



LPSD Budget Update

LAKE AND PENINSULA SCHOOL
DISTRICT - December 2023

LPSD Budget Update Communication Plan

- 1st Zoom Session: December 19, 2023 @ 4:00 PM
- 2nd Zoom Session: January 16, 2023 @ 4:00 PM

We will evaluate the delivery of information based on the participation on Zoom and shift gears as we receive questions on the information provided.

We understand there is a lot here! We are open to feedback on how to best communicate the information provided.

Goals for Delivery of Budget Information

- Provide a broad foundational understanding of the history & present finances of LPSD
- Subsistence Calendar
- Highlight greatest cost areas necessary to evaluate areas for change
- History of State Funding and our current status
- Better Together budget problem solving continues
- Ensure LSAC, parents/guardians, Borough, students and communities are informed

Budget Terms

FY23 = Fiscal Year 2023, which is the 2022-2023 School Year

FY24 = Fiscal Year 2024, which is the 2023-2024 School Year

BSA = Base Student Allocation, the amount of money the State of Alaska gives to School Districts for each student, based on a formula. Currently this is \$5,960 for students attending schools and 90% of this for Lake View Homeschool Students

Budget History

2017-2018 LPSD was faced with a budget shortfall of \$661,607 and projected to continue operating at a deficit for the foreseeable future.

The programs of greatest cost that were proposed for cutting were:

- Hot lunch program (\$460K for 12 schools)
- Preschool (\$500K for 12 schools)
- Activities (\$405K for 13 schools)

