

# FY23 Proposed Budget Presentation

BUDGET COMMITTEE MEETING  
WEDNESDAY MARCH 9, 2022

# General Fund Deficit

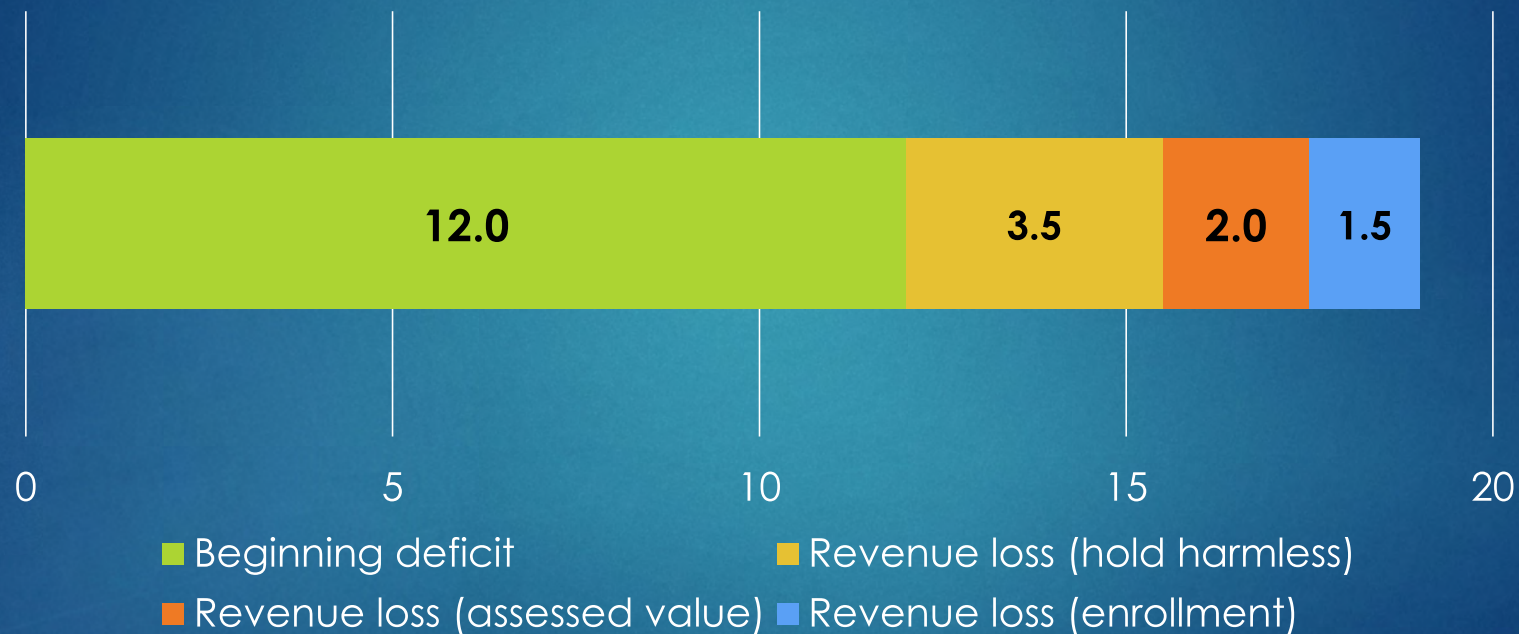
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- FY23 Projected Deficit = \$19.0 million
- FY24 Projected Deficit = \$23.0 million
  - Combined deficit of FY23 and FY24

