

\$30 Million One-Time Funding For K-12 Education in Alaska

During the legislative session in June of 2018, the Alaska Legislature passed \$30 million in one-time funding for K-12 education. They designated the funds for expenditure in the FY20 budget cycle. KPBSD's share of that funding is estimated to be \$2,100,012.

Governor Dunleavy has taken exception with the legality of the \$30 million in funding by the Legislature. Litigation is pending between the Legislature and the Governor to determine the legality of that appropriation, as well as the Legislature's appropriation of Foundation Formula funding for FY20.

At the June 28, 2019 Governor's Press Availability, reporter Andrew Kitchenman asked the Governor the following:

Part of the of the dispute over education funding includes \$30 million dollars that the Legislature included for next year's budget that they believe is valid and your administration has said it is not legally valid. What is your position on that \$30 million dollars?

Governor Dunleavy asked the Office of Budget and Management Director Donna Arduin to address the question. Director Arduin responded as follows:

As you know, the Legislature did not include education funding, either the \$30 million or the Formula funding in the budget. You may know we have an agreement, our Attorney General with Legislative Legal Counsel to continue paying the Formula funding until the legal issue is resolved. But the result of that is that the \$30 million in funding will not exist if the courts decide in the Attorney General's favor (emphasis added).

Per OMB Director Donna Arduin's statement above KPBSD will lose \$2,100,012 in funding if the courts decide in the Attorney General's favor.

Video of the Press Availability can be found at:

<https://www.360north.org/gavel/video/?clientID=2147483647&eventID=2019061047>

The portion of the video referenced above starts at approximately 11 minutes and 37 seconds into the video.

Kenai Peninsula Borough School District

Required Use of 4901 Other Expenses and Fund Balances to Meet KPEA/KPESA Offer of 8/13/2019

Cost of KPEA/KPESA 8/13/19 Proposal	\$ 9,048,513
Negotiations Committed Fund Balance - DC Forfeiture, less Charter Schools (\$43,979) and Grant funds (\$177,198).	\$ (1,002,809)
Remaining Amount needed for KPEA/KPESA 8/13/19 Proposal	<u>\$ 8,045,704</u>
4901 Other Expenses FY20 Beginning Balance	\$ 7,510,744
Funds Belonging To Charter Schools	(2,108,689)
Dues/Memberships - School Locations	<u>(189,061)</u>
4901 Other Expenses Undesignated Balance	\$ 5,212,994
KPBSD One-Time Funding From One-Time \$30 Million	\$ 2,100,012
Revenue Decrease Related To Enrollment Loss Of 150 students	<u>1,500,000</u>
Potential Loss of Budgeted Revenue	\$ 3,600,012
Remaining Balance of 4901 Other Expenses Undesignated	<u><u>\$ 1,612,982</u></u>
Remaining Funds needed to Fund KPEA/KPESA Offer	<u>\$ 8,045,704</u>
Deficit After Use of Available 4901 Other Expenses	\$ (6,432,722)
Use of Entire Unassigned Fund Balance Available 6/30/2019	3,929,885
Needed Use of Committed Fund Balance - Minimum Fund Balance Policy	<u>2,502,837</u>
Balance of Revenues and Expenditures	<u><u>\$ -</u></u>
Committed Fund Balance - Minimum Fund Balance Policy 6/30/2019	\$ 4,360,874
Committed Fund Balance - Minimum Fund Balance Policy Usage for Offer	<u>2,502,837</u>
Balance of Committed Fund Balance -Minimum Fund Balance Policy	<u><u>\$ 1,858,037</u></u>

Governmental Accounting Standards Board (GASB) Statement 54.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

KPEA STEP MOVEMENT ILLUSTRATION

Step Movement Only

	FY18
	C+36orM
	Step
	1
	2
	3
	4
	5
	6
	7
	8
	9
	10
FY18	11
FY19	12
FY20	13
FY21	14
	15
	16
	17
	18
	19
	20

Increase from FY18 to FY19	\$ 2,495
Increase from FY19 to FY20	\$ 1,331
Increase from FY20 to FY21	\$ 1,665

