

**KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT BOARD OF EDUCATION
AGENDA STATEMENT**

No. 3.a.

MEETING OF: September 26, 2024

ITEM TITLE:
NEW BUSINESS

REVIEWED BY:

Financial information will be presented for preliminary fiscal year
2025-2026 budget and the pressures of funding levels not being known

Superintendent
 Finance

SUBMITTED BY: Daniel Schuler, Business Manager: 907 247 2116

APPROVED FOR SUBMITTAL: Michael Robbins, Superintendent: 907 247 2109

SUMMARY STATEMENT:

The budget committee will receive information regarding revenue and expenses for the Fiscal Years 2025-2026, 2026-2027, 2027-2028 and 2028-2029.

ISSUE:

It is likely that funding for schools in Alaska will continue to not be at a level that will support the expenses necessary to provide a challenging education programming.

BACKGROUND:

The Base Student Allocation (BSA) has only been increased by \$30 since 2017.

RECOMMENDATION:

Not Applicable

ATTACHMENT:

Projected Income and Expense for Fiscal Years 2025-2026, 2026-2027, 2027-2028 and 2028-2029.
Projected Foundation Formulas for Fiscal Years 2025-2026, 2026-2027, 2027-2028 and 2028-2029.

EXPENDITURE REQUIRED: \$N/A

AMOUNT BUDGETED: \$N/A

RECOMMENDED ACTION:

Not applicable

<i>Description</i>	<i>Projected FY2025-2026 Budget</i>	<i>Projected FY2026-2027 Budget</i>	<i>Projected FY2027-2028 Budget</i>	<i>Projected FY2028-29 Budget</i>
Projected FY2024-2025 Operating Fund Revenue				
Borough Direct Appropriations	12,278,614	12,328,711	12,430,932	12,519,770
Borough In-kind Services Appropriations	355,000	355,000	355,000	355,000
Interest Income	185,000	185,000	185,000	185,000
Other Local Revenues	75,000	75,000	75,000	75,000
E-rate Revenue	214,000	214,000	214,000	214,000
Foundation Program	23,523,721	22,873,592	22,401,032	21,850,251
Quality Schools	79,797	78,552	77,797	76,848
Legislative Opportunity Grants	3,391,391	3,338,440	3,306,384	3,266,060
TRS Revenue On-behalf	2,181,300	2,181,300	2,181,300	2,181,300
PERS Revenue On-behalf	214,700	214,700	214,700	214,700
Other State Revenues	15,000	15,000	15,000	15,000
Medicaid Reimbursement	150,000	150,000	150,000	150,000
Other Fed Sources	15,000	15,000	15,000	15,000
Total Projected Operating Fund Revenues	42,678,523	42,024,295	41,621,146	41,117,929
Salaries				
Certified Salaries	16,129,190	16,613,066	17,111,458	17,624,802
Classified Salaries	6,886,927	7,093,535	7,306,341	7,525,531
Total Salaries	23,016,117	23,706,601	24,417,799	25,150,333
Employee Benefits				
Insurance - Life and Health	8,183,998	9,002,398	9,902,638	10,892,902
On Behalf Retirement Payments	2,467,880	2,541,916	2,618,174	2,696,719
Other Employee Benefits	4,614,377	4,752,808	4,895,392	5,042,254
Total Employee Benefits	15,266,255	16,297,123	17,416,204	18,631,875
Services, Supplies & Equipment				
Utilities	1,829,023	1,883,893	1,940,410	1,998,622
Services	2,458,353	2,532,103	2,608,066	2,686,308
Supplies and Equipment	1,639,249	1,688,426	1,739,079	1,791,252
Total Services, Supplies & Equipment	5,926,624	6,104,423	6,287,555	6,476,182
Total Expenditures	44,208,997	46,108,146	48,121,559	50,258,390
Surplus (Deficit) from Operations - Operating Fund	(1,530,473)	(4,083,852)	(6,500,413)	(9,140,461)
Beginning Fund Balance	(117,473)	(1,647,946)	(5,731,798)	(12,232,210)
Ending Fund Balance	(1,647,946)	(5,731,798)	(12,232,210)	(21,372,671)

