

## MEMORANDUM

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**TO:** NWABSD Board of Education Members

**DATE:** April 11, 2023

**NUMBER:** 23-097

**FR:** Office of the Superintendent

**SUBJECT:** Adoption of FY24 Proposed Operating Fund Budget

**ABSTRACT:**

The School Board shall establish and maintain a balanced budget.

**ISSUE:**

At issue is the adoption of the Fiscal Year 2023-2024 Proposed Operating Fund Budget.

**BACKGROUND AND/OR PERTINENT INFORMATION:**

The FY24 Proposed Operating Fund Budget is being presented for adoption. The preliminary FY24 Operating Fund Budget was reviewed with the Budget Committee in February. Proposed Actions to balance the FY24 Budget were presented and discussed in detail at the budget work session on Wednesday March 6<sup>th</sup>, 2023. The District Administration presented the FY24 Proposed Budget to staff on April 3<sup>rd</sup> and postponed the presentation to parents and the community on March 30<sup>th</sup> due to the lack of participation. These presentations are to increase transparency with stakeholders about the planned reductions to the budget and to seek feedback.

Presented to you for adoption is the FY24 Proposed Operating Fund Budget, which includes:

- Revenue Plan of \$59,608,615
- Expenditure Plan of \$60,362,320
- Transfer to Other Funds in the amount of \$600,000
- Use of Fund balance in the amount of \$1,353,706

The FY24 Proposed Operating Budget includes reductions to the overall budget:

- 31.42 Full Time Equivalent positions reduced based on higher Student to Teacher Ratio and other administrative reductions.
- Reductions to supplies, travel, professional & technical services, and heating fuel
- Reductions to student activities travel
- A decrease in heating fuel costs based on a change in fuel surcharge
- Programs and positions being moved to ESSER grant funding
- An internet cost decrease

The District Administration will continue to look for revenue sources to pay for these important programs.

**ALTERNATIVES:**

1. Adopt the FY24 Proposed Operating Fund Budget as presented;

2. Disapprove the FY24 Proposed Operating Fund Budget as presented;
3. Take no action.

**ADMINISTRATION'S RECOMMENDATION:**

The administration recommends the Board adopt the FY24 Proposed Operating Fund Budget as presented.

**Northwest Arctic Borough School District  
FY24 Proposed Budget**

	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Changes FY23 to Proposed</b>	<b>NOTES</b>
	<b>Actual Transactions</b>	<b>Current Budget</b>	<b>Proposed Budget Budget</b>		
<b>REVENUE</b>					
Other Local Revenue	\$555,433	\$450,000	\$450,000	\$0	Estimated based on historical
Earnings on Investments	\$13,734	\$230,000	\$300,000	\$70,000	
Donations/Contributions	\$0	\$0	\$0	\$0	
Borough Appropriation	\$4,151,951	\$6,540,579	\$6,645,111	\$104,532	Increase due to property value
E-rate Program	\$7,293,845	\$7,456,903	\$7,205,220	(\$251,683)	
State Foundation	\$37,363,786	\$38,969,601	\$37,434,458	(\$1,535,144)	Based on Projection of 1880
Other State Rev - Quality Schools	\$107,204	\$108,384	\$109,952	\$1,568	Based on ADM
TRS On-behalf	\$2,699,733	\$1,789,996	\$2,185,557	\$395,561	
PERS On-behalf	\$678,360	\$222,108	\$263,317	\$41,209	
Revenue - Other State Sources	\$16,960	\$11,157	\$15,000	\$3,843	
Impact Aid Program	\$1,647,184	\$6,216,361	\$5,000,000	(\$1,216,361)	
<b>TOTAL REVENUES</b>	<b>\$54,528,190</b>	<b>\$61,995,089</b>	<b>\$59,608,615</b>	<b>(\$2,386,475)</b>	
<b>TRANSFERS IN</b>					
Capital Improvement Funds	\$0	\$0	\$0		
<b>TOTAL TRANSFERS IN</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>EXPENSES</b>					
Certificated Salaries	\$13,149,886	\$15,519,124	\$14,565,301	(\$953,823)	31.42 FTE decrease plus positions to ESSER
Non-Certificated Salaries	\$8,034,015	\$8,986,020	\$8,427,137	(\$558,884)	31.42 FTE decrease plus positions to ESSER
Leave Pay Out	\$311,155	\$206,510	\$195,000	(\$11,510)	Based on average payout
Board Stipends	\$90,118	\$79,000	\$79,000	\$0	
Employee Benefits	\$10,328,426	\$11,490,062	\$10,478,366	(\$1,011,697)	31.42 FTE decrease plus positions to ESSER
TRS On-behalf	\$2,699,733	\$1,789,996	\$2,185,557	\$395,561	
PERS On-behalf	\$678,360	\$222,108	\$263,317	\$41,209	
<b>SUBTOTAL: Personnel</b>	<b>\$35,291,693</b>	<b>\$38,292,821</b>	<b>\$36,193,678</b>	<b>(\$2,099,144)</b>	
Professional & Technical Services	\$2,827,354	\$3,564,671	\$3,369,006	(\$195,665)	
Staff Travel	\$299,976	\$569,565	\$482,400	(\$87,165)	
Board Travel	\$84,781	\$89,379	\$89,379	\$0	
Student Travel	\$600,625	\$1,133,275	\$641,275	(\$492,000)	Decrease to student activities travel
Utility Services	\$8,594,279	\$8,970,476	\$8,387,769	(\$582,708)	Decrease to internet & based on usage
Energy-includes electricity & fuel	\$3,635,386	\$4,754,978	\$4,528,070	(\$226,908)	Decrease to heating fuel costs
Other Purchased Services	\$2,328,294	\$4,492,906	\$4,391,906	(\$101,000)	
Property & Liability Insurance	\$953,044	\$1,002,689	\$1,000,159	(\$2,530)	
Supplies, Materials & Media	\$1,085,591	\$1,633,932	\$1,415,185	(\$218,747)	Decrease to supplies
Tuition	\$9,951	\$10,620	\$20,000	\$9,380	
Dues & Fees	\$156,999	\$134,637	\$133,494	(\$1,143)	
Inventoried Equipment	\$61,273	\$51,593	\$25,000	(\$26,593)	
Indirect Cost Recovery	(\$465,557)	(\$300,000)	(\$315,000)	(\$15,000)	Estimated based on historical
<b>SUBTOTAL: Non-Personnel</b>	<b>\$20,171,996</b>	<b>\$26,108,721</b>	<b>\$24,168,643</b>	<b>(\$1,940,079)</b>	
<b>TOTAL EXPENSES</b>	<b>\$55,463,690</b>	<b>\$64,401,543</b>	<b>\$60,362,320</b>		
<b>TRANSFERS OUT</b>					
Food Service Fund	\$0	\$0	\$0	\$0	
ATC	\$604,162	\$0	\$0	\$0	
Star of the Northwest - Magnet Schoc	\$188,882	\$0	\$0	\$0	
Teacher Housing Fund	\$489,891	\$350,000	\$450,000	\$100,000	Estimated based on historical
Special Revenue Fund - Transportatio	\$170,201	\$150,000	\$150,000	\$0	
<b>TOTAL TRANSFERS OUT</b>	<b>\$1,453,136</b>	<b>\$500,000</b>	<b>\$600,000</b>	<b>\$100,000</b>	
<b>INCREASE (DECREASE)-UNRESERVED FE</b>	<b>(\$2,388,635)</b>	<b>(\$2,906,453)</b>	<b>(\$1,353,706)</b>		Use of Fund Balance to balance budget