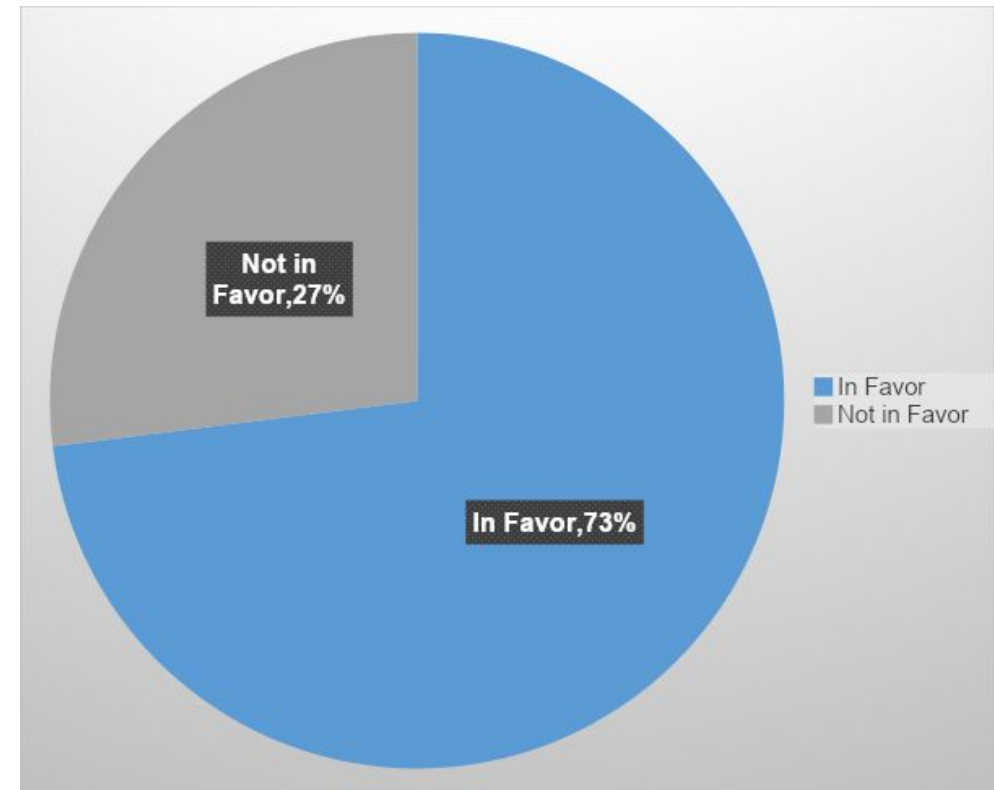
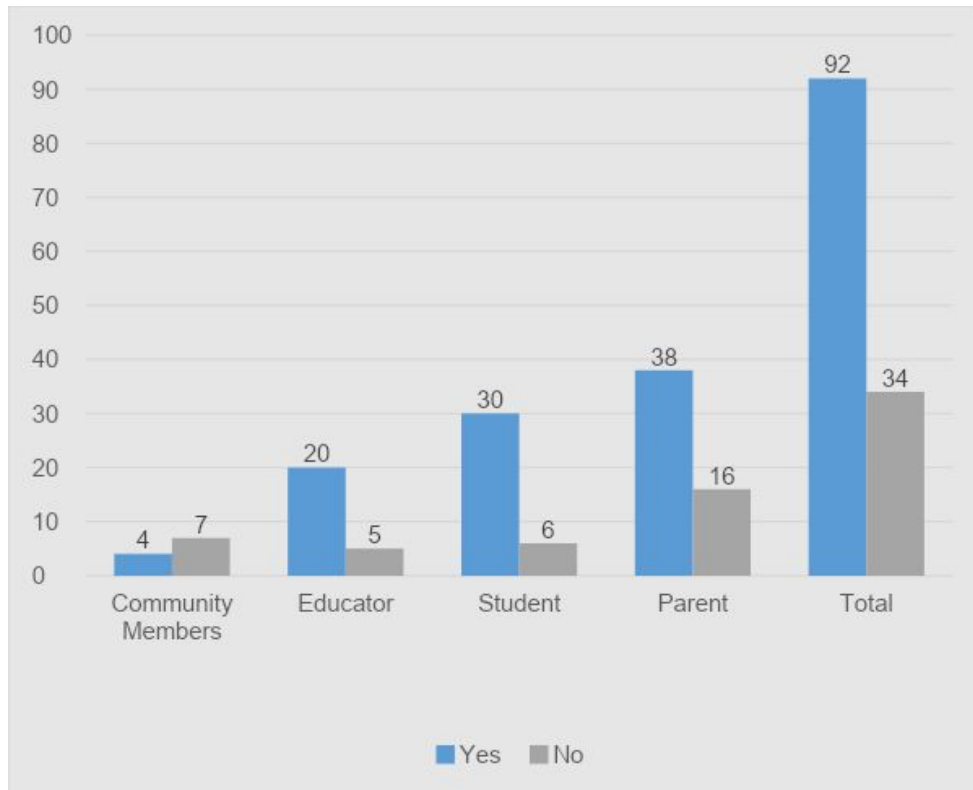
At the end of discussing financial issues and potential ways to cut the costs to operate within our funding a board member challenged us by saying,

“You are better than this. You are more creative than this. Go figure out another way forward.”

LPSD cut 20 instructional days from the school calendar, districtwide - the “Subsistence Calendar” was adopted and continues through today.

Subsistence Calendar Survey Results

126 respondents - November 2022



2023-2023 End of Year Budget

June 2023, we received \$340 one year BSA increase after the Governor vetoed \$680 our Legislature put forward.

\$340 one year BSA increase was \$500K for LPSD yet doesn't touch increase in spending due to inflation in all aspects of what we do.