	Factors	Adjusted ADM
Adjusted ADM based on school size factors		2,323.37
Hold Harmless		0.00
<i>Adjusted ADM and Hold Harmless</i>		<u>2,323.37</u>
 Adjustments to District ADM - Multipliers:		
District Cost Factor	1.170	2,718.34
Voc Ed, Special Ed, and ESL	1.200	3,262.01
Career Technology	1.015	3,310.94
 Other Adjustments to District ADM:		
Plus Students Qualifying for Intensive Needs	123.00	13,000 1,599.00
Plus Correspondence (Fast Track)	86.00	0.900 77.40
Pre-School	-	0.500 0.00
<i>District Adjusted ADM</i>		<u>4,987.34</u>
 REVENUE		
Basic Need (District Adjusted ADM times Base Student Allocation)	680	5,960 Revenue 29,724,546
Less Required Local Effort (2.65 mills of assessed valuation [2,166,605,376] as of 1/1/23 per state assessor)	0.00265	6,200,825
State Foundation Funding		<u>23,523,721</u>
Quality Schools' Funding		16 79,797
READS Act Multiplier		<u> </u>
 Maximum Local Funding		
Required Local Effort		<u>6,200,825</u>
Plus 23% of		
Basic Need	23%	6,836,646
Quality Schools'	23%	18,353
Legislative Opportunity Grant	23%	780,020
Total Discretionary Local Funding		<u>7,635,019</u>
Maximum Local Funding		<u>13,835,844</u>
 In-Kind Contribution		
Estimated Liability and Property Insurance (A District expenditure)		365,650
Estimate for Fire Protection and Pool Use (Not a District expenditure)		191,580
Total In-Kind		<u>557,230</u>
Maximum Local Direct Borough Appropriation		<u>13,278,614</u>
 Recap		
Required Local Effort		6,200,825
Maximum Discretionary Contribution		7,077,789
Maximum Local Direct Borough Appropriation		<u>13,278,614</u>
In-Kind Borough Appropriation		365,650
Total Request from Borough		<u>13,644,264</u>

	Factors	Adjusted ADM
Adjusted ADM based on school size factors		2,268.73
Hold Harmless		0.00
Adjusted ADM and Hold Harmless		<u>2,268.73</u>
Adjustments to District ADM - Multipliers:		
District Cost Factor	1.170	2,654.41
Voc Ed, Special Ed, and ESL	1.200	3,185.29
Career Technology	1.015	3,233.07
Other Adjustments to District ADM:		
Plus Students Qualifying for Intensive Needs	123.00	13.000 1,599.00
Plus Correspondence (Fast Track)	86.00	0.900 77.40
Pre-School	-	0.500 0.00
District Adjusted ADM		<u>4,909.47</u>
REVENUE		
Basic Need (District Adjusted ADM times Base Student Allocation)	680	5,960 29,260,441
Less Required Local Effort (2.65 mills of assessed valuation [2,166,605,376] as of 1/1/23 per state assessor)	0.00265	<u>6,386,849</u>
State Foundation Funding		<u>22,873,592</u>
Quality Schools' Funding		16 78,552
READS Act Multiplier		
Maximum Local Funding		
Required Local Effort		<u>6,386,849</u>
Plus 23% of		
Basic Need	23%	6,729,901
Quality Schools'	23%	18,067
Legislative Opportunity Grant	23%	767,841
Total Discretionary Local Funding		<u>7,515,809</u>
Maximum Local Funding		<u>13,902,658</u>
In-Kind Contribution		
Estimated Liability and Property Insurance (A District expenditure)		376,620
Estimate for Fire Protection and Pool Use (Not a District expenditure)		197,327
Total In-Kind		<u>573,947</u>
Maximum Local Direct Borough Appropriation		<u>13,328,711</u>
Recap		
Required Local Effort		6,386,849
Maximum Discretionary Contribution		6,941,862
Maximum Local Direct Borough Appropriation		<u>13,328,711</u>
In-Kind Borough Appropriation		376,620
Total Request from Borough		<u>13,705,331</u>

