

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT BOARD  
OF EDUCATION  
AGENDA STATEMENT

No. 8 c.

MEETING OF February 8, 2023

Reviewed By

**NEW BUSINESS**

Motion to approve revision to the approved Fiscal Year 2023  
Operating Fund Budget

Superintendent

Finance

SUBMITTED BY David Means, Interim Business Manager

APPROVED FOR SUBMITTAL:  Superintendent

**SUMMARY STATEMENT:** The Board is being asked to approve a revision to the approved FY23 operating fund budget to account for the increased Ketchikan Gateway Borough Assembly appropriation to the health insurance fund and to reduce planned expenditures because of reduced revenue and fund balance carryforward.

**ISSUE:** Adoption of a budget recommendation reflecting revenue and expenditure changes is required per Board Policy 3000(a). Per BP 3100: "The district budget shall be prepared annually from the best possible estimates of revenues and expenditures. The Superintendent or designee shall determine the manner in which the budget shall be prepared and shall schedule the budget adoption process in accordance with legal time requirements." Changes in revenue requires changes in budgeted expenditures to create a balanced budget.

**BACKGROUND:** On June 8, 2022 the Board of Education approved the FY 2023 Operating Fund budget. Revenues depend substantially on the enrollment count taken during October 2022. Enrollment was less than projected resulting in a decrease in state foundation revenues of \$729,574 and a reduction in the one-time state grant of \$39,610 for FY 2023. Furthermore, the fund balance carryforward from FY 2022 was \$280,326 less than expected. Proposed expenditures are reduced by \$781,403 to accommodate a \$1,049,510 reduction in revenue and fund balance carryforward.

On January 3, 2023, the Ketchikan Gateway Borough Assembly passed Ordinance 2000 increasing their contribution to the School District by \$711,098 for the District's health insurance fund.

Explanations for changes to expenditures:

- A. This authorizes an in-kind expenditure to the District's health insurance fund paid by the increased in-kind services appropriation.
- B. Several special education paraeducator positions to provide services to the charter schools were not filled.
- C. The FY 23 teacher contracts at Ketchikan High School were less than originally budgeted. This does not reduce any teacher positions.
- D. One district administrator position is vacant and will not be filled.
- E. Houghtaling's principal was hired as a grant administrator effective January 1, 2023, with the assistant principal stepping up to serve as Houghtaling's principal for the remainder of the year.
- F. During last fiscal year computer servers were ordered but they arrived during the current fiscal year. The grant was no longer able to pay for them.
- G. Schoenbar Middle School is sharing a dean of students with Fawn Mountain Elementary School. It was a full time position at Schoenbar but now is a .50 FTE position. This budget reduction is a combination of reducing Schoenbar's dean of students to .50 FTE and their teacher contracts being less than budgeted.
- H. There are two unfilled paraeducator positions at Houghtaling.
- I. There is an unfilled guidance counselor position at Point Higgins.
- J. The allocations to the two charter schools are adjusted based on their current year enrollment.
- K. This increases the amount that grants reimburse the operating fund for district level support services. The District received a significant federal grant to support student health and well-being.
- L. For some reason there were employee benefits budgeted for a section of the budget without budgeted salaries. This is a technical correction.

The Superintendent requested administrators limit their purchases to only necessary amounts to operate schools. In addition, the business manager and the superintendent review all proposed hiring. These expenditure reductions will occur throughout the budget and the remainder of the year.

RECOMMENDATION:

Approval of the revision to the Fiscal Year 2023 Operating Fund Budget as proposed.

FISCAL NOTE

|   |                                     |                          |
|---|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> N/A | EXPENDITURE<br>REQUIRED: <u>N/A</u> | AMOUNT<br>AVAILABLE: N/A |
|---|-------------------------------------|--------------------------|

EXHIBITS ATTACHED

- FY23 Operating Fund Budget Revision #1
- Ruben Duran's January 5, 2023 letter to the Board President

RECOMMENDED ACTION:

"I move that the Board of Education approve the FY23 operating fund budget revision with expenditures in the amount of \$42,359.72."

Ketchikan Gateway Borough School District  
 Operating Fund Budget Revision #1  
 FY 2023

