

# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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## SCHOOL BOARD COMMUNICATION

|                                    |   |                     |      |
|------------------------------------|---|---------------------|------|
| <b>Title:</b>                      | <b>FY13 Budget</b>  |                     |      |
| <b>Date:</b>                       | <b>March 27, 2012</b>   | <b>Item Number:</b> | 11b. |
| <b>Administrator:<br/>Through:</b> | <b>Dave Jones, Assistant Superintendent</b> <i>Dave Jones</i><br><b>Steve Atwater, Superintendent</b> |                     |      |
| <b>Attachments:</b>                | <b>FY13 Preliminary Budget</b>  |                     |      |

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

## BACKGROUND INFORMATION

The FY13 Preliminary Budget Document has been presented for review by all interested parties. 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 was provided to help facilitate understanding of the FY13 General Fund 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 principal 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 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 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. This includes expenditures of \$142,682,644 and transfers of \$325,000.

- 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<br>2.0 FTE if enrollment 270-345<br>2.5 FTE if enrollment > =346 |                                |
| Elementary Intervention | .50 FTE if enrollment 200-350<br>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<br>1:350 pupil/teacher ratio Grades 7-8     |
| Secondary Library          | .50 FTE if enrollment > = 200<br>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<br>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<br>2.0 FTE if Grades 7-12 enrollment 21-40<br>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<br>1.0 FTE/20,000 Square Feet and<br>1:100 pupil/custodian ratio          |
| Elementary Secretary    | 1.0 FTE if enrollment < = 275<br>1:275 pupil/secretary ratio if enrollment > 275     |
| Elementary Library Aide | .38 FTE if Grades K-6 enrollment < = 275<br>.44 FTE if Grades K-6 enrollment > = 276 |

**HIGH SCHOOL**

|                                  |  |
|----------------------------------|--|
| High School Custodian            | Average of 1.0 FTE/22,000 Square Feet and<br>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<br>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<br>1:125 pupil/custodian ratio |
| Middle School Secretary            | 1:200 pupil/secretary ratio  |
| Middle School Counseling Assistant | .50 FTE if enrollment 200-400<br>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<br>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.
- The Request for Proposal for Student Transportation Services was final in February, with one respondent. Depending on the results of additional conversations and legislative action, there could be additional adjustments to the FY13 budget.
- Ongoing negotiations with employee bargaining groups will affect 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 were 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 Budget for Approval                |

**ADMINISTRATIVE RECOMMENDATION**

Information is presented for information and discussion, approval of FY13 Budget requested.