	Factors	Adjusted ADM
Adjusted ADM based on school size factors		2,235.65
Hold Harmless		0.00
Adjusted ADM and Hold Harmless		<u>2,235.65</u>
 Adjustments to District ADM - Multipliers:		
District Cost Factor	1.170	2,615.71
Voc Ed, Special Ed, and ESL	1.200	3,138.85
Career Technology	1.015	3,185.93
 Other Adjustments to District ADM:		
Plus Students Qualifying for Intensive Needs	123.00	13.000 1,599.00
Plus Correspondence (Fast Track)	86.00	0.900 77.40
Pre-School	-	0.500 0.00
District Adjusted ADM		<u>4,862.33</u>
 REVENUE		
Basic Need (District Adjusted ADM times Base Student Allocation)	680	5,960 28,979,487
Less Required Local Effort (2.65 mills of assessed valuation [2,166,605,376] as of 1/1/23 per state assessor)	0.00265	6,578,455
State Foundation Funding		<u>22,401,032</u>
Quality Schools' Funding	16	<u>77,797</u>
READS Act Multiplier		
 Maximum Local Funding		
Required Local Effort		<u>6,578,455</u>
Plus 23% of		
Basic Need	23%	6,665,282
Quality Schools'	23%	17,893
Legislative Opportunity Grant	23%	760,468
Total Discretionary Local Funding		<u>7,443,643</u>
Maximum Local Funding		<u>14,022,098</u>
 In-Kind Contribution		
Estimated Liability and Property Insurance (A District expenditure)		387,919
Estimate for Fire Protection and Pool Use (Not a District expenditure)		203,247
Total In-Kind		<u>591,166</u>
Maximum Local Direct Borough Appropriation		<u>13,430,932</u>
 Recap		
Required Local Effort		6,578,455
Maximum Discretionary Contribution		<u>6,852,477</u>
Maximum Local Direct Borough Appropriation		<u>13,430,932</u>
In-Kind Borough Appropriation		387,919
Total Request from Borough		<u>13,818,851</u>

	Factors	Adjusted ADM
Adjusted ADM based on school size factors		2,194.03
Hold Harmless		0.00
<i>Adjusted ADM and Hold Harmless</i>		<u>2,194.03</u>
 Adjustments to District ADM - Multipliers:		
District Cost Factor	1.170	2,567.02
Voc Ed, Special Ed, and ESL	1.200	3,080.42
Career Technology	1.015	3,126.63
 Other Adjustments to District ADM:		
Plus Students Qualifying for Intensive Needs	123.00	13,000 1,599.00
Plus Correspondence (Fast Track)	86.00	0.900 77.40
Pre-School	-	0.500 0.00
<i>District Adjusted ADM</i>		<u>4,803.03</u>
 REVENUE		
Basic Need (District Adjusted ADM times Base Student Allocation)	680	5,960 28,626,059
Less Required Local Effort (2.65 mills of assessed valuation [2,166,605,376] as of 1/1/23 per state assessor)	0.00265	6,775,808
State Foundation Funding		<u>21,850,251</u>
Quality Schools' Funding	16	<u>76,848</u>
READS Act Multiplier		<u> </u>
 Maximum Local Funding		
Required Local Effort		<u>6,775,808</u>
Plus 23% of		
Basic Need	23%	6,583,994
Quality Schools'	23%	17,675
Legislative Opportunity Grant	23%	751,194
Total Discretionary Local Funding		<u>7,352,863</u>
Maximum Local Funding		<u>14,128,671</u>
 In-Kind Contribution		
Estimated Liability and Property Insurance (A District expenditure)		399,557
Estimate for Fire Protection and Pool Use (Not a District expenditure)		<u>209,344</u>
Total In-Kind		608,901
Maximum Local Direct Borough Appropriation		<u>13,519,770</u>
 Recap		
Required Local Effort		6,775,808
Maximum Discretionary Contribution		<u>6,743,962</u>
Maximum Local Direct Borough Appropriation		13,519,770
In-Kind Borough Appropriation		399,557
Total Request from Borough		<u>13,919,327</u>