# Budget Impact Summary\*

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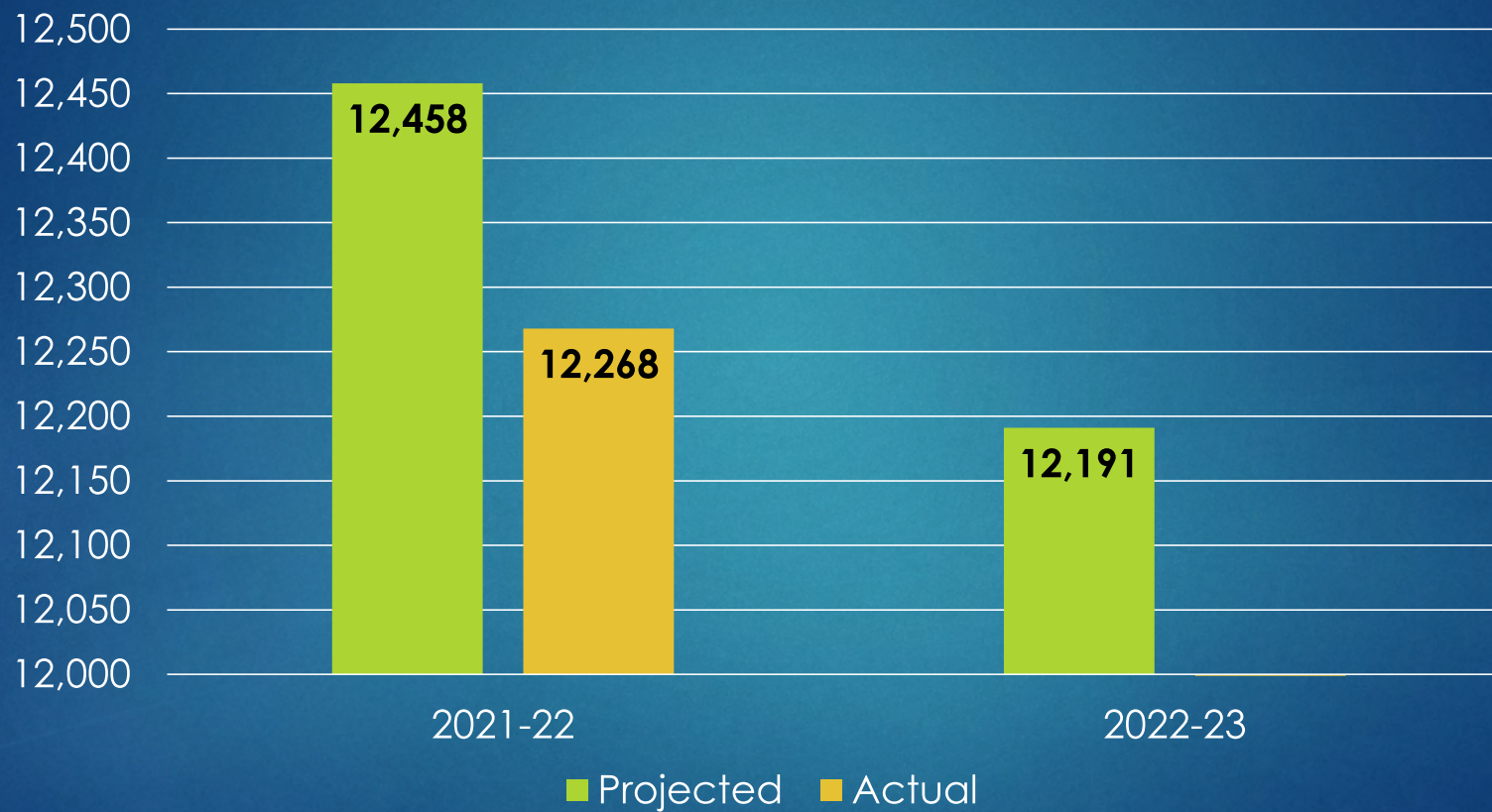
**\$19.0 M** Reductions Needed (in Millions)