The programs of greatest cost continue to be:

- Hot lunch program (at the end of 2023 school year, -\$140K, projected to cost us \$500K, so \$640K total for 10 schools)
- Preschool currently grant funded through 2026
- Activities (all components) cost at the end of 2023 was \$738K (District Funds - 11 schools)

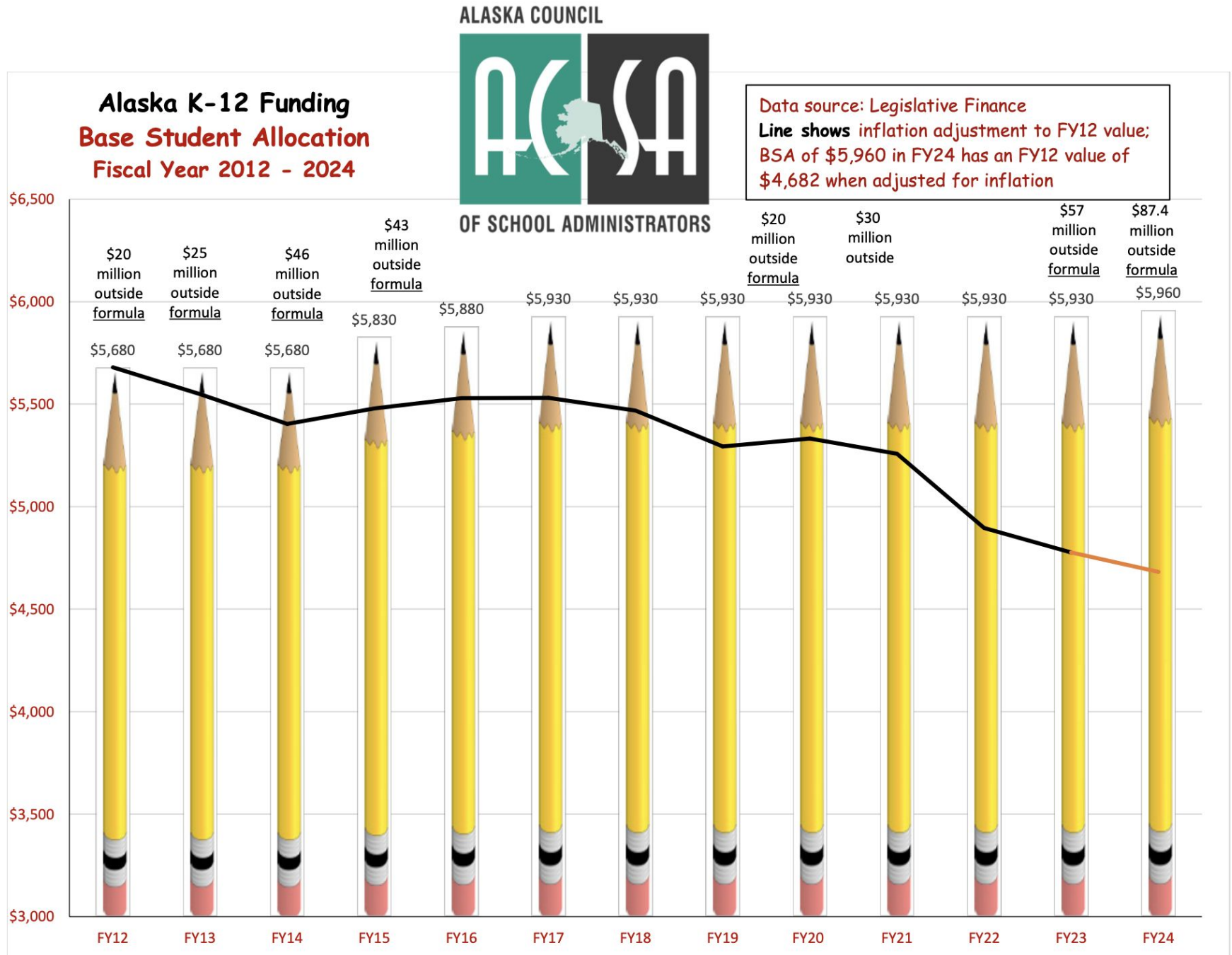
2022-2023 End of Year Budget

LPSD was faced with a budget shortfall of \$609,000 coming into the 2023-2024 School Year

- PK is funded by a grant - Secure through 2026
- Hot Lunch anticipated cost this year is about \$636K
- Activities/Travel cost us \$563,634 in FY23 all items include

