MEMORANDUM

TO: NWABSD Board of Education Members **DATE:** December 5, 2023

NUMBER: 24-058

FR: Office of the Superintendent SUBJECT: Approval of FY24 District

Operating Budget

Revision #2

ABSTRACT:

The School Board shall establish and maintain a balanced budget.

<u>ISSUE:</u>

At issue is the approval of the FY24 District Operating Fund Budget Revision #2

BACKGROUND AND/OR PERTINENT INFORMATION:

The FY24 District Operating Fund Budget was approved and adopted at the April 25th, 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.

Presented to you is Budget Revision #2 for the FY24 Operating Fund Budget.

Revision #2 is based on a review of revenues and expenditures. In summary Revision #2 includes:

Revenues: \$61,527,655

Expenditures: \$63,307,834

Transfer in from Other Funds: \$0

Transfers out to Other Funds: \$1,825,000

This revision includes an increase to budgeted revenue of \$1,434,370 and a decrease in expenditures of \$223,571. The decrease to personnel expenditures of approximately \$1.6 million is due to vacancies for budgeted positions, and this revision moves unencumbered funds form the vacancies from certified salaries and benefits to non-certified salaries and benefits to cover the cost of our classified staff teaching in the classroom.

The non-personnel increase of approximately \$1.4 million increases professional & technical services for recruiting, maintenance services, and student activities, it also increases the budget for heating fuel expenses, copier maintenance expenses, property & liability insurance, and supplies.

The budgeted transfers for the Alaska Technical Center (ATC) and Star program were added to the FY24 general operating budget. The added \$75k transfer to the Star program is projected based on the prior year transfer, and the added \$1,150,000 transfer to the ATC is to cover the projected costs for the ATC program for FY24. The ATC has, in previous years, been budgeted at a transfer from between \$200-\$600k, however this program has taken on weekly ReadiStar sessions and their instructors, that were previously budgeted in grants, as well as including high school students in their adult education courses.

Overall, I am projecting a decrease in fund balance of approximately \$3.6 million. \$3.5 million is the estimate for fund balance going into FY25. Final Fund Balance will be known after the FY24 audit is complete.

ALTERNATIVES:

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

ADMINISTRATION'S RECOMMENDATION:

The administration recommends the Board approve Revision #2 of the FY24 District Operating Fund Budget as presented.