Total Increase Step Only \$ 5,491

KPBSD CURRENT OFFER Step Movement with Percent Increase

	FY18	FY19	FY20	FY21
		0.50%	1.00%	2.00%
	C+36orM	C+36orM	C+36orM	C+36orM
	Step			
	1			
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
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	16			
	17			
	18			
	19			
	20			

Increase from FY18 to FY19	\$ 2,852
Increase from FY19 to FY20	\$ 2,068
Increase from FY20 to FY21	\$ 3,199

Total Increase with Percent Increase \$ 8,119

*Average teacher salary of \$68,852 (C+36 or M). Over 3 yrs with the Compounding .5%, 1%, and 2% and step movement this example teacher salary will be \$76,971.00

KPESA STEP MOVEMENT ILLUSTRATION

Custodial I-Calendar Days 206

Sample Custodian I, Range 4, Step C Salary Schedule

RANGE	B	C	D	E
4	\$18.51	\$19.27	\$20.15	\$20.86
206 Days, 8 hours per day	\$30,504.48	\$31,756.96	\$33,207.20	\$34,377.28

Total Increase Step Only FY18 - FY21

\$3,872.80

KPBSD CURRENT OFFER

Step Movement w/percent increase

B	C	D	E
\$18.51	\$19.37	\$20.45	\$21.60
\$30,504.48	\$31,921.76	\$33,701.60	\$35,596.80

Total With Percent Increase FY18 - FY21

\$5,092.32

Secretary II-Calendar Days 199

Sample Secretary II, Range 7, Step C Salary Schedule

RANGE	B	C	D	E
7	\$20.46	\$21.29	\$22.29	\$23.09
199 Days, 8 hours per day	\$32,572.32	\$33,893.68	\$35,485.68	\$36,759.28

Total Increase Step Only FY18 - FY21

\$4,186.96

B	C	D	E
\$20.46	\$21.40	\$22.63	\$23.91
\$32,572.32	\$34,068.80	\$36,026.96	\$38,064.72

Total Increase FY18 - FY21

\$5,492.40

Tutor/Aide-Calendar Days 189

Sample Tutor/aide Range 4, Step C Salary Schedule

RANGE	B	C	D	E
7	\$20.46	\$21.29	\$22.29	\$23.09
189 Days, 7 hours per days	\$27,068.58	\$28,166.67	\$29,489.67	\$30,548.07

Total Increase Step Only FY18 - FY21

\$3,479.49

B	C	D	E
\$20.46	\$21.40	\$22.63	\$23.91
\$27,068.58	\$28,312.20	\$29,939.49	\$31,632.93

Total Increase FY18 - FY21

\$4,564.35

Kenai Peninsula Borough School District

September 12, 2019 Offer to KPEA and KPESA based on Association's HDHCP designs

KPBSD Cap Related Information	District Portion of Cap Increase By <u>\$300</u> Per Month	
	HRA HDHP 90/10	HSA HDHP 90/10
District	\$ 1,945.61	\$ 1,945.61
Employee	\$ 216.18	\$ 216.18
Monthly Total	\$ 2,161.79	\$ 2,161.79
100% Migration 50% to HRA and 50% to HSA FY20 - Broker Recommended Rate	\$ 2,412.34	\$ 2,403.35
Amount above/below Cap	\$ 250.55	\$ 241.56
50% of Excess District	\$ 125.28	\$ 120.78
50% of Excess Employees	\$ 125.28	\$ 120.78
District per Month	\$ 2,070.89	\$ 2,066.39
Employee per Month	\$ 341.45	\$ 336.96
Total FY20 Monthly Amounts	\$ 2,412.34	\$ 2,403.35
Monthly District Cost For All Employees	\$ 1,112,065.54	\$ 1,109,651.73
Monthly Employee Cost For All Employees	\$ 183,361.04	\$ 180,947.22
Yearly District Cost For All Employees	\$ 13,344,786.52	\$ 13,315,820.74
Yearly Employee Cost For All Employees	\$ 2,200,332.44	\$ 2,171,366.66
Yearly Cost	\$ 4,097.45	\$ 4,043.51
12 Month Co-Pay	\$ 341.45	\$ 336.96
9 Month Co-Pay	\$ 455.27	\$ 449.28