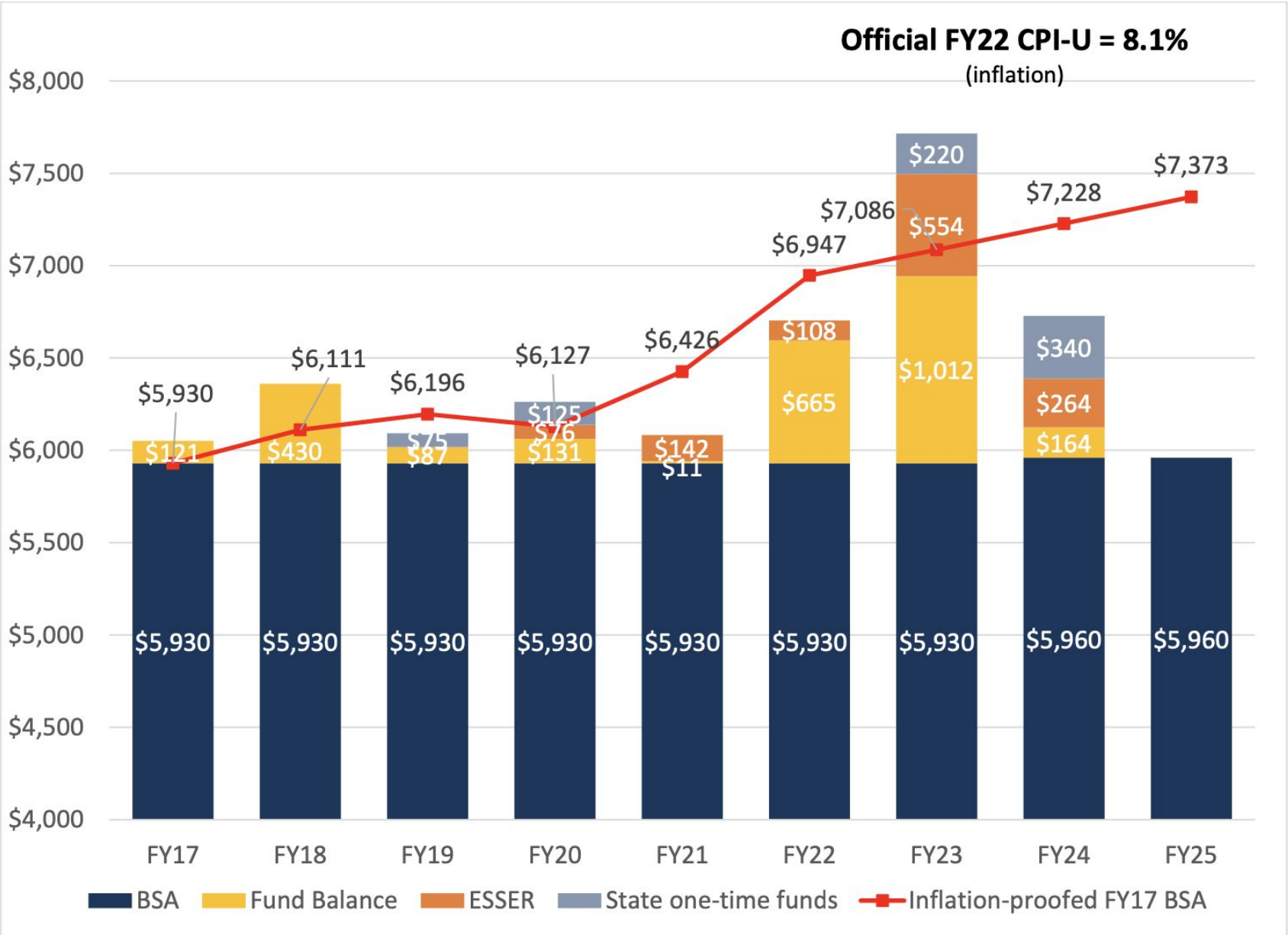
We have not added anything significant to operations beyond the AK Reads Act which we anticipate will cost about \$168K in Years 1&2 (FY24 & FY25), and \$163K in Year 3 (FY26).

