

MEMORANDUM

TO: NWABSD Board of Education Members

DATE: August 25, 2025

NUMBER: 26-007

FR: Office of the Superintendent

SUBJECT: Approval of FY26 Budget
Revision #1

ABSTRACT:

The School Board shall establish and maintain a balanced budget.

ISSUE:

At issue is the approval of the FY26 General Fund Operating Budget Revision #1

BACKGROUND AND/OR PERTINENT INFORMATION:

The FY26 General Fund Operating Budget was approved and adopted at the April 28th, 2025:

Revenues: \$65,877,405

Expenditures: \$70,727,105

Transfer in from Other Funds: \$2,300,000

Transfers out to Other Funds: \$675,000

Presented to you is Budget Revision #1 for the FY26 Operating Fund Budget:

Revenues: \$73,280,013

Expenditures: \$74,983,853

Transfer in from Other Funds: \$2,300,000

Transfers out to Other Funds: \$2,775,000

This revision includes changes to revenue detailed as follows:

- additional contribution by the Northwest Arctic Borough
- FY2026 Foundation Projection Report, \$6,660 base student allocation (BSA)
- updated PERS and TRS on-behalf rates
- corrected Other Local Revenue projection

The change in total expenditures is dependent upon the acceptance of the memos presented in this committee meeting (NMS Custodial and Food Service agreements, Noatak fuel increase, and Safe and Civil MOA) as well as actual amounts shared for the FY26 On-Behalf rates, FY26 Insurance Coverage Renewal and FY25 Audit Services. Additionally, it is recommended that the Board include a reinstatement of departmental budget cuts (Human, Resources, Business Office, Superintendent, Assistant Superintendent, and Board of Education), transfers out for the ATC, Noatak district match and Food Service, the Student Activities program, as well as building the Inupiaq language program fund, and providing an attendance incentive.

A Fund Balance is not included in this breakdown because the fund balance is estimated going into FY26. The final and actual Fund Balance will be known after the FY25 audit is complete.

ALTERNATIVES:

1. Approve FY26 Budget Revision #1 as presented;
2. Disapprove FY26 Budget Revision #1 as presented;
3. Take no action.

ADMINISTRATION'S RECOMMENDATION:

The administration recommends the Board approve FY26 Budget Revision #1 as presented.

DRAFT

Northwest Arctic Borough School District
FY26 Budget

DRAFT

	FY26	FY26	CHANGES	NOTES
	<u>APPROVED BUDGET</u>	<u>REVISION #1</u>		
REVENUE				
Other Local Revenue	\$3,000,000	\$1,500,000	(\$1,500,000)	inc occurred for FY25, incorrect
Earnings on Investments	\$770,000	\$770,000	\$0	
Borough Appropriation	\$6,568,263	\$10,216,250	\$3,647,987	additional Borough contribution
E-rate Program	\$11,609,460	\$11,609,460	\$0	
State Foundation	\$36,194,559	\$40,807,240	\$4,612,681	Projected Foundation based on \$6,660 BSA
Quality Schools	\$106,133	\$105,427	(\$706)	
TRS On-behalf	\$2,404,313	\$2,939,737	\$535,424	made correction to on-behalf rate with information from state
PERS On-behalf	\$461,615	\$568,837	\$107,222	made correction to on-behalf rate with information from state
Revenue-Other State Sources	\$821,180	\$821,180	\$0	
Impact Aid Program	\$3,941,882	\$3,941,882	\$0	
TOTAL REVENUES	\$65,877,405	\$73,280,013	\$7,402,608	
TRANSFERS IN				
CIP Reserved Local Share	\$2,300,000	\$2,300,000		
TOTAL TRANSFERS IN	\$2,300,000	\$2,300,000	\$0	
EXPENSES				
Certificated Salaries	\$14,759,259	\$15,053,317	\$294,058	
Non-Certificated Salaries	\$8,986,365	\$9,332,011	\$345,647	
Leave Pay Out	\$275,074	\$301,074	\$26,000	
Stipends	\$109,750	\$109,750	\$0	
Employee Benefits	\$11,503,548	\$11,820,206	\$316,658	
TRS On-behalf	\$2,404,313	\$2,960,428	\$556,116	made correction to on-behalf rate with information from state
PERS On-behalf	\$461,615	\$577,565	\$115,950	made correction to on-behalf rate with information from state
SUBTOTAL: Personnel	\$38,499,923	\$40,154,351	\$1,654,428	
Prof & Technical Services	\$4,301,720	\$4,905,597	\$603,878	\$148,678 proposed NMS Custodial contract increase, \$6,000 decrease for audit services
Staff Travel	\$360,100	\$655,952	\$295,852	
Board Travel	\$45,000	\$45,000	\$0	
Student Travel	\$19,000	\$1,343,775	\$1,324,775	
Utility Services	\$13,790,502	\$13,790,502	\$0	
Energy (w/ electricity & fuel)	\$6,195,600	\$6,345,600	\$150,000	
Other Purchased Services	\$4,500,261	\$4,500,276	\$15	
Property & Liability Insurance	\$1,489,641	\$1,300,142	(\$189,499)	actual Property and Casualty insurance coverage totals
Supplies, Materials & Media	\$1,607,683	\$1,835,883	\$228,200	
Tuition	\$40,000	\$40,000	\$0	
Dues & Fees	\$72,675	\$261,775	\$189,100	
Inventoried Equipment	\$55,000	\$55,000	\$0	
Indirect Cost Recovery	(\$250,000)	(\$250,000)	\$0	
SUBTOTAL: Non-Personnel	\$32,227,182	\$34,829,502	\$2,602,320	
TOTAL EXPENSES	\$70,727,105	\$74,983,853	\$4,256,749	
TRANSFERS OUT				
Food Service Fund	\$1,200,000	\$1,200,000	\$0	
ATC	\$500,000	\$500,000	\$0	
Star of the NW-Magnet School	\$0	\$0	\$0	
Teacher Housing Fund	\$675,000	\$675,000	\$0	
Capital Projects	\$0	\$440,000	\$440,000	Noatak match, previously approved
Special Revenue Fund	\$0	\$0	\$0	
TOTAL TRANSFERS OUT	\$2,375,000	\$2,815,000	\$440,000	
INC/(DEC)-UNRESERVED FB	(\$4,924,699)	(\$2,218,840)	\$2,705,859	
FY24 Fund Balance	\$5,280,552	\$5,280,552		
Decrease in Fund Balance	\$4,924,699	\$2,218,840		Projected FY25 Fund Balance
Est. FY25 Prepaid & Inventory	\$2,000,000	\$2,000,000		Decrease in Fund Balance
Projected FY25 Fund Balance	(\$1,644,148)	\$1,061,712		Est. FY26 Pre-paid & Inventory
				Projected FY26 Fund Balance