\*Estimate as of 2/1/22

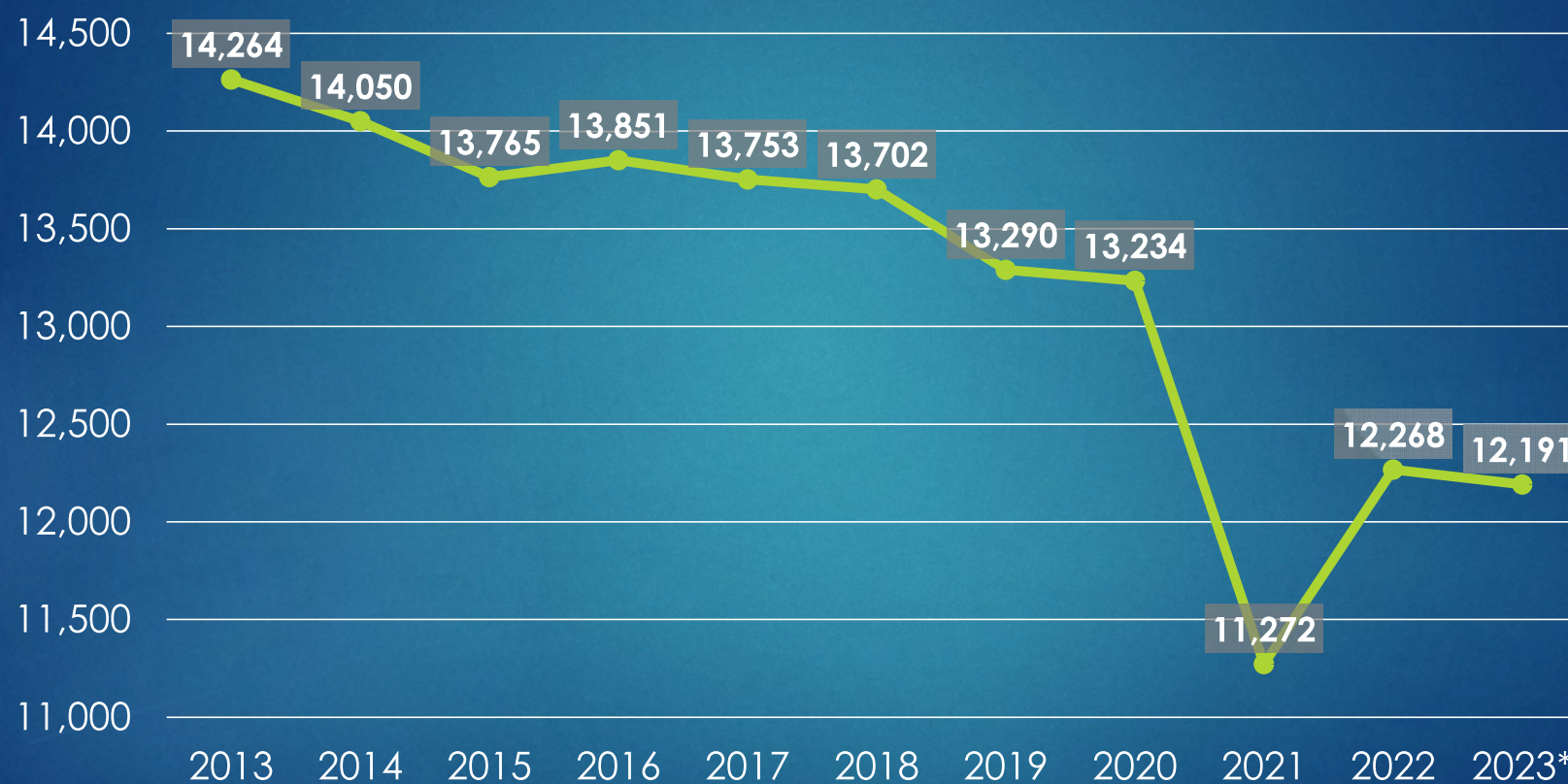
# Student Enrollment

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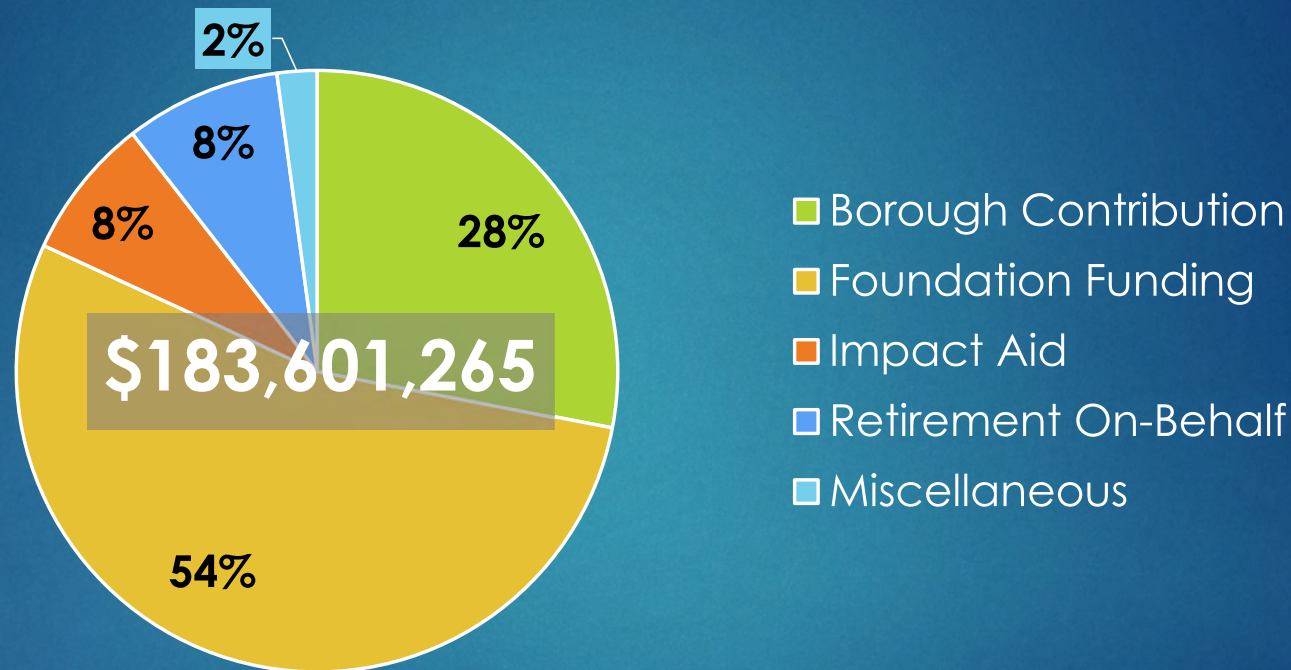
# Enrollment Trend (\*projected)

