

## MEMORANDUM

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**TO:** NWABSD Board of Education Members

**DATE:** June 6, 2023

**NUMBER:** 23-140

**FR:** Office of the Superintendent

**SUBJECT:** Approval of FY24 District Operating Fund Budget Revision #1

### **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 #1

### **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.

Presented to you is Budget Revision #1 for the FY24 Operating Fund Budget.

Revision #1 is based on a review of revenues and expenditures. In summary Revision #1 includes:

Revenues: \$60,093,285

Expenditures: \$63,531,405

Transfer in from Other Funds: \$0

Transfers out to Other Funds: \$600,000

This revision includes an increase to revenue of approximately \$480,000 and an increase in expenditures of approximately \$3.1 million. The increase to personnel expenditures includes the NAEA Negotiated salary increases, career pathway increases, and to add the \$1.4 million back in to the general fund that was budgeted in ESSER funding. The non-personnel increase of \$500k is to increase the student travel budget

Overall, I am projecting a decrease in fund balance of approximately \$4 million. This is an estimate for fund balance going into FY25. Final Fund Balance will be known after the FY24 audit is complete.

### **ALTERNATIVES:**

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

**ADMINISTRATION'S RECOMMENDATION:**

The administration recommends the Board approve Revision #1 of the FY24 District Operating Fund Budget as presented.

**Northwest Arctic Borough School District  
FY24 Budget**

	FY24	FY24	Changes	NOTES
	<u>Current Budget</u>	<u>Revised Budget</u>		
<b>REVENUE</b>				
Other Local Revenue	\$450,000	\$500,000	\$50,000	Projected
Earnings on Investments	\$300,000	\$300,000	\$0	
Donations/Contributions	\$0	\$0	\$0	
Borough Appropriation	\$6,645,111	\$6,645,111	\$0	
E-rate Program	\$7,205,220	\$7,205,220	\$0	
State Foundation	\$37,434,458	\$37,434,458	\$0	
Quality Schools	\$109,952	\$109,952	\$0	
TRS On-behalf	\$2,185,557	\$2,417,663	\$232,106	Based on changes to salaries
PERS On-behalf	\$263,317	\$278,505	\$15,188	Based on changes to salaries
Revenue - Other State Sources	\$15,000	\$15,000	\$0	
Impact Aid Program	\$5,000,000	\$5,187,376	\$187,376	Impact Aid received 5/9/2023
<b>TOTAL REVENUES</b>	<b>\$59,608,615</b>	<b>\$60,093,285</b>	<b>\$484,671</b>	
<b>TRANSFERS IN</b>				
District Technology Fund				
Locally Funded Maintenance CIP Fund	\$0	\$0	\$0	
NW Magnet School Expansion				
Magnet School Dormitory				
CIP Reserved Local Share				
<b>TOTAL TRANSFERS IN</b>	<b>\$0</b>	<b>\$0</b>		
<b>EXPENSES</b>				
Certificated Salaries	\$14,565,301	\$16,112,137	\$1,546,836	NAEA Negotiated Increases, Career Pathways & Programs from ESSER
Non-Certificated Salaries	\$8,427,137	\$8,913,220	\$486,083	Increase due to Career Pathways & Programs from ESSER
Leave Pay Out	\$195,000	\$195,000	\$0	
Board Stipends	\$79,000	\$79,000	\$0	
Employee Benefits	\$10,478,366	\$10,867,236	\$388,870	NAEA Negotiated Increases, Career Pathways & Programs from ESSER
TRS On-behalf	\$2,185,557	\$2,417,663	\$232,106	Based on changes to salaries
PERS On-behalf	\$263,317	\$278,505	\$15,188	Based on changes to salaries
<b>SUBTOTAL: Personnel</b>	<b>\$36,193,678</b>	<b>\$38,862,762</b>	<b>\$2,669,084</b>	
Professional & Technical Services	\$3,369,006	\$3,369,006	\$0	
Staff Travel	\$482,400	\$482,400	\$0	
Board Travel	\$89,379	\$89,379	\$0	
Student Travel	\$641,275	\$1,141,275	\$500,000	Increased Student Activities Travel
Utility Services	\$8,387,769	\$8,387,769	\$0	
Energy-includes electricity & fuel	\$4,528,070	\$4,528,070	\$0	
Other Purchased Services	\$4,391,906	\$4,391,906	\$0	
Property & Liability Insurance	\$1,000,159	\$1,000,159	\$0	
Supplies, Materials & Media	\$1,415,185	\$1,415,185	\$0	
Tuition	\$20,000	\$20,000	\$0	
Dues & Fees	\$133,494	\$133,494	\$0	
Inventoried Equipment	\$25,000	\$25,000	\$0	
Indirect Cost Recovery	(\$315,000)	(\$315,000)	\$0	
<b>SUBTOTAL: Non-Personnel</b>	<b>\$24,168,643</b>	<b>\$24,668,643</b>	<b>\$500,000</b>	
<b>TOTAL EXPENSES</b>	<b>\$60,362,320</b>	<b>\$63,531,405</b>	<b>\$3,169,084</b>	
<b>TRANSFERS OUT</b>				
Food Service Fund	\$0	\$0	\$0	
ATC	\$0	\$0	\$0	
Star of the Northwest - Magnet School	\$0	\$0	\$0	
Teacher Housing Fund	\$450,000	\$450,000	\$0	
Special Revenue Fund	\$150,000	\$150,000	\$0	
<b>TOTAL TRANSFERS OUT</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$0</b>	
<b>INCREASE (DECREASE)-UNRESERVED FB</b>	<b>(\$1,353,706)</b>	<b>(\$4,038,119)</b>		
<b>PROJ FY23 Unreserved Fund Balance</b>	<b>\$5,887,857</b>	<b>\$5,887,857</b>		Will not know exact \$ until final audit
<b>Projected Decrease in Fund Balance</b>	<b>\$4,534,151</b>	<b>\$1,849,738</b>	<b>2.91%</b>	