Prepared by  
 David Means  
 for School Board  
 February 8, 2023

| Description                                 | Current Budget       | Revision #1         | Revised Budget       |
|---|----------------------|---------------------|----------------------|
| <b>REVENUES</b>                             |                      |                     |                      |
| Borough Direct Appropriations               | \$ 11,413,613        |                     | \$ 11,413,613        |
| Borough In-kind Services Appropriations     | 303,130              | 711,098             | 1,014,228            |
| Other Local Revenues                        | 40,000               |                     | 40,000               |
| E-rate Revenue                              | 120,000              |                     | 120,000              |
| Foundation Program                          | 25,755,407           | (729,574)           | 25,025,833           |
| Legislative Opportunity Grants              | 1,162,677            | (39,610)            | 1,123,067            |
| TRS Revenue On-behalf                       | 2,049,224            |                     | 2,049,224            |
| PERS Revenue On-behalf                      | 200,567              |                     | 200,567              |
| Medicaid Reimbursable                       | 100,000              |                     | 100,000              |
| Other State Revenues                        | 9,834                |                     | 9,834                |
| <b>Total Revenues</b>                       | <u>41,154,452</u>    | <u>(58,086)</u>     | <u>41,096,366</u>    |
| <b>OTHER RESOURCES</b>                      |                      |                     |                      |
| Fund Balance Carryover from FY 2022         | 1,552,221            | (280,326)           | 1,271,895            |
| <b>Total Revenues and Other Resources</b>   | <u>\$ 42,706,673</u> | <u>\$ (338,412)</u> | <u>\$ 42,368,261</u> |
| <b>EXPENDITURES</b>                         |                      |                     |                      |
| A Life and Health Insurance: whole district | \$ 6,107,417         | \$ 711,098          | \$ 6,818,515         |
| B Special Education Paraeducators: Charters | 392,054              | (292,000)           | 100,054              |
| C Teachers: Ketchikan High School           | 2,872,046            | (146,000)           | 2,726,046            |
| D District Administrator                    | 137,258              | (108,000)           | 29,258               |
| E Houghtaling Administrators, part-year     | 247,112              | (57,000)            | 190,112              |
| F Servers                                   | -                    | 48,000              | 48,000               |
| G Teachers: Schoenbar Middle School         | 1,171,373            | (89,000)            | 1,082,373            |
| H Paraeducators: Houghtaling                | 65,120               | (65,000)            | 120                  |
| I Guidance Counselor: Point Higgins         | 87,223               | (86,200)            | 1,023                |
| J Ketchikan Charter School                  | 2,447,516            | 118,359             | 2,565,875            |
| J Tongass School of Arts and Sciences       | 2,235,776            | (60,062)            | 2,175,714            |
| K Indirect Cost Reimbursement               | (75,000)             | (25,000)            | (100,000)            |
| L Support Service: Employee Benefits        | 19,678               | (19,500)            | 178                  |
| Other Expenditures                          | 26,722,460           |                     | 26,722,460           |
| <b>Total Expenditures</b>                   | <u>\$ 42,430,033</u> | <u>\$ (70,305)</u>  | <u>\$ 42,359,728</u> |
| <b>Ending Fund Balance</b>                  | <u>\$ 276,640</u>    |                     | <u>\$ 8,533</u>      |



# KETCHIKAN GATEWAY BOROUGH

1900 First Avenue, Suite 210, Ketchikan, Alaska 99901

• telephone: (907) 228-6625 • fax (907) 228-6684

Office of the Borough Manager

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January 5, 2023

Mr. Stephen Bradford, President  
Board of Education  
Ketchikan Gateway Borough School District  
333 Schoenbar Road  
Ketchikan, Alaska 99901

**RE: Determination of the Total Amount of Money to be Made Available from Local Sources for School Purposes During FY 2023**

Dear Mr. Bradford:

At its regularly scheduled meeting of January 3, 2023 the Assembly adopted Ordinance 2000-Substitute, which approved \$711,098 in additional spending authority for the School District for the fiscal year ending June 30, 2023.

In accordance with AS 14.14.060(c), the Assembly of the Ketchikan Gateway Borough has determined that \$12,556,232 will be made available from local sources for school purposes for the same fiscal year ending date, and is comprised of \$5,318,687 for the required local contribution, \$6,094,926 in discretionary contributions, and \$245,917 for school building insurance paid by the Borough from the Local Education Fund; \$711,098 on-behalf contribution into the School District's Health Insurance Fund; and \$185,604 of in-kind services provided by the Borough for use of athletic fields and the Gateway Aquatic Center, Homestead Road fees, and fire and EMS services from the North and South Tongass service areas not included in the District's total spending authority. The supplemental appropriation is specifically intended by the Assembly to be applied to the current deficit in the School District Health Insurance Fund.

The Borough cannot complete this non-cash on-behalf contribution until after the school Board adopts a budget revision and makes the necessary transactions, so I encourage the District to put this on an upcoming agenda. Once a budget revision is adopted by the Board, Borough Finance staff will reach out to the District's Business Office to discuss the specifics of the accounting transactions involved.

Sincerely,

Ruben Duran  
Borough Manager

RE: Determination of the Total Amount of Money to be Made Available from Local Sources for School  
Purposes During FY 2023  
January 5, 2023  
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cc: Michael Robbins, Superintendent  
Charlanne Thomas, Finance Director  
David Means, Interim Business Manager  
Kacie Paxton, Borough Clerk  
Glen Brown, Borough Attorney