The State of Alaska not keeping up with inflation through the Base Student Allocation (BSA) which directly impacts our ability to maintain programs.



The State of Alaska (SOA) has maintained a base Student Allocation (BSA) of \$5,930 from FY17 to FY23 with a \$30 (0.5%) increase for FY24. The State of Alaska Provided one-time funds in FY19, FY20, FY23 and FY24, in lieu of a permanent increase to the BSA. LPSD applied fund balance, the state's one-time maximize the educational opportunities during the past six years.

The District is grateful for Lake and Peninsula Boroughs provided support and endowment funds accessed in FY23 to maintain operations. The chart below depicts the BSA's inflationary increase, based on Anchorage's CPI-U, from 2017 through 2022. Rates from January 2023 through 2024 are estimated based on a 2% steady inflation rate for those two years. The dark blue bars represent the BSA.



- LPSD revenue is depicted in BSA-equivalent dollars
- FY23 & FY24 inflation is based on historical average of 2%

Funding Sources

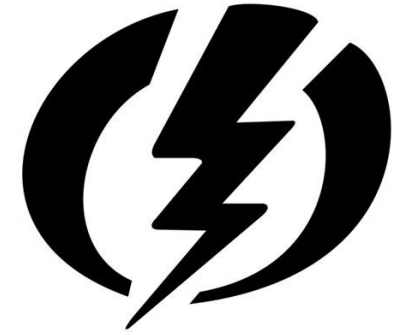


2016-17 (TRADITIONAL)

	■	Budgeted	Versus	Actual
• Foundation	\$9,108,428		\$9,108,429	
• Impact Aid	\$940,588	\$940,588		
• Borough	\$1,347,423		\$1,347,423	
• Investments	\$25,000	\$23,162		
• E-Rate	\$1,913,415	\$1,911,476		
• TRS on Behalf of	\$564,191	\$566,890		
• PERS on Behalf of		\$77,652	\$85,822	
• Other State Revenue	\$252,821	\$221,998		
• Charges for Services - Rent	\$280,000	\$282,067		
• Other Local Revenue	\$524,667	\$558,354		
• Total	\$15,034,185	\$15,046,209		

2022-23 (SUBSISTENCE)

	■	Budgeted	Versus	Actual
• Foundation	\$8,480,744		\$8,480,744	
• Impact Aid	\$477,803	\$404,793		
• Borough	\$2,376,065		\$2,388,707	
• Investments	\$0	\$0		
• E-Rate	\$2,293,887	\$2,148,797		
• TRS on Behalf of	\$550,734	\$389,259		
• PERS on Behalf of		\$54,533	\$56,878	
• Other State Revenue	\$334,168	\$334,168		
• Charges for Services -Rent	\$264,338	\$258,626		
• Other Local Revenue	\$120,245	\$133,706		
• Total	\$14,952,517	\$14,595,678		



Utility Breakdown-Electric

2016-17 (TRADITIONAL)

- Electric Cost \$581,349.71
- Average rate kWh 0.59
- Total use 985,338.49

2022-23 (SUBSISTENCE)

CLOSURES

*2 SCHOOL

- Electric Cost \$629,710
- Average rate kWh 0.67
 - 0.05 increase from prior year
- Total use 939,865.67
- Use per day 6265.77
 - 6774.35 in FY22
- Cost per day \$4,198.07
 - \$4,200.10 in FY22 with 10 schools operating year round
- +20 days would cost **\$83,961.40**

Utility Breakdown-Heating Fuel

2016-17 (TRADITIONAL)

