

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT BOARD OF EDUCATION
AGENDA STATEMENT

No. 11 a.

MEETING OF February 28, 2024

ITEM TITLE:

New Business:

Motion to approve FY2023-2024 Operating Fund Budget
Revisions

REVIEWED BY:

Superintendent
 Finance

SUBMITTED BY: Daniel Schuler, Business Manager 907 247 2116

APPROVED FOR SUBMITTAL: Michael Robbins, Superintendent

SUMMARY STATEMENT:

The Board of Education is being asked to approve a revision to the approved FY2023-2024 operating fund budget to account for, primarily, an increased State revenue stream and associated increases in operating fund expenditure line items.

ISSUE: Adoption of a budget recommendation reflecting revenue and expenditure changes is required per Board Policy 3100 Administrative Regulation. 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 require changes in budgeted expenditures to create a balanced budget.

BACKGROUND:

At their regularly scheduled meeting on April 26, 2023, the Board of Education approved a balanced budget based off an assumed increase in the base student allocation of \$100. Subsequent to that action, the Alaska State Legislature approved a one-time outside the base student allocation funding amount equivalent to a base student allocation of \$680. That amount was line-item vetoed by Governor Dunleavy to \$340. After the OASIS student count was certified in mid-January 2024, the Administration crafted the budget revisions shown in the PowerPoint exhibit to account for changes in both the Operating Fund revenues and expenditures.

Fiscal Year 2023-2024 Proposed Revenue Budget Adjustments:

Increase Borough Contribution to Cap \$404,952 based upon updated State Foundation Formula

Increase State Foundation Formula, Quality Schools & One-time Outside BSA funding \$1,723,951

Reduce Medicaid Reimbursement revenue from \$400,000 to \$100,000

Add State Grant Funding within the Operation Fund as follows:

AK Literacy \$430,620

AK Reads/CLSD \$14,336

Safety and Well Being \$15,100

Total Operating Fund Revenue Budget Adjustment: \$2,288,959

Fiscal Year 2023-2024 Proposed Expenditure Budget Adjustments:

Increase Certified Staffing by a net of \$100,000
Increase Classified Staffing by \$729,956
Increase Health & Welfare by \$385,370
Increase Facility Rentals by \$76,558
Increase Charter School Allocations by \$555,606
Increase Other Operating Fund Grant Expenditures by \$460,056

Total Operating Fund Expenditure Budget Adjustment: \$2,307,546

Fiscal Year 2023-2024 Proposed Budget Adjustments Recap:

Increases Overall Operating Fund Revenues to	\$42,420,835
Increases Overall Operating Fund Expenditures to	\$42,420,835

District Administration believes that the numbers shown represent the best estimations of Fiscal Year 2023-2024 revenues and expenditures given the information available at this time.

RECOMMENDATION:

Approval of the revision to the Fiscal Year 2023-2024 Operating Fund Budget as proposed.

ATTACHMENTS:

- February 21, 2024 Finance Committee PowerPoint – FY2023-2024 Budget Revisions

FISCAL NOTE: Not applicable

RECOMMENDED ACTION: "I move that the Board of Education **approve the FY23 operating fund budget revision with revenues and expenditures in the amount of \$42,420,835.**"

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

FINANCE COMMITTEE – FEBRUARY 21, 2024

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Budget Revisions

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Revenue Budget Adjustments

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 - Increase State Foundation Formula, Quality Schools & One-time Outside BSA funding \$1,723,951
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 - AK Literacy \$430,620
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Total Operating Fund Revenue Budget Adjustment: \$2,288,959

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Expenditure Budget Adjustments

- Increase Certified Staff budget by \$100,000

Rationale: There was an increase over budgeted positions in the following areas:

CTE at Kayhi

SPED at Point Higgins and the Charter Schools

But also offset by the addition of moving staff onto the SPED Grant not in the original budget

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Expenditure Budget Adjustments

- Increase Classified Staff budget by \$729,956

Rationale: There was a mixture of departures from the original FY2023-2024 Budget:

A substantial increase in SPED Paraprofessionals (14.0 fte) attributed to either transfer movement between sites or the need for increased services due to the severity of the students needs

Budget discrepancies in the area of Instructional Technology, Custodial and Site Administrative Assistants (3.0 fte)

Increase in Maintenance (2.0 fte) and Human Resource staff (1.0 fte)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Expenditure Budget Adjustments

- Increase Health & Welfare budget by \$385,370

Rationale: Increased staffing over the budget targets led to greater participation in the health and welfare plans of the district and therefore increased costs to the district.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Expenditure Budget Adjustments

- Increase Rental of Facilities budget by \$76,558

Rationale: The original budget failed to properly budget for the rental of space at both Holy Name Annex and the White Cliff office building.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Expenditure Budget Adjustments

- Increase Charter School Allocations by \$555,606

Rationale: The original budget for the Charter Schools was based off of a \$100 BSA increase. This increase trues up their allocation to the \$340 total outside the BSA funding increase as well as adjusts their average daily membership (ADM) by the certified October 2023 OASIS count.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Expenditure Budget Adjustments

- Increase AK Literacy/AK Reads/Safety & Well Being by \$460,056

Rationale: These grants were awarded after the completion and approval of the original budget by both the Board of Education and the Borough Assembly, and their revenue and associated expenditures were therefore not included in the original budget.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

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Total Operating Fund Expenditure Budget Adjustment: \$2,307,546

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fiscal Year 2023-2024 Proposed Budget Adjustments Recap:

- Increases Overall Operating Fund Revenues to \$42,420,835
 - Increases Overall Operating Fund Expenditures to \$42,420,835
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- District Administration believes that the numbers shown represent the best estimations of Fiscal Year 2023-2024 revenues and expenditures given the information available at this time.
 - Barring any unforeseen unfavorable trends, with the biggest wild card being the health and welfare expenditures for the remainder of the year, the final results from operations will be within the revised budget numbers presented above.