

## MEMORANDUM

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**TO:** NWABSD Board of Education Members

**DATE:** June 5, 2024

**NUMBER:** 24-160

**FR:** Office of the Superintendent

**SUBJECT:** Approval of FY24 District  
Operating Budget  
Revision #3

**ABSTRACT:**

The School Board shall establish and maintain a balanced budget.

**ISSUE:**

At issue is the approval of the FY24 District Operating Fund Budget Revision #3

**BACKGROUND AND/OR PERTINENT INFORMATION:**

The FY24 District Operating Fund Budget was approved and adopted at the April 25<sup>th</sup>, 2023 Regular School Board meeting with expenditures in the amount of \$60,362,320. Revision #1 was approved at the June 6, 2023 meeting with expenditures in the amount of \$63,531,405. Revision #2 was approved at the December 5, 2023 meeting with expenditures in the amount of \$63,307,834

Presented to you is Budget Revision #3 for the FY24 Operating Fund Budget.

Revision #3 is based on a review of revenues and expenditures. In summary Revision #3 includes:

Revenues: \$67,589,261

Expenditures: \$63,863,212

Transfer in from Other Funds: \$0

Transfers out to Other Funds: \$2,150,000

This budget revision includes an increase to revenue of \$6,061,261 and an increase in expenditures of \$1,465,427. See FY24 Budget Revision #3 details attached.

Overall, we are projecting an increase in fund balance of approximately \$1.6 million. \$8.6 million is the estimate for fund balance going into FY25, however, there has been an increase to health insurance plan costs in FY24 which will affect that balance significantly. Final FY24 Fund Balance will be known after the FY24 audit is complete.

**ALTERNATIVES:**

1. Approve Revision #3 of the FY24 District Operating Fund Budget as presented;
2. Disapprove Revision #3 of the FY24 District Operating Fund Budget as presented;
3. Take no action.

**ADMINISTRATION'S RECOMMENDATION:**

The administration recommends the Board approve Revision #3 of the FY24 District Operating Fund Budget as presented.

