

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION
AGENDA STATEMENT

No 11

MEETING of: April 10, 2024

Item Title

WORK SESSION

FY 25 Budget

SUBMITTED BY: Crystal Vail, School Board Clerk

APPROVED FOR SUBMITTAL: Michael Robbins, Superintendent 247-2109

RECOMMENDED MOTION:

"I move that the Board of Education **enter a work session to review the Fiscal Year 2025 School District Budget.**"

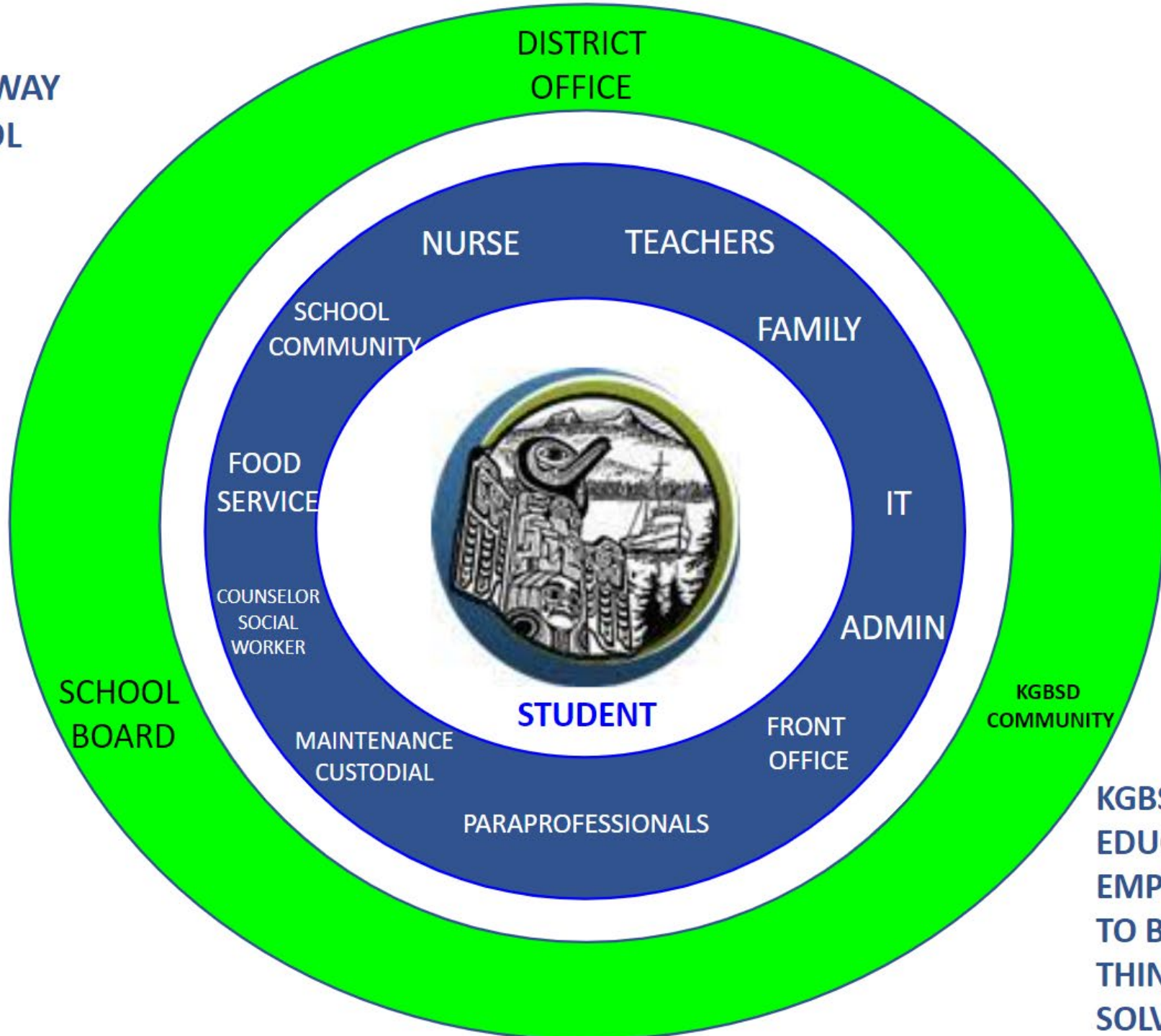


Ketchikan Gateway Borough School District

FY25 Budget

Relationships – Engagement – Student Centered

**KETCHIKAN GATEWAY
BOROUGH SCHOOL
DISTRICT**



**KGBSD GRADUATE:
EDUCATING AND
EMPOWERING STUDENTS
TO BE LEADERS, CRITICAL
THINKERS AND PROBLEM
SOLVERS.**



Increased Graduation Rate



Decrease Drop Out Rate



Special Education Compliance



Mental Wellness Program



Multi-Tiered System of Support



READS Act Implementation



Graduation Plan for all students who are off track



Career and Technical Education

KGBSD Achievements





Credit Recovery Program



AVID Program



New Code of Conduct based on Trauma Engaged Practices



Reduction of Suspension Rates



Professional Development on Trauma Engaged Practices



Strategic Planning and Policy Development



Community and Tribal Relationships



Leadership Development Program

KGBSD Achievements





FY2024-2025 Board of Education Strategic Goals

- Goal #1 – Graduation Rate

KGBSD will increase student graduation rate to 90%.

- Goal #2 – Growth

50% of students in grades 3 through 9 are expected to achieve their targeted growth scores in both reading and math assessments.

- Goal #3 – Proficiency

60% students in 4th and 8th grades who have been students in the KGBSD for five or more years or will score proficient in reading and math.



FY2024-2025 Board of Education Strategic Goals

- Goal #4 – Communication
Establish and implement a comprehensive communication plan with standardized processes and tools.
- Goal #5 – Social-Emotional Goal
Students will respond with average % positive ratings on questions regarding on Socio-Emotional Learning.
- Goal #6 – Career & Technical Ed. (CTE)
Create fully-developed pathways in the current CTE areas.



FY2024-2025 Budget Assumptions

The overarching budget assumption for FY2024-2025 is to create a spending plan designed to continue the successful educational programming detailed in the preceding slides.

At issue with doing so is that the funding side of the equation of building a balanced budget is essentially outside the control of the KGBSD Board of Education and Administration. While the Board and the Administration, as well as the Borough Assembly, KGBSD staff and Ketchikan community members, have made efforts for their voices to be heard in Juneau that the children of Ketchikan, as well as all other communities across the State of Alaska, deserve to have the same opportunities as other departments funded by the State of Alaska (SOA) as seen in the next slide.



FY2024-2025 Budget Assumptions

SOA Changes Since 2017

	FY17	FY25	\$ Change	% Change
Department of Corrections	315,917,400	450,652,700	134,735,300	42.6%
Governor's Office	25,880,400	31,917,900	6,037,500	23.3%
Legislature	65,549,200	82,416,100	16,866,900	25.7%
EED Total	1,614,209,100	1,635,793,300	21,584,200	1.3%
<i>K-12 Aid to Districts</i>	<i>1,281,045,300</i>	<i>1,237,612,700</i>	<i>(43,432,600)</i>	<i>-3.4%</i>
<i>Other DEED operations</i>	<i>333,163,800</i>	<i>398,180,600</i>	<i>65,016,800</i>	<i>19.5%</i>
Public Safety	189,033,400	321,332,400	132,299,000	70.0%
Fish and Game	203,720,200	248,279,100	44,558,900	21.9%
Natural Resources	155,984,600	209,100,500	53,115,900	34.1%

<https://omb.alaska.gov/fiscal-year-2017-enacted-budget/>

<https://omb.alaska.gov/fiscal-year-2025-amended-budget/>



FY2024-2025 Budget Assumptions

What follows are budget assumptions designed to maintain the current educational program in order to continue our successes.

This has been done knowing that at this point in time no additional funding has been allocated by the Legislature above the current base student allocation (BSA) of \$5,960 in the Foundation Formula.

Without a sizeable infusion of funding, this budget as presented is not obtainable. It is important, however, to build this plan to have the information available to carry to Juneau in order to facilitate the conversations with our Legislators about the need to provide a challenging educational environment for our students.

As such, Appendix 5960 presents information based upon a BSA funding level of \$5,960 and the corresponding changes necessary to balance the budget at that funding level.



