

Kenai Peninsula Borough School District

COMMUNITY BUDGET MEETINGS

February 2019



Introductions

Mr. Dave Jones, Assistant Superintendent of Instructional Support

Ms. Elizabeth Hayes, Director of Finance

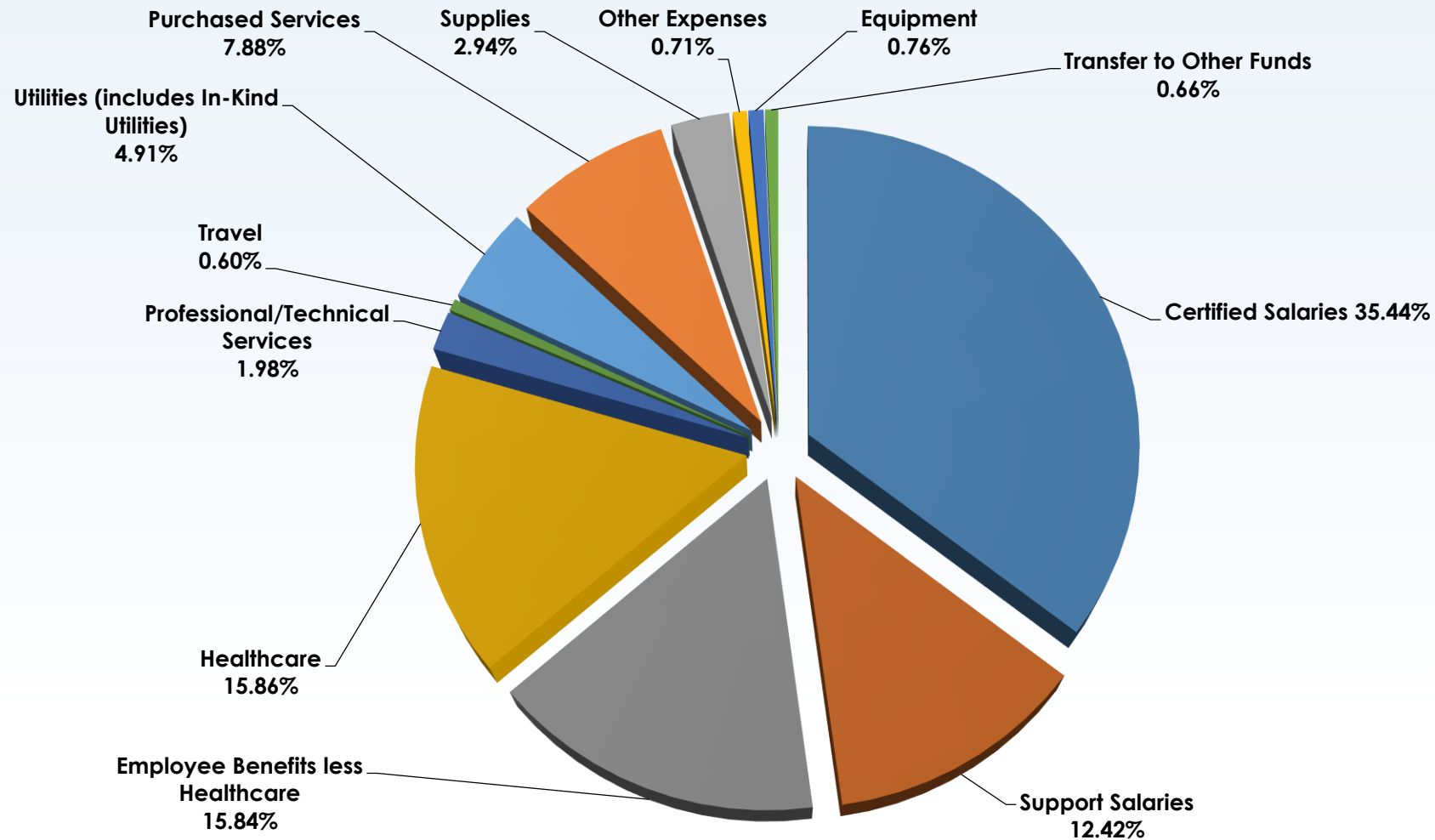
Agenda

I. Budget

- a. Expenditures and Reductions History FY15 – FY19
- b. Fund Balance Usage FY12 – FY18
- c. Revenue Review
- d. FY19 Budget Review
- e. FY20 Budget Information
- f. State Legislative Process
- g. KPB Process

