



NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

Atautchikun Iñuunialiptigun (Through Our Way of Life Together as One)

Northwest Arctic Borough School District

**JOINT NWAB & NWABSD WORKSESSION
FISCAL YEAR 2026**

April 28, 2025



Legislative Update

- Governor vetoes HB 69 that would increase BSA by \$1000
- Legislatures failed to override the veto
- New bill HB 57 would increase BSA by \$700 if passed

Reach out to our legislators to support the bill



The State of Alaska's legislative session is scheduled to end in mid-May, requiring some assumptions to be made in order to develop the budget within required timelines. The budget must be balanced before it is submitted to the School Board in April and the Northwest Arctic Borough Assembly no later than May 1st.

Assumptions used in preparing the proposed budget:

- No change to the State's Base Student Allocation (BSA) at \$5,960
- No additional one-time funding provided
- Decrease in enrollment based on projection to State
- Borough appropriations at minimum contribution
- Utilities estimated based on average usage & cost increases
- Grant funding for salaries totaling approximately \$3,260,000
- Thirty (30) NWABSD employees declining health insurance



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Balancing the FY26 Budget



Possible Increases to Revenue

The School District is requesting the maximum contribution from the Borough of \$12,419,371

Receiving an addition of \$560/student to the FY26 Base Student Allocation would increase revenue by \$3,689,923



Decreases to Expenditures

STAR Funding	\$100,000
Student Transportation – Bus transportation	\$150,000
ATC Funding	\$400,000
Food Service Program – Seconds, along with other reductions	\$500,000
ReadiStar Program – Program eliminated	\$368,000
Student Activities – All student activities eliminated	\$1,755,860
School Board Budget	\$234,527
TOTAL AMOUNT OF PROPOSED REDUCTIONS	\$3,508,387

Possible Action



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REVENUE

Other Local Revenue	\$3,000,000
Earnings on Investments	\$770,000
Borough Appropriation	\$6,568,263
E-Rate Program	\$11,609,460
State Foundation	\$36,194,559
Quality Schools & Other	\$106,133
TRS On-Behalf	\$2,404,313
PERS On-Behalf	\$461,615
Rev – Other State	\$821,180
Impact Aid Program	\$3,941,882
TOTAL:	\$65,877,405

EXPENDITURES

Salaries & Benefits	\$38,499,923
Professional & Technical Services	\$4,301,720
Travel	\$424,100
Utilities	\$7,086,702
E-Rate Expense	\$12,899,400
Other Purchased Services	\$4,500,261
Property & Liability Insurance	\$1,489,641
Supplies, Materials & Media	\$1,607,683
Tuition, Dues & Fees & Equipment	\$167,675
Indirect Cost Recovery	(\$250,000)
TOTAL:	\$70,727,105

TRANSFERS IN

CIP Local Share	\$2,300,000
Est. usable Fund Balance	\$3,224,699
TOTAL:	\$5,524,699

TRANSFERS OUT

Teacher Housing Fund	\$675,000
TOTAL:	\$675,000

Prepays & Inventory	\$2,000,000
TOTAL:	\$2,000,000

FUND BALANCE

\$55,852

FY26 General Fund Budget



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Capital Projects



Six-Year Capital Improvement Plan

1. Deering K-12 Replacement School	\$59,500,000
2. Buckland K-12 School Exterior Envelope Renewal	\$15,000,000
3. June Nelson Elementary School Roof Replacement	\$4,000,000
4. Noorvik K-12 School Renewal and Roof Replacement	\$12,500,000
5. Kiana K-12 School Renewal Noorvik School Renewal	\$10,500,000
6. June Nelson Elementary School Renewal	\$12,500,000
7. Ambler K-12 School Renewal	\$10,000,000
8. Shungnak K-12 School Renewal	\$10,000,000



Summary of Matches Required and Pending Capital Projects

Required Current Matches:

1. Davis Ramoth upgrades - \$1,884,834
2. District-wide HVAC - \$1,967,631
3. Buckland Teacher Housing - \$500,594
4. Noatak Teacher duplexes - \$440,000

Total Current matches above: \$4,793,059

Future potential Matches:

1. Districtwide Fire Alarm Replacement - \$1,322,568
 - 3rd on DEED's major maintenance list



Deering K-12 Replacement School

(#3 on FY26 DEED's School Construction list - \$59.5 million)

We are requesting the Assembly's consideration to provide \$10 million from Bond Debt to begin this much-needed project.

Why:

1. Alaska DOT is building an emergency evacuation road. The project will be bid in summer 2025, harvest gravel in 2026, and construct through 2027.
2. Deering K-12 Replacement School is directly off this new road and requires a gravel pad.
3. Building the DOT road and school pad in coordination and in the same time frame, will save time and money for the school project.
4. Without FY26 funding, gravel harvesting will be complete before the school project is funded, thus this money-saving opportunity will be lost.
5. Deering K-12 Replacement School needs to start design and administrative work now for a cultural resource study, potential State Historical Preservation review, a Corps of Engineers permit, and securing property lease rights.
6. Work in item #5 must be complete before the gravel pad can be installed. To take advantage of the DOT road work, school project needs a minimum of \$10M in FY26.



Teacher Housing Update

Ambler 2 refresh	\$340,000
Buckland 6 refresh	\$360,000
Buckland 6 new units	\$3,000,000
Deering 2 refresh	\$220,000
Kiana 2 refresh	\$200,000
Noatak 6 refresh	\$560,000
Noatak 4 new units	\$3,000,000
Noorvik 6 refresh	\$660,000
Selawik 2 remodeled	\$75,000
Selawik 2 new units	\$2,000,000
Total	\$10,415,000



Summary

Hard cuts to Balance the Budget

• Reductions to programs	\$3,508,387
• Use of fund balance	\$5,224,699
• <u>CIP Local Share</u>	<u>\$2,300,000</u>
Total	\$11,033,086

Additional needs

• Teacher Housing Upgrades	\$10,415,000
• Required Capital Projects Match	\$4,793,059



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Questions?

