

FY 2027 BOARD APPROVED PROPOSED BUDGET

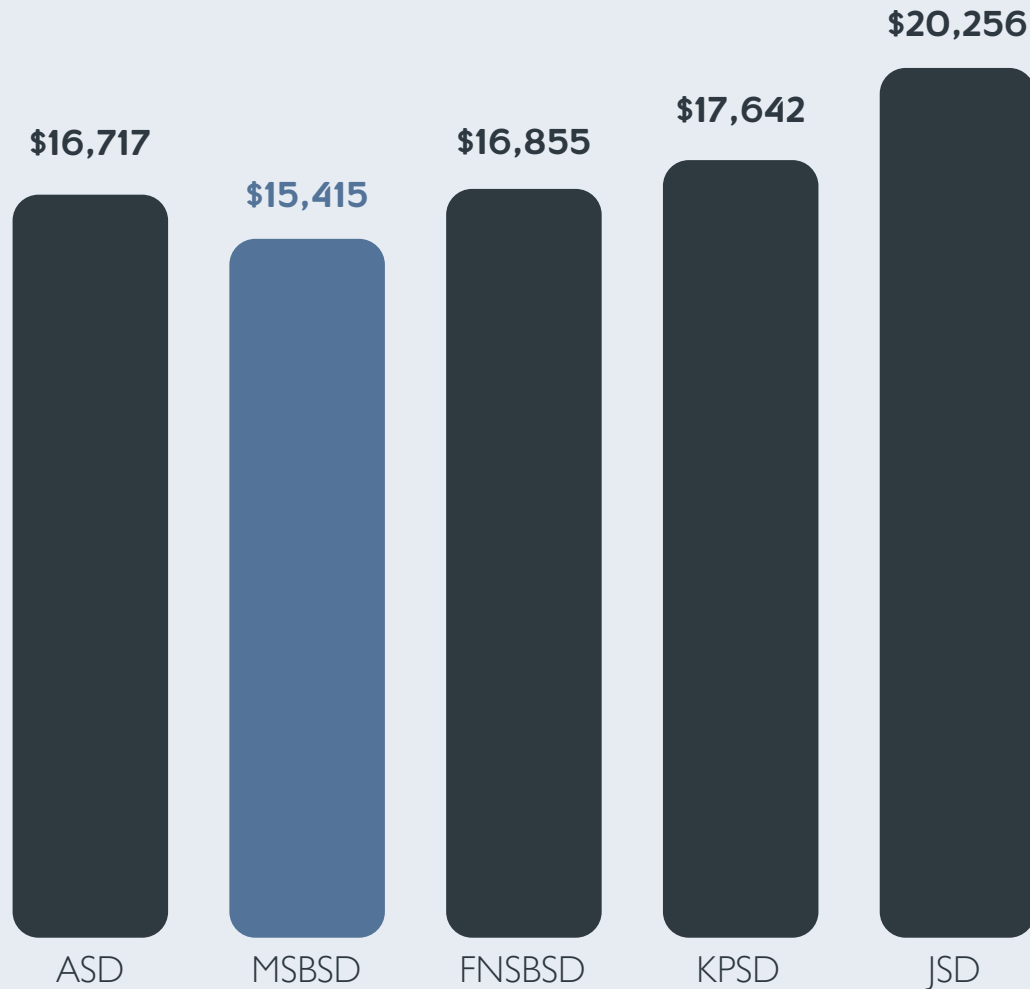
MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT