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# FY23 General Fund Revenues

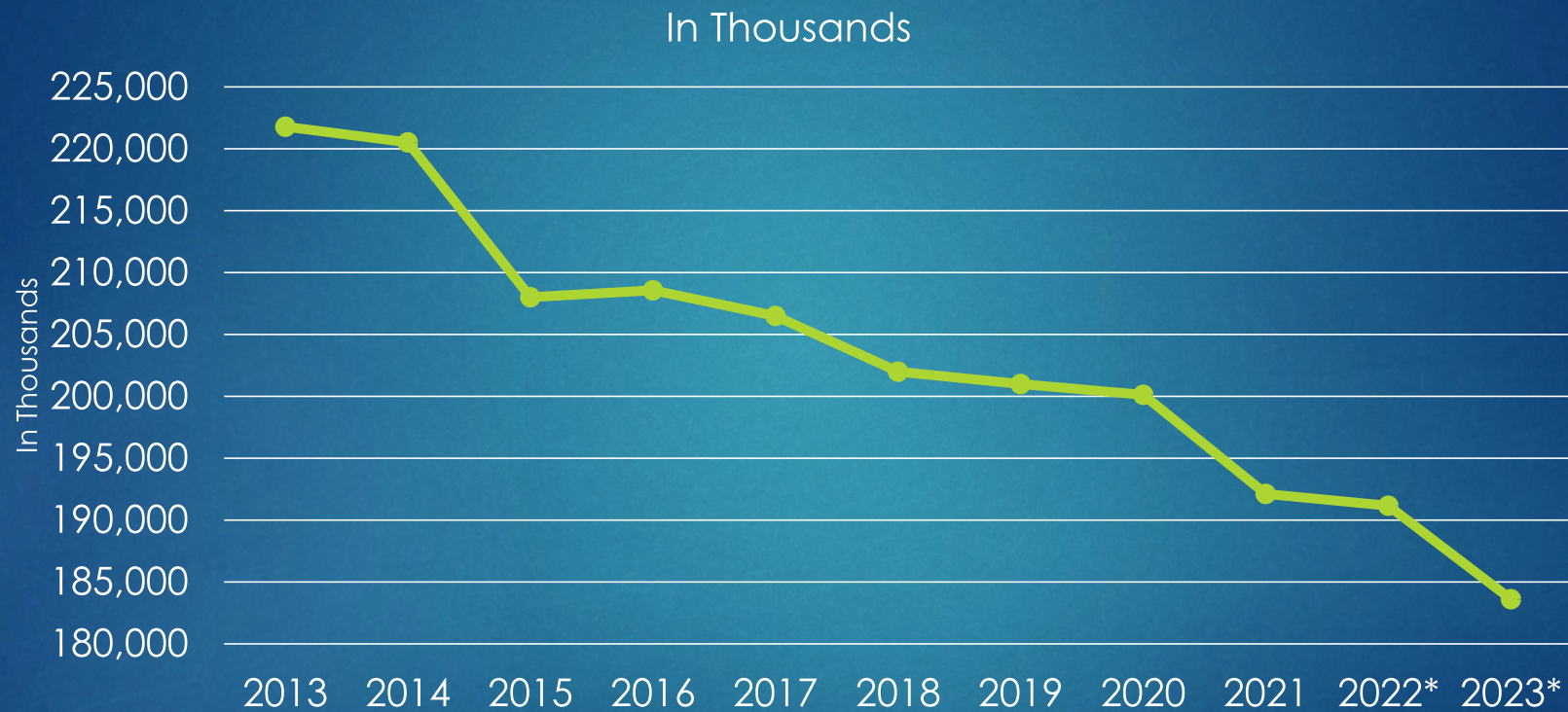
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- \$7.5 M decrease from FY22 Approved Budget