FY19 KPEA Proposed Salary Schedule (.5% Increase)

Step	C	C+18	C+36orM	C+54/M	C+72/M	C+90/M
1	48,285	49,713	52,110	53,817	55,523	57,235
2	49,713	52,111	53,817	55,523	57,235	58,943
3	52,110	53,818	55,523	57,235	58,943	60,653
4	53,817	55,524	57,235	58,943	60,653	62,363
5	55,523	57,235	58,943	60,653	62,363	64,071
6	57,235	58,943	60,653	62,363	64,071	65,777
7	58,941	60,677	62,363	64,071	65,777	67,483
8	61,454	62,363	64,071	65,777	67,483	69,196
9	63,128	64,071	65,777	67,483	69,196	70,902
10	64,767	66,578	67,483	69,196	70,902	72,611
11	66,378	68,253	69,196	70,902	72,611	74,317
12	67,954	69,895	71,704	72,611	74,317	76,026
13		71,502	73,041	74,317	76,026	77,735
14		73,080	74,715	76,026	77,735	79,447
15			76,357	78,537	80,247	81,960
16			77,965	80,209	81,922	83,498
17			79,542	81,851	83,563	85,172
18				83,458	85,171	86,814
19				85,037	86,748	88,421
20						89,999

FY20 KPEA Proposed Salary Schedule (1.0% Increase)

Step	C	C+18	C+36orM	C+54/M	C+72/M	C+90/M
1	48,768	50,210	52,631	54,355	56,078	57,807
2	50,210	52,632	54,355	56,078	57,807	59,533
3	52,631	54,356	56,078	57,807	59,533	61,259
4	54,355	56,079	57,807	59,533	61,259	62,987
5	56,078	57,807	59,533	61,259	62,987	64,711
6	57,807	59,533	61,259	62,987	64,711	66,435
7	59,531	61,284	62,987	64,711	66,435	68,158
8	62,068	62,987	64,711	66,435	68,158	69,888
9	63,759	64,711	66,435	68,158	69,888	71,611
10	65,415	67,244	68,158	69,888	71,611	73,337
11	67,042	68,935	69,888	71,611	73,337	75,060
12	68,634	70,594	72,421	73,337	75,060	76,787
13		72,217	73,772	75,060	76,787	78,512
14		73,810	75,462	76,787	78,512	80,242
15			77,120	79,322	81,050	82,779
16			78,745	81,011	82,741	84,333
17			80,337	82,670	84,398	86,023
18				84,293	86,022	87,682
19				85,887	87,615	89,305
20						90,899

FY21 KPEA Proposed Salary Schedule (2.0% Increase)

Step	C	C+18	C+36orM	C+54/M	C+72/M	C+90/M
1	49,743	51,215	53,684	55,442	57,200	58,963
2	51,215	53,685	55,442	57,200	58,963	60,723
3	53,684	55,443	57,200	58,963	60,723	62,484
4	55,442	57,201	58,963	60,723	62,484	64,247
5	57,200	58,963	60,723	62,484	64,247	66,006
6	58,963	60,723	62,484	64,247	66,006	67,764
7	60,821	62,509	64,247	66,006	67,764	69,521
8	63,310	64,247	66,006	67,764	69,521	71,286
9	65,035	66,006	67,764	69,521	71,286	73,043
10	66,723	68,589	69,521	71,286	73,043	74,804
11	68,383	70,314	71,286	73,043	74,804	76,561
12	70,006	72,006	73,869	74,804	76,561	78,322
13		73,661	75,247	76,561	78,322	80,082
14		75,287	76,971	78,322	80,082	81,847
15			78,663	80,909	82,671	84,435
16			80,319	82,631	84,396	86,020
17			81,944	84,323	86,086	87,744
18				85,979	87,743	89,436
19				87,605	89,367	91,091
20						92,717

FY19 Proposed KPESA Salary Schedule (.5% increase)