- Fuel Cost \$278,187.28
- Average Rate 4.275
- Gallons Used 65,073.05

2022-23 (SUBSISTENCE) *2 SCHOOL CLOSURES

- Fuel Cost \$371,808.93
 - \$268,488.14 in FY22 - **\$103,320.79** increase
- Average Rate 5.97
 - 0.62 increase from FY22
- Gallons Used 49062.00
 - 57,171.40 in FY22 – 8,109.40 gallon decrease
- Cost per day \$2,478.73
- +20 days would cost **\$49,574.52**

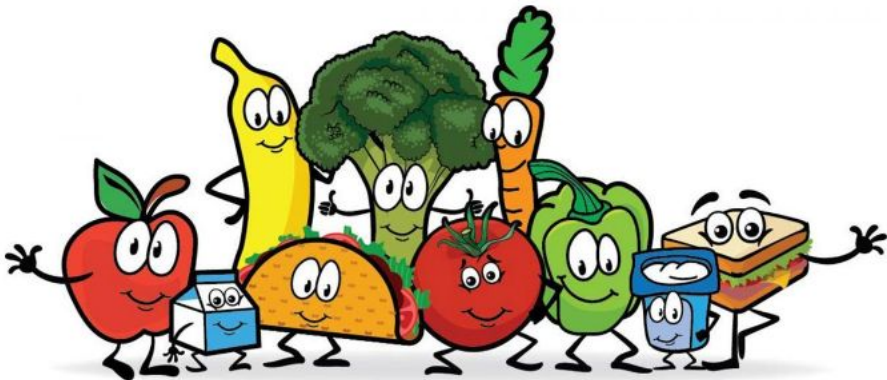
Food Service Breakdown

2016-17 (TRADITIONAL)

- Total Cost \$818,992
- Cost per day (170 days)
\$4,817.60

2022-23 (SUBSISTENCE)

- Total Cost \$414,876
- Cost per day (150 days)
\$2,765.84
- +20 days would cost
\$55,316.80



2023-2024 School Year

The LPSD School Board has been informed and continues to invest in the steps we take towards getting out of debt and working towards establishing a fund balance in future years.

Steps we have already taken this school year and the results:

- Health Insurance Adjustments impacting all LPSD Staff (depending upon their chosen health plan), Borough Assembly, and School Board. Potential savings of \$400,000
- Sports savings with minor shifts
 - Only qualified XC runners traveled to Regional XC and we saved about \$34K
 - Other cost saving considerations will be presented to our School Board for review for Spring 2024
- No Non-Essential Travel + Per Diem
 - September, October and November cost us \$92K in FY23, those three months in FY24 cost us about \$38K
 - LPSD will no longer offer a housing per diem rate for those who do not stay in District funded housing.
- Raised Adult Lunches from \$5.00 to \$10.00
- Narrowed our cleaning and maintenance efforts during Summer 2023 and saved \$30K

2023-2024 School Year (continued...)

Steps we have already taken this school year as cost saving measures and the results:

- We have accessed the Lake and Peninsula Borough School Endowment funds to buffer our deficit. Currently the endowment holds about \$4.8M
- Lake and Peninsula Borough funding, referred to as “Local Contribution” cannot increase their contribution due to their own budget concerns mainly due to the price of salmon being so low this past year. 50% LPB’s budget is spent on LPSD.
 - Current Local Contribution: \$1,372,707.00
 - Minimum Required Local Contribution: \$407,447.00
 - Maximum Local Contribution: \$2,505,260.00

Advocacy

What you can do to be supportive of adequate funding for Public Education

Ask the state, Legislators and the Governor to increase the Base Student Allocation through letters from you and from students

Thank Legislators who are supportive of education funding!

Ask the state to pass the education funding bills by at least March of the year before- otherwise districts (like this year) have no idea what funding will be and have to lay off teachers (very rough on teacher retention) and delay on purchasing until the funding is finally passed in the summer- often too late for major decisions.

Thank the Borough for their ongoing support of Education!