24 MARCH 2026

A CLOSER LOOK AT EXPENDITURES

Adopted Budget as Reported to the State



2027 PRELIMINARY BUDGET SUMMARY

Flat Funding from State & Borough



TOTAL FY 2027 REVENUES

\$262,828,211

TOTAL FY 2027 EXPENDITURES

\$285,346,167

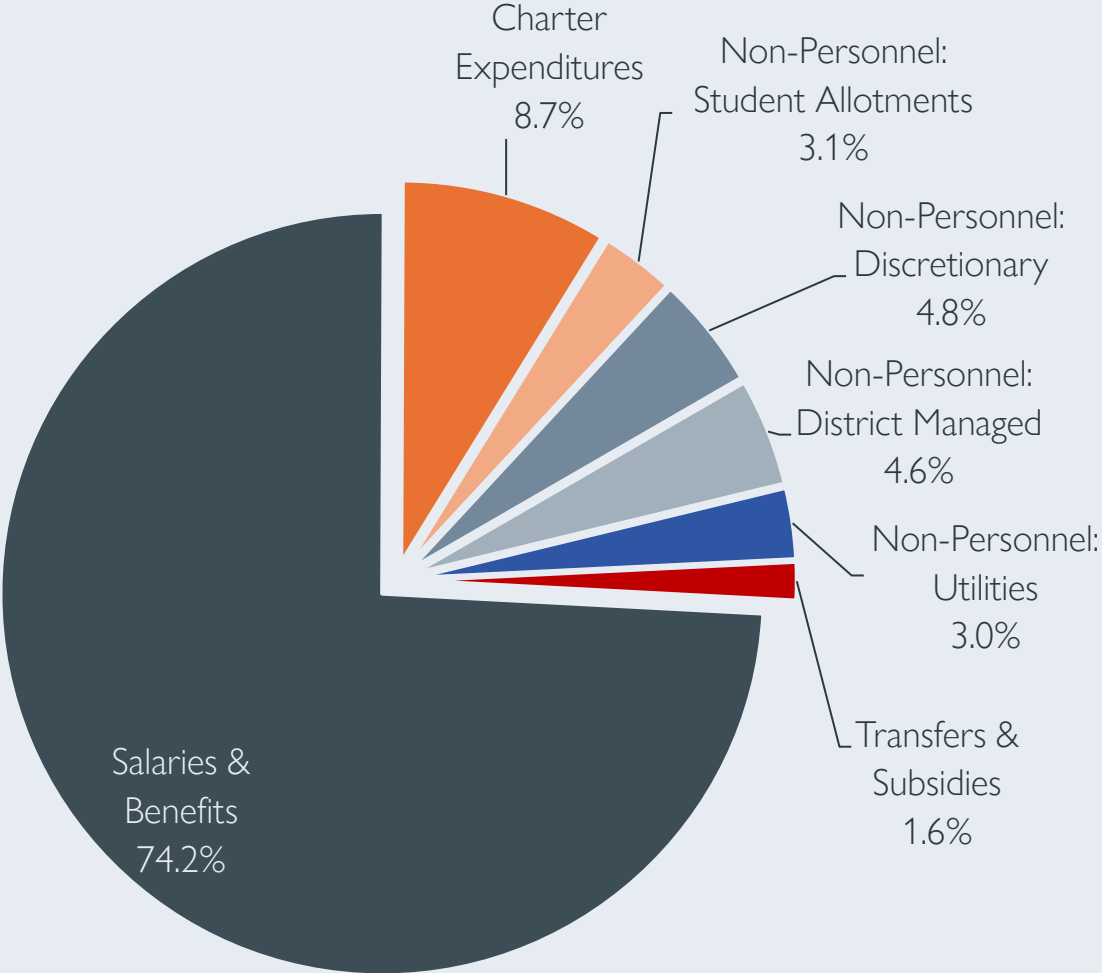
TOTAL FY 2027 PRELIMINARY DEFICIT

\$(22,517,956)

Why is there a deficit?

- Costs increase year over year
 - Insurance premiums are increasing both health and property/liability.
 - Negotiated salary increases.
 - Inflationary increases occur for other goods and services.
- Revenue is declining
 - State per pupil funding is flat for FY 2027 and enrollment is declining.
 - Borough revenue is not keeping up with the state funding deduction and inflation.

2027 PRELIMINARY EXPENSE PROJECTION

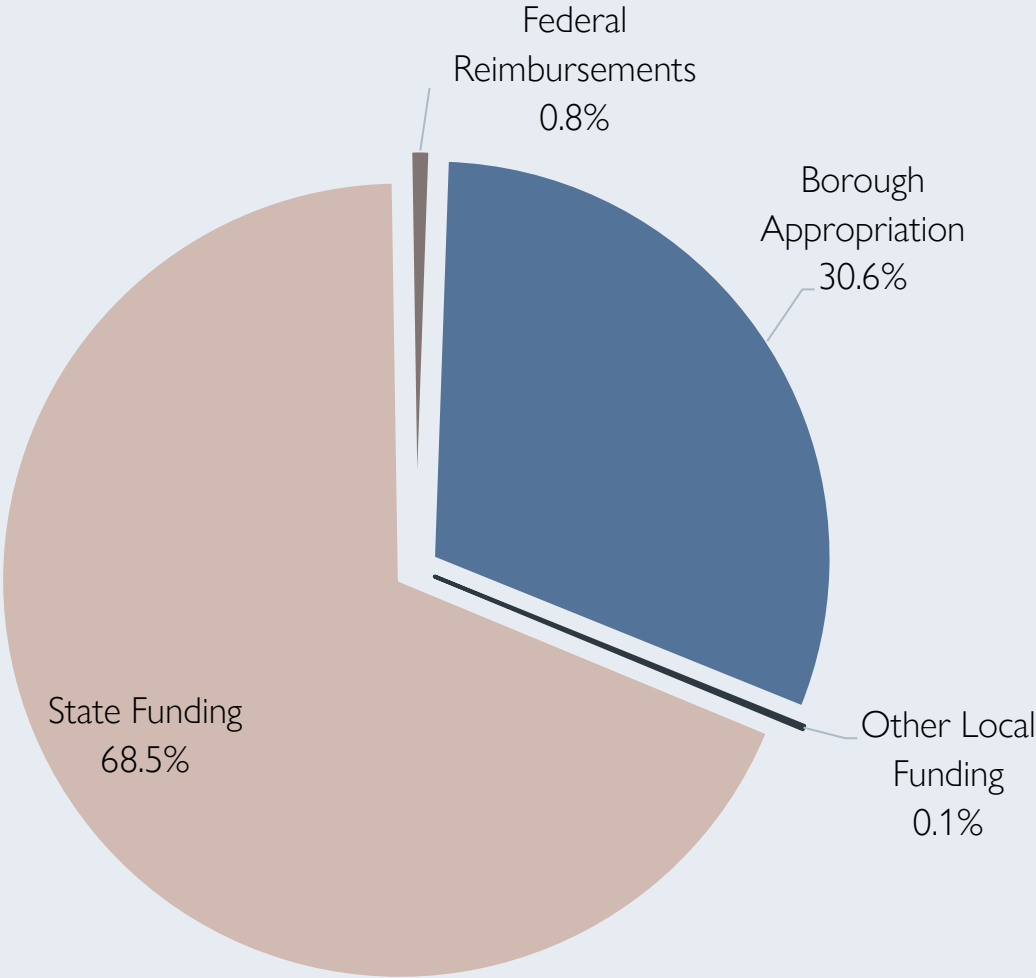


TOTAL FY 2027 EXPENDITURES

\$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	\$267,033,377	\$280,736,387
Transfers & Subsidies	5,038,950	4,609,780

