

## MEMORANDUM

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**TO:** NWABSD Board of Education Members      **DATE:** May 1, 2026  
**NUMBER:** 26-157  
**FR:** Office of the Superintendent      **SUBJECT:** Adoption of FY27 Operating Fund Budget

### **ABSTRACT:**

The School Board shall establish and maintain a balanced budget.

### **ISSUE:**

At issue is the adoption of the Fiscal Year 2026-2027 Operating Fund Budget.

### **BACKGROUND AND/OR PERTINENT INFORMATION:**

The FY27 Operating Fund Budget is being presented for adoption. Proposed actions to balance the budget were presented and discussed at the budget work session on March 23, 2026. The Board of Education and Superintendent created the FY27 Operating Fund Budget based off estimated increases to expenditures and decrease to revenues.

Presented to you for adoption is the FY27 Operating Fund Budget, which includes:

- Revenue Plan of \$73,049,090
- Expenditure Plan of \$72,046,090
- Transfer In from Investment Account in the amount of \$3,000,000
- Transfers Out to Other Funds in the amount of \$1,753,000

The FY27 Operating Budget includes the following:

- Increase targeted student:teacher ratio
- Reduce DO Administrator contracts
- Reduce Student Activities
- Reduce Board of Education budget
- Reduce Property Services budget

*Further reductions may be needed if revenue and fund balance actuals differ from projections*

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

### **ALTERNATIVES:**

1. Adopt the FY27 Operating Fund Budget as presented;
2. Disapprove the FY27 Operating Fund Budget as presented;
3. Take no action.

### **ADMINISTRATION'S RECOMMENDATION:**

The administration recommends adoption of the FY27 Operating Fund Budget as presented.

Northwest Arctic Borough School District  
FY27 Budget - Preliminary

	FY26	FY27
	<u>REVISION #4</u>	(0) BUDGET
<b><u>REVENUE</u></b>		
Other Local Revenue	\$1,500,000	\$1,500,000
Earnings on Investments	\$770,000	\$770,000
Borough Appropriation	\$10,216,250	\$9,395,239
E-rate Program	\$11,609,460	\$11,609,460
State Foundation	\$39,931,648	\$39,460,270
Quality Schools	\$105,427	\$102,350
TRS On-behalf	\$2,939,737	\$3,214,972
PERS On-behalf	\$568,837	\$664,905
Revenue-Other State Sources	\$821,180	\$2,671,180
Impact Aid Program	\$3,941,882	\$3,660,714
<b>TOTAL REVENUES</b>	<b>\$72,404,421</b>	<b>\$73,049,090</b>
<b><u>TRANSFERS IN</u></b>		
CIP Reserved Local Share	\$2,300,000	\$0
Investment Account	\$0	\$3,000,000
<b>TOTAL TRANSFERS IN</b>	<b>\$2,300,000</b>	<b>\$3,000,000</b>
<b><u>EXPENSES</u></b>		
Certificated Salaries	\$15,391,061	\$14,600,729
Non-Certificated Salaries	\$9,069,172	\$8,189,145
Leave Pay Out	\$325,807	\$364,000
Stipends	\$107,750	\$87,750
Employee Benefits	\$10,444,372	\$10,039,267
TRS On-behalf	\$2,939,737	\$3,214,972
PERS On-behalf	\$568,837	\$664,905
<b>SUBTOTAL: Personnel</b>	<b>\$38,846,737</b>	<b>\$37,160,767</b>
Prof & Technical Services	\$5,234,299	\$5,264,474
Staff Travel	\$556,404	\$324,900
Board Travel	\$83,852	\$49,930
Student Travel	\$1,365,775	\$866,000
Utility Services	\$13,791,802	\$13,740,402
Energy (w/ electricity & fuel)	\$6,086,200	\$6,652,600
Other Purchased Services	\$4,510,276	\$4,506,556
Property & Liability Insurance	\$1,430,168	\$1,481,641
Supplies, Materials & Media	\$2,041,373	\$2,025,785
Tuition	\$40,000	\$40,000
Dues & Fees	\$257,255	\$128,035
Inventoried Equipment	\$55,000	\$130,000
Indirect Cost Recovery	(\$250,000)	(\$325,000)
<b>SUBTOTAL: Non-Personnel</b>	<b>\$35,202,404</b>	<b>\$34,885,323</b>
<b>TOTAL EXPENSES</b>	<b>\$74,049,141</b>	<b>\$72,046,090</b>
<b><u>TRANSFERS OUT</u></b>		
Food Service Fund	\$1,200,000	\$0
ATC	\$500,000	\$1,103,000
Star of the NW-Magnet School	\$0	\$250,000
Teacher Housing Fund	\$675,000	\$400,000
Capital Projects	\$440,000	\$0
Special Revenue Fund	\$0	\$0
<b>TOTAL TRANSFERS OUT</b>	<b>\$2,815,000</b>	<b>\$1,753,000</b>
<b>INC/(DEC)-UNRESERVED FB</b>	<b>(\$2,159,719)</b>	<b>\$2,250,000</b>
<b>FY25 Fund Balance</b>	<b>\$4,550,874</b>	
Decrease in Fund Balance	\$2,159,719	(\$2,250,000)
Est. FY 25 Prepaid & Inventory	\$2,000,000	\$2,250,000
<b>Projected FY26 Fund Balance</b>	<b>\$391,155</b>	<b>(\$0)</b>