RANGE	Initial	A	B	C	D	E	F	G	H
1	\$14.46	\$16.08	\$16.67	\$17.27	\$18.06	\$18.67	\$19.42	\$20.18	\$20.98
2	\$15.24	\$16.92	\$17.57	\$18.25	\$19.07	\$19.76	\$20.52	\$21.34	\$22.21
3	\$15.56	\$17.28	\$17.96	\$18.62	\$19.49	\$20.18	\$20.94	\$21.80	\$22.66
4	\$16.13	\$17.92	\$18.60	\$19.37	\$20.25	\$20.96	\$21.78	\$22.64	\$23.57
5	\$16.64	\$18.50	\$19.24	\$19.99	\$20.93	\$21.69	\$22.51	\$23.42	\$24.36
6	\$17.20	\$19.11	\$19.86	\$20.67	\$21.64	\$22.42	\$23.29	\$24.22	\$25.21
7	\$17.77	\$19.75	\$20.56	\$21.40	\$22.40	\$23.21	\$24.10	\$25.08	\$26.09
8	\$18.41	\$20.44	\$21.30	\$22.20	\$23.27	\$24.10	\$25.02	\$26.04	\$27.08
9	\$19.08	\$21.21	\$22.11	\$23.03	\$24.13	\$25.00	\$25.98	\$27.02	\$28.11
10	\$19.82	\$22.02	\$22.95	\$23.98	\$25.11	\$26.04	\$27.04	\$28.14	\$29.26
11	\$21.12	\$22.90	\$23.89	\$24.96	\$26.13	\$27.09	\$28.15	\$29.29	\$30.48
12	\$21.45	\$23.85	\$24.87	\$25.99	\$27.26	\$28.27	\$29.38	\$30.55	\$31.79
13	\$22.33	\$24.81	\$25.96	\$27.11	\$28.44	\$29.51	\$30.65	\$31.89	\$33.19
14	\$23.34	\$25.93	\$27.10	\$28.37	\$29.76	\$30.87	\$32.08	\$33.37	\$34.71
15	\$24.39	\$27.09	\$28.35	\$29.68	\$31.12	\$32.29	\$33.55	\$34.90	\$36.31
16	\$23.34	\$25.93	\$27.10	\$28.37	\$29.65	\$30.66	\$31.85	\$33.14	\$34.48
17	\$24.44	\$27.15	\$28.42	\$29.69	\$30.99	\$32.05	\$33.29	\$34.63	\$36.02
18	\$25.79	\$28.39	\$29.73	\$31.11	\$33.00	\$34.61	\$35.95	\$37.40	\$38.90
19	\$28.41	\$31.92	\$33.31	\$34.78	\$36.41	\$37.69	\$39.08	\$40.55	\$42.11

FY20 Proposed KPESA Salary Schedule (1.0% increase)