FY2024-2025 Budget Assumptions

Projected Enrollment

- Based on a review of eleven (11) years of historical data
- Using the historical data, developed a projection using a Cohort Survival Projection Methodology using a six (6) year period
- The Cohort Survival Projection was then adjusted for the average corresponding differential between enrollment and the Average Daily Membership in the Foundation Formula over a nine (9) year period
- The following slides show trend data for live births in the southeast region of Alaska from 2011 – 2021; Historical Enrollment to Average Daily Membership from 2016 – 2024 & Projected Enrollment for FY2024-2025

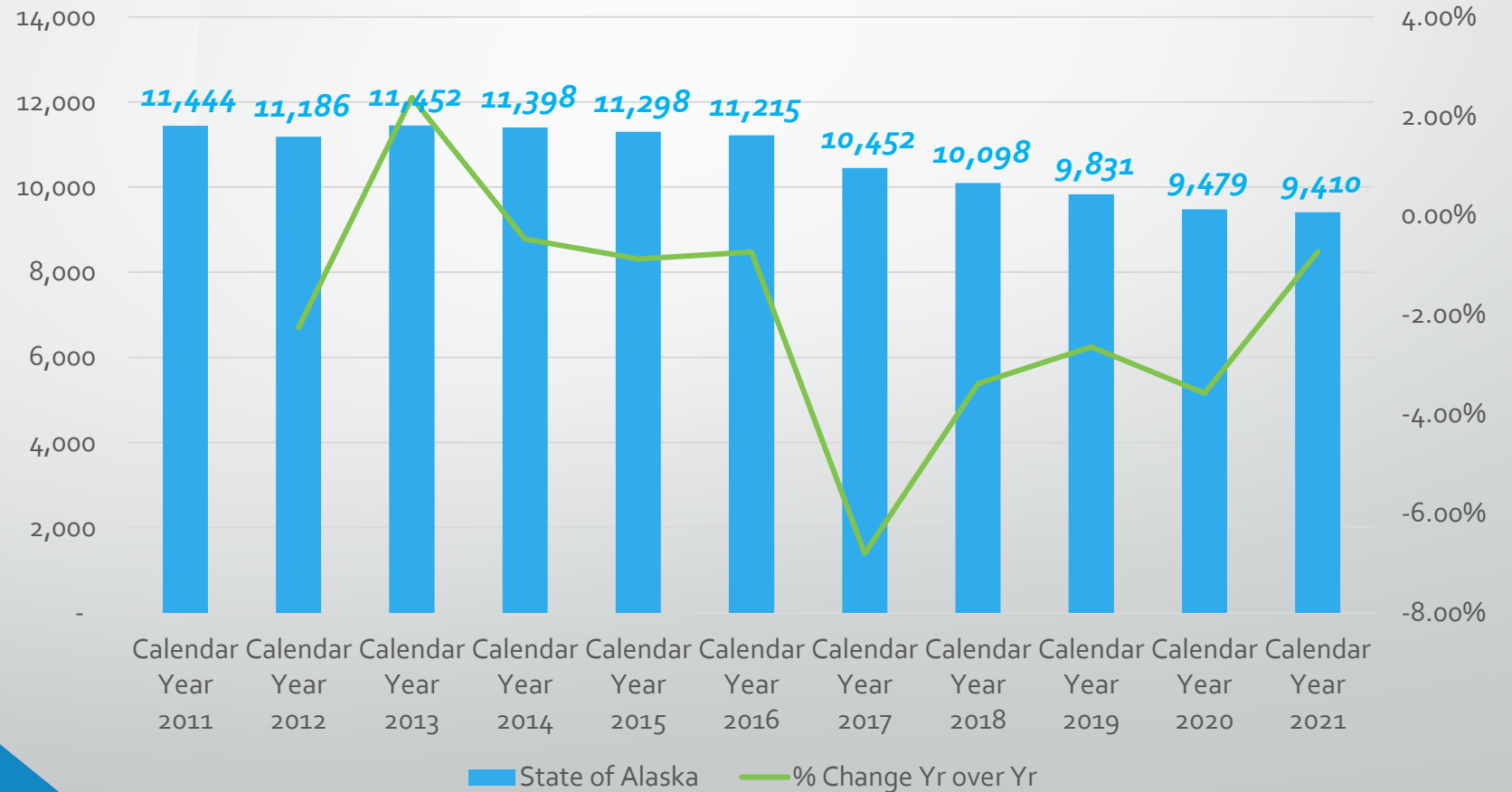


FY2024-2025 Budget Assumptions

Live Birth Data – State of Alaska

(https://health.alaska.gov/dph/VitalStats/Documents/stats/birth_statistics/Birth_Rates_Census.html)

Calendar Years 2011 - 2021



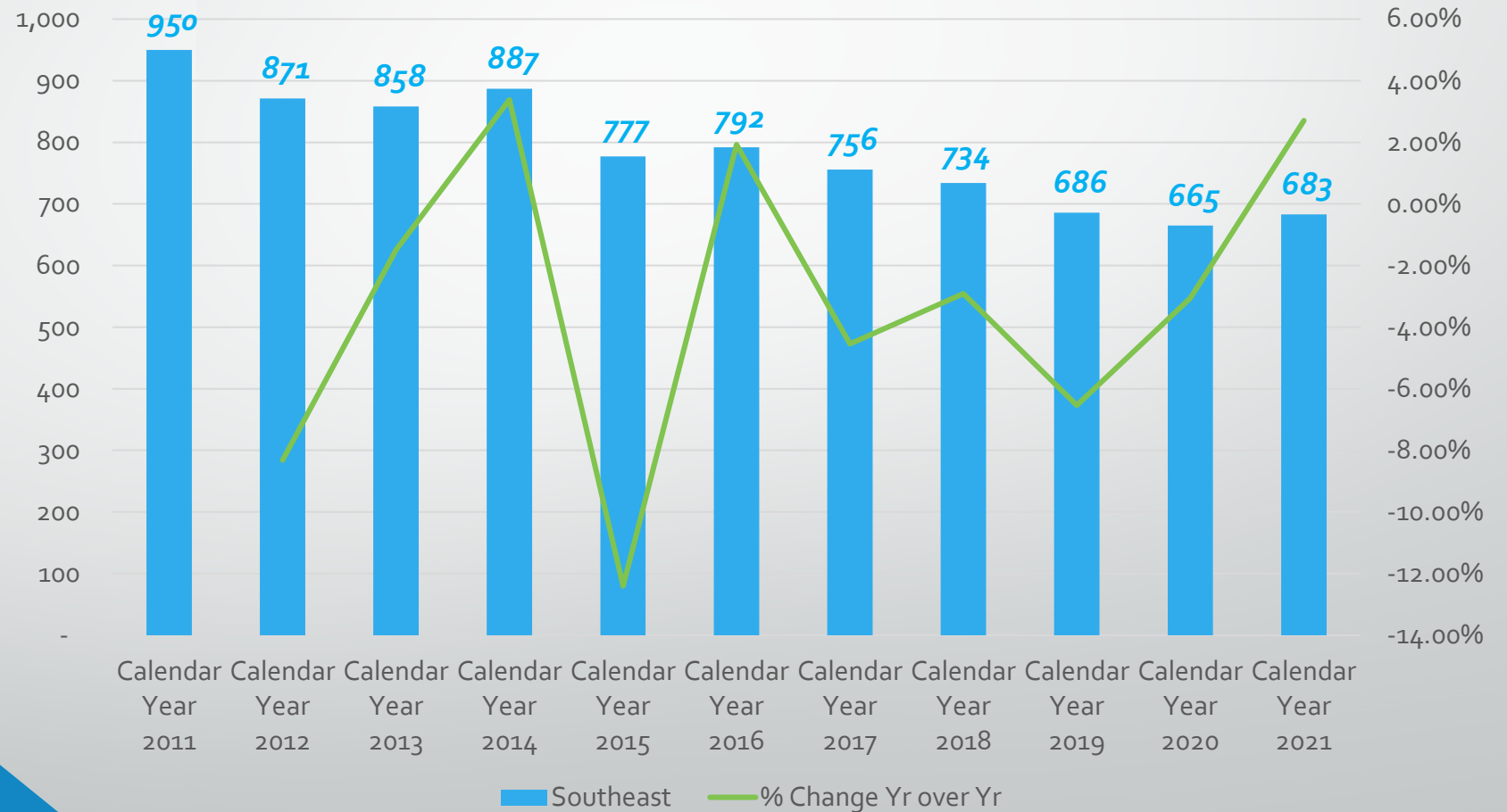


FY2024-2025 Budget Assumptions

Live Birth Data – Southeast Region of Alaska

(https://health.alaska.gov/dph/VitalStats/Documents/stats/birth_statistics/Birth_Rates_Census.html)

Calendar Years 2011 - 2021





FY2024-2025 Budget Assumptions

Historical Enrollment to Average Daily Membership								
School Year	K-12 Enrollment	% Change in K-12	PreK-12 Enrollment	% Change in PreK-12	Average Daily Membership (ADM)	% Change in ADM	% Difference in ADM to K12 Enrollment	
2015 2016	2,239.00	-5.13%	2,365.00	-4.41%	2,239.22	0.59%	0.01%	
2016 2017	2,287.00	2.14%	2,392.00	1.14%	2,295.74	2.52%	0.38%	
2017 2018	2,262.00	-1.09%	2,378.00	-0.59%	2,287.10	-0.38%	1.11%	
2018 2019	2,233.00	-1.28%	2,346.00	-1.35%	2,247.00	-1.75%	0.63%	
2019 2020	2,198.00	-1.57%	2,311.00	-1.49%	2,204.80	-1.88%	0.31%	
2020 2021	2,052.00	-6.64%	2,158.00	-6.62%	2,073.89	-5.94%	1.07%	
2021 2022	2,125.00	3.56%	2,163.00	0.23%	2,127.40	2.58%	0.11%	
2022 2023	2,059.00	-3.11%	2,100.00	-2.91%	2,045.23	-3.86%	-0.67%	
2023 2024	1,988.00	-3.45%	2,095.00	-0.24%	1,993.47	-2.53%	0.28%	
<i>Sum of Annual Changes 2015-2016 to 2023-2024</i>							3.22%	
<i>Average of Annual Changes 2015-2016 to 2023-2024</i>							0.36%	



