

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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SCHOOL BOARD COMMUNICATION

Title:	FY13 Preliminary Budget		
Date:	January 31, 2012	Item Number:	Worksession & Item 10b.
Administrator:	Dave Jones, Assistant Superintendent <i>Dave Jones</i>		
Through:	Steve Atwater, Superintendent <i>Steve Atwater</i>		
Attachments:	FY13 Preliminary Budget Document		

Action Needed For Discussion Information Other: _____

BACKGROUND INFORMATION

The FY13 Preliminary Budget Document is presented for review by all interested parties during various upcoming budget conversations. The Board is required to approve a balanced budget (where the revenue budget equals the expenditure budget) with Board action scheduled for the April 2, 2012 meeting. The following information is provided to help facilitate understanding of the FY13 General Fund Preliminary Budget.

Enrollment Projection

The process used to project the FY13 enrollment is based on a straight-line method for most schools as of October 24, 2011. The steps involved in arriving at the projection of 8,871 included:

- Students at school sites were moved ahead one grade level, with some variance based on school administrator input.
- Charter school enrollment projections are in concert with the contractual agreement between each charter school and the District.
- Staffing for Homer Flex, Kenai Alternative and Marathon School locations according to amounts stated in Board AR 6183c.
- Movement of students from Spring Creek to Anchorage and closure of Spring Creek School.
- Kindergarten enrollment was based on the average actual enrollment for FY10, FY11 and FY12, with some modifications based on additional information from school administrators.
- Sites affected by feeder schools were adjusted according to anticipated student movement.

The District was required to submit the FY13 enrollment projection to the State Department of Education and Early Development by November 4, 2011.

Revenue Budget

The Preliminary General Fund revenue budget totals \$143,007,644, with budgeted revenue from all sources of \$140,526,201 and use of fund balance in the amount of \$2,481,143. State revenue was developed based on the enrollment projection and the final change to the district cost factor provided by HB273, which was enacted in 2008. The district cost factor (DCF) change to the foundation formula for FY13 brings the DCF to 1.171, or 100% of the ISER recommendation. The Base Student Allocation and Intensive Multiplier remain unchanged from FY12 at \$5,680 and 13, respectively. The revenue budget

also reflects an increase in local effort of \$1,248,865 that has been requested from the Kenai Peninsula Borough.

Expenditure Budget

The Preliminary General Fund expenditure budget of \$143,007,644 is based on the enrollment projection and other considerations noted below.

- Staff FTEs have been adjusted to reflect staffing according to existing staffing formulas, using the FY13 projected enrollment of 8,871.
- Programmatic staffing that was implemented in FY09 is still included in the FY13 preliminary budget.
- Due to the fact that negotiations with employee groups are in progress, employees were moved one step on the existing salary schedules.
- Employer-paid retirement benefits were calculated on the projected salaries, including 22% of gross wages for PERS-eligible positions and 12.56% of gross wages for TRS-eligible positions.
- Employer-paid share of health care was increased based on anticipated increased cost and is estimated at \$14,724 per employee.
- Schools are staffed based on staffing formulas that fit their size and configuration as follows:

CERTIFIED FORMULAS:

ELEMENTARY SCHOOLS GRADES K-6 > 200

Elementary Classroom	Kindergarten	1:20 pupil/teacher ratio (PTR)
	Grades 1-3	1:22 pupil/teacher ratio
	Grades 4-6	1:24 pupil/teacher ratio
Elementary Specialists	1.5 FTE if enrollment < 270 2.0 FTE if enrollment 270-345 2.5 FTE if enrollment > =346	
Elementary Intervention	.50 FTE if enrollment 200-350 1.0 FTE if enrollment > 350	

HIGH SCHOOL/MIDDLE SCHOOL

Secondary Classroom	1:24 pupil/teacher ratio
Secondary Program Staffing	15% of classroom allocation
Secondary Counseling	1:250 pupil/teacher ratio Grades 9-12 1:350 pupil/teacher ratio Grades 7-8
Secondary Library	.50 FTE if enrollment > = 200 1.0 FTE if enrollment > = 600
Secondary AD	.50 FTE if enrollment > 250 (High Schools only)
Secondary Read 180	.50 FTE if Grades 7-8 enrollment 80-150 1.0 FTE if Grades 7-8 enrollment > 150
Secondary Intervention	.50 FTE per middle school