RANGE	Initial	A	B	C	D	E	F	G	H
1	\$14.60	\$16.24	\$16.84	\$17.44	\$18.24	\$18.86	\$19.61	\$20.38	\$21.19
2	\$15.39	\$17.09	\$17.74	\$18.43	\$19.27	\$19.96	\$20.73	\$21.55	\$22.43
3	\$15.71	\$17.45	\$18.14	\$18.81	\$19.68	\$20.38	\$21.15	\$22.02	\$22.89
4	\$16.29	\$18.10	\$18.79	\$19.56	\$20.45	\$21.17	\$22.00	\$22.87	\$23.80
5	\$16.81	\$18.69	\$19.43	\$20.19	\$21.14	\$21.90	\$22.74	\$23.65	\$24.00
6	\$17.37	\$19.30	\$20.06	\$20.88	\$21.85	\$22.65	\$23.52	\$24.46	\$25.46
7	\$17.95	\$19.95	\$20.77	\$21.61	\$22.63	\$23.44	\$24.34	\$25.34	\$26.35
8	\$18.60	\$20.65	\$21.51	\$22.42	\$23.50	\$24.34	\$25.27	\$26.30	\$27.36
9	\$19.28	\$21.42	\$22.33	\$23.26	\$24.37	\$25.25	\$26.24	\$27.29	\$28.39
10	\$20.02	\$22.24	\$23.18	\$24.22	\$25.37	\$26.30	\$27.31	\$28.42	\$29.55
11	\$21.33	\$23.13	\$24.13	\$25.21	\$26.39	\$27.37	\$28.43	\$29.58	\$30.79
12	\$21.66	\$24.09	\$25.12	\$26.25	\$27.53	\$28.55	\$29.67	\$30.86	\$32.11
13	\$22.55	\$25.06	\$26.22	\$27.39	\$28.73	\$29.80	\$30.96	\$32.21	\$33.52
14	\$23.57	\$26.19	\$27.38	\$28.65	\$30.06	\$31.18	\$32.40	\$33.70	\$35.06
15	\$24.64	\$27.37	\$28.63	\$29.97	\$31.44	\$32.61	\$33.88	\$35.25	\$36.67
16	\$23.57	\$26.19	\$27.38	\$28.65	\$29.94	\$30.97	\$32.17	\$33.48	\$34.83
17	\$24.69	\$27.42	\$28.71	\$29.98	\$31.30	\$32.37	\$33.62	\$34.98	\$36.38
18	\$26.05	\$28.68	\$30.03	\$31.43	\$33.33	\$34.96	\$36.31	\$37.77	\$39.29
19	\$28.70	\$32.24	\$33.64	\$35.13	\$36.78	\$38.06	\$39.48	\$40.96	\$42.53

FY21 Proposed KPESA Salary Schedule (2.0% increase)

RANGE	Initial	A	B	C	D	E	F	G	H
1	\$14.90	\$16.57	\$17.18	\$17.79	\$18.61	\$19.24	\$20.00	\$20.79	\$21.62
2	\$15.70	\$17.44	\$18.10	\$18.80	\$19.65	\$20.36	\$21.14	\$21.98	\$22.88
3	\$16.03	\$17.80	\$18.50	\$19.19	\$20.08	\$20.79	\$21.58	\$22.46	\$23.35
4	\$16.62	\$18.46	\$19.16	\$19.95	\$20.86	\$21.60	\$22.44	\$23.33	\$24.28
5	\$17.15	\$19.06	\$19.82	\$20.59	\$21.57	\$22.34	\$23.19	\$24.12	\$25.10
6	\$17.71	\$19.68	\$20.46	\$21.30	\$22.29	\$23.10	\$23.99	\$24.95	\$25.97
7	\$18.31	\$20.34	\$21.18	\$22.04	\$23.08	\$23.91	\$24.83	\$25.84	\$26.88
8	\$18.97	\$21.06	\$21.94	\$22.87	\$23.97	\$24.83	\$25.78	\$26.83	\$27.90
9	\$19.66	\$21.85	\$22.78	\$23.73	\$24.86	\$25.76	\$26.76	\$27.84	\$28.96
10	\$20.42	\$22.68	\$23.65	\$24.70	\$25.87	\$26.83	\$27.86	\$28.99	\$30.14
11	\$21.75	\$23.60	\$24.61	\$25.72	\$26.92	\$27.91	\$29.00	\$30.17	\$31.40
12	\$22.09	\$24.57	\$25.62	\$26.77	\$28.08	\$29.12	\$30.26	\$31.47	\$32.75
13	\$23.01	\$25.56	\$26.74	\$27.93	\$29.30	\$30.40	\$31.58	\$32.85	\$34.19
14	\$24.04	\$26.71	\$27.92	\$29.23	\$30.66	\$31.81	\$33.05	\$34.37	\$35.76
15	\$25.13	\$27.91	\$29.21	\$30.57	\$32.06	\$33.27	\$34.56	\$35.96	\$37.41
16	\$24.04	\$26.71	\$27.92	\$29.23	\$30.54	\$31.59	\$32.81	\$34.15	\$35.52
17	\$25.18	\$27.96	\$29.28	\$30.58	\$31.93	\$33.02	\$34.29	\$35.68	\$37.11
18	\$26.57	\$29.25	\$30.63	\$32.05	\$34.00	\$35.66	\$37.03	\$38.53	\$40.08
19	\$29.27	\$32.88	\$34.31	\$35.83	\$37.51	\$38.83	\$40.26	\$41.78	\$43.38