FY2024-2025 Budget Assumptions

Historical, Current and Projected Enrollment & Average Daily Membership





FY2024-2025 Budget Assumptions

Projected Staffing Plan

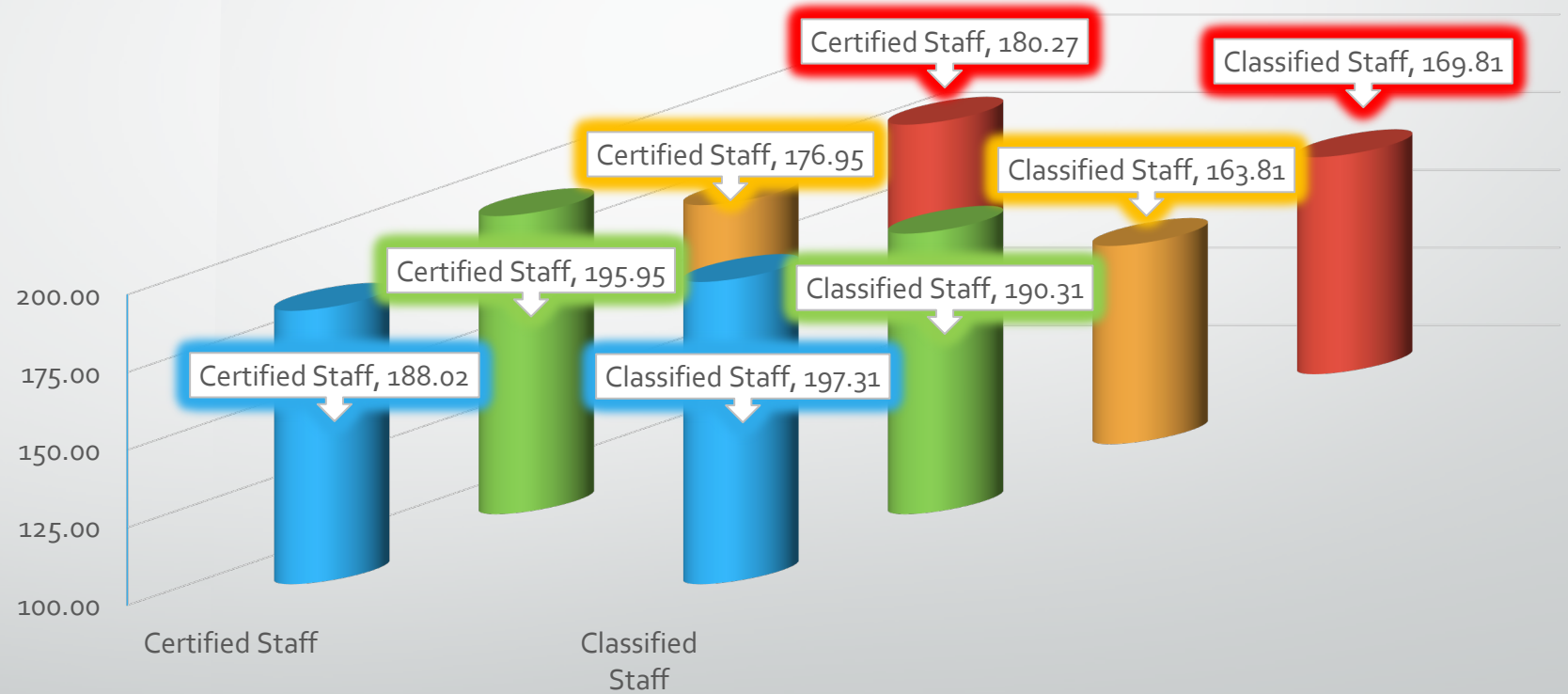
- Based upon projected enrollment using Cohort Survival Projection Methodology
- Follows staffing process used to develop the FY2023-2024 Budget to address continued enrollment decline
- Assumes attrition will not be replaced one for one
- Assumes concerted effort will be made to focus on compliance with Special Education laws and regulations but will also seek to limit situations, where possible, that lead to increased staffing levels, especially in classified support personnel



FY2024-2025 Budget Assumptions

Projected Staffing Plan

Four Year Snapshot of Staffing FTE



■ Budget FY2021-2022 FTE ■ Budget FY2022-2023 FTE ■ Budget FY2023-2024 FTE ■ Budget FY2024-2025 FTE



FY2024-2025 Budget Assumptions

Projected Staffing Plan – Related Salary & Benefits

- Salary
 - Current staff moved on negotiated agreements salary schedules or if not tied to a negotiated agreement adjusted on similar cost of living adjustment
 - Open positions use average salary base of associated employee group