SMALL SCHOOLS < 200

Small Schools Elementary Classroom	1:17 pupil/teacher ratio Grades K-6 (1.0 FTE minimum)
Small Schools Elementary Specialists	1.0 FTE if Grades K-6 enrollment > 100
Small Schools Secondary Program Staffing	1.0 FTE if Grades 7-12 enrollment 8-20 2.0 FTE if Grades 7-12 enrollment 21-40 1:19 pupil/teacher ratio if Grades 7-12 enrollment > 40
Small Schools Intervention	.50 FTE if enrollment 75-200 (K-6 and K-8 schools only)

SUPPORT FORMULAS:

ELEMENTARY SCHOOLS GRADES K-8

Elementary Custodian	Average of 1.0 FTE/20,000 Square Feet and 1:100 pupil/custodian ratio
Elementary Secretary	1.0 FTE if enrollment < = 275 1:275 pupil/secretary ratio if enrollment > 275
Elementary Library Aide	.38 FTE if Grades K-6 enrollment < = 275 .44 FTE if Grades K-6 enrollment > = 276

HIGH SCHOOL

High School Custodian	Average of 1.0 FTE/22,000 Square Feet and 1:125 pupil/custodian ratio
High School Secretary	1:250 pupil/secretary ratio
High School Bookkeeper	1.0 FTE per school
High School Counseling Assistant	.50 FTE if enrollment 200-400 1.0 FTE if enrollment > 400
High School Library Aide	.44 FTE per school

MIDDLE SCHOOL

Middle School Custodian	Average of 1.0 FTE/22,000 Square Feet and 1:125 pupil/custodian ratio
Middle School Secretary	1:200 pupil/secretary ratio
Middle School Counseling Assistant	.50 FTE if enrollment 200-400 1.0 FTE if enrollment > 400
Middle School Library Aide	.44 FTE per school

SMALL SCHOOLS < 100

Small School Custodian	Average of FTE/18,000 Square Feet and 1:100 pupil/custodian ratio, .25 FTE minimum
Small School Secretary	.88 FTE per school

SMALL SCHOOLS > 100 WITH HIGH SCHOOL

Small School Custodian	Average of 1.0 FTE/18,000 Square Feet and 1:100 pupil/custodian ratio
Small School Secretary	1.0 FTE if enrollment < 225 1.5 FTE if enrollment > = 225

- Supply and copy budgets have been adjusted based on student enrollment projections.
- Utility budgets have been rolled forward with adjustments as needed.
- Budgets for property, liability and stop-loss insurance and worker's compensation costs, which are received as In-Kind Services from the Kenai Peninsula Borough, are budgeted at FY12 amounts.
- Fund transfers have been included for the Student Nutrition program in the amount of \$300,000 and the Community Theater program in the amount of \$25,000.
- A Request for Proposal for Student Transportation Services is pending, with review of bids scheduled for mid-February. Depending on the results of that process, there could be additional adjustments to the FY13 budget.

Other

This budget proposal meets the State of Alaska requirement of at least 70% of total General Fund expenditures dedicated to instructional activities. This proposal dedicates 75.69% to instruction and 24.31% to instructional support.

Budget Forums

Opportunities for review and discussion of the FY13 budget will continue to be held around the borough. Dates and information about the budget cycle that has been/will be used in formulating the final FY13 budget are as follows:

October 26, 2011	Budget Development Committee Meeting
January 9, 2012	Preliminary FY13 Budget Information Board Work Session
February 6, 2012	Detailed Preliminary FY13 Budget Information Board Work Session
February 6, 2012	Board Meeting – Presentation of FY13 Preliminary Budget
February 14, 2012	Joint Work Session – School Board and Borough Assembly
February 15, 2012	Public Budget Forum, Seward High School Library, 5:30 pm
February 16, 2012	Public Budget Forum, Kenai Central High School Library, 5:30 pm
February 21, 2012	Public Budget Forum, Homer High School Library, 5:30 pm
March 5, 2012	Board Meeting – Continuing Review of FY13 Preliminary Budget
April 2, 2012	Board Meeting – Present FY13 Preliminary Budget for Approval

ADMINISTRATIVE RECOMMENDATION

Information is presented for information and discussion, no action is necessary at this time.