II. Questions

FY19 Budgeted Expenditures by Object



Expenditure Reductions since FY15 (\$8,457,924)

- **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
- **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

Expenditure Reductions since FY 15, continued

- **FY 18 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

- **FY 19 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

- **Total Budget Expenditure Reductions** (\$8,457,924)

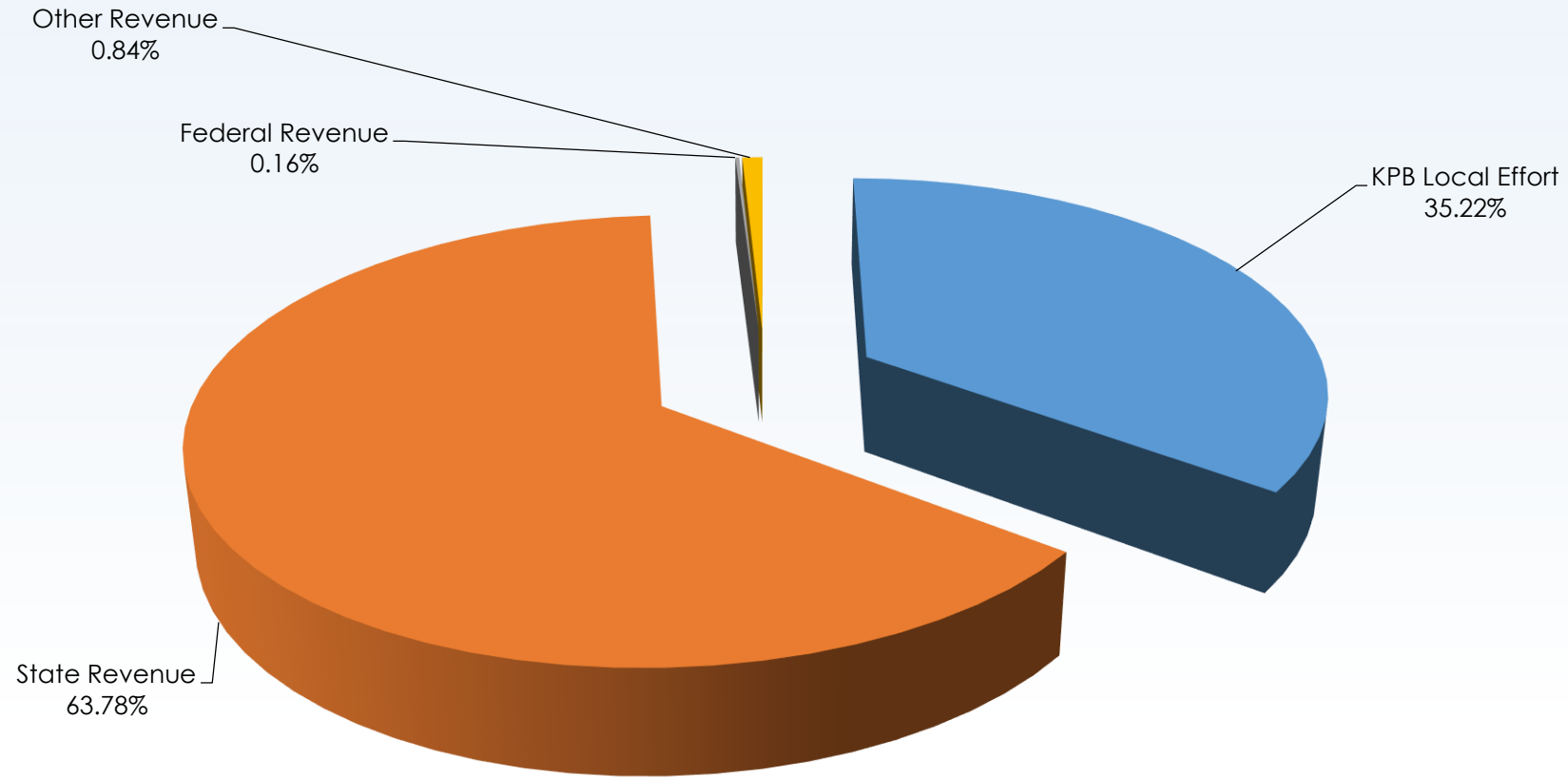
Fund Balance FY12 through FY18

	<u>FY12 Actual</u>	<u>FY13 Actual</u>	<u>FY14 Actual</u>	<u>FY15 Actual</u>	<u>FY16 Actual</u>	<u>FY17 Actual</u>	<u>FY18 Actual</u>
Nonspendable	\$1,978,610	\$1,715,712	\$1,687,933	\$707,220	\$2,064,255	\$2,212,284	\$2,074,756
Restricted	\$1,629,245	\$2,042,326	\$2,471,131	\$2,988,996	\$3,307,934	\$2,612,510	\$3,361,630
Assigned	\$9,947,905	\$9,574,744	\$8,120,850	\$5,655,347	\$3,625,958	\$1,618,721	\$2,802,979
Unassigned	\$6,808,518	\$6,290,517	\$6,116,952	\$7,897,978	\$2,671,214	\$3,954,326	\$1,671,218
Committed	=	=	=	=	<u>\$4,200,580</u>	<u>\$4,157,085</u>	<u>\$4,289,271</u>
Total	\$20,364,278	\$19,623,299	\$18,396,866	\$17,249,541	\$15,869,941	\$14,554,926	\$14,199,854

Fund Balance - History