2027 PRELIMINARY REVENUE PROJECTION



TOTAL FY 2027 REVENUES

\$262,828,211

	2026	2027
Borough Appropriation	\$78,033,127	\$78,033,126
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	\$262,828,211
Use of Fund Balance	3,381,777	-

HISTORIC ADM ENROLLMENT



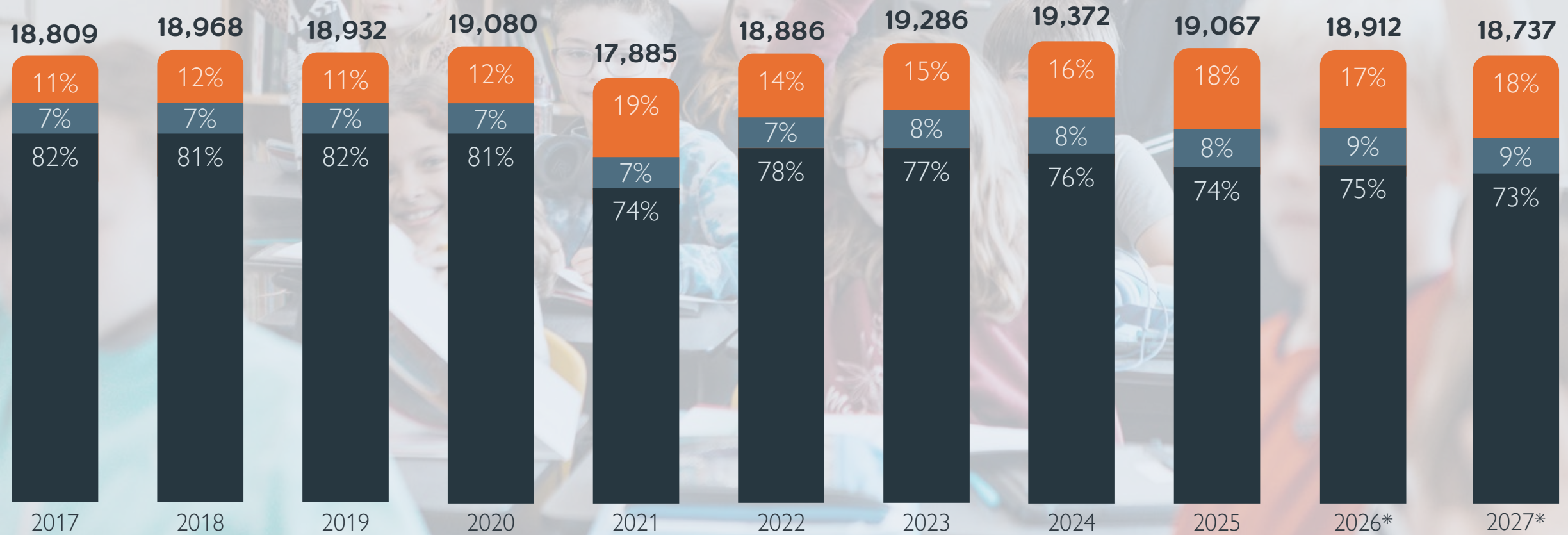
TRADITIONAL ADM



CHARTER SCHOOL ADM



CORRESPONDENCE ADM



* 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

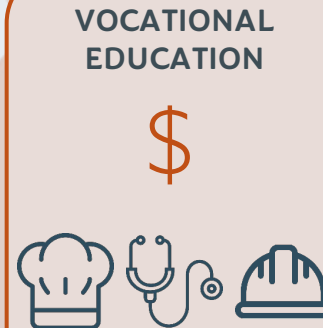


The previously adjusted ADM is multiplied **1.20**, providing the district with an additional **20%**.

23,356.33

STEP 4

Vocational
Education Factor

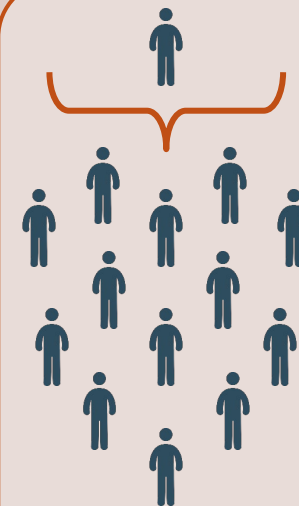


The district's previously adjusted ADM is now multiplied by **1.015**, providing the district with an additional **1.5%**.

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 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 STATE FUNDING		\$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

