

Kenai Peninsula Borough School District

COMMUNITY BUDGET MEETINGS

February 2020



Introductions

Ms. Elizabeth Hayes, Director of Finance

Mr. Dave Jones, Assistant Superintendent of Instructional Support

Agenda

I. Budget

- a. Expenditures and Reductions History FY15 – FY20
- b. FY21 Preliminary Budget Revenue
- c. FY21 Preliminary Budget Expenditures
- d. FY21 Preliminary Budget Overview and Use of Fund Balance
- e. Fund Balance History
- f. State Legislative Process
- g. KPB Process

II. Questions

Expenditure Reductions since FY15 (\$11,091,048)

- **FY15 Budget Reductions** (\$1,254,000)

- Increase certified PTR .5 FTE and reduce unallocated for school size by 3.0 FTE
- Reduce District Office staffing
- Technology expenditures
- Supplies expenditures
- Software expenditures
- Utilities (convert to natural gas)
- School Board Travel

- **FY16 Budget Reductions** (\$1,375,000)

- Restructuring pool operations & Distance Ed – 2.0 FTE
- PTR reductions – Elementary shift 2.50 FTE and secondary PTR increase .5 FTE
- Curriculum
- Utilities
- Student Travel

Expenditure Reductions since FY 15, continued

- **FY17 Budget Reductions** (\$3,436,829)
 - District Office staffing
 - District Office Supplies, Travel, Pro-tech, Software and Equipment
 - 12.15 FTE Certified teachers (due to enrollment), 1.0 FTE Counselor, 2.0 FTE Administration
 - Reduce transfer to Student Nutrition Services
 - 2% Reduction in estimated salary and benefits due to change in budgeting
- **FY18 Budget Reductions** (\$1,869,308)
 - Reduce unallocated for school size adjustment 5.0 FTE
 - Pupil services coordinator 1.0 FTE
 - Accounting Specialist
 - Extra Curricular Safety money
 - ELL Tutors
 - Custodial

Expenditure Reductions since FY15, continued

- **FY19 Budget Reductions** (\$522,787)
 - District Office travel 10% reduction
 - School Administration travel 10% reduction
 - State Tournament travel
 - Extra Curricular travel
 - Connection supplies
 - Extra Curricular safety equipment
 - Art Specialist
 - Purchasing Supervisor
 - School Administration
 - Extra Curricular stipends

- **FY20 Budget Reductions** (\$2,633,124)
 - Regional Administration Adjustment
 - Soldotna Prep/Soldotna High Consolidation
 - PTR reductions – High School PTR increase +5 = 15 FTE
 - Supplies
 - Extra Curricular – State Travel and Safety Equipment

- **Total Budget Expenditure Reductions** (\$11,091,048)

Preliminary FY21 General Fund Budget – State of Alaska Revenue

| | FY19 Actual | FY20 Revised | FY21 Preliminary |
|--|------------------|-------------------|-------------------|
| State of Alaska Foundation \$5,930 BSA | \$79,011,273 | 78,773,326 | \$77,652,172 |
| State of Alaska One-Time funding | 1,389,955 | 2,072,133 | - |
| State of Alaska Quality Schools | 288,080 | 286,749 | 285,929 |
| State of Alaska TRS/PERS On-Behalf | <u>9,803,790</u> | <u>10,048,289</u> | <u>10,626,356</u> |
| Total | \$90,493,098 | \$91,180,497 | \$88,564,457 |

- State of Alaska – Base Student Allocation at same levels as FY17, FY18, FY19, FY20 and FY21 - \$5,930

Preliminary FY21 General Fund Budget – KPB Revenue

| | FY19 Actual | FY20 Revised | FY21 Preliminary |
|-------------------|-------------------|-------------------|-------------------|
| KPB Appropriation | \$38,883,797 | \$41,463,667 | \$41,728,049 |
| KPB In-Kind | <u>10,854,635</u> | <u>11,048,424</u> | <u>11,048,424</u> |
| Total | \$49,738,432 | \$52,512,091 | \$52,776,473 |

