

FY 2027 PRELIMINARY BUDGET

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT



03 DECEMBER 2025

BUDGET PROCESS

PRELIMINARY BUDGET

A “rollover” budget created based on maintaining current programs and services with no adjustments to current practices

- No Board action required.
- Unbalanced.
- Direct rollover of staffing.
- Start of the public input period.
- Only includes the General Fund.

SUPERINTENDENT’S PROPOSED BUDGET

A balanced budget that takes public input into consideration as well as adjustments to the State and Borough Funding based on known information.

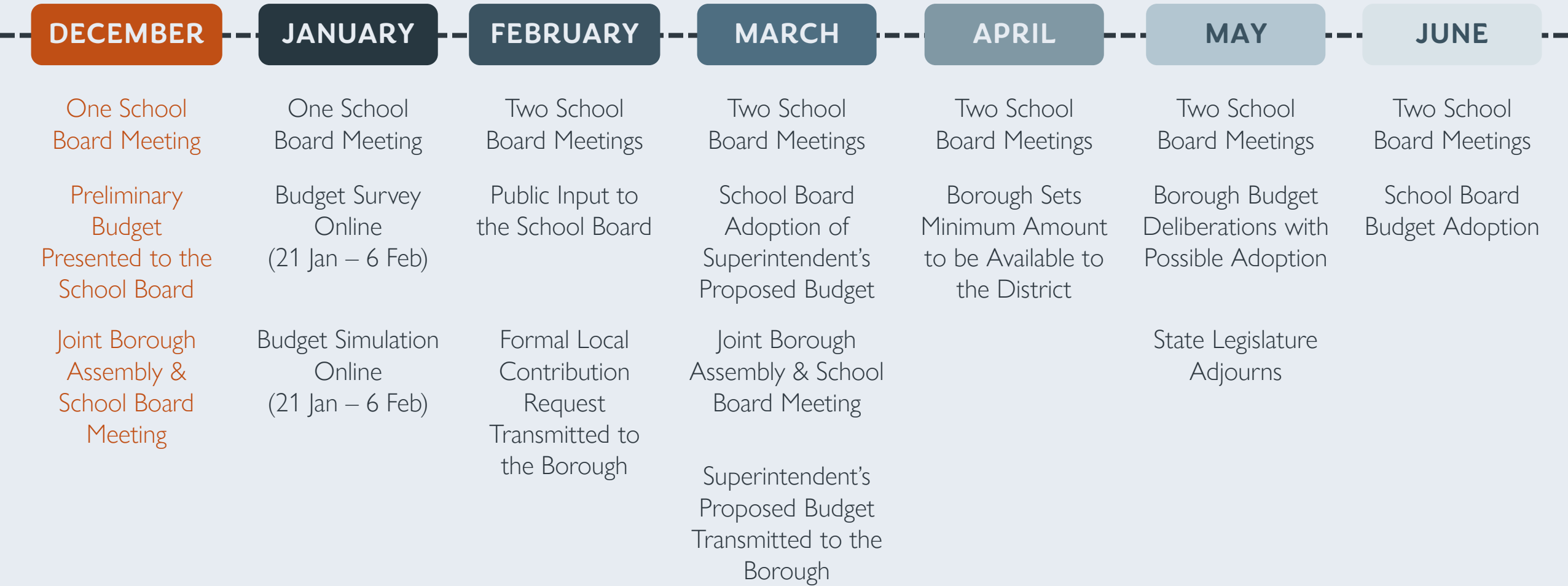
- Requires Board approval:
 - Submitted to the Borough by April 1st.
- Balanced.
- Adjusted for ADM. Enrollment and Pupil Teacher Ratios (PTR).
- Includes all funds with an impact on the General Fund.

ADOPTED BUDGET

The official starting, or Original budget for the next fiscal year. Submitted to the State for approval. This version moves the budget out of the development cycle and into the maintenance cycle.

- Requires Board approval:
 - Submitted to the State by July 15th.
- Balanced.
- Includes a summary of all anticipated and known funds.
- Submitted for the Meritorious Budget Award.