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Fund Balance	\$20,364,278	\$19,623,299	\$18,396,866	\$17,249,541	\$15,869,941	\$14,554,926	\$14,199,854
Change in Fund Balance	\$(2,994,764)	\$(740,979)	\$(1,226,433)	\$(1,147,325)	\$(1,379,600)	\$(1,315,015)	\$(355,072)
Unassigned Fund Balance	\$6,808,518	\$6,290,517	\$6,116,952	\$7,897,978	\$2,671,214	\$3,954,326	\$1,671,218

FY19 Revenue by Source



State Revenue History

Fiscal Year	Base Student Allocation (BSA)	Statewide One-Time Funding	KPBSD Share of One-Time Funding
FY16	\$5,880	\$0	\$0
FY17	\$5,930	\$0	\$0
FY18	\$5,930	\$0	\$0
FY19	\$5,930	\$20,000,000	\$1,398,898
FY20	?	\$30,000,000	\$2,100,012

KPB Revenue History

	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20
Appropriation	\$37,908,561	\$37,583,417	\$38,883,797	\$38,883,797	
In-Kind	<u>\$10,329,871</u>	<u>\$10,655,015</u>	<u>\$10,854,635</u>	<u>\$10,854,635</u>	
Total GF Support	\$48,238,432	\$48,238,432	\$49,738,432	\$49,738,432	?

FY19 Preliminary General Fund

Revenue		\$138,479,490
Expenditures	140,887,651	
Transfer to Other Fund – Student Nutrition	<u>950,000</u>	
Total GF expenditures and transfers		<u>141,837,651</u>
GF deficit		(3,358,161)
Use of 1/3 Unassigned Fund Balance		<u>1,318,109</u>
Remaining FY19 GF Deficit		(\$2,040,052)
Administration recommended \$1,869,892 in budget reductions.		