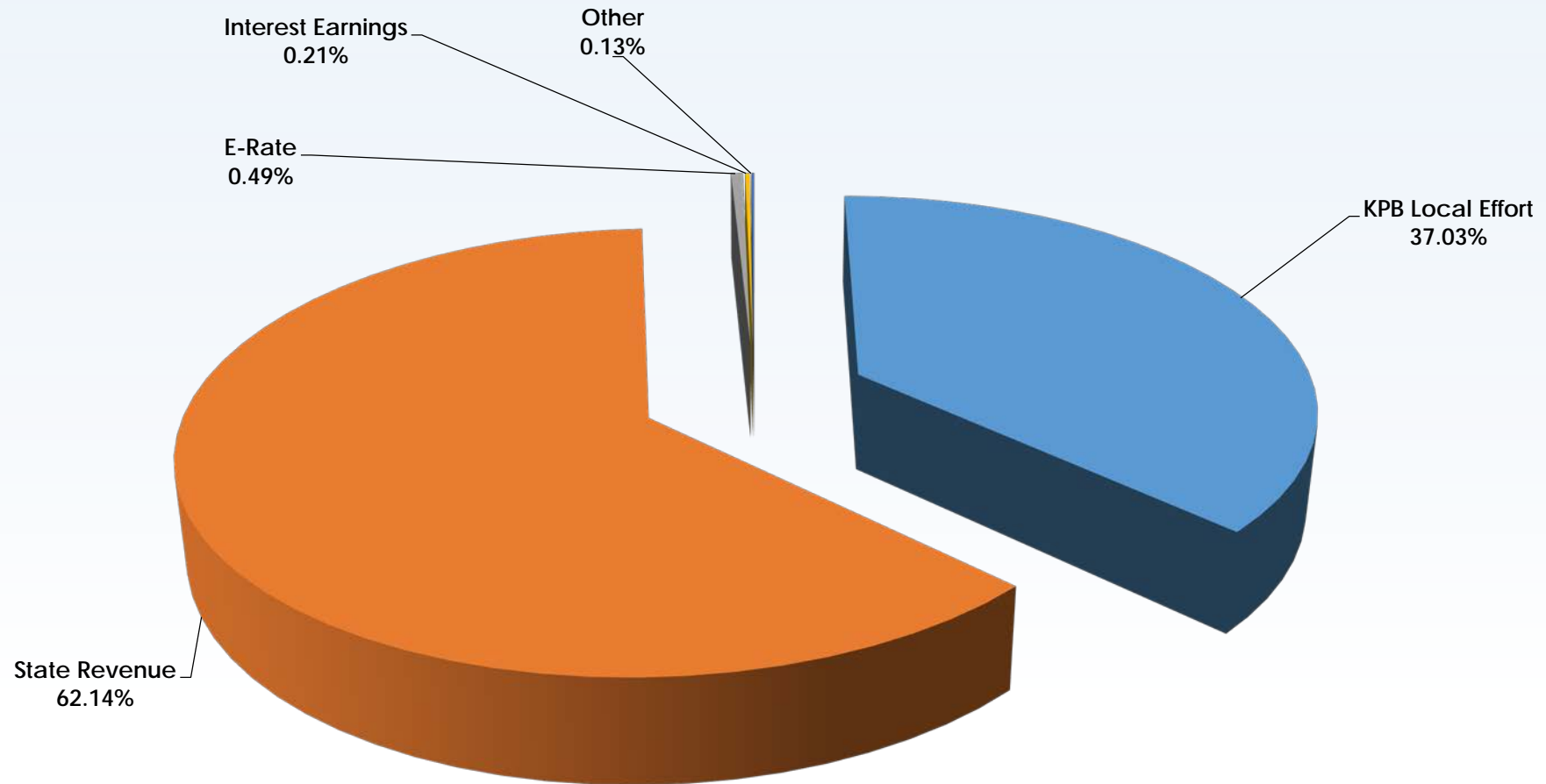
- KPB Support – FY20 is slightly under the maximum allowable and FY21 Preliminary is budgeted at maximum allowable.

Preliminary FY21 General Fund Budget – Total Revenue

| | FY19 Actual | FY20 Revised | FY21 Preliminary |
|-------------------------|------------------|------------------|------------------|
| State Of Alaska | \$90,493,098 | \$91,180,497 | \$88,564,457 |
| Kenai Peninsula Borough | 49,738,432 | 52,512,091 | 52,776,473 |
| Other Revenue | <u>2,131,654</u> | <u>1,405,000</u> | <u>1,180,000</u> |
| Total Revenue | \$142,363,184 | \$145,097,588 | \$142,520,930 |

- Other Revenue: E-rate, Medicaid, Interest Earnings and Other Miscellaneous.