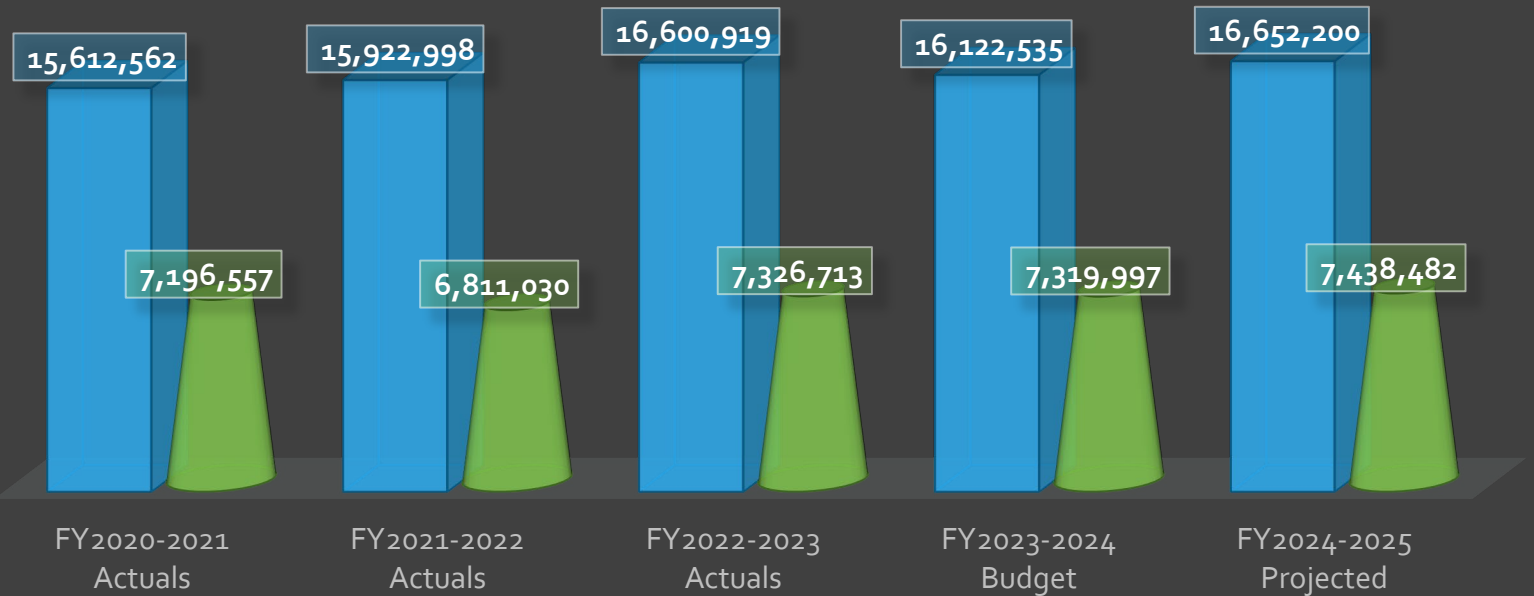


FY2024-2025 Budget Assumptions

Projected Staffing Plan – Related Salary & Benefits

FY2024-2025 PROJECTED SALARIES – CERTIFIED & CLASSIFIED STAFF

■ Certified Salaries ■ Classified Salaries





FY2024-2025 Budget Assumptions

Projected Staffing Plan – Related Salary & Benefits

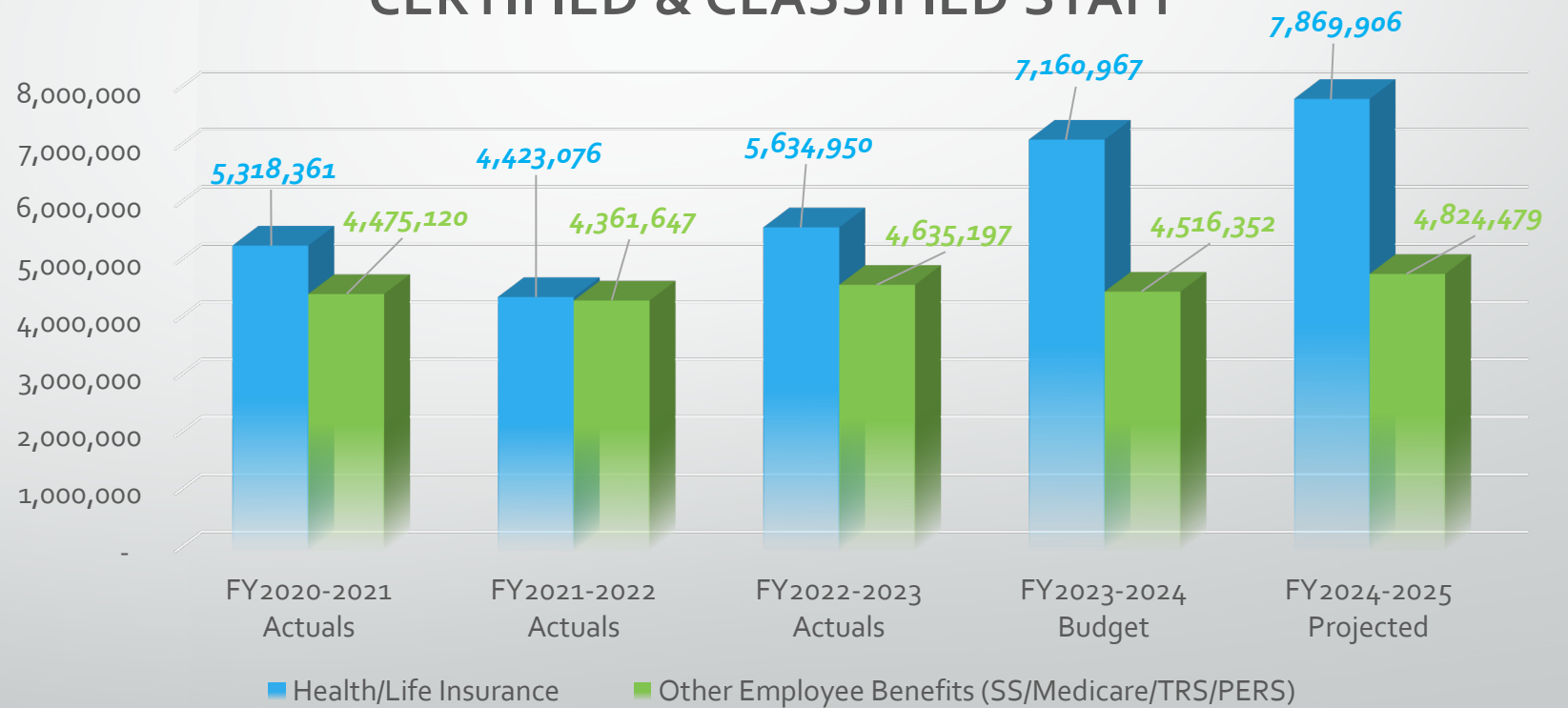
- Employee Benefits
 - Health insurance adjusted for 8% year over year renewal and staff premium increase cap
 - Health insurance budget based off existing current census and each open position assumes an increase in census
 - % of salary for payroll taxes and district required pension contributions to TRS and PERS remain unchanged from FY2023-2024



FY2024-2025 Budget Assumptions

Projected Staffing Plan – Related Salary & Benefits

FY2024-2025 PROJECTED EMPLOYEE BENEFITS – CERTIFIED & CLASSIFIED STAFF





FY2024-2025 Budget Assumptions

Non-staffing Expenses

- Existing long-term contracts have been included at their stated contractual amounts
- Utility accounts have been reviewed for FY2023-2024 actuals and have been adjusted accordingly for projected annual amounts
- FY2023-2024 BOE approved new contracts beginning in FY2024-2025 have been included (examples: American Capital, Kelley Create, Enterprise Fleet Management, Siemens, Google Workspace for Education, Altman Rogers)
- Supplies & Materials have been adjusted where prior spending patterns have exceeded budget



FY2024-2025 Budget Assumptions

Non-staffing Expenses

- Includes a \$500,000 line item for the repayment of the existing health care debt on the books owed to the Borough
- Includes a \$315,730 line item for the restoration of the Operating Fund unrestricted fund balance

FY2024-2025 Budget Assumptions

The following slides show the result of the previously provided expense budget assumptions for the Operation Fund.



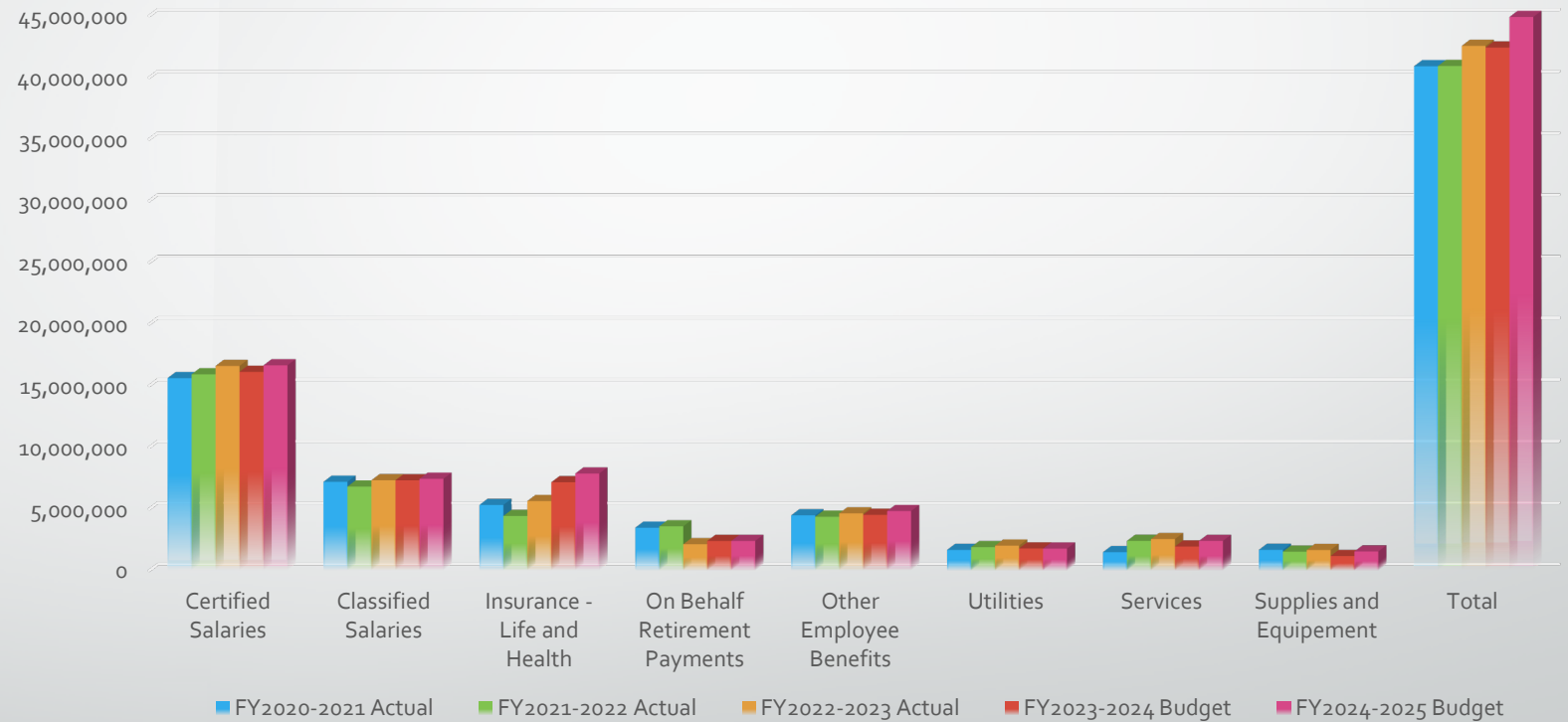
FY2024-2025 Expenditure Plan

Description	FY2020- 2021 Actual	FY2021- 2022 Actual	FY2022- 2023 Actual	FY2023- 2024 Original Budget	FY2023- 2024 Budget Revisions	FY2023- 2024 Revised Budget	FY2024- 2025 Proposed Budget	Budget FY2021- 2022 FTE	Budget FY2022- 2023 FTE	Budget FY2023- 2024 FTE	Proposed FY2024- 2025 FTE
Salaries											
Certified Salaries	15,612,562	15,922,998	16,600,919	15,818,535	304,000	16,122,535	16,652,200	188.02	195.95	176.95	180.27
Classified Salaries	7,196,557	6,811,030	7,326,713	6,565,041	754,956	7,319,997	7,438,482	197.31	190.31	163.81	169.81
Total Salaries	22,809,120	22,734,028	23,927,632	22,383,576	1,058,956	23,442,532	24,090,682	385.33	386.26	340.76	350.08
Employee Benefits											
Insurance - Life and Health On Behalf Retirement Payments	5,318,361 3,471,264	4,423,076 3,582,898	5,634,950 2,132,100	6,698,817 2,396,000	462,150 -	7,160,967 2,396,000	7,869,906 2,396,000	- -	- -	- -	- -
Other Employee Benefits	4,475,120	4,361,647	4,635,197	4,475,022	41,330	4,516,352	4,824,479	-	-	-	-
Total Employee Benefits	13,264,746	12,367,621	12,402,248	13,569,839	503,480	14,073,319	15,090,385	0.00	0.00	0.00	0.00
Utilities	1,670,024	1,896,405	2,018,562	1,787,400	-	1,787,400	1,775,750	-	-	-	-
Services	1,487,756	2,405,065	2,549,510	1,811,600	133,998	1,945,598	2,400,250	-	-	-	-
Supplies and Equipment	1,674,139	1,524,658	1,661,842	560,874	611,112	1,171,986	1,544,635	-	-	-	-
Total Services, Supplies & Equipment	4,831,919	5,826,129	6,229,914	4,159,874	745,110	4,904,984	5,720,635	0.00	0.00	0.00	0.00
Total Expenditures	40,905,784	40,927,777	42,559,794	40,113,289	2,307,546	42,420,835	44,901,702	385.33	386.26	340.76	350.08



