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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NEWS RELEASE

SB207 and SB209 could increase KPBSD deficit

Soldotna, April 1, 2016—The Senate Finance Committee introduced four education related bills which potentially affect KPBSD revenue and expenditures. [SB 207](#) – Teacher Retirement Employer Contributions, and [SB 209](#) – PERS Employer Contributions, both increase the percentage school districts will contribute to the Alaska Teachers’ Retirement System (TRS), and Public Employees’ Retirement System (PERS) over the next several years.

KPBSD analyzed the potential impact of this additional revenue expenditure for our 2016-2017 budget, together with our commitment to provide stability for our students, staff, and community within the changing fiscal climate. The impact of the unanticipated expenditures to the KPBSD FY17 budget is estimated to be:

- **TRS potential additional FY17 expenditure: \$3,073,390***
- **PERS potential additional FY17 expenditure: \$436,584***
- **Total FY17 unanticipated revenue expenditure for KPBSD: \$3,511,974***

**collective bargaining is currently taking place, and could cause this to increase.*

Over 80 percent of the 2016-2017 budget is related to staff (salary and benefits). A \$3.5 million reduction translates into the potential loss of approximately 40 teaching positions.

SB 207 does include language stating, “It is the intent of the legislature to appropriate additional money to school districts annually to mitigate the annual increases to employer costs for the first five complete fiscal years under this Act.” SB 209 does not include this language.

A third new bill, [SB 210](#) - Community Revenue Sharing and Property Tax Exemptions, will potentially affect borough and municipality funding, and thus has the potential consequence of reducing the ability of the borough to fund the school district with a maximum allowable contribution.

The Senate budget does propose to keep the \$50 BSA increase for FY17, which for KPBSD, based on projected enrollment, equates to \$886,375.

KPBSD: ONE DISTRICT, FORTY-FOUR DIVERSE SCHOOLS

The mission of the Kenai Peninsula Borough School District is to develop productive, responsible citizens who are prepared to be successful in a dynamic world.

ANCHOR POINT COOPER LANDING HOMER HOPE KACHEMAK SELO KENAI MOOSE PASS NANWALEK NIKISKI NIKOLAEVSK NINILCHIK PORT GRAHAM RAZDOLNA SELDOVIA SEWARD SOLDOTNA STERLING TUSTUMENA TYONEK VOZNESENKA

“I’m very concerned that the legislature is proposing this further expenditure, particularly this late in our process of budgeting and staffing for next year,” said Superintendent Sean Dusek. “While KPBSD appreciates the inclusion of the \$50 BSA in the proposed Senate budget, which the district does receive as revenue, the additional percentage of PERS and TERS increases our expenditures by far more than the \$50 BSA revenue. KPBSD is committed to deliver a quality education to our students, and provide stability for our staff and communities.”

Links

[SB 207](#) – Teacher Retirement Employer Contributions

[SB 208](#) – Eliminate Alaska Performance Scholarship

[SB 209](#) – PERS Employer Contributions

[SB 210](#) – Community Revenue Sharing and Property Tax Exemptions

[KPBSD and the Legislature webpage](#)

[The Alaska State Legislature webpage](#)

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