# General Fund Revenue Trend

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\*Estimate as of 2/1/22

# Fund Balance: State vs Borough

## Fund Balance – State Calculation

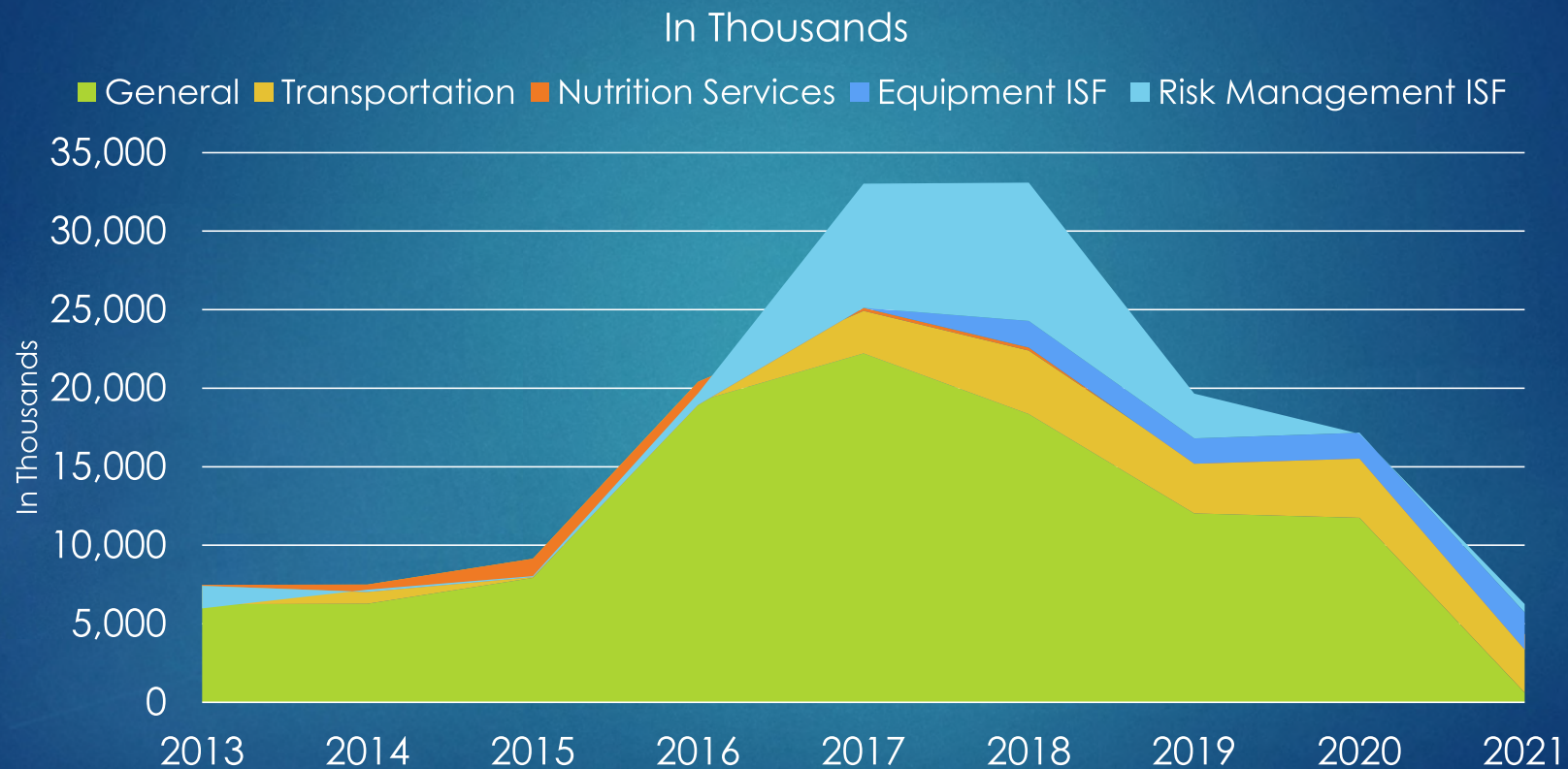
- **FY21 \$0.0 M**
- Board Policy 412:  
6-8% of General Fund  
expenditures