Preliminary FY21 Revenue by Source



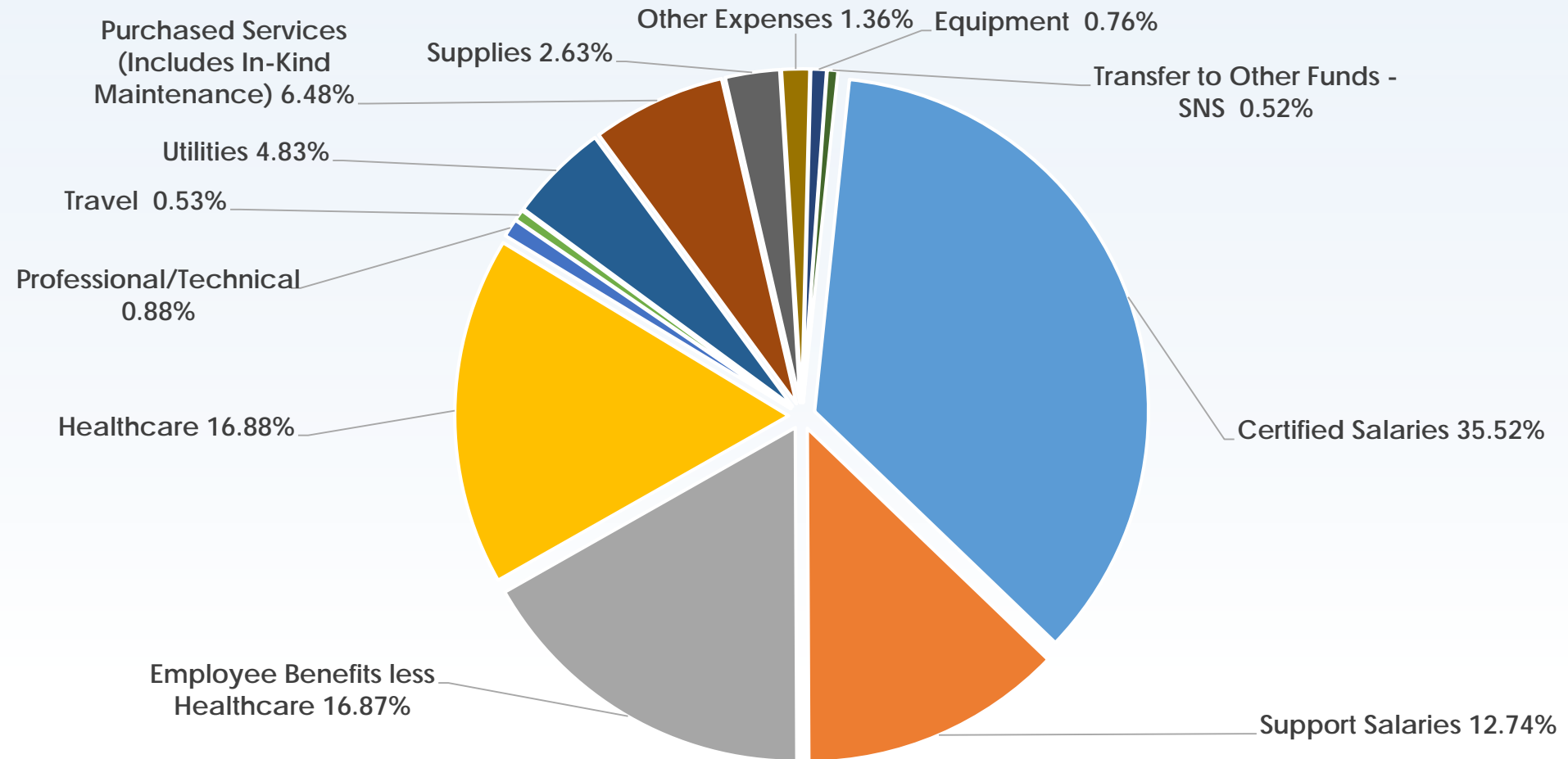
Preliminary FY21 General Fund Budget - Expenditures

| | | |
|---|----------------------|----------------|
| Salaries – Includes Step Increases | \$69,863,715 | 48.26% |
| Benefits | 47,617,574 | 32.89% |
| Workers Compensation | 1,251,537 | 0.86% |
| Professional and Technical | 1,269,584 | 0.88% |
| Travel (Includes Extra Curricular Travel) | 760,695 | 0.53% |
| Utilities | 6,996,206 | 4.83% |
| Purchased Services (Includes In-Kind Maintenance) | 9,382,871 | 6.48% |
| Supplies | 3,708,576 | 2.63% |
| Other Expenses (Includes Charters Schools Additional Allowable) | 1,975,319 | 1.36% |
| Equipment | 1,102,811 | 0.76% |
| Transfers to Other Funds – Student Nutrition | <u>750,000</u> | <u>0.52%</u> |
| Total Expenditures | \$144,776,830 | 100.00% |