FY2024-2025 Expenditure Plan

FY2024-2025 Budget vs PY Budget & Actuals



FY2024-2025 Expenditure Plan



Description	FY2020-2021 Actual	FY2021-2022 Actual	FY2022-2023 Actual	FY2023-2024 Original Budget	FY2023-2024 Budget Revisions	FY2023-2024 Revised Budget	FY2024-2025 Proposed Budget	% Increase	FY2021-2022 FTE	FY2022-2023 FTE	FY2023-2024 FTE	Proposed FY2024-2025 FTE
School Based Budgets												
Houghtaling Elementary	5,145,701	5,394,409	5,455,097	4,568,400	550,000	5,118,400	5,538,577	8.21%	68.00	68.50	48.50	55.00
Fawn Mountain Elementary	3,703,882	3,849,654	3,806,968	4,203,950	184,956	4,388,906	4,451,499	1.43%	47.00	50.00	45.50	46.00
Point Higgins Elementary	3,510,076	3,600,433	3,642,246	3,705,550	50,000	3,755,550	3,976,353	5.88%	41.50	42.00	38.00	41.00
Schoenbar Middle School	3,432,366	3,229,511	3,479,627	3,824,800	0	3,824,800	3,623,000	(5.28%)	35.00	36.00	34.00	30.00
Ketchikan High School	7,192,444	7,534,419	7,714,236	7,429,250	285,370	7,714,620	8,159,604	5.77%	72.13	66.00	61.00	63.60
Revilla Alternative School	1,356,104	1,340,749	1,423,515	1,515,850	0	1,515,850	1,635,858	7.92%	12.50	14.00	12.50	12.87
Fast Track Homeschool Program	502,069	354,342	285,535	294,670	0	294,670	318,738	8.17%	2.00	2.00	1.50	1.50
Ketchikan Charter School	2,039,062	2,157,026	2,509,866	2,613,032	182,616	2,795,648	2,596,476	(7.12%)	23.50	25.70	26.70	28.00
Tongass School of Arts & Sciences	1,795,911	1,798,550	1,785,154	1,628,834	372,990	2,001,824	1,750,845	(12.54%)	23.55	23.25	23.25	16.80
Charter School Special Education Services	794,615	575,926	830,079	936,800	0	936,800	1,057,591	12.89%	17.50	16.50	14.00	15.50
Subtotal: School based budgets	29,472,230	29,835,019	30,932,324	30,721,136	1,625,932	32,347,068	33,108,540	2.35%	342.68	343.95	304.95	310.27
District Wide Budgets												
Instructional Support	933,170	119,268	716,129	190,393	0	190,393	216,654	13.79%	0.50	0.50	1.00	1.00
Instructional Support - Operating Grants	0	0	0	0	460,056	460,056	0	(100.00%)	0.00	0.00	0.00	0.00
Assessment and Curriculum Development	455,713	461,308	408,741	23,360	0	23,360	299,027	1180.08%	0.84	1.00	0.00	1.00
Special Education and Support Services	1,129,488	1,219,998	1,364,606	1,418,200	-150,000	1,268,200	1,299,038	2.43%	10.50	9.00	7.00	6.00
Information Technology	1,201,267	1,337,233	1,321,018	1,041,700	295,000	1,336,700	1,535,841	14.90%	9.00	9.00	7.00	8.00
Maintenance Services	2,148,005	2,261,491	2,078,337	1,663,000	0	1,663,000	2,143,349	28.88%	13.00	13.00	12.00	14.00
Administration and Support Services	1,160,293	992,498	1,561,086	1,338,900	76,558	1,415,458	2,559,977	80.86%	8.81	9.81	8.81	9.81
Other District-Wide Budgets	4,405,619	4,700,962	4,177,552	3,716,600	0	3,716,600	3,739,275	0.61%	0.00	0.00	0.00	0.00
Subtotal District-Wide Budgets	11,433,555	11,092,758	11,627,469	9,392,153	681,614	10,073,767	11,793,161	17.07%	42.65	42.31	35.81	39.81
Total Operating Fund Budget	40,905,785	40,927,777	42,559,794	40,113,289	2,307,546	42,420,835	44,901,702	5.85%	385.33	386.26	340.76	350.08

FY2024-2025 Budget Assumptions

The projected spending plan for FY2024-2025 now needs to be funded. The following slides provide the projected revenues that could be available to the school district based upon assumptions for ADM, potential BSA Legislative adjustment and changes in other local and federal funding streams.



FY2024-2025 Budget Assumptions

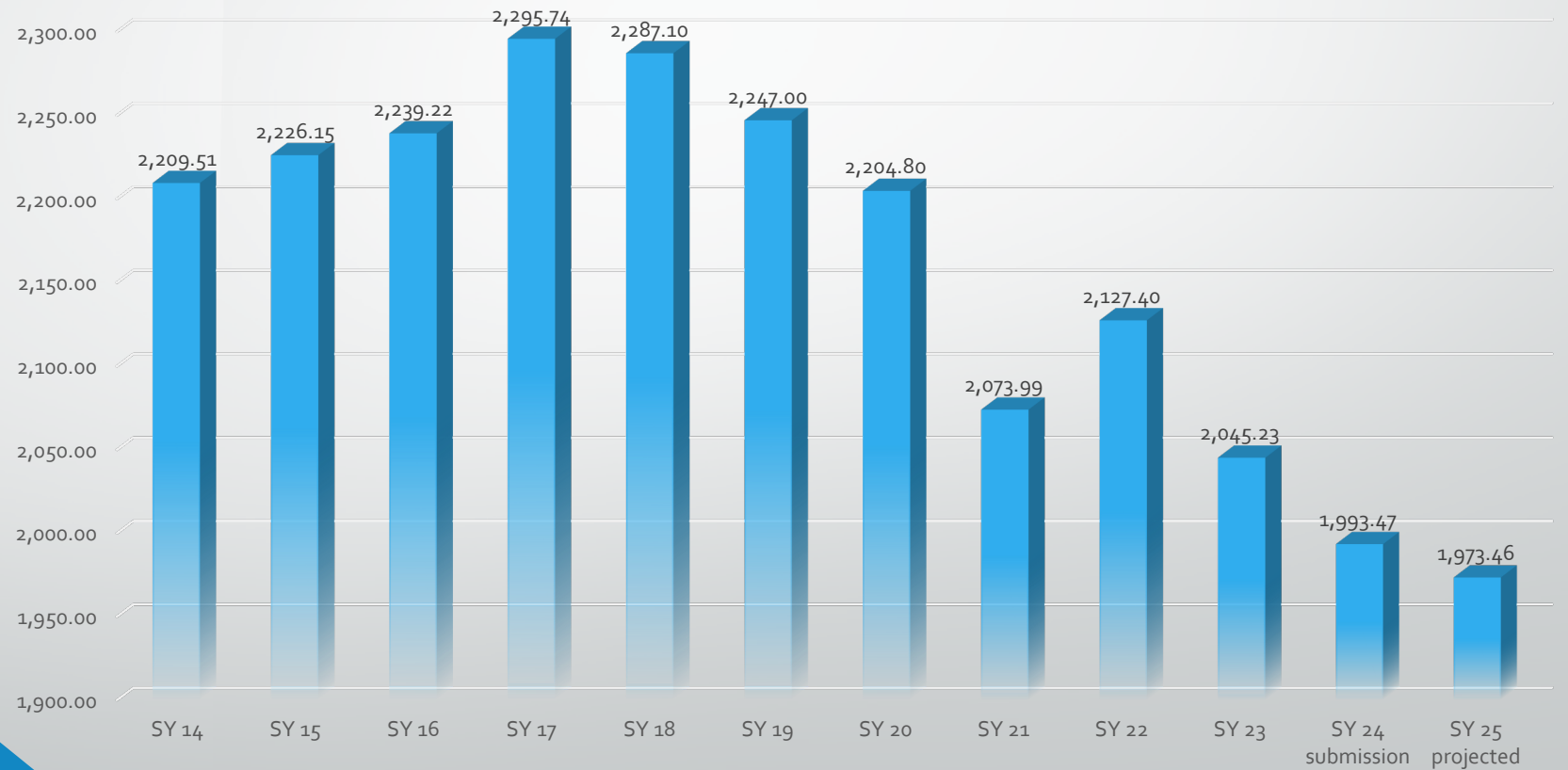
Key FY2024-2025 Operating Fund Revenue Assumptions

- Projected student enrollment = 1,966
- Projected Average Daily Membership October 2024 = 1973.46
- Projected Base Student Allocation = \$6,760 (*Legislative adjustment of \$800*)
- Projected Borough In-Kind Contribution = \$315,000
- Projected Medicaid Reimbursement (Net) = \$150,000
- Projected # of SPED Intensive Students = 123
- Projected Interest Income = \$180,000
- Projected E*Rate revenue = \$175,000



FY2024-2025 Budget Assumptions

AVERAGE DAILY MEMBERSHIP FY2013-2014 THROUGH FY2024-2025





FY2024-2025 Budget Assumptions

Projected Foundation Formula Calculation – District Adjusted ADM

School	Numbers		SPED	Average Daily Membership			School Size
	KGBSD	DEED	Intensive FY 25	FY23	FY24	FY 25	ADM
Fast Track	191	258010		78.85	78.85	86.00	
Fawn Mountain Elementary	113	250050	27	226.75	226.75	205.44	277.97
Houghtaling Elementary	111	250010	29	304.10	304.10	272.15	347.58
Ketchikan Charter School	115	259010	14	198.10	198.10	180.82	251.39
Ketchikan High School	130	250020	22	499.58	499.58	528.62	589.93
Point Higgins School	114	250100	17	229.95	229.95	216.38	289.79
Revilla Jr/Sr High School	139	257010	2	100.85	100.85	97.29	89.51
Schoenbar Middle School	120	250040	7	269.00	269.00	263.27	338.97
Tongass School of Arts and Sciences Charter School	116	259020	5	135.90	135.90	123.48	179.05
Totals			123	2,043.08	2,043.08	1,973.46	2,364.19