**Northwest Arctic Borough School District  
FY24 Budget**

	FY24	FY24	Changes	NOTES
	Current Budget	Revised Budget		
<b>REVENUE</b>				
Other Local Revenue	\$600,000	\$830,000	\$230,000	Based on revenue trend. Includes Revenue from ATC at approximately \$750k
Earnings on Investments	\$600,000	\$700,000	\$100,000	Based on earnings trend
Donations/Contributions	\$125,000	\$125,000	\$0	Donation from AKIMA for Stud Act
Borough Appropriation	\$6,645,111	\$6,645,111	\$0	
E-rate Program	\$7,205,220	\$7,205,220	\$0	
State Foundation	\$37,434,458	\$37,706,297	\$271,840	Based on State projection
Quality Schools	\$109,952	\$109,592	(\$360)	Based on State projection
TRS On-behalf	\$1,955,492	\$1,932,859	(\$22,633)	Based on changes to positions/salaries
PERS On-behalf	\$326,903	\$256,389	(\$70,514)	Based on changes to positions/salaries
Revenue - Other State Sources	\$15,000	\$2,382,778	\$2,367,778	Includes one time funding for FY24
Impact Aid Program	\$6,510,519	\$9,696,015	\$3,185,496	Receipts through 4/1/2024
<b>TOTAL REVENUES</b>	<b>\$61,527,655</b>	<b>\$67,589,261</b>	<b>\$6,061,606</b>	
<b>TRANSFERS IN</b>				
District Technology Fund	\$0	\$0	\$0	
Locally Funded Maintenance CIP Fund	\$0	\$0	\$0	
NW Magnet School Expansion	\$0	\$0	\$0	
Magnet School Dormitory	\$0	\$0	\$0	
CIP Reserved Local Share	\$0	\$0	\$0	
<b>TOTAL TRANSFERS IN</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>EXPENSES</b>				
Certificated Salaries	\$14,853,111	\$14,099,918	(\$753,193)	Position vacancies
Non-Certificated Salaries	\$9,425,229	\$9,166,032	(\$259,197)	Position vacancies
Leave Pay Out	\$196,654	\$253,752	\$57,098	Increase based on leave payout encumbrance to date
Board Stipends	\$87,750	\$87,750	\$0	
Employee Benefits	\$10,388,505	\$10,526,896	\$138,391	Position vacancies
TRS On-behalf	\$1,955,492	\$1,932,859	(\$22,633)	Based on changes to positions/salaries
PERS On-behalf	\$326,903	\$256,389	(\$70,514)	Based on changes to positions/salaries
<b>SUBTOTAL: Personnel</b>	<b>\$37,233,645</b>	<b>\$36,323,596</b>	<b>(\$910,048)</b>	
Professional & Technical Services	\$3,910,267	\$3,928,718	\$18,451	Maintenance Services & Audit prep
Staff Travel	\$452,250	\$485,502	\$33,252	HR - New teacher travel
Board Travel	\$108,852	\$108,852	\$0	See attached Board budget revision
Student Travel	\$1,144,775	\$1,144,775	\$0	Student Activities
Utility Services	\$8,387,769	\$8,517,609	\$129,840	Water & Sewer costs in Deering & Kotzebue
Energy-includes electricity & fuel	\$4,928,070	\$6,159,426	\$1,231,356	Large Electricity cost increase & Moderate Heating fuel increase
Other Purchased Services	\$4,492,051	\$4,478,153	(\$13,899)	Reduction to HR budget, moved to Staff travel
Property & Liability Insurance	\$1,305,616	\$1,306,397	\$781	Added vehicle
Supplies, Materials & Media	\$1,479,821	\$1,519,821	\$40,000	Gas/Oil for KVL, Paper Dist Wide, Safety Training
Tuition	\$20,000	\$20,000	\$0	
Dues & Fees	\$134,719	\$140,364	\$5,646	Multiple School accounts - association dues
Inventoried Equipment	\$25,000	\$45,000	\$20,000	
Indirect Cost Recovery	(\$315,000)	(\$315,000)	\$0	
<b>SUBTOTAL: Non-Personnel</b>	<b>\$26,074,189</b>	<b>\$27,539,616</b>	<b>\$1,465,427</b>	
<b>TOTAL EXPENSES</b>	<b>\$63,307,834</b>	<b>\$63,863,212</b>	<b>\$555,378</b>	
<b>TRANSFERS OUT</b>				
Food Service Fund	\$0	\$0	\$0	
ATC	\$1,150,000	\$1,150,000	\$0	Estimated ATC transfer for FY24. See above note referencing ATC revenue. ATC expense over revenue estimated at \$650k, however transfer must be total of \$0 expenses.
Star of the Northwest - Magnet School	\$75,000	\$175,000	\$100,000	Estimated Star transfer for FY24
Teacher Housing Fund	\$450,000	\$750,000	\$300,000	Large increase to teacher housing repair costs
Student Transportation	\$150,000	\$75,000	(\$75,000)	Only one Bus Driver hired in FY24
<b>TOTAL TRANSFERS OUT</b>	<b>\$1,825,000</b>	<b>\$2,150,000</b>	<b>\$325,000</b>	
<b>INCREASE (DECREASE)-UNRESERVED FB</b>	<b>(\$3,605,179)</b>	<b>\$1,576,048</b>		
<b>FY23 Fund Balance</b>	<b>\$9,915,223</b>	<b>\$9,915,223</b>		From FY23 Audit - Page 125
<b>Budgeted (Increase) Decrease above</b>	<b>\$3,605,179</b>	<b>(\$1,576,048)</b>		
<b>Estimated Prepaid &amp; Inventory for FY24</b>	<b>\$2,800,000</b>	<b>\$2,800,000</b>		Fuel Inventory & Property & Liability Insurance
<b>Projected FY24 Fund Balance</b>	<b>\$3,510,044</b>	<b>\$8,691,271</b>		13.61% District should keep balance under 10%

NOTE: Health Insurance Costs won't be known until FY24 audit complete. Estimated \$4.5 million above budget