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

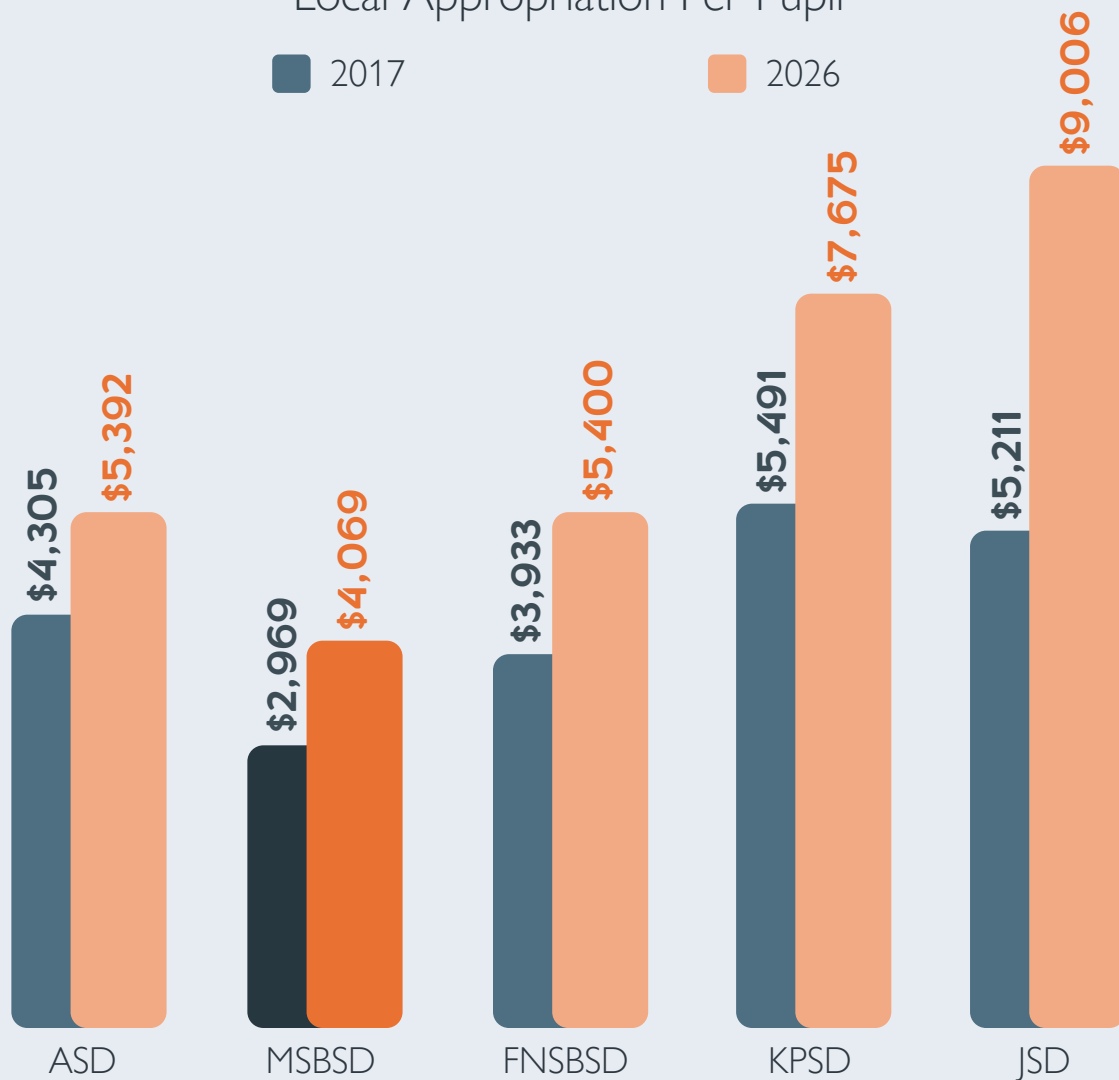
2027*

ANOTHER LOOK AT LOCAL FUNDING

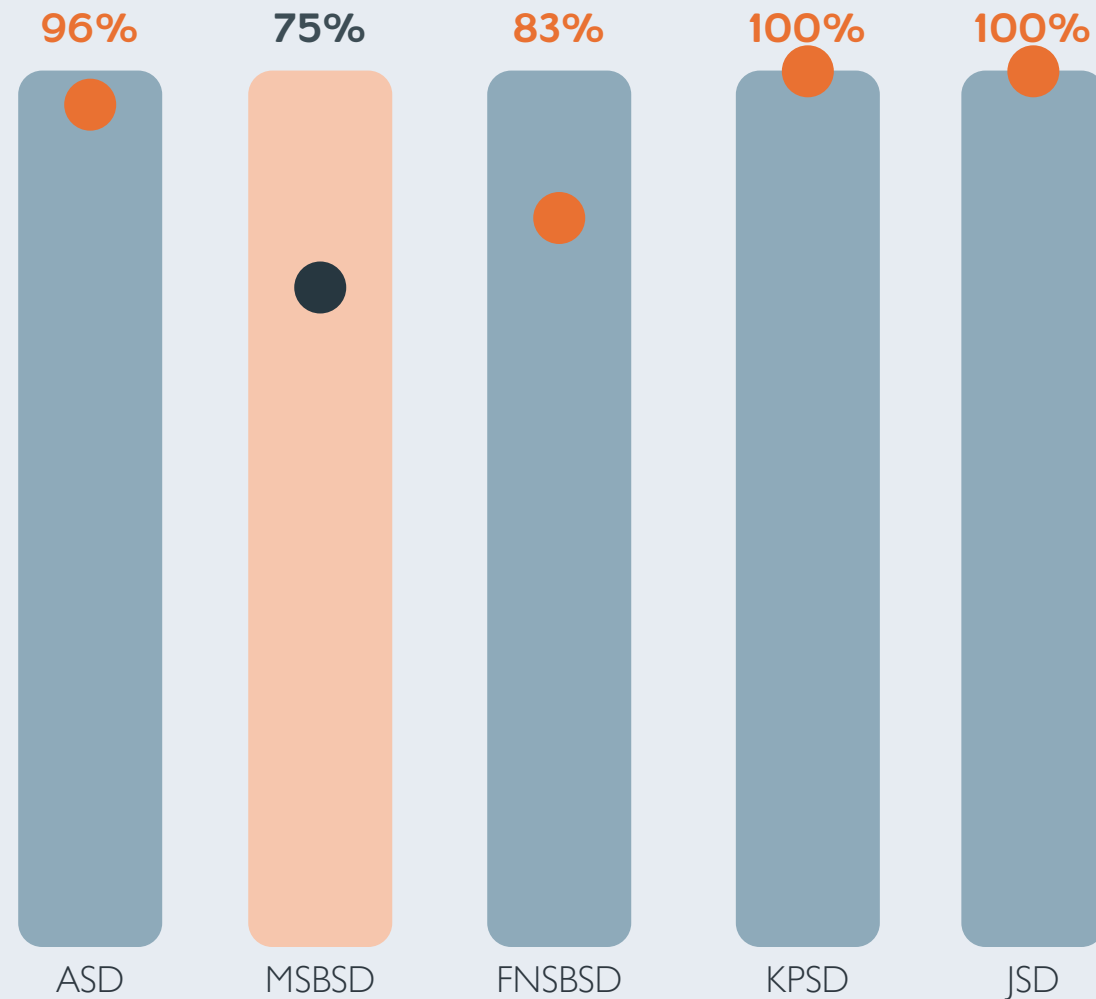
Local Appropriation Per Pupil

2017

2026

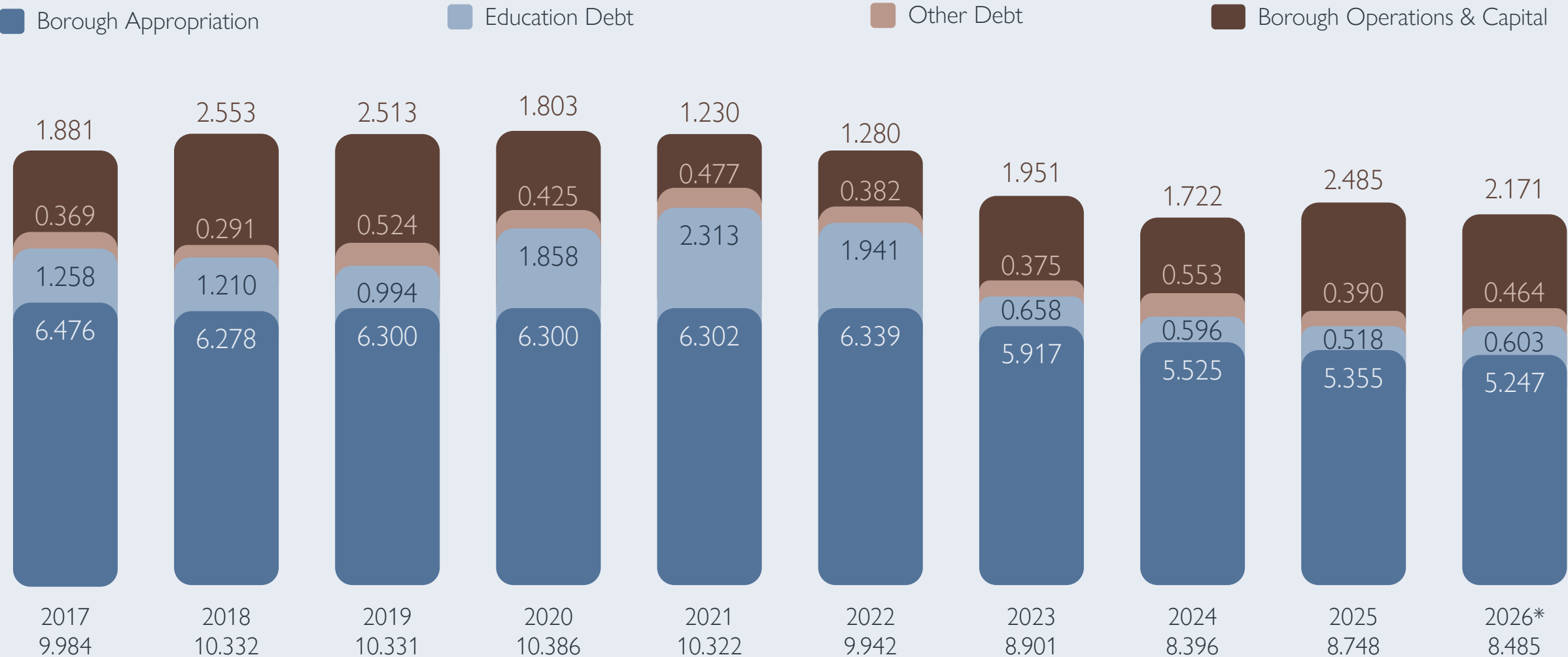


2026 Adopted Local Appropriation as a Percent of Maximum Allowable



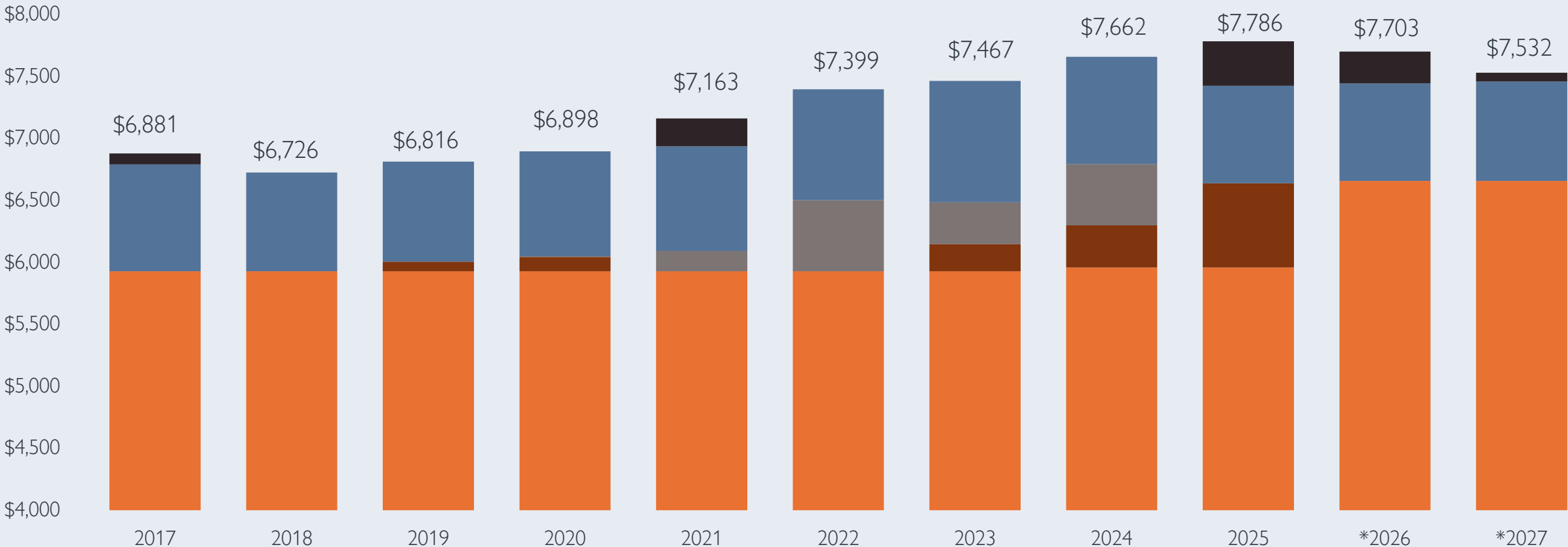
HISTORIC BOROUGH AREAWIDE MILL RATE

Total Educational Funding as a Percent of the Total Borough Expenditures



HISTORIC FUNDING BY ADJUSTED ADM

BASE STUDENT ALLOCATION (BSA) STATE APPROPRIATION (ONE-TIME) FEDERAL COVID FUNDING (ESSER) LOCAL CONTRIBUTION (ABOVE THE MINIMUM) USE OF FUND BALANCE