	Factors	Adjusted ADM
Adjusted ADM based on school size factors		2,364.19
Hold Harmless		0.00
Adjusted ADM and Hold Harmless		<u>2,364.19</u>
Adjustments to District ADM - Multipliers:		
District Cost Factor	1.170	2,766.10
Voc Ed, Special Ed, and ESL	1.200	3,319.32
Career Technology	1.015	3,369.11
Other Adjustments to District ADM:		
Plus Students Qualifying for Intensive Needs	123	13,000 1,599.00
Plus Correspondence (Fast Track)		86.00 0.900 77.40
Pre-School		0.00 0.500 0.00
District Adjusted ADM		<u><u>5,045.51</u></u>



FY2024-2025 Budget Assumptions

Projected Foundation Formula Calculation – Local Contribution Required & Discretionary

REVENUE		Revenue
Basic Need (District Adjusted ADM times Base Student Allocation)	6,760	34,107,648
Less Required Local Effort (2.65 mills of assessed valuation [2,166,605,376] as of 1/1/23 per state assessor)		<u>5,741,504</u>
State Foundation Funding		<u>28,366,144</u>
Quality Schools' Funding	16	<u>80,728</u>
READS Act Multiplier		<u></u>
<u>Maximum Local Funding</u>		
Required Local Effort		<u>5,741,504</u>
Plus 23% of		
Basic Need	23%	7,844,759
Quality Schools'	23%	18,567
Legislative Opportunity Grant	23%	0
Total Discretionary Local Funding		<u>7,863,326</u>
Maximum Local Funding		<u>13,604,830</u>
<u>In-Kind Contribution</u>		
Estimated Liability and Property Insurance (A District expenditure)		315,000
Estimate for Fire Protection and Pool Use (Not a District expenditure)		<u>200,000</u>
Total In-Kind		515,000
Maximum Local Direct Borough Appropriation		<u>13,089,830</u>
<u>Recap</u>		
Required Local Effort		5,741,504
Maximum Discretionary Contribution		<u>7,348,326</u>
Maximum Local Direct Borough Appropriation		13,089,830
In-Kind Borough Appropriation		<u>315,000</u>
Total Request from Borough		<u>13,404,830</u>



FY2024-2025 Budget Assumptions

Projected Foundation Formula Resulting Local Borough Appropriations- Funded to Cap

<i>Description</i>	<i>FY2022-2023 Actuals Per Annual Audit</i>	<i>FY2023-2024 Approved Budget</i>	<i>FY2024-2025 Proposed Budget</i>	<i>Increase or Decrease over FY2023-2024</i>	<i>%\$</i>
Borough Cash Appropriation:					
Required Local Effort (based on 2.65 mills of assessed value as determined by the state assessor) <i>(source: Department of Education & Early Development)</i>	5,318,687	5,584,814	5,741,504	156,690	2.81%
Discretionary Contribution	6,094,926	6,925,327	7,348,326	422,999	6.11%
Total Borough Cash Appropriation	11,413,613	12,510,141	13,089,830	579,689	4.63%
In-Kind Appropriation:	957,015	273,000	315,000	42,000	15.38%
Total Borough Local Appropriations	\$ 12,370,628	\$ 12,783,141	\$ 13,404,830	\$ 621,689	4.86%



FY2024-2025 Budget Assumptions

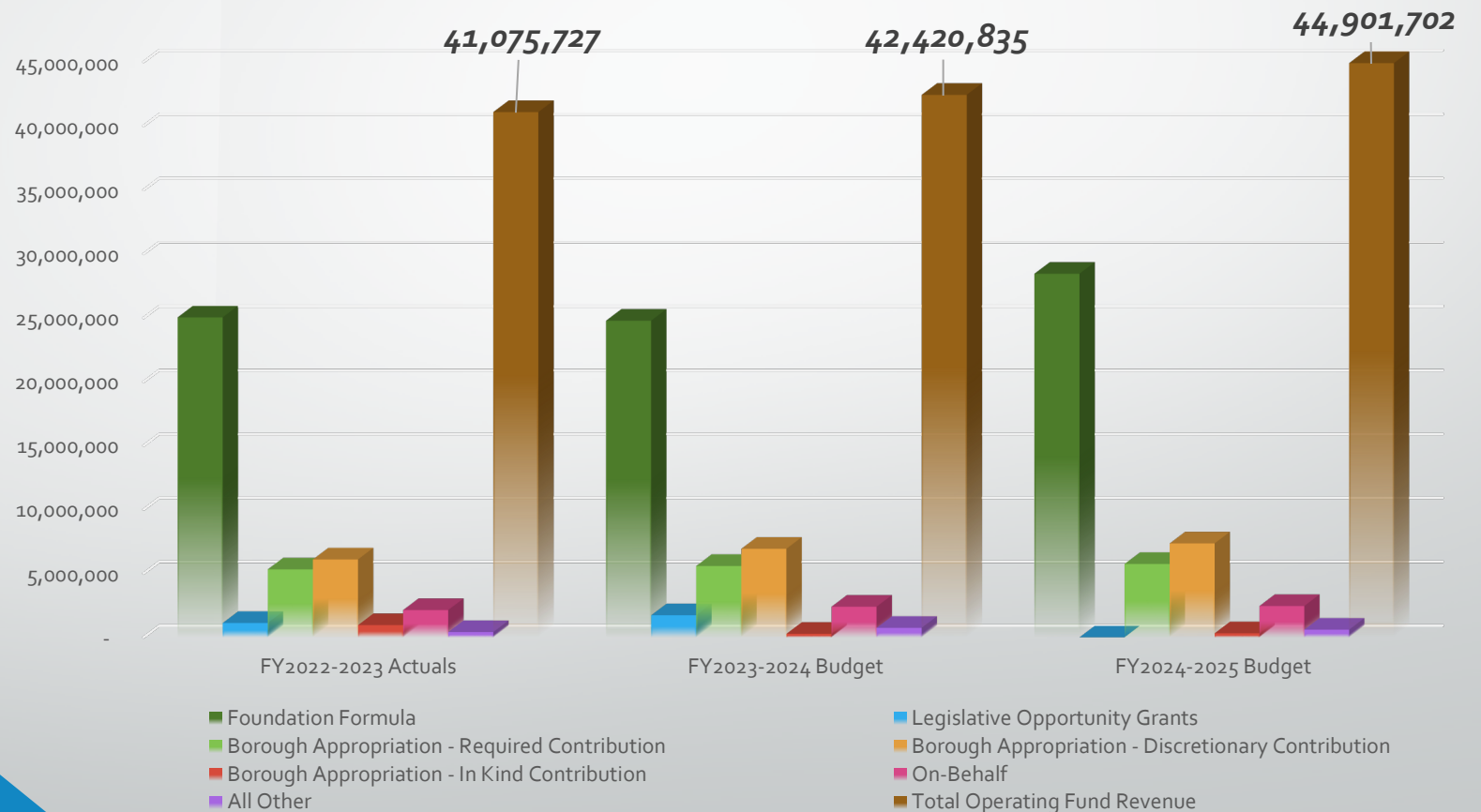
Total Projected FY2024-2025 Operating Fund Revenues

Description	FY2022-2023 Actual Revenues (Per Annual Audit)	FY2023-2024 Revised Budget	FY2024-2025 Proposed Budget	Increase or Decrease over FY2023-2024	% Change
Borough Direct Appropriations	11,413,613	12,510,141	13,089,830	579,689	4.63%
Borough In-kind Services Appropriations	957,015	273,000	315,000	42,000	15.38%
Interest Income	0	0	180,000	180,000	0.00%
Other Local Revenues	65,616	60,000	75,000	15,000	25.00%
E-rate Revenue	205,670	110,000	175,000	65,000	59.09%
Foundation Program	24,958,707	24,698,125	28,366,144	3,748,747	15.18%
Quality Schools	81,693	79,954	80,728	774	0.97%
Legislative Opportunity Grants	1,123,067	1,723,559	0	(1,723,559)	(100.00%)
TRS Revenue On-behalf	1,925,306	2,181,300	2,200,000	18,700	0.86%
PERS Revenue On-behalf	206,794	214,700	250,000	35,300	16.44%
Other State Revenues	8,630	10,000	10,000	0	0.00%
Medicaid Reimbursement	0	100,000	150,000	50,000	50.00%
Other Fed Sources	129,616	460,056	10,000	(450,056)	(97.83%)
Total Projected Operating Fund Revenues	41,075,727	42,420,835	44,901,702	2,561,595	6.04%