Preliminary FY21 General Fund Budget - Expenditures

- The employee salaries were calculated with a step increases
- The Healthcare calculation was based on FY20 HDHP rates + 7%. This amount may be updated at a later date if more information is received. The split for health care is 85/15 per the negotiated agreement.
- A lapse calculation of 2% was used for salaries and benefits.
- 6.0 FTE Elementary School Counselors included in budget.

FY21 Budgeted Expenditures by Object



FY21 Preliminary General Fund

| | | |
|--|----------------|--------------------|
| Revenue | | \$142,520,930 |
| Expenditures | 144,026,830 | |
| Transfer to Other Fund – Student Nutrition | <u>750,000</u> | |
| Total GF expenditures and transfers | | <u>144,776,830</u> |
| GF deficit | | (2,255,900) |
| FY19 Unassigned Fund Balance | | <u>3,929,885</u> |
| Remaining FY19 Unassigned Fund Balance | | \$1,673,985 |

Fund Balance FY13 through FY19

| | <u>FY13 Actual</u> | <u>FY14 Actual</u> | <u>FY15 Actual</u> | <u>FY16 Actual</u> | <u>FY17 Actual</u> | <u>FY18 Actual</u> | <u>FY19 Actual</u> |
|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Nonspendable | \$1,715,712 | \$1,687,933 | \$707,220 | \$2,064,255 | \$2,212,284 | \$2,074,756 | \$1,932,980 |
| Restricted | \$2,042,326 | \$2,471,131 | \$2,988,996 | \$3,307,934 | \$2,612,510 | \$3,361,630 | \$3,267,336 |
| Assigned | \$9,574,744 | \$8,120,850 | \$5,655,347 | \$3,625,958 | \$1,618,721 | \$2,802,979 | \$1,626,718 |
| Unassigned | \$6,290,517 | \$6,116,952 | \$7,897,978 | \$2,671,214 | \$3,954,326 | \$1,671,218 | \$3,929,885 |
| Committed | = | = | = | <u>\$4,200,580</u> | <u>\$4,157,085</u> | <u>\$4,289,271</u> | <u>\$5,584,860</u> |
| Total | \$19,623,299 | \$18,396,866 | \$17,249,541 | \$15,869,941 | \$14,554,926 | \$14,199,854 | \$16,341,779 |

Fund Balance - History

| | <u>FY13</u> | <u>FY14</u> | <u>FY15</u> | <u>FY16</u> | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Fund Balance | \$19,623,299 | \$18,396,866 | \$17,249,541 | \$15,869,941 | \$14,554,926 | \$14,199,854 | \$16,341,779 |
| Change in Fund Balance | \$(740,979) | \$(1,226,433) | \$(1,147,325) | \$(1,379,600) | \$(1,315,015) | \$(355,072) | \$2,141,925 |
| Unassigned Fund Balance | \$6,290,517 | \$6,116,952 | \$7,897,978 | \$2,671,214 | \$3,954,326 | \$1,671,218 | \$3,929,885 |

Legislative Process

90 Day Session – Statute

120 Day Session – Constitution

Possible Special Session

School Funding Passed

Possible Governor's Veto

Legislature Override of Veto 3/4's vote needed.

45 Votes needed comprised from both the Senate and the House

KPB Process

April – BOE approves budget, submits a formal request to KPB for funding

30 days after formal request is received, KPB is required to approve funding for the School District.

Questions/Discussion....

Contact your State Legislators

Senator Peter Micciche, District O

Senator.Peter.Micciche@akleg.gov

Senator Gary Stevens, District P

Senator.Gary.Stevens@akleg.gov

Representative Ben Carpenter, District 29

Representative.Ben.Carpenter@akleg.gov

Representative Gary Knopp, District 30

Representative.Gary.Knopp@akleg.gov

Representative Sarah Vance, District 31

Representative.Sarah.Vance@akleg.gov

Representative Louise Stutes, District 32

Representative.Louise.Stutes@akleg.gov

Kenai Peninsula Borough School District



www.kpbsd.org