* UNAUDITED/PROJECTED
2022 EXCLUDES \$11.9M IN THE RETURN OF RESOURCES BY THE BOROUGH FOR THE HOUSTON MIDDLE SCHOOL PROJECT

Working toward a Balanced Budget

RECOMMENDED ADJUSTMENTS

- REVENUE -

REVENUE ADJUSTMENTS	AMOUNT	
STATE FOUNDATION	1.2	M
FEDERAL REIMBURSEMENTS – Medicaid	0.2	M
FEDERAL REIMBURSEMENTS – E-rate	(0.2)	M
USE OF FUND BALANCE	2.5	M
TOTAL ADJUSTMENTS	\$3.7	M

FLAT LOCAL FUNDING

\$78,033,126

- Student Activity Reductions - \$654,000
- Transportation Reductions - \$481,442
- Staff Reductions - \$6,390,713
- District-wide Reductions - \$4,225,182
- Use of Fund Balance - \$2,500,000
- Close Three Schools - \$3,848,663
- Reduce Classroom Teachers - \$3,124,879

(Reductions \$18,724,879)

**MAINTAIN
MINIMUM
REQUIRED
LOCAL
CONTRIBUTI
ON**

\$81,322,407

- Student Activity Reductions – (\$654,000)
- Transportation Reductions – (\$481,442)
- Staff Reductions – (\$6,390,713)
- District-wide Reductions – (\$4,225,182)
- Use of Fund Balance - \$2,500,000
- Close Three Schools – (\$3,848,663)
- ~~Reduce Classroom Teachers – (\$3,124,879)~~

(Reductions \$15,600,000)

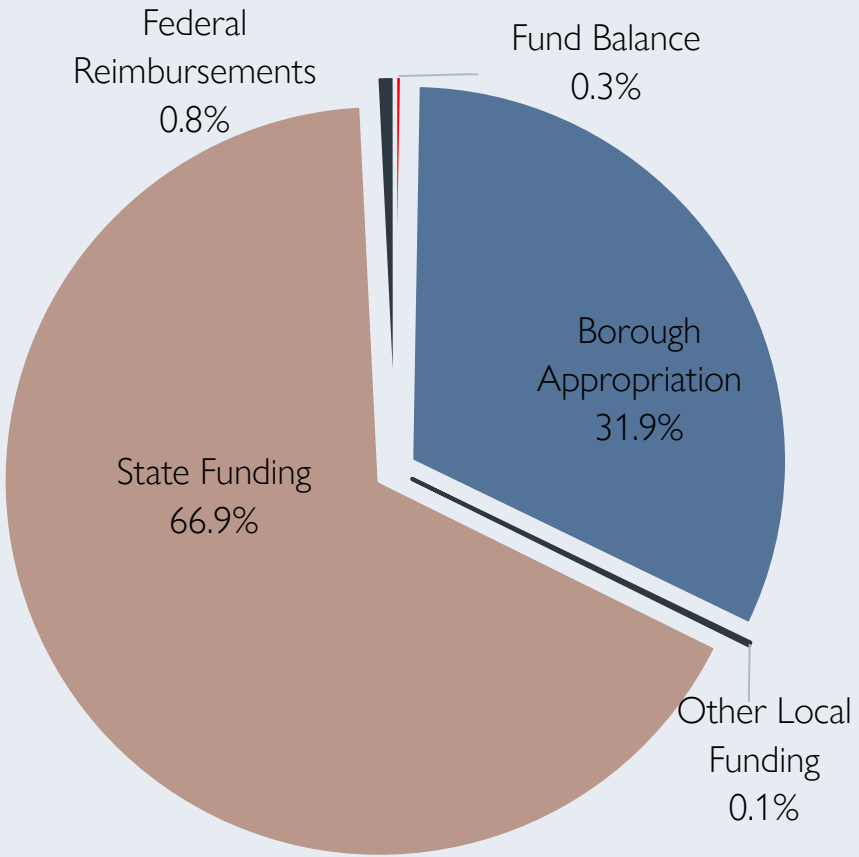
**CATCH UP
MINIMUM
REQUIRED
LOCAL
CONTRIBUTI
ON**