FY19 Preliminary General Fund (Continued)

State one-time funding	\$1,405,152
Remaining deficit	(634,900)
Actual cuts made	522,787
Remaining deficit	(112,113)
Final fund balance usage	\$1,430,222

FY19 Preliminary General Fund

January 14, 2019 FY19 Budget Revision reduced fund balance usage to \$675,755

Governor Dunleavy supplemental budget proposed deleting the one-time funding for FY19. Which is \$1,398,898

If deleted, fund balance usage would go to \$2,074,653

FY19 KPB Funding Request

- April 2, 2018 BOE approved the FY19 GF budget, requesting maximum funding from KPB in the amount of \$51,796,193.
- May 1, 2018 KPB Resolution 2018-022 was passed proposing school funding for FY19 be \$49,738,432.
- June 5, 2018, KPB Assembly passed a budget amendment increasing funding by \$652,609.
- June 19, 2018 KPB Mayor Pierce vetoed the additional funding approved by the Assembly.
- July 6, 2018 A special meeting was held to override the Mayor's veto, but failed 5 – 4. One vote short of overriding the Mayor's veto.
- KPB Borough funding for FY19, was the same as the prior year which was \$2,057,761 under the cap.

Negotiations – Cost of KPEA and KPESA Proposals **

Total KPEA Cumulative Salary Schedule	\$2,822,808
Total KPESA Cumulative Salary Schedule	1,277,678
Total Healthcare Proposal – KPEA & KPESA *	1,876,456
Total Other Proposal Items	<u>1,451,649</u>
Total 3 year proposal cost	\$7,428,591

** Additional Information on the handouts and on website:

<http://www.kpbsd.k12.ak.us/departments.aspx?id=23343>

+3 PTR (Pupil Teacher Ratio) Adjustments

HS = 10.5 FTE Teachers

MS = 4.0 FTE Teachers

Elementary Schools K-6 ≥ 250 = 12.5 FTE Teachers

Elementary Small Schools K-6 100-250 = 5.0 FTE Teachers

Small Schools < 200 = 5.0 FTE Teachers

Connections Homeschool = .5 FTE Teachers

Total FTE Reductions due to a PTR increase of 3 = 37.5 FTE

Teacher FTE Equivalent and Budget

1 FTE Teacher = \$100,000 salaries and benefits (average)

+3 PTR = 37.5 FTE

37.5 FTE = \$3,750,000 in budget reductions.

What about +5 or +7?

+5 = 56.0 FTE

+7 = 74.5 FTE

Preliminary FY20 General Fund Budget – Status Quo

Revenue: Flat State and KPB Funding		\$142,588,810
Expenditures Before Negotiations	141,421,983	
Transfer to Other Fund – Student Nutrition	<u>950,000</u>	
Total Expenditures and Transfers		<u>142,371,983</u>
Excess (Deficiency)of Revenues over Expenditures		\$216,827

FY20 GOVERNOR'S BUDGET – IMPACT

Statewide Basic funding for the K-12 foundation is:

- \$916,462,994 for the foundation formula, a cut of \$269,396,937 from the statutory amount of \$1,185,859,931, a 22.7 percent decrease
- \$0 of the \$30 million in one-time funding outside the BSA, bringing the total decrease of the statutory amount plus the one-time funding up to a total of a 25.3 percent decrease in foundation funding.

FY20 GOVERNOR'S BUDGET – KPBSD IMPACT

FY20 Projected \$5,930 Basic Need	\$106,502,207
FY20 Projected State AID	\$79,009,719
Quality Schools	<u>287,358</u>
FY20 Projected Total State Entitlement	\$79,297,077
FY20 Projected Governor's Amended	\$60,439,182
FY20 Projected Foundation Reduction	(\$18,857,895)
FY20 One-Time Funding	(\$2,100,012)
FY20 Projected Combined Reduction	(\$20,957,907)

What should we do?

**Where will the cuts come
from?**

Areas to be Considered for Cuts

- Certified and Support Staff (PTR increases)
- Extra Curricular Activities
- Consolidating/Closing Schools
- Pools
- Theaters
- Other

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.

Mayor has line item veto power over Assembly's approved budget.

6 of the 9 member assembly is needed to override a veto by the Mayor.

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

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