## 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

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# Budget Process Timeline

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## 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

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## **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

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## **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

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

# Revenue – All Funds

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| Fund Name                 | 2022-23<br>Proposed   | 2021-22<br>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          | \$ -                |
| <b>Grand Total</b>        | <b>\$ 237,833,830</b> | <b>\$ 234,398,231</b> | <b>\$ 3,435,599</b> |

# General Fund – Local Revenue

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| Local Revenue              | 2022-23<br>Proposed  | 2021-22<br>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           | \$ -                |
| <b>Total Local Revenue</b> | <b>\$ 52,602,400</b> | <b>\$ 50,602,400</b> | <b>\$ 2,000,000</b> |

# General Fund – State Revenue

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| State Revenue              | 2022-23<br>Proposed   | 2021-22<br>Approved   | Over(Under)           |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Foundation Funding         | \$ 98,845,279         | \$ 106,221,531        | \$ (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          | \$ -                  |
| <b>Total State Revenue</b> | <b>\$ 116,244,305</b> | <b>\$ 123,634,487</b> | <b>\$ (7,390,182)</b> |

# General Fund – Federal Revenue

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| Federal Revenue              | 2022-23<br>Proposed  | 2021-22<br>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           | \$ -                  |
| <b>Total Federal Revenue</b> | <b>\$ 14,754,560</b> | <b>\$ 16,921,766</b> | <b>\$ (2,167,206)</b> |

# General Fund – All Revenue

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| Revenue              | 2022-23<br>Proposed   | 2021-22<br>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)        |
| <b>Total Revenue</b> | <b>\$ 183,601,265</b> | <b>\$ 191,158,653</b> | <b>\$ (7,557,388)</b> |

# General Fund – Expenditures by Function

| Function                                     | 2022-23<br>Proposed   | 2021-22<br>Approved   | Over(Under)           |
|----------------------------------------------|-----------------------|-----------------------|-----------------------|
| Instruction                                  | \$ 76,429,437         | \$ 82,358,833         | \$ (5,929,396)        |
| Special Education                            | \$ 34,852,621         | \$ 33,665,483         | \$ 1,187,138          |
| Student Support Services                     | \$ 21,921,655         | \$ 23,042,966         | \$ (1,121,311)        |
| Instructional-Related<br>Technology (E-Rate) | \$ 681,841            | \$ 722,777            | \$ (40,936)           |
| School Administration                        | \$ 13,210,541         | \$ 14,281,716         | \$ (1,071,175)        |
| District Administration                      | \$ 12,686,607         | \$ 12,912,502         | \$ (225,895)          |
| Operations & Maintenance                     | \$ 22,043,388         | \$ 22,008,082         | \$ 35,306             |
| Student Activities                           | \$ 1,507,295          | \$ 1,702,741          | \$ (195,446)          |
| Other                                        | \$ 267,880            | \$ 463,553            | \$ (195,673)          |
| <b>Total Expenditures by Function</b>        | <b>\$ 183,601,265</b> | <b>\$ 191,158,653</b> | <b>\$ (7,557,388)</b> |