\$87,469,440

- Student Activity Reductions – (\$654,000)
- Transportation Reductions – (\$481,442)
- Staff Reductions – (\$6,390,713)
- District-wide Reductions – (\$4,225,182)
- Use of Fund Balance - \$779,988
- ~~• Close Three Schools — (\$3,848,663)~~
- ~~• Reduce Classroom Teachers — (\$3,124,879)~~

(Reductions \$11,751,337)

2027 PROPOSED REVENUE SUMMARY

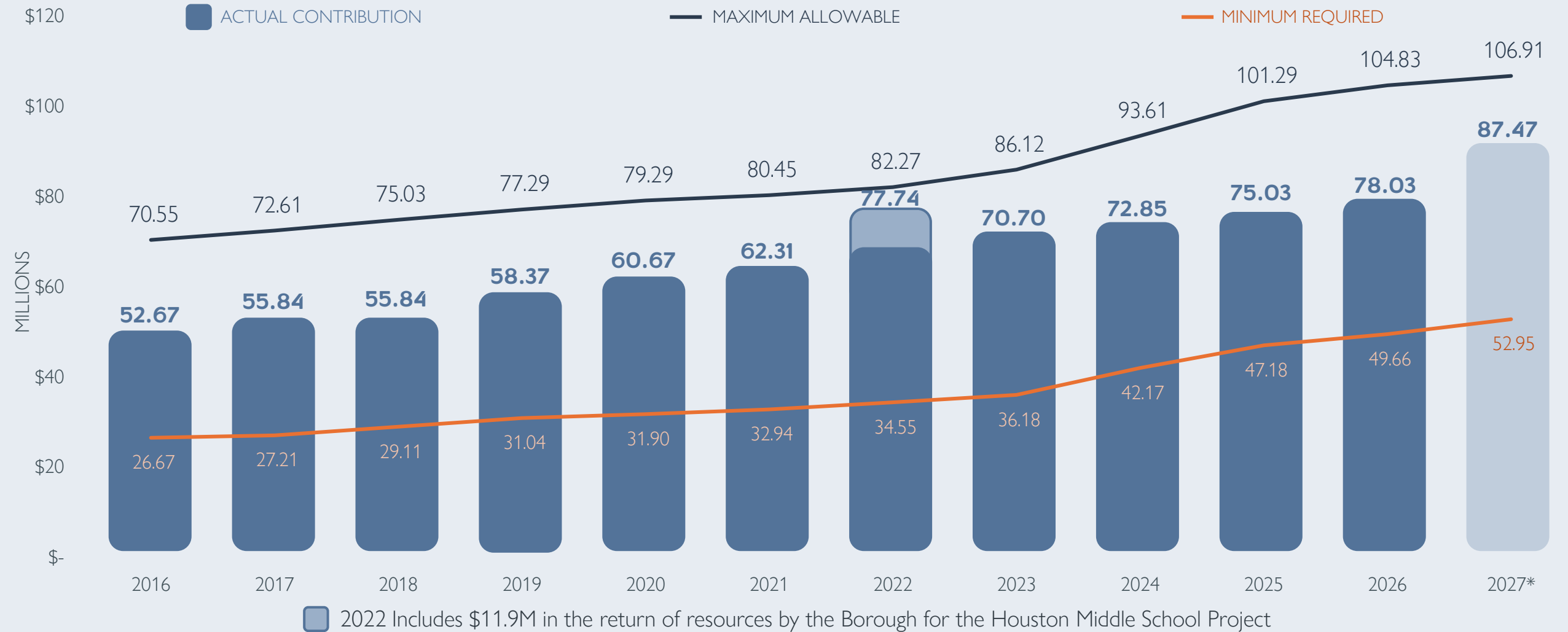


TOTAL FY 2027 REVENUES
\$274,256,139

	2026 Adopted	2027 Preliminary	2027 Proposed
Borough Appropriation	\$78,033,127	\$78,033,127	\$87,469,440
Renewal & Replacement	(150,000)	-	-
Other Local Funding	468,171	383,171	383,171
State Funding	188,365,101	182,275,471	183,505,064
Federal Reimbursements	1,974,151	2,136,443	2,118,476
REVENUES	\$268,690,550	\$262,828,212	\$273,476,151
Use of Fund Balance	3,381,777	-	779,988

