

MEMORANDUM

TO: NWABSD Board of Education Members

DATE: April 28, 2025

NUMBER: 25-128

FR: Office of the Superintendent

SUBJECT: Adoption of FY26 Proposed Operating Fund Budget

ABSTRACT:

The School Board shall establish and maintain a balanced budget.

ISSUE:

At issue is the adoption of the Fiscal Year 2025-2026 Proposed Operating Fund Budget.

BACKGROUND AND/OR PERTINENT INFORMATION:

The FY26 Proposed Operating Fund Budget is being presented for adoption. Proposed actions to balance the FY26 Budget were presented and discussed in detail at the budget work sessions on Monday, March 24, 2025, and Wednesday, April 9, 2025. The Board of Education and Superintendent created the FY26 Proposed Operating Fund Budget based off estimated increases to expenditures and decrease to revenues.

Presented to you for adoption is the FY26 Proposed Operating Fund Budget, which includes:

- Revenue Plan of \$65,877,405
- Expenditure Plan of \$70,782,957
- Transfers Out to Other Funds in the amount of \$675,000
- Transfers In from CIP Local Share in the amount of \$2,300,000
- Use of Fund balance in the amount of \$3,280,552

The FY26 Proposed Operating Budget includes the following reductions:

- Food Service program
- Student Activities
- REDIStar program
- supply and travel
- Pupil Transportation
- Alaska Technical Center
- STAR of the Northwest
- Board of Education

Further reductions may be needed if revenue and fund balance actuals differ from projections

At this time, the Board of Education has built the budget to include the items below:

- Classroom sizes will remain the same
- No reduction of certified or classified staff district-wide in response to funding shortage.

The District Administration will continue to look for revenue sources to pay for these important programs.

ALTERNATIVES:

1. Adopt the FY26 Proposed Operating Fund Budget as presented;
2. Disapprove the FY26 Proposed Operating Fund Budget as presented;
3. Take no action.

ADMINISTRATION'S RECOMMENDATION:

The administration recommends the Board adopt the FY26 Proposed Operating Fund Budget as presented.

**Northwest Arctic Borough School District
FY26 PROPOSED Operating Budget**

	FY25 REVISION #2	FY26 PROPOSED
<u>REVENUE</u>		
Other Local Revenue	\$2,100,000	\$3,000,000
Earnings on Investments	\$770,000	\$770,000
Donations/Contributions	\$0	\$0
Borough Appropriation	\$8,068,263	\$6,568,263
E-rate Program	\$19,452,945	\$11,609,460
State Foundation	\$41,069,924	\$36,194,559
Quality Schools	\$105,925	\$106,133
TRS On-behalf	\$2,505,160	\$2,404,313
PERS On-behalf	\$447,788	\$461,615
Revenue-Other State Sources	\$1,649,524	\$821,180
Impact Aid Program	\$3,441,882	\$3,941,882
TOTAL REVENUES	\$79,611,411	\$65,877,405
<u>TRANSFERS IN</u>		
CIP Reserved Local Share	\$1,500,000	\$2,300,000
TOTAL TRANSFERS IN	\$1,500,000	\$2,300,000
<u>EXPENSES</u>		
Certificated Salaries	\$15,544,407	\$14,759,259
Non-Certificated Salaries	\$9,312,698	\$8,986,365
Leave Pay Out	\$285,000	\$275,074
Stipends	\$87,750	\$109,750
Employee Benefits	\$12,662,084	\$11,503,548
TRS On-behalf	\$2,505,160	\$2,404,313
PERS On-behalf	\$447,788	\$461,615
SUBTOTAL: Personnel	\$40,844,887	\$38,499,923
Prof & Technical Services	\$4,840,647	\$4,301,720
Staff Travel	\$428,000	\$360,101
Board Travel	\$83,852	\$83,852
Student Travel	\$1,169,775	\$36,000
Utility Services	\$21,696,384	\$13,790,503
Energy (w/ electricity & fuel)	\$4,323,719	\$6,195,600
Other Purchased Services	\$4,470,556	\$4,500,262
Property & Liability Insurance	\$1,396,452	\$1,489,641
Supplies, Materials & Media	\$1,765,266	\$1,607,682
Tuition	\$40,000	\$40,000
Dues & Fees	\$88,680	\$72,675
Inventoried Equipment	\$55,000	\$55,000
Indirect Cost Recovery	(\$250,000)	(\$250,000)
SUBTOTAL: Non-Personnel	\$40,108,331	\$32,283,034
TOTAL EXPENSES	\$80,953,218	\$70,782,957
<u>TRANSFERS OUT</u>		
Food Service Fund	\$1,200,000	\$0
ATC	\$1,105,214	\$0
Star of the NW-Magnet School	\$100,000	\$0
Teacher Housing Fund	\$450,000	\$675,000
Special Revenue Fund	\$150,000	\$0
TOTAL