FY2024-2025 Budget Assumptions

Total Projected FY2024-2025 Operating Fund Revenues





FY2024-2025 Budget Assumptions

Total Projected FY2024-2025 Operating Fund Income Statement

<i>Description</i>	<i>FY2022-2023 Actual</i>	<i>FY2023-2024 Revised Budget</i>	<i>FY2024-2025 Proposed Budget</i>
Projected FY2024-2025 Operating Fund Revenue			
Borough Direct Appropriations	11,413,613	12,510,141	13,089,830
Borough In-kind Services Appropriations	957,015	273,000	315,000
Interest Income	0	0	180,000
Other Local Revenues	65,616	60,000	75,000
E-rate Revenue	205,670	110,000	175,000
Foundation Program	24,958,707	24,698,125	28,366,144
Quality Schools	81,693	79,954	80,728
Legislative Opportunity Grants	1,123,067	1,723,559	0
TRS Revenue On-behalf	1,925,306	2,181,300	2,200,000
PERS Revenue On-behalf	206,794	214,700	250,000
Other State Revenues	8,630	10,000	10,000
Medicaid Reimbursement	0	100,000	150,000
Other Fed Sources	129,616	460,056	10,000
Total Projected Operating Fund Revenues	41,075,727	42,420,835	44,901,702
Salaries			
Certified Salaries	16,600,919	16,122,535	16,652,200
Classified Salaries	7,326,713	7,319,997	7,438,482
Total Salaries	23,927,632	23,442,532	24,090,682
Employee Benefits			
Insurance - Life and Health	5,634,950	7,160,967	7,869,906
On Behalf Retirement Payments	2,132,100	2,396,000	2,396,000
Other Employee Benefits	4,635,197	4,516,352	4,824,479
Total Employee Benefits	12,402,248	14,073,319	15,090,385
Services, Supplies & Equipment			
Utilities	2,018,562	1,787,400	1,775,750
Services (Includes \$500,000 Borough Repayment/\$315,730 Fund Balance Restoration)	2,549,510	1,945,598	2,400,250
Supplies and Equipment	1,661,842	1,171,986	1,544,635
Total Services, Supplies & Equipment	6,229,914	4,904,984	5,720,635
Total Expenditures	42,559,794	42,420,835	44,901,702
Surplus (Deficit) from Operations - Operating Fund	(1,484,067)	0	0
Beginning Fund Balance	1,271,595	(212,472)	(212,472)
Ending Fund Balance	(212,472)	(212,472)	(212,472)
Please note: Reflect Fund Balance Restoration			315,730
Adjusted Ending Fund Balance			103,258

FY2024-2025 Budget Assumptions

What happens if the Legislature and the Governor cannot agree on education funding in the State of Alaska for FY2024-2025?

The Foundation Formula would be implemented as currently designated in state statute. The Base Student Allocation would remain at \$5,960. Not only would KGBSD not receive an increase in state funding, but it would also actually see a significant DECREASE in funding due to the elimination of the one-time funding from FY2023-2024 and the decrease in Average Daily Membership.

The projected spending plan presented in previous slides would no longer be obtainable and catastrophic measures would need to be implemented in order for the Board of Education to approve a balanced budget for the Borough Assembly to consider for funding. The district will have reached the fiscal cliff that has been discussed with state legislators for years.



FY2024-2025 Budget Assumptions

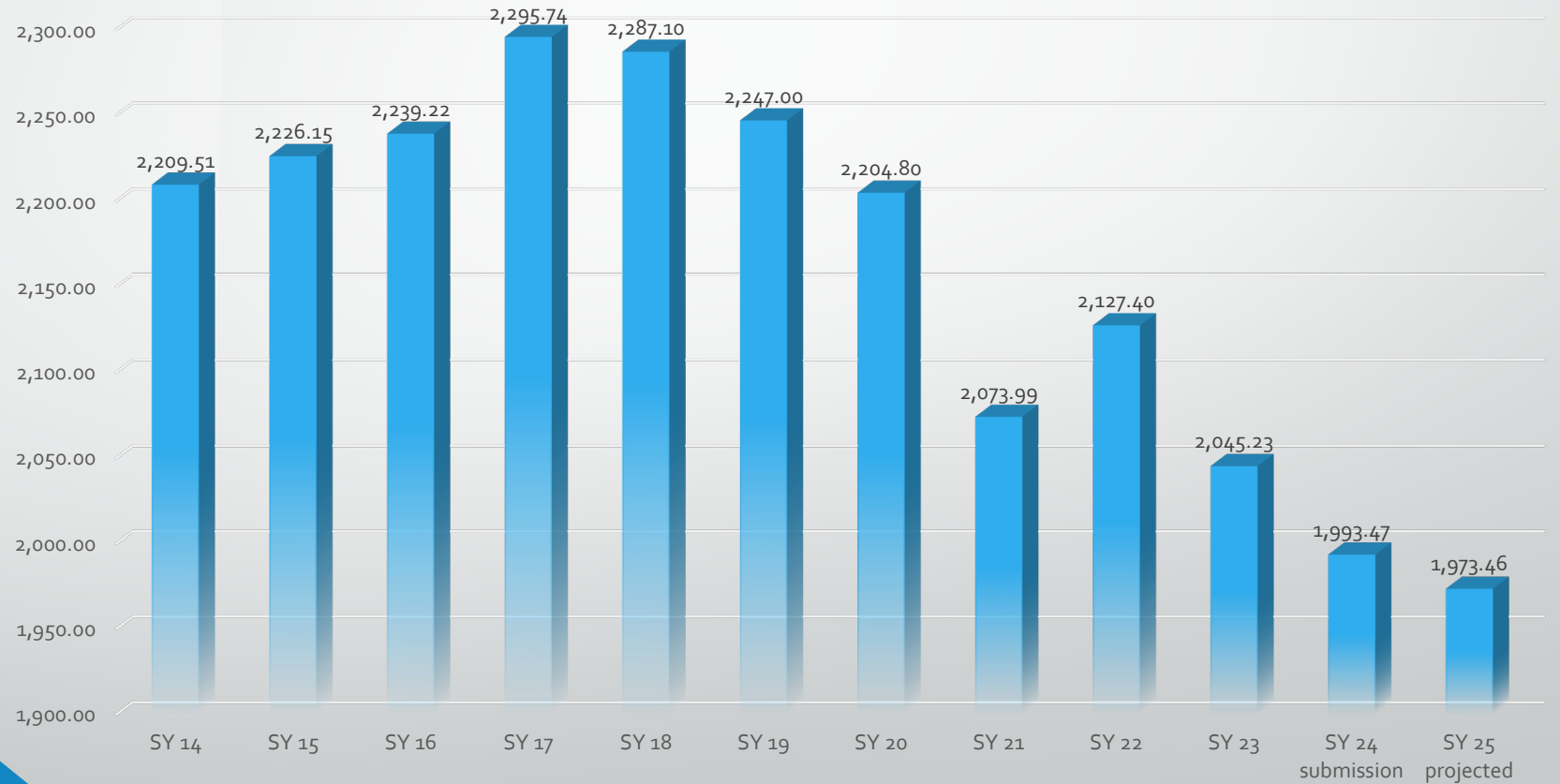
Key FY2024-2025 Operating Fund Revenue Assumptions – BSA \$5960

- Projected student enrollment = 1,966
- Projected Average Daily Membership October 2024 = 1973.46
- Projected Base Student Allocation = \$5,960 (*No Legislative Action for Education Funding*)
- Projected Borough In-Kind Contribution = \$315,000
- Projected Medicaid Reimbursement (Net) = \$150,000
- Projected # of SPED Intensive Students = 123
- Projected Interest Income = \$180,000
- Projected E*Rate revenue = \$175,000



FY2024-2025 Budget Assumptions

AVERAGE DAILY MEMBERSHIP FY2013-2014 THROUGH FY2024-2025





FY2024-2025 Budget Assumptions

Projected Foundation Formula Calculation – District Adjusted ADM (Based on BSA of \$5,960)

School	Numbers		SPED	Average Daily Membership			School Size
	KGBSD	DEED	Intensive FY 25	FY23	FY24	FY 25	ADM
Fast Track	191	258010		78.85	78.85	86.00	
Fawn Mountain Elementary	113	250050	27	226.75	226.75	205.44	277.97
Houghtaling Elementary	111	250010	29	304.10	304.10	272.15	347.58
Ketchikan Charter School	115	259010	14	198.10	198.10	180.82	251.39
Ketchikan High School	130	250020	22	499.58	499.58	528.62	589.93
Point Higgins School	114	250100	17	229.95	229.95	216.38	289.79
Revilla Jr/Sr High School	139	257010	2	100.85	100.85	97.29	89.51
Schoenbar Middle School	120	250040	7	269.00	269.00	263.27	338.97
Tongass School of Arts and Sciences Charter School	116	259020	5	135.90	135.90	123.48	179.05
Totals			123	2,043.08	2,043.08	1,973.46	2,364.19

	Factors	Adjusted ADM
Adjusted ADM based on school size factors		2,364.19
Hold Harmless		0.00
Adjusted ADM and Hold Harmless		<u>2,364.19</u>
Adjustments to District ADM - Multipliers:		
District Cost Factor	1.170	2,766.10
Voc Ed, Special Ed, and ESL	1.200	3,319.32
Career Technology	1.015	3,369.11
Other Adjustments to District ADM:		
Plus Students Qualifying for Intensive Needs	123	13,000 1,599.00
Plus Correspondence (Fast Track)		86.00 0.900 77.40
Pre-School		0.00 0.500 0.00
District Adjusted ADM		<u>5,045.51</u>



FY2024-2025 Budget Assumptions

Projected Foundation Formula Calculation – Local Contribution

Required & Discretionary (Based on BSA of \$5,960)

REVENUE				Revenue
Basic Need (District Adjusted ADM times Base Student Allocation)			5,960	30,071,240
Less Required Local Effort (2.65 mills of assessed valuation [2,166,605,376] as of 1/1/23 per state assessor)				5,741,504
State Foundation Funding				24,329,736
Quality Schools' Funding			16	80,728
READS Act Multiplier				
<u>Maximum Local Funding</u>				
Required Local Effort				5,741,504
Plus 23% of				
Basic Need			23%	6,916,385
Quality Schools'			23%	18,567
Legislative Opportunity Grant			23%	0
Total Discretionary Local Funding				6,934,952
Maximum Local Funding				12,676,456
<u>In-Kind Contribution</u>				
Estimated Liability and Property Insurance (A District expenditure)				315,000
Estimate for Fire Protection and Pool Use (Not a District expenditure)				200,000
Total In-Kind				515,000
Maximum Local Direct Borough Appropriation				12,161,456
<u>Recap</u>				
Required Local Effort				5,741,504
Maximum Discretionary Contribution				6,419,952
Maximum Local Direct Borough Appropriation				12,161,456
In-Kind Borough Appropriation				315,000
Total Request from Borough				12,476,456