# General Fund – Expenditures by Category

| Function                                  | 2022-23<br>Proposed   | 2021-22<br>Approved   | Over(Under)           |
|-------------------------------------------|-----------------------|-----------------------|-----------------------|
| Salaries & Wages                          | \$ 96,997,123         | \$ 101,846,286        | \$ (4,849,162)        |
| Benefits                                  | \$ 63,089,481         | \$ 65,395,756         | \$ (2,306,275)        |
| Contracted Services                       | \$ 16,380,746         | \$ 16,832,051         | \$ (451,305)          |
| Supplies & Materials                      | \$ 5,314,070          | \$ 5,068,462          | \$ 245,608            |
| Equipment                                 | \$ 1,473,129          | \$ 1,472,499          | \$ 630                |
| Other                                     | \$ 346,716            | \$ 543,600            | \$ (196,884)          |
| <b>Total Expenditures by<br/>Category</b> | <b>\$ 183,601,265</b> | <b>\$ 191,158,653</b> | <b>\$ (7,557,388)</b> |

“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

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

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

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## 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

- 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
- Five Paid Days (ESSA School Term)

# FY22 CARES Grant Budget

# FY22 CARES Budget

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|                                 | CARES II            | CARES III            | Combined             |
|---------------------------------|---------------------|----------------------|----------------------|
| <b>Budget at 7/1/2021</b>       | <b>\$ 9,713,272</b> | <b>\$ 21,822,860</b> | <b>\$ 31,536,132</b> |
| 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         |
| <b>Total est. FY22 expenses</b> | <b>\$ 8,400,130</b> | <b>\$ 8,043,188</b>  | <b>\$ 16,443,318</b> |
| <b>Est. Remaining 6/30/2022</b> | <b>\$ 1,313,142</b> | <b>\$ 13,779,672</b> | <b>\$ 15,092,814</b> |
|                                 |                     |                      |                      |
| <b>Total FTE</b>                | <b>122.9</b>        | <b>50.9</b>          | <b>173.8</b>         |

\* 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 – FTE Reduction Detail

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## 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 – Revised

# FY23 General Fund Revised - FTE Changes

## 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

# CARES - Revised

# FY23 CARES Revised - Budget

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|                                 | Revised              |
|---------------------------------|----------------------|
| <b>Budget at 7/1/2022</b>       | <b>\$ 15,092,814</b> |
| FTE expenses*                   | \$ 9,747,480         |
| SPeD summer school              | \$ 267,902           |
| Other costs                     | \$ 588,920           |
| <b>Total est. FY23 expenses</b> | <b>\$ 10,604,302</b> |
| <b>Est. Remaining 6/30/2023</b> | <b>\$ 4,488,512</b>  |
|                                 |                      |
| <b>Total FTE</b>                | <b>121.4</b>         |

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

# FY23 CARES – Revised - FTE Added

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## Scenario A - 6.2

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

## Revised - 27.9

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

# FY23 Overall FTE Reductions

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| <b>Funding Source</b> | <b><del>Scenario A</del></b> | <b>Revised</b>  |
|-----------------------|------------------------------|-----------------|
| CARES                 | ( <del>74.30</del> )         | (52.40)         |
| General Fund          | ( <del>29.43</del> )         | (68.82)         |
| <b>Total</b>          | <b>(<del>103.73</del>)</b>   | <b>(121.22)</b> |

# 2 Year Step Down

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## FY23 Deficit

**\$19 million Deficit**

\$9 M budget cuts

\$3 M school closures

\$7 M CARES grant

## FY24 Projected Deficit

**\$12 million Deficit**

\$8 M CARES grant

\$2 M revenue loss

\$2 M salary increases