BOROUGH FUNDING HISTORY

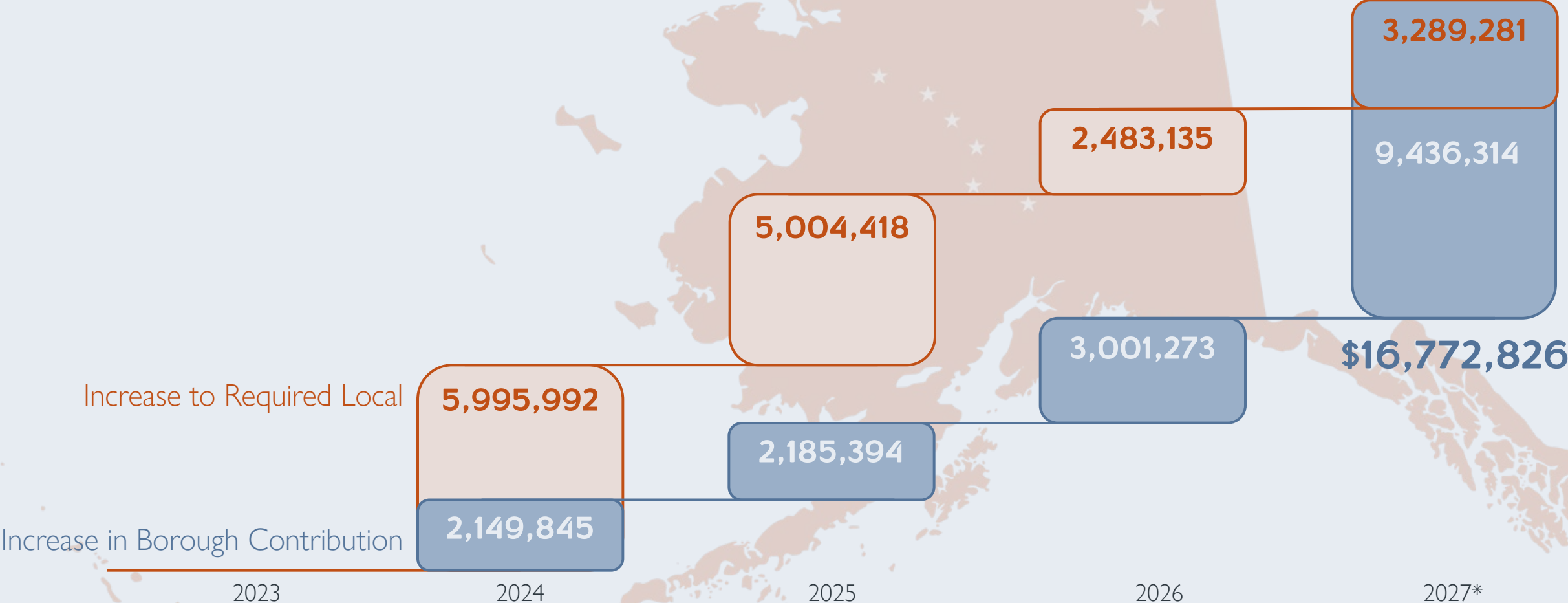
Maximum Allowable & Required Minimum Compared to Actual Contributions



REQUIRED LOCAL CONTRIBUTION COSTS

Accumulative Change – Reduced from State Entitlement

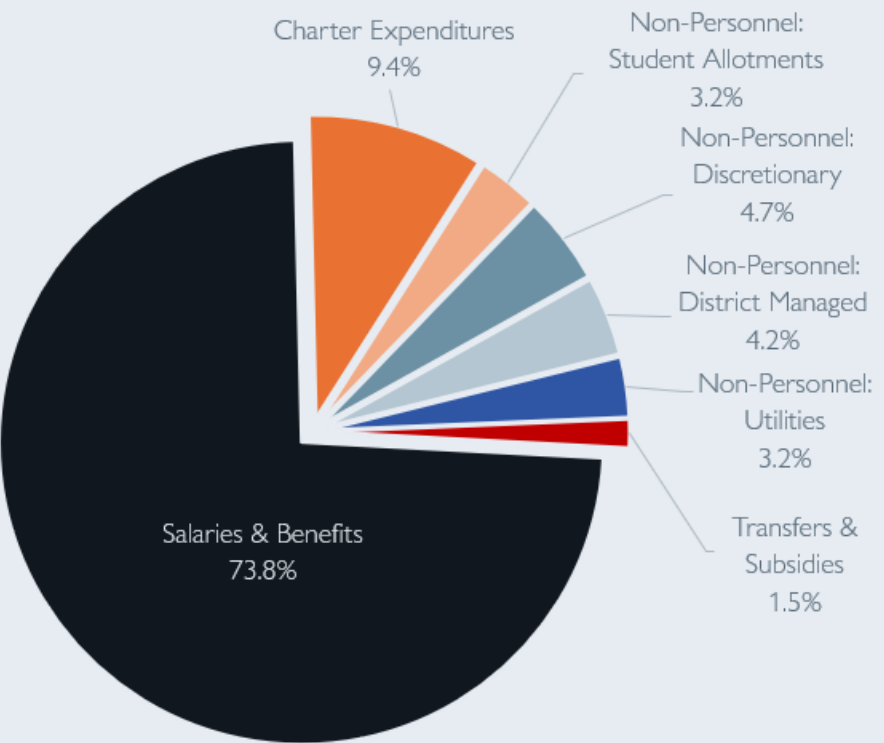
Accumulative:
\$16,772,826



2027 PROPOSED EXPENDITURE SUMMARY

TOTAL FY 2027 EXPENDITURES

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Non-Personnel: District Managed	11,142,283	12,987,994	11,537,174
Non-Personnel: Utilities	8,114,318	8,576,006	8,742,891
Non-Personnel: Student Allotments	7,724,600	8,848,800	8,848,800
EXPENDITURES	\$267,033,377	\$280,736,387	\$270,127,801
Transfers & Subsidies	5,038,950	4,609,780	4,128,338

BUDGET DEVELOPMENT TIMELINE