10-Day Attendance Count, 2019-2020						
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School	Proj. Enroll.	8/20	8/21	8/22	8/23	8/26	8/27	8/28	8/29	8/30	9/3	Diff/ P. Enroll.
Aurora Borealis	193	178	183	181	181	183	183	183	183	183	183	-10
Chapman	124	123	123	123	123	123	123	123	128	128	127	3
Connections	753	722	734	753	763	770	776	783	794	800	806	53
Cooper Landing	15	15	12	13	13	12	12	12	12	12	12	-3
Fireweed Academy	119	121	120	122	122	122	122	126	126	127	127	8
Homer Flex	32	25	25	24	26	27	27	28	28	28	28	-4
Homer High	400	373	376	377	383	383	383	384	384	385	385	-15
Homer Middle	182	172	174	174	171	179	179	179	178	179	179	-3
Hope	18	15	15	15	15	14	15	15	15	15	15	-3
Kachemak Selo	40	38	38	38	38	38	38	38	38	38	38	-2
Kaleidoscope	260	258	259	256	253	260	260	260	260	260	260	0
K-Beach	422	443	442	440	440	441	441	441	441	441	441	19
Kenai Alternative	65	40	40	38	43	42	43	43	44	44	44	-21
Kenai Central	480	435	438	437	437	437	438	438	439	439	439	-41
Kenai Middle	361	373	379	376	378	377	377	377	377	377	377	16
Marathon School	10	10	10	10	10	10	10	10	10	10	10	0
McNeil Canyon	117	113	114	120	119	120	122	121	121	121	122	5
Moose Pass	19	21	21	21	21	21	21	21	21	21	21	2
Mt. View	469	411	428	428	429	429	428	428	428	429	429	-40
Nanwalek	76	70	76	75	75	80	80	80	80	81	82	6
Nikiski Middle/High	371	340	345	347	346	347	347	347	347	347	347	-24
Nikiski North Star	308	271	301	303	305	308	314	313	314	314	317	9
Nikolaevsk	78	63	63	63	63	62	58	58	58	58	58	-20
Ninilchik	107	103	103	105	109	110	110	110	110	110	110	3
Paul Banks	194	155	159	162	167	169	170	170	170	170	171	-23
Port Graham	38	32	34	33	33	33	33	34	34	34	34	-4
Razdolna	96	81	81	81	81	79	81	81	81	81	81	-15
Redoubt	320	351	351	355	355	356	356	356	355	355	353	33
River City Academy	70	83	84	84	85	87	89	89	90	90	90	20
Seward Elementary	272	260	257	259	259	261	261	261	261	261	262	-10
Seward High	155	165	163	161	162	160	160	160	160	160	161	6
Seward Middle	136	151	147	147	147	147	147	146	146	146	145	9
Skyview Middle	429	414	412	412	412	408	409	409	408	407	407	-22
Soldotna Elementary	252	232	249	249	249	249	249	249	249	249	249	-3
Soldotna High	738	701	713	718	723	723	724	724	724	726	725	-13
Soldotna Montessori	165	161	161	159	159	165	165	165	165	165	165	0
Sterling Elementary	194	166	170	170	164	165	168	176	176	176	176	-18
Susan B. English	37	31	31	31	31	32	32	32	32	32	32	-5
Tebughna	30	22	23	23	23	23	23	23	23	21	21	-9
Tustumena	178	123	137	138	140	143	144	144	144	144	144	-34
Voznesenka	99	104	104	105	105	105	105	105	105	105	111	12
West Homer Elem.	259	224	234	242	242	242	249	248	246	246	246	-13
Totals	8681	8189	8329	8368	8400	8442	8472	8490	8505	8515	8530	-151
The 20 Day Count period for FY20 runs from September 30th to October 25th.												
A loss of 150 students is estimated to reduce State and Borough revenues by approximately \$1,500,000.												