FY2024-2025 Budget Assumptions

Projected Foundation Formula Resulting Local Borough Appropriations

Funded to Cap (Based on BSA of \$5,960)

<i>Description</i>	<i>FY2022-2023 Actuals Per Annual Audit</i>	<i>FY2023-2024 Approved Budget</i>	<i>FY2024-2025 Proposed Budget</i>	<i>Increase or Decrease over FY2023-2024</i>	<i>%\$</i>
Borough Cash Appropriation:					
Required Local Effort (based on 2.65 mills of assessed value as determined by the state assessor) (source: Department of Education & Early Development)	5,318,687	5,584,814	5,741,504	156,690	2.81%
Discretionary Contribution	6,094,926	6,925,327	6,419,952	(505,375)	-7.30%
Total Borough Cash Appropriation	11,413,613	12,510,141	12,161,456	(348,685)	-2.79%
In-Kind Appropriation:	957,015	273,000	315,000	42,000	15.38%
Total Borough Local Appropriations	\$ 12,370,628	\$ 12,783,141	\$ 12,476,456	\$ (306,685)	-2.40%



FY2024-2025 Budget Assumptions

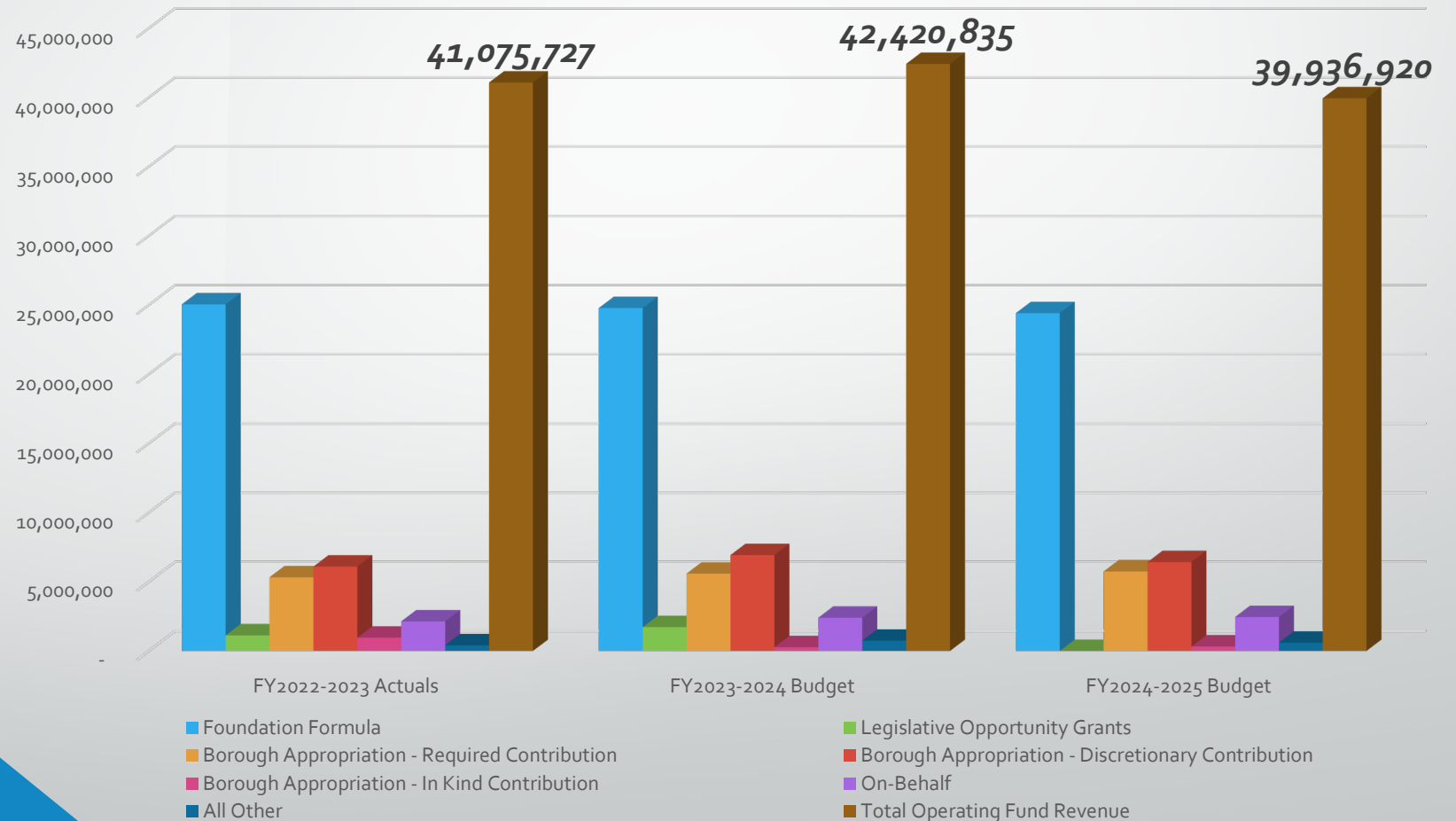
Total Projected FY2024-2025 Operating Fund Revenues – BSA of \$5,960

<i>Description</i>	<i>FY2022-2023 Actual Revenues (Per Annual Audit)</i>	<i>FY2023-2024 Revised Budget</i>	<i>FY2024-2025 Proposed Budget</i>	<i>Increase or Decrease over FY2023-2024</i>	<i>% Change</i>
Borough Direct Appropriations	11,413,613	12,510,141	12,161,456	(348,685)	(2.79%)
Borough In-kind Services Appropriations	957,015	273,000	315,000	42,000	15.38%
Interest Income	0	0	180,000	180,000	0.00%
Other Local Revenues	65,616	60,000	75,000	15,000	25.00%
E-rate Revenue	205,670	110,000	175,000	65,000	59.09%
Foundation Program	24,958,707	24,698,125	24,329,736	(287,661)	(1.16%)
Quality Schools	81,693	79,954	80,728	774	0.97%
Legislative Opportunity Grants	1,123,067	1,723,559	0	(1,723,559)	(100.00%)
TRS Revenue On-behalf	1,925,306	2,181,300	2,200,000	18,700	0.86%
PERS Revenue On-behalf	206,794	214,700	250,000	35,300	16.44%
Other State Revenues	8,630	10,000	10,000	0	0.00%
Medicaid Reimbursement	0	100,000	150,000	50,000	50.00%
Other Fed Sources	129,616	460,056	10,000	(450,056)	(97.83%)
Total Revenues	41,075,727	42,420,835	39,936,920	(2,403,187)	(5.67%)



FY2024-2025 Budget Assumptions

FY2024-2025 Proposed Budget - Estimated Operating Fund Revenues
(Based on BSA of \$5,960)





FY2024-2025 Budget Assumptions

Total Projected FY2024-2025 Operating Fund Income Statement – (Based on BSA of \$5,960)

Description	FY2022-2023 Actual	FY2023-2024 Revised Budget	FY2024-2025 Proposed Budget
Projected FY2024-2025 Operating Fund Revenue			
Borough Direct Appropriations	11,413,613	12,510,141	12,161,456
Borough In-kind Services Appropriations	957,015	273,000	315,000
Interest Income	0	0	180,000
Other Local Revenues	65,616	60,000	75,000
E-rate Revenue	205,670	110,000	175,000
Foundation Program	24,958,707	24,698,125	24,329,736
Quality Schools	81,693	79,954	80,728
Legislative Opportunity Grants	1,123,067	1,723,559	0
TRS Revenue On-behalf	1,925,306	2,181,300	2,200,000
PERS Revenue On-behalf	206,794	214,700	250,000
Other State Revenues	8,630	10,000	10,000
Medicaid Reimbursement	0	100,000	150,000
Other Fed Sources	129,616	460,056	10,000
Total Projected Operating Fund Revenues	41,075,727	42,420,835	39,936,920
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Classified Salaries	7,326,713	7,319,997	7,438,482
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Services	2,549,510	1,945,598	2,400,250
Supplies and Equipment	1,661,842	1,171,986	1,544,635
Total Services, Supplies & Equipment	6,229,914	4,904,984	5,720,635
Total Expenditures	42,559,794	42,420,835	44,901,702
Surplus (Deficit) from Operations - Operating Fund	(1,484,067)	0	(4,964,782)
Beginning Fund Balance	1,271,595	(212,472)	(212,472)
Ending Fund Balance	(212,472)	(212,472)	(5,177,254)

Steps To
Eliminate
Deficit

In the event of this situation coming to fruition and the Legislature and Governor cannot move forward on funding Education beyond the current BSA of \$5,960 in statute, the District will be forced to take catastrophic measures.

At their April 10th meeting, the Board of Education will review and consider a Reduction in Force Plan to anticipate necessary steps in this event.

Working backwards, the first two line items to be eliminated would be the repayment of the existing health care obligation to the Borough (\$500,000) and the restoration of an unrestricted Operating Fund fund balance (\$315,730).

The remaining deficit amount, approximately \$4.15 million, would need to be eliminated with the largest