

# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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## SCHOOL BOARD COMMUNICATION

**Title:** FY13 Budget Revision

**Date:** November 27, 2012

**Item Number:** 10b.

**Administrator:** Dave Jones, Assistant Superintendent *Dave Jones*

**Attachments:** FY13 Budget Revision Details

☒ Action Needed ☐ For Discussion ☐ Information ☐ Other: \_\_\_\_\_

## BACKGROUND INFORMATION

With the 20-day count period ended and enrollment numbers reported to the state, there is an increase in the Foundation funding and Quality Schools funding for a total State revenue increase currently calculated as \$901,723. Final FY13 student Average Daily Membership (ADM) reported to the State of Alaska was 8,885.5375, compared to 8,871 projected for FY13 enrollment. The projection included 128 students identified as Intensive Needs, but the actual student numbers reflect an increase of 16 to 144. Foundation funding is estimated to increase \$899,190 to \$76,006,067 and Quality Schools funding is estimated to increase \$2,533 to \$276,348.

The prior FY13 General Fund revenue budget included use of fund balance in the amount of \$2,762,120. This revision includes a reduction in the use of fund balance in the amount of \$494,252, bringing use of fund balance to \$2,267,868. The current FY13 General Fund revenue budget of \$146,637,793, plus the \$901,723 increase in state revenue, less the decreased use of fund balance brings the total revised FY13 General Fund revenue budget to \$147,045,264.

Each fall, salary and benefit budgets are adjusted to reflect current employees hired in all positions and their current rates of pay, with the total change to salary and benefits of \$821,369 included in this revision. With the on-going negotiations, the revision reflects movement to the next step (KPAA and KPEA) or column (KPESA and exempt), but no additional increase in wages. An amount commensurate with estimates based on the district offer has been budgeted in location 82 in anticipation of settlement.

Another adjustment to the General Fund expenditure budget includes changes to the Charter School expenditure budgets that reflect funding for actual enrollment in FY13. The changes are as follows:

	<u>Current Balance</u>		<u>Revision</u>		<u>Adjusted Balance</u>
Aurora Borealis	\$ 2,205,111	\$	89,493	\$	2,294,604
Fireweed	2,024,266		(800,214)		1,224,052
Kaleidoscope	2,928,881		87,165		3,016,046
Soldotna Montessori	2,081,688		139,658		2,221,346
	<u>\$ 9,239,946</u>	\$	<u>(483,898)</u>	\$	<u>8,756,048</u>

The combination of additional state funding and overall reduction in Charter School budgets, allows for a reduction in the use of fund balance. Additionally, there are 20 special education classrooms that will be outfitted with smart boards totaling \$70,000.

The current FY13 General Fund expenditure budget total of \$146,637,793, adjusted by the changes totaling \$407,471 mentioned above, brings the FY13 General Fund expenditure budget to a total of \$147,045,264.

#### FY13 GENERAL FUND BUDGET REVISION SUMMARY:

##### Revenue Budget

Current FY13 Revenue Budget	\$ 146,637,793
Increase in Foundation Funding	899,190
Increase in Quality Schools Funding	<u>2,533</u>
Total State Funding Change	901,723
Decreased Use of Fund Balance	<u>(494,252)</u>
Revised FY13 Revenue Budget	<u><u>\$ 147,045,264</u></u>

##### Expenditure Budget

Current FY12 Expenditure Budget	\$ 146,637,793
Decrease in Charter School Expenditure budgets	(483,898)
Adjustments to salary and benefits for current hires	821,369
Purchase Smart boards for Special Ed Classrooms	<u>70,000</u>
Total Expenditure Changes	407,471
Revised FY13 Expenditure Budget	<u><u>\$ 147,045,264</u></u>

#### ADMINISTRATIVE RECOMMENDATION

The Administration recommends approval of the FY13 Budget Revision. An additional revision is expected when negotiations are complete and when final state funding figures are received in the spring.