BUDGET DEVELOPMENT TIMELINE

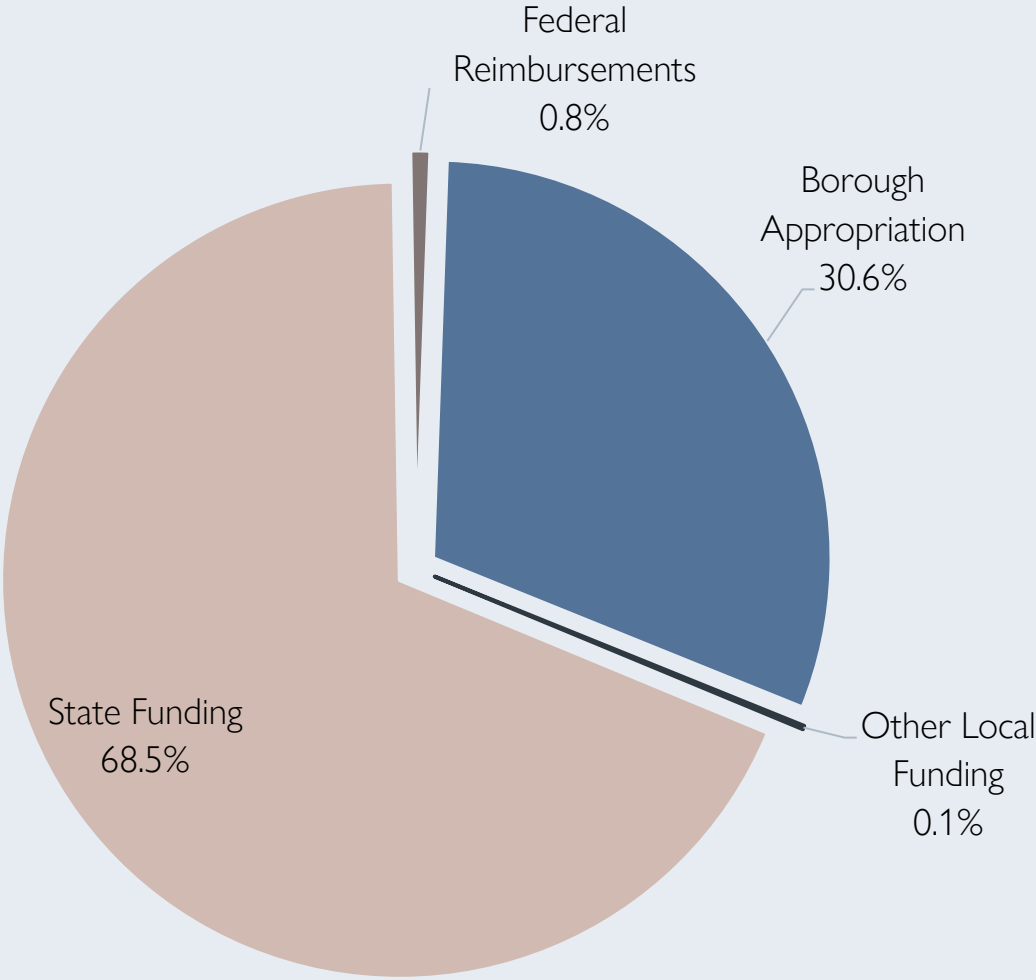


2027 PRELIMINARY BUDGET OVERVIEW

Pulling all the pieces and parts together



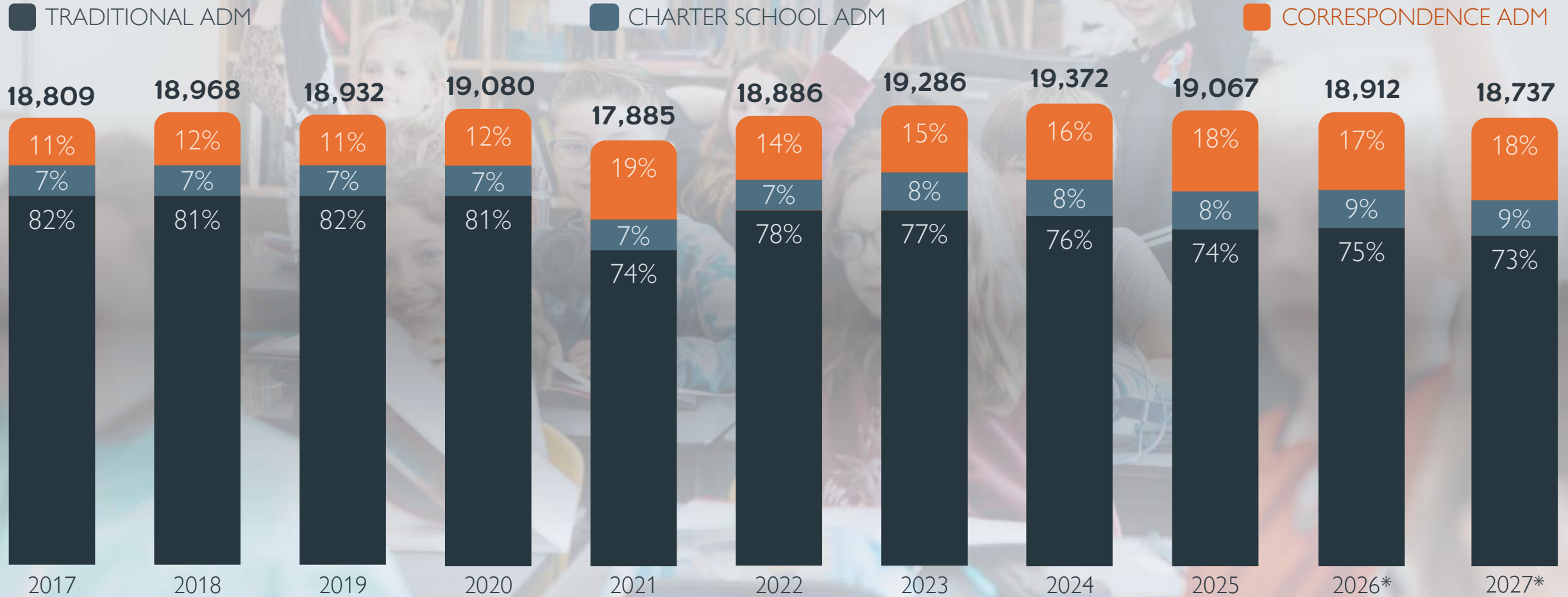
2027 PRELIMINARY REVENUE PROJECTION



TOTAL FY 2027 REVENUES
\$266,117,492

	2026	2027
Borough Appropriation	\$78,033,127	\$81,322,407
Renewal & Replacement	(150,000)	-
Other Local Funding	468,171	383,171
State Funding	188,365,101	182,275,471
Federal Reimbursements	1,974,151	2,136,443
REVENUES	\$268,690,550	\$266,117,492
Use of Fund Balance	3,381,777	-

HISTORIC ADM ENROLLMENT



* Unaudited & Projected

STATE FOUNDATION FORMULA

2027 Adjusted Average Daily Membership (AADM) Projected

Brick & Mortar ADM: **15,328**

Intensive ADM: **650** Correspondence ADM: **3,409**

STEP 1

School Size
Adjustment



The appropriate formula from the school size factor table is used to calculate the adjusted ADM for each school.

18,190.29

STEP 2

District Cost
Factor



The district's school size adjusted ADM is multiplied by the district cost factor (**0.070**).

19,463.61

STEP 3

Special Needs
Factor

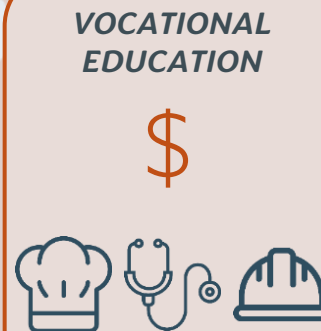


The previously adjusted ADM is multiplied **1.20**, providing the district with an additional **20%**.

23,356.33

STEP 4

Vocational
Education Factor



The district's previously adjusted ADM is now multiplied by **1.015**, providing the district with an additional **1.5%**.

23,706.68

STEP 5

Intensive Needs
Services



The district's intensive count is added to the previously adjusted ADM (**13**).

32,156.68

STEP 6

Correspondence



The district's correspondence count is now added to the previously adjusted ADM to arrive at the Final Adjusted ADM (**0.90**).

35,224.78

AADM
35,224.78

ADM
18,737

STATE FOUNDATION FORMULA

2027 Adjusted Average Daily Membership (AADM) Projected

	FACTOR	PROJECTED
Average Daily Membership (ADM Enrollment)		15,328.00
Correspondence Study (ADM Enrollment)		3,409.00
TOTAL AVERAGE DAILY MEMBERSHIP (ADM ENROLLMENT)		18,737.00
School Size Adjustment		18,190.290
District Cost Factor	0.070	1,273.320
Special Needs Factor	0.200	3,892.722
Vocational Education (CTE) Factor	0.015	350.345
TOTAL AVERAGE DAILY MEMBERSHIP (ADM ENROLLMENT)		23,706.68
Intensive Needs Services Factor	13.00	8,450.00
Correspondence Factor	0.900	3,068.10
TOTAL ADJUSTED ADM/ENROLLMENT (AADM)		35,224.78

