 FTE Star of the North Teachers
- 1.0 FTE Career Education Center Teachers
- 1.0 FTE Network Technician
- .5 FTE FEA President Release
- .5 FTE ESSA President Release
- Five Paid Days (ESSA School Term)

General Fund Districtwide Personnel

25

| Function | 2022-23 Proposed | 2021-22 Approved | Over (Under) |
|--------------------------------------|---------------------|---------------------|-----------------|
| Instruction | 570.37 | 606.28 | (35.91) |
| Special Education Instruction | 271.50 | 253.00 | 18.5 |
| Special Education Support | 79.00 | 73.00 | 6.00 |
| Student Support Services Instruction | 62.73 | 64.73 | (2.00) |
| Student Support Services Support | 133.58 | 135.60 | (2.02) |
| School Administration | 41.00 | 41.00 | - |
| School Administration Support | 71.53 | 81.53 | (10) |
| District Administration | 14.00 | 14.00 | - |
| District Administration Support | 55.90 | 57.90 | (2.00) |
| Facilities Maintenance | 137.40 | 139.40 | (2.00) |
| Student Activities | - | - | - |
| Total FTE by Function | 1,437.01 | 1,466.44 | (29.43) |

FY22 CARES Grant Budget

FY22 CARES Budget

| | CARES II | CARES III | Combined |
|---------------------------------|---------------------|----------------------|----------------------|
| Budget at 7/1/2021 | \$ 9,713,272 | \$ 21,822,860 | \$ 31,536,132 |
| FTE expenses* | \$ 8,313,640 | \$ 4,658,070 | \$ 12,971,710 |
| SPeD summer school | \$ 86,490 | \$ 200,300 | \$ 286,790 |
| InfoTech upgrades | - | \$ 1,514,610 | \$ 1,514,610 |
| Other costs | - | \$ 325,920 | \$ 325,920 |
| Indirect cost recovery* | - | \$ 1,344,288 | \$ 1,344,288 |
| Total est. FY22 expenses | \$ 8,400,130 | \$ 8,043,188 | \$ 16,443,318 |
| Est. Remaining 6/30/2022 | \$ 1,313,142 | \$ 13,779,672 | \$ 15,092,814 |
| | | | |
| Total FTE | 122.9 | 50.9 | 173.8 |

* Budget expected to change depending on qualifications on individual filling position and approved indirect cost recovery rate of each fiscal year.

FY23 CARES Proposed Budget

FY23 CARES - Budget

| | FY23 |
|---------------------------------|----------------------|
| Budget at 7/1/2022 | \$ 15,092,814 |
| FTE expenses* | \$ 8,337,008 |
| SPeD summer school | \$ 267,902 |
| Other costs | \$ 588,920 |
| Total est. FY22 expenses | \$ 9,193,830 |
| Est. Remaining 6/30/2023 | \$ 5,898,984 |
| | |
| Total FTE | 99.5 |

* Budget expected to change depending on qualifications on individual filling position and results of collective bargaining agreements.

FY23 CARES – FTE Reduction Detail

30

Moved Out 28.4

- 1.0 Military Support Coordinator
- 2.4 English Language Learner
- 1.0 BEST Program Secretary
- 24.0 SPeD Staff

Cut 52.2

- 28.6 classroom teachers for PTR
- 11.0 Shift Custodians
- 6.0 eLearning Teachers
- 2.1 Activity Coordinators
- 4.5 other positions

Added 6.2

- 1.0 Recruiting Technician
- 4.0 Nurse Managers
- 1.0 Maintenance Position
- 0.2 DW Music

General Fund – Scenario B

FY23 General Fund Scenario B - FTE Changes

32

CARES Funded

- 18.0 Teaching Assistant
- 2.0 HS Assist. Principals
- 1.0 System Admin
- 0.5 Social Service Manager

Reductions

- 14.0 Teaching Assistants
- 3.0 HS Counselors
- 1.0 Media Production Specialist
- 0.9 Custodian
- Funding for student activities
- Districtwide supplies

Increase Expenditures

- Increase in Benefit Rate
- .5 FTE FEA President Release
- .5 FTE ESSA President Release
- Five Paid Days (ESSA School Term)

CARES - Scenario B

FY23 CARES Scenarios B - Budget

34

| | Scenario B |
|---------------------------------|----------------------|
| Budget at 7/1/2022 | \$ 15,092,814 |
| FTE expenses* | \$ 9,747,480 |
| SPeD summer school | \$ 267,902 |
| Other costs | \$ 588,920 |
| Total est. FY22 expenses | \$ 10,604,302 |
| Est. Remaining 6/30/2023 | \$ 4,488,512 |
| | |
| Total FTE | 121.4 |

* Budget expected to change depending on qualifications on individual filling position and results of collective bargaining agreements.

FY23 CARES – Scenario B FTE Reduction Detail

Moved Out 28.4

- 1.0 Military Support Coordinator
- 2.4 English Language Learner
- 1.0 BEST Program Secretary
- 24.0 SPeD Staff

Cut 52.2

- 28.6 classroom teachers for PTR
- 11.0 Shift Custodians
- 6.0 eLearning Teachers
- 2.1 Activity Coordinators
- 4.5 other positions

Added 27.9

- 18 Teaching Assistants
- 4.0 Nurse Managers
- 2.0 HS Assist. Principals
- 1.0 Recruiting Technician
- 1.0 Maintenance Position
- 1.9 other positions

CARES Scenarios Compared

FY23 CARES Scenarios Overview

| | Scenario A | Scenario B | Difference |
|---------------------------------|----------------------|----------------------|-----------------------|
| Budget at 7/1/2022 | \$ 15,092,814 | \$ 15,092,814 | - |
| FTE expenses* | \$ 8,337,008 | \$ 9,747,480 | \$ 1,410,472 |
| SPeD summer school | \$ 267,902 | \$ 267,902 | - |
| Other costs | \$ 588,920 | \$ 588,920 | - |
| Total est. FY22 expenses | \$ 9,193,830 | \$ 10,604,302 | \$ 1,410,472 |
| Est. Remaining 6/30/2023 | \$ 5,898,984 | \$ 4,488,512 | \$ (1,410,472) |
| | | | |
| Total FTE | 99.5 | 121.4 | 21.9 |

* Budget expected to change depending on qualifications on individual filling position and results of collective bargaining agreements.

FY23 CARES FTE Added

38

Scenario A - 6.2

- 1.0 Recruiting Technician
- 4.0 Nurse Managers
- 1.0 Maintenance Position
- 0.2 DW Music

Scenario B - 27.9

- 1.0 Recruiting Technician
- 4.0 Nurse Managers
- 1.0 Maintenance Position
- ~~• 0.2 DW Music~~
- 18 Teaching Assistants
- 1.0 System Admin
- 0.5 Social Service Manager
- 2.0 HS Assist. Principals
- 0.4 CEC Custodian

FY23 Overall FTE Reductions

| Funding Source | Scenario A | Scenario B |
|----------------|-----------------|-----------------|
| CARES | (74.30) | (52.40) |
| General Fund | (29.43) | (68.82) |
| Total | (103.73) | (121.22) |

2 Year Step Down

FY23 Deficit

\$19 million Deficit

\$9 M budget cuts

\$3 M school closures

\$7 M CARES grant

FY24 Projected Deficit

\$11 million Deficit

\$7 M CARES grant

\$2 M revenue loss

\$2 M salary increases