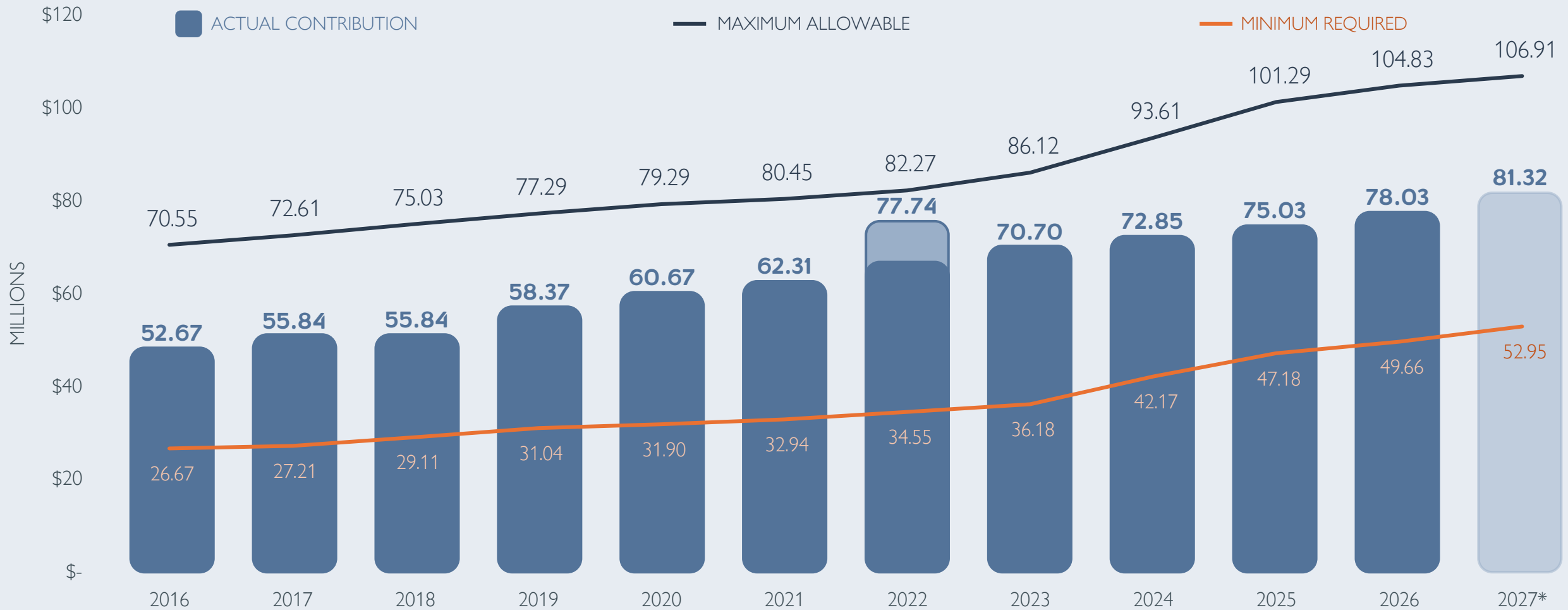
STATE FOUNDATION FORMULA

2027 Preliminary General Fund State Foundation Funding Estimate

	FACTOR	PROJECTED
Adjusted ADM (AADM Enrollment)		35,224.78
TOTAL BASIC NEED	\$6,660	\$234,597,035
Required Local Contribution		(52,950,326)
TOTAL STATE ENTITLEMENT		\$181,646,709
Quality Schools Factor	\$16.00	563,596
PFD Lottery	\$1.85	65,166
State One-Time Funds	-	-
TOTAL ADJUSTED ADM/ENROLLMENT (AADM)		\$182,275,471

BOROUGH FUNDING HISTORY

Maximum Allowable & Required Minimum Compared to Actual Contributions



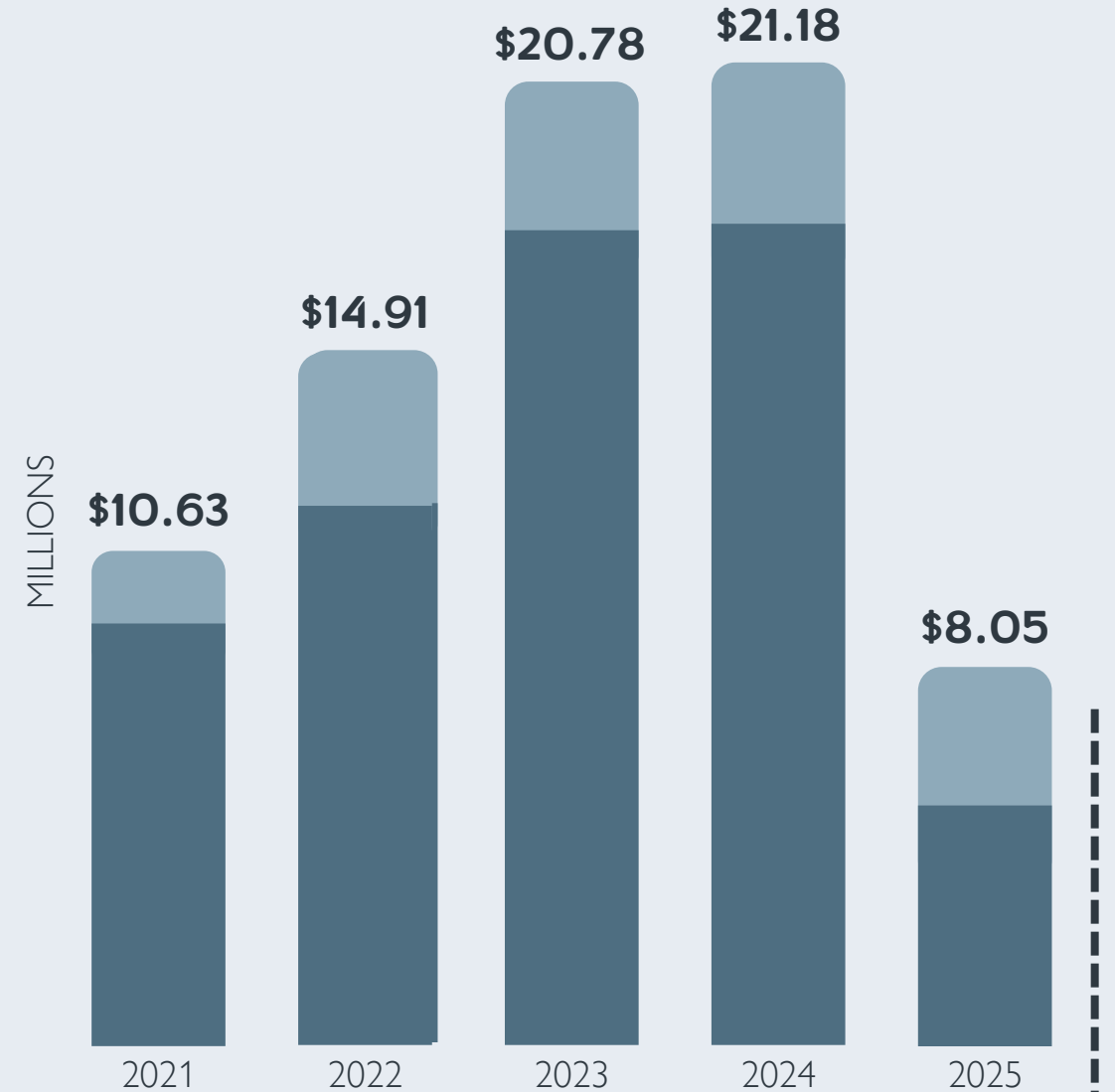
2022 Includes \$11.9M in the return of resources by the Borough for the Houston Middle School Project



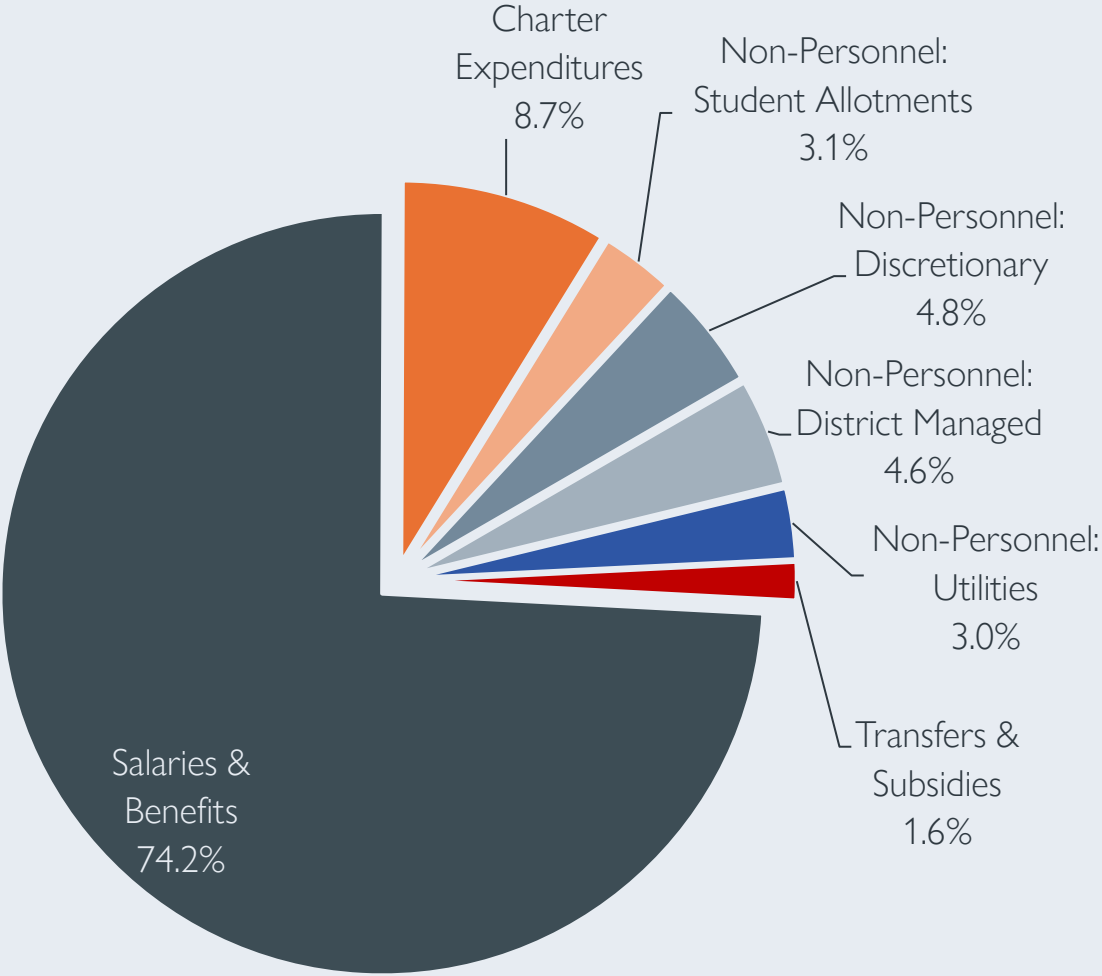
AVAILABILITY OF FUND BALANCE



- District Unassigned Fund Balance
- Charter Unassigned Fund Balance



2027 PRELIMINARY EXPENSE PROJECTION



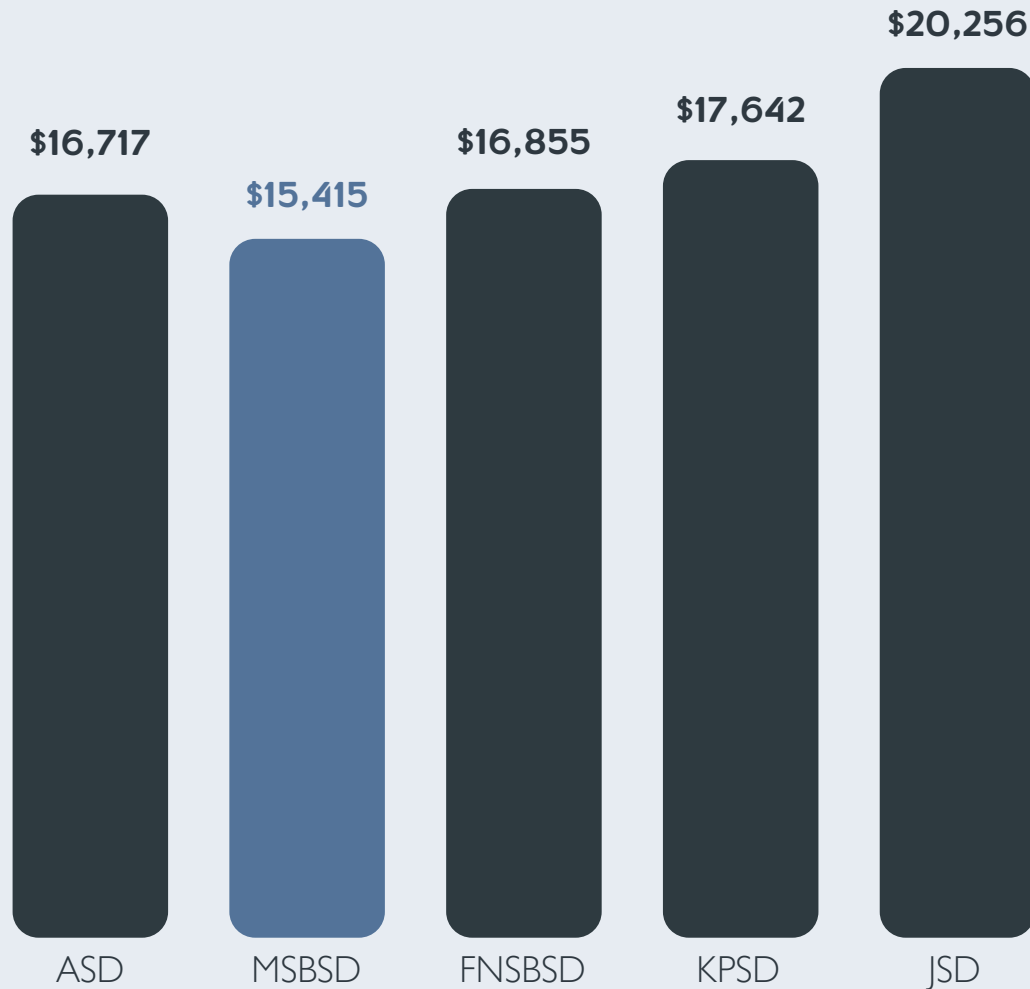
TOTAL FY 2027 EXPENDITURES

\$285,346,167

	2026	2027
Salaries & Benefits	\$201,198,288	\$211,816,264
Charter Expenditures	25,810,478	24,913,725
Non-Personnel: Discretionary	13,043,410	13,593,598
Non-Personnel: District Managed	11,142,283	12,987,994
Non-Personnel: Utilities	8,114,318	8,576,006
Non-Personnel: Student Allotments	7,724,600	8,848,800
EXPENDITURES	\$272,072,327	\$280,736,387
Transfers & Subsidies	5,038,950	4,609,780

‘BIG 5’ 2026 PER PUPIL COMPARISON

Adopted Budget as Reported to the State



CHARTER SCHOOL METHODOLOGY



Per AS 14.03.260 Charter School budgets are based around the total revenue generated by the School:

- Enrollment projections are provided by each Charter School.
- State Funding follows the State Foundation Formula.
- The Borough Appropriation is divided by the AADM for the District and then multiplied by each Charters AADM.
- Charters receive their portion of E-Rate Reimbursements.

It is assumed that Charter expenditures will balance to their revenue projections.

PERSONNEL METHODOLOGY

SALARIES

- Staffing 'rolled' to include all current budgeted permanent positions.
- Salary schedules are maintained per negotiated agreements:
 - MSPA & MLMA receive a 3% Increase.
 - All other unions maintained at FY 2026 levels.
 - All eligible employees receive a step increase.
- Substitutes, extended days, co-curricular, vacancy, attrition, leave-without pay, and column movement factors are applied.

BENEFITS

- Health insurance increases by 8% with the increase split per negotiated agreements.
- Includes a reserve of 1% of total salaries & benefits for payroll contingencies.
- All other factors are maintained.
- Excludes On-Behalf payments.



PERSONNEL BY OBJECT



MILLIONS

\$104.65



Certificated Salaries

\$41.85



Non-Certificated Salaries

\$38.17



Health Insurance

\$12.92



Public Employee Retirement System (PERS)

\$8.33



Teacher Retirement System (TRS)

\$5.90



Other Employee Benefits

NON-PERSONNEL METHODOLOGY

DISCRETIONARY

- School metrics adjusted for projected enrollment.
- School metrics & Department budgets adjusted for CPI (2.4%).

DISTRICT MANAGED

- Property & Liability insurance increases at 15%.
- E-Rate: Category 2 increases at 13%.
- Recycling increases at 8%.
- Septic and Water Testing increases at 5%.
- All other expenditures increases at 4%.

UTILITIES

- Water increases at 1%.
- Refuse increases at 4%.
- Communications maintained.
- Energy increases at 7%.

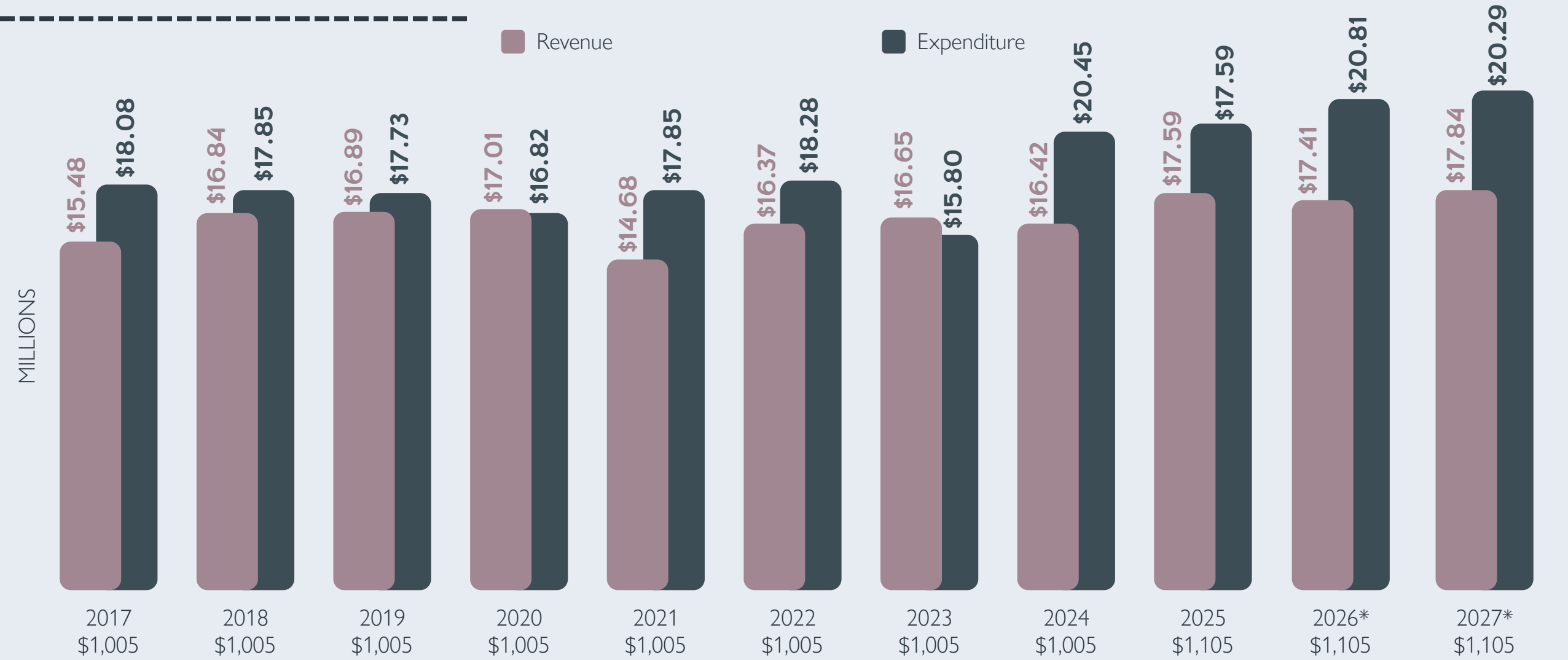
STUDENT ALLOTMENTS

- Calculated based on enrollment projections & current allotment rates.

TRANSFERS & SUBSIDIES

- \$4,446,640 for Transportation.
- \$592,310 MCS Building to Borough.

TRANSPORTATION SUBSIDY



* Unaudited & Projected

2027 SUMMARY

	2026 ADOPTED	2027 PRELIMINARY	CHANGE
Borough Appropriation	78,033,127	81,322,407	3,289,280
Renewal & Replacement Appropriation	(150,000)	-	150,000
Other Local Funding	468,171	383,171	(85,000)
State Funding	188,365,101	182,275,471	(6,089,630)
Federal Reimbursements	1,974,151	2,136,443	162,292
REVENUES	\$268,690,550	\$266,117,492	\$(2,573,058)
Use of Fund Balance	3,381,777	-	(3,381,777)
TOTAL REVENUES	\$272,072,327	\$266,117,474	\$(5,954,853)
Salaries & Benefits	201,198,288	211,816,264	10,617,976
Charter Expenditures	25,810,478	24,913,725	(896,753)
Non-Personnel: Discretionary	13,043,410	13,593,598	550,188
Non-Personnel: District Managed	11,142,283	12,987,994	1,845,711
Non-Personnel: Utilities	8,114,318	8,576,006	461,888
Non-Personnel: Student Allotments	7,724,600	8,848,800	1,124,200
EXPENDITURES	\$267,033,377	\$80,736,387	\$13,703,010
Transfers & Subsidies	5,038,950	4,609,780	(429,170)
TOTAL EXPENDITURES	\$272,072,327	\$285,346,167	\$(429,170)
DEFICIT	\$-	\$(19,228,675)	\$(19,288,675)

LONG-TERM FORECAST ASSUMPTIONS

ENROLLMENT

- Enrollment increases by 0.10%.
- Intensive students maintained at 650.

REVENUES

- BSA maintained at \$6,660.
- PFD Lottery maintained at \$1.80.
- No additional State Funding.
- Required Local and Local Appropriation increase by 3.5%.
- All other revenues maintained with no change.

PERSONNEL

- No salary schedule increases after 2027.
- Follows all methodology previously outlined.

DISCRETIONARY

- Maintained with no change.

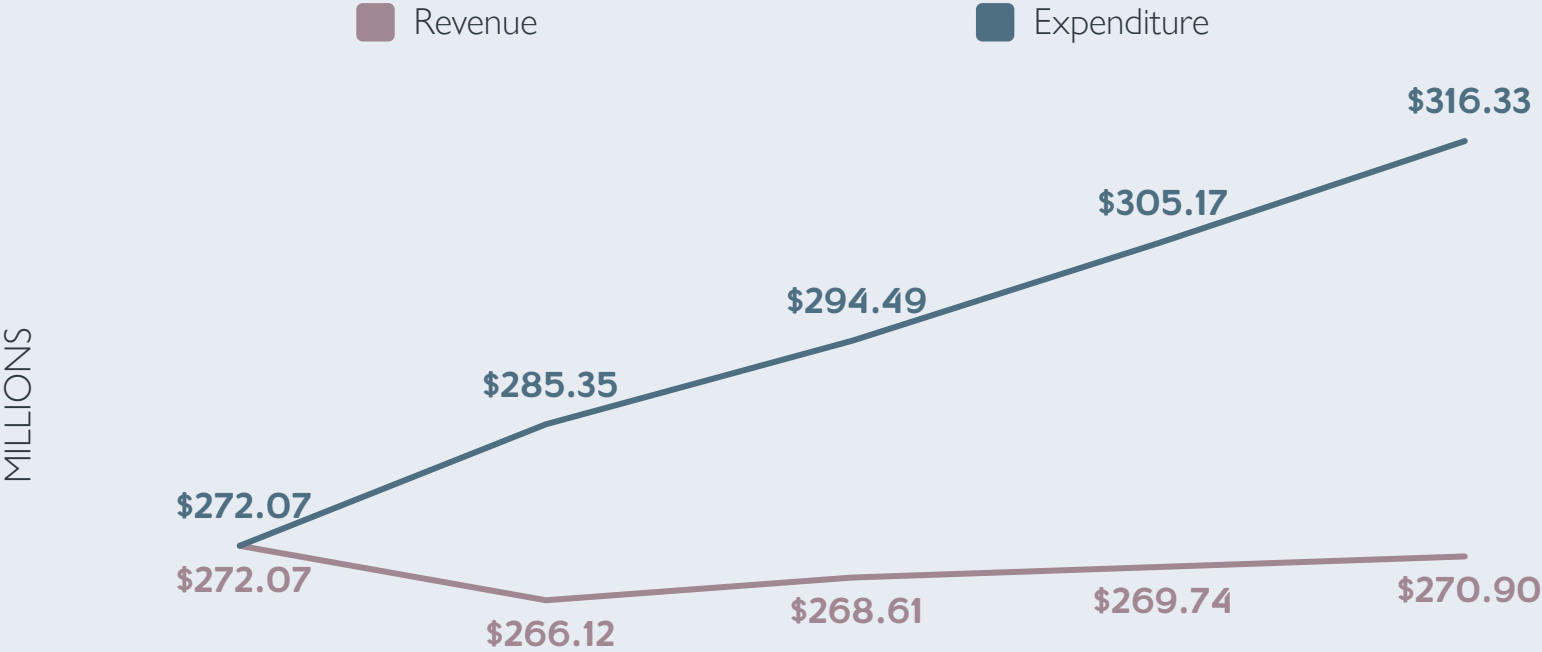
DISTRICT MANAGED

- Follows all methodology previously outlined.

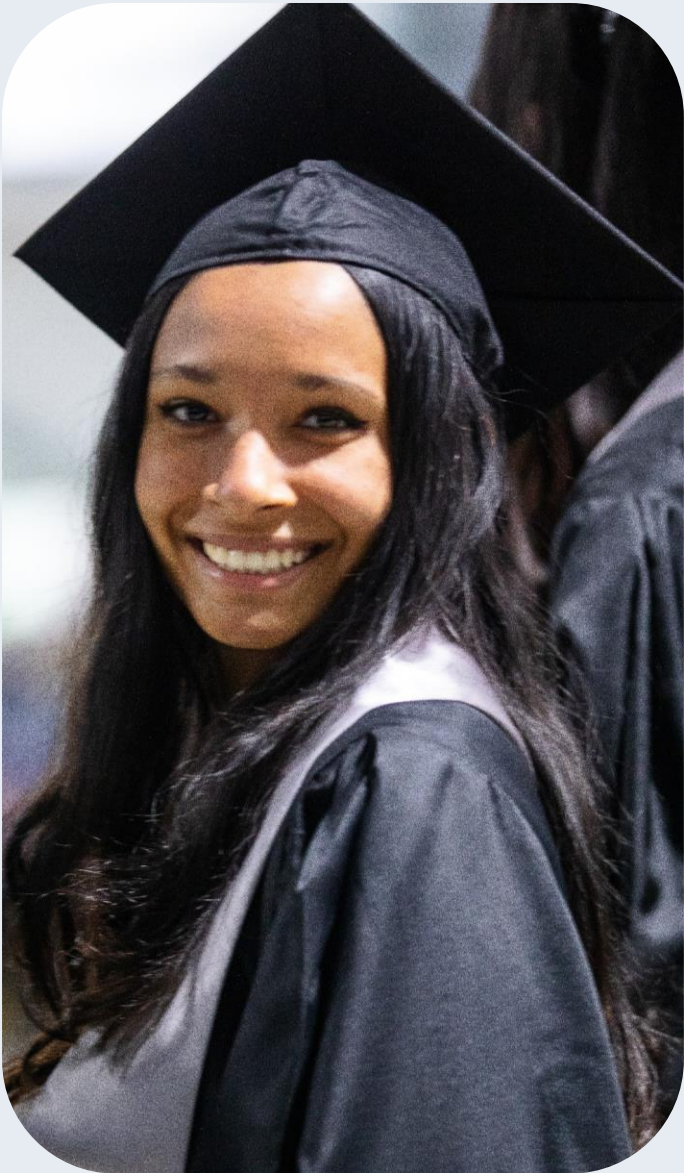
UTILITIES

- Follows all methodology previously outlined.

LONG-TERM FORECAST



	2026	2027	2028	2029	2030
Revenue	272,072,327	266,117,492	268,613,524	269,739,377	270,901,204
Expenditure	272,072,327	285,346,167	294,491,637	305,171,949	316,333,245
DEFICIT	\$-	\$(19,228,675)	\$(25,787,113)	\$(35,432,571)	\$(45,432,041)



WHAT ARE THE NEXT STEPS

Looking forward



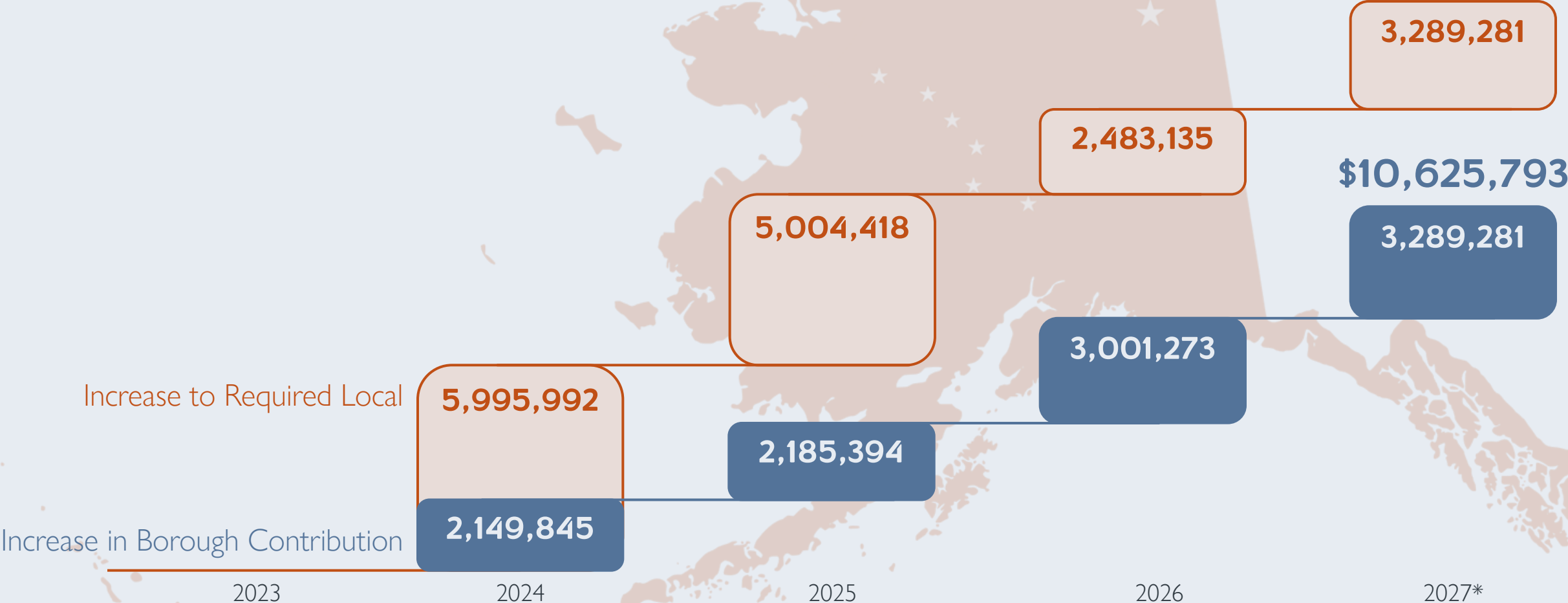
WHAT HAPPENS NOW?

- Local Education Funding Request to the Borough
- Gathering Community Input
 - Budget Website
 - Priority Survey
 - Budget Simulation
- Evaluating Necessary Reductions
- Approve the Superintendent's Proposed Budget
- Transmit Superintendent's Proposed Budget to the Borough

REQUIRED LOCAL CONTRIBUTION COSTS

Accumulative Change – Reduced from State Entitlement

Accumulative:
\$16,772,826



REQUIRED LOCAL CONTRIBUTION COSTS

Accumulative Change – Reduced from State Entitlement

Accumulative:
\$16,772,826

3,289,281

2,483,135

5,004,418

\$ 7,336,512

3,001,273

Increase to Required Local

5,995,992

Increase in Borough Contribution

2,149,845

2,185,394

2023

2024

2025

2026

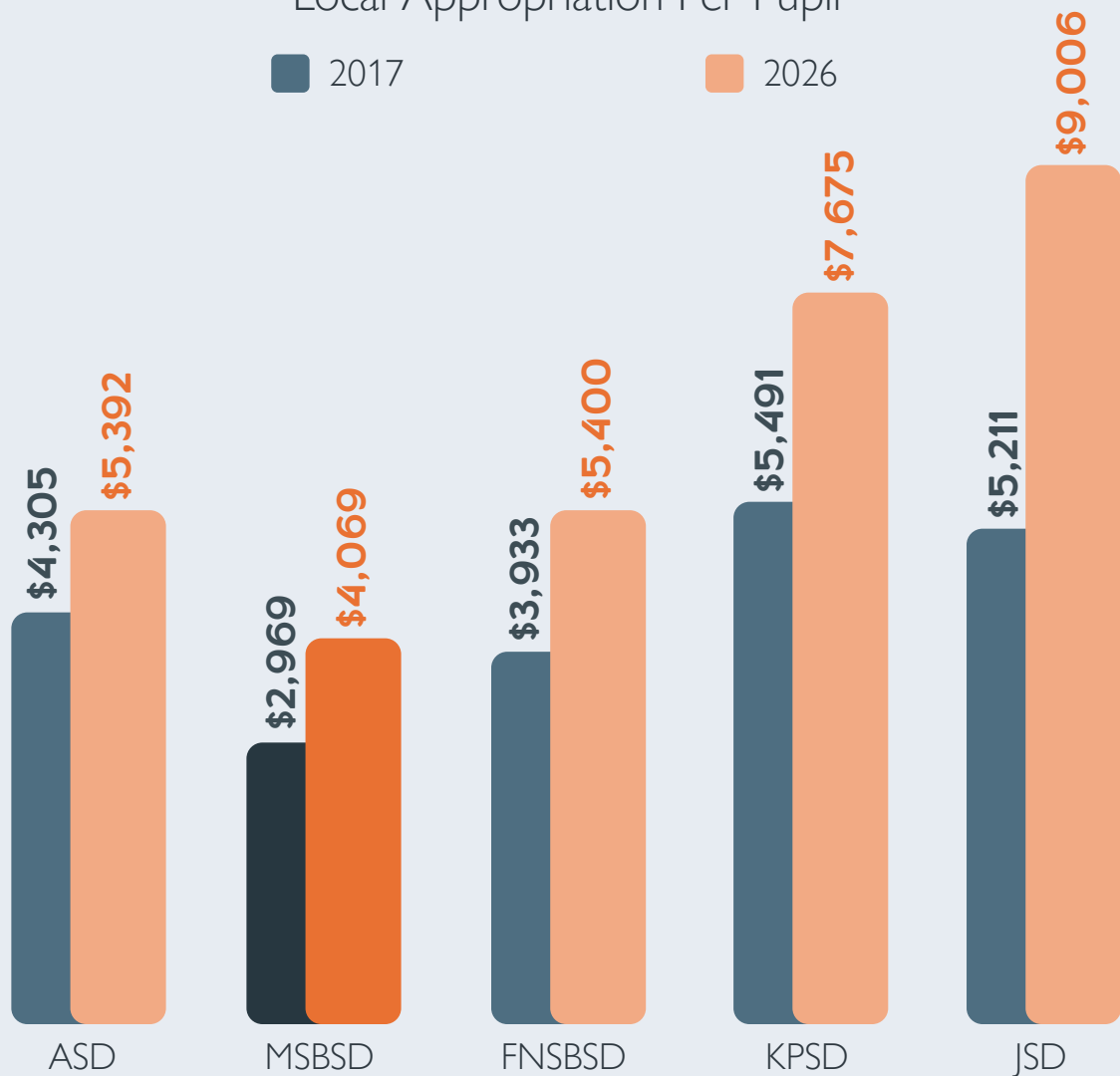
2027*

ANOTHER LOOK AT LOCAL FUNDING

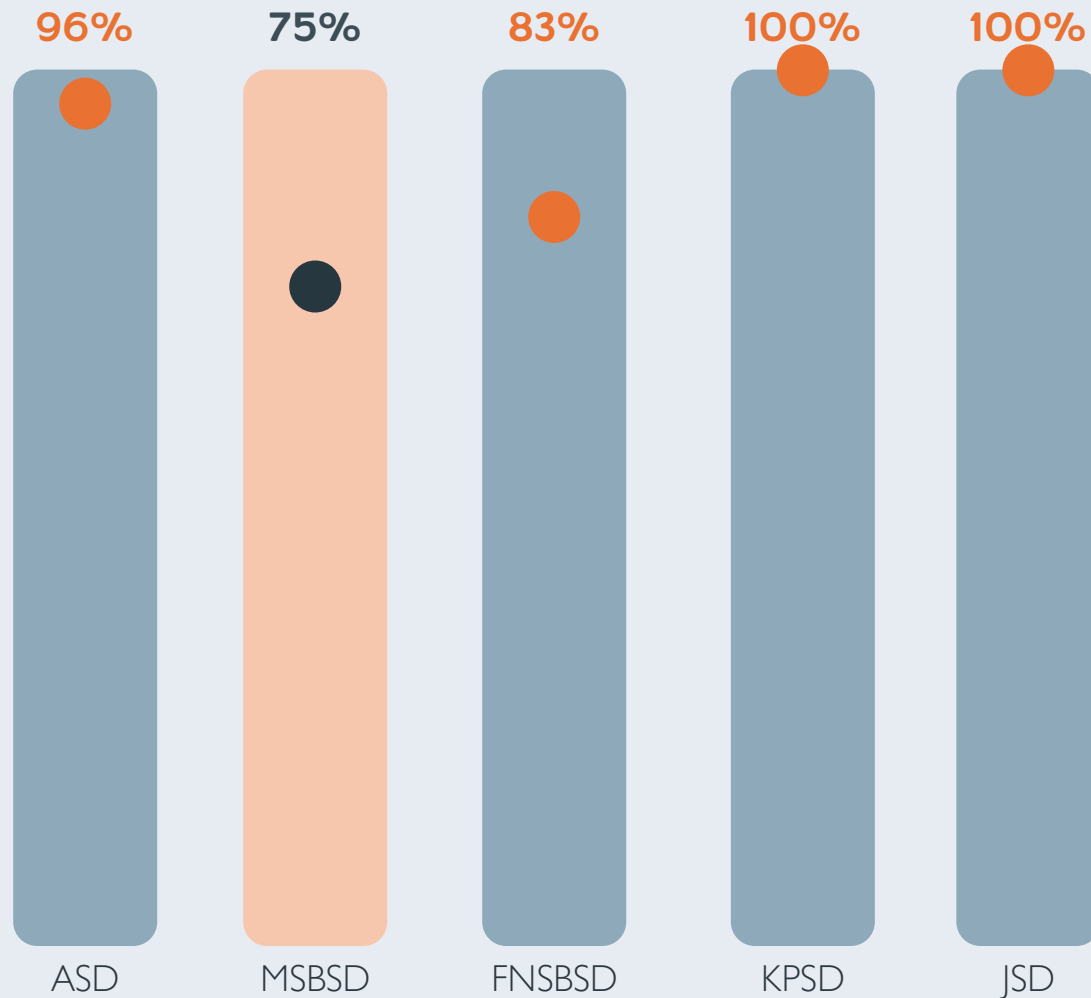
Local Appropriation Per Pupil

2017

2026

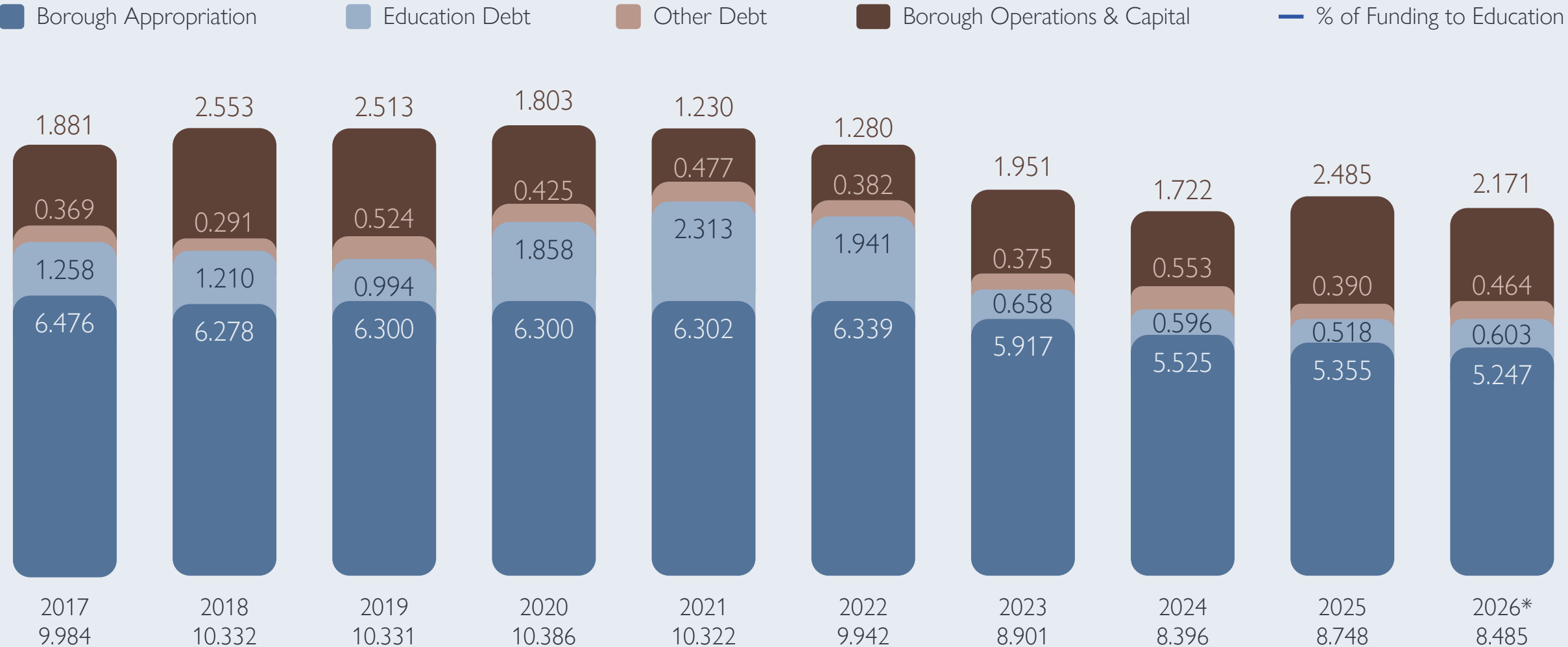


2026 Adopted Local Appropriation as a Percent of Maximum Allowable



HISTORIC BOROUGH AREAWIDE MILL RATE

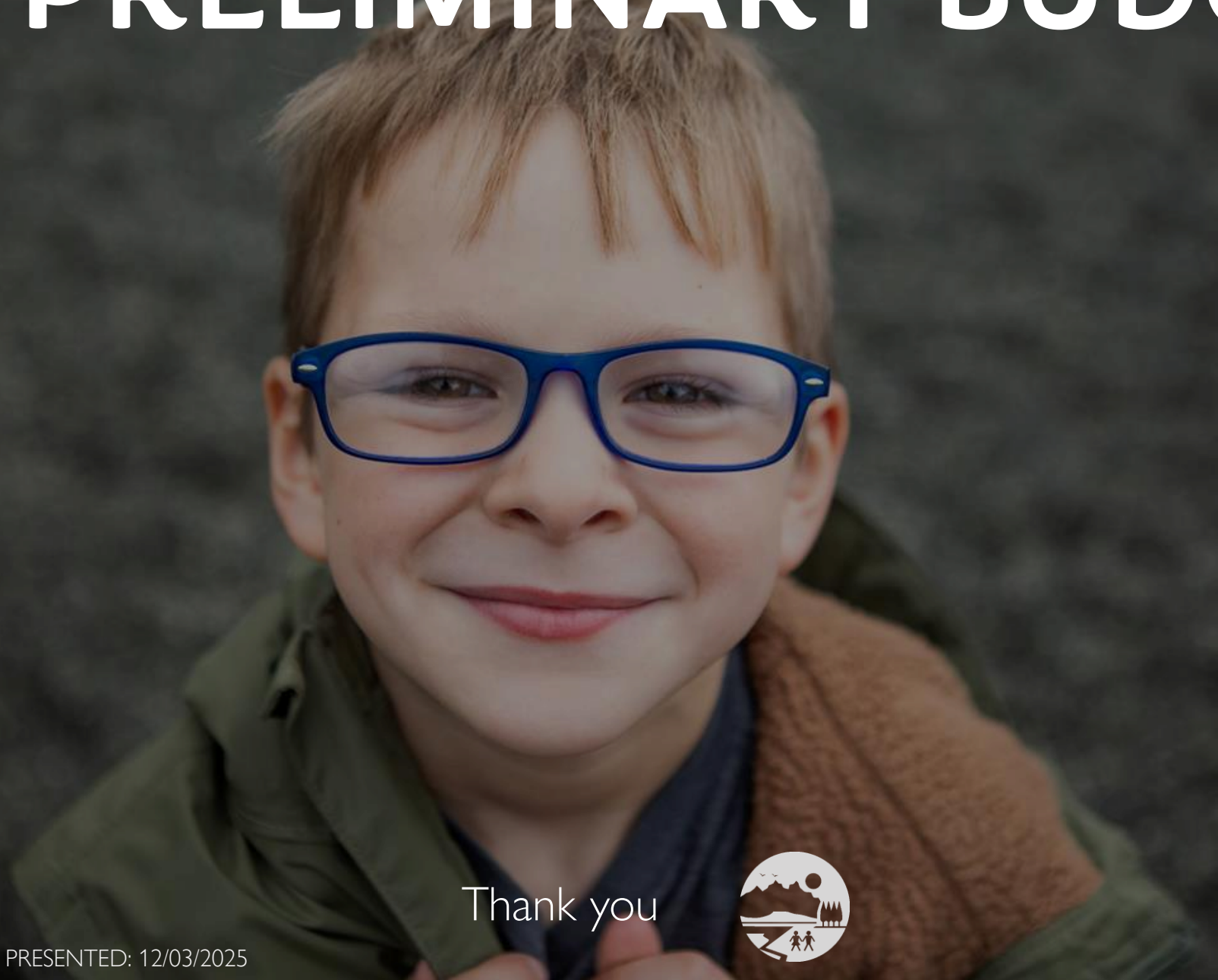
Total Educational Funding as a Percent of the Total Borough Expenditures



2027 OUTLOOK

	2027 PRELIMINARY	2027 FLAT LOCAL
Borough Appropriation	81,322,407	78,833,127
Renewal & Replacement Appropriation	-	-
Other Local Funding	383,171	383,171
State Funding	182,275,471	182,275,471
Federal Reimbursements	2,136,443	2,136,443
REVENUES	\$266,117,492	\$263,628,212
Use of Fund Balance	-	-
TOTAL REVENUES	\$266,117,492	\$263,628,212
Salaries & Benefits	211,816,264	211,816,264
Charter Expenditures	24,913,725	24,913,725
Non-Personnel: Discretionary	13,593,598	13,593,598
Non-Personnel: District Managed	12,987,994	12,987,994
Non-Personnel: Utilities	8,576,006	8,576,006
Non-Personnel: Student Allotments	8,848,800	8,848,800
EXPENDITURES	\$280,736,387	\$280,736,387
Transfers & Subsidies	4,609,780	4,609,780
TOTAL EXPENDITURES	\$ 285,346,167	\$285,346,167
DEFICIT	\$(19,228,675)	\$(22,517,955)

2027 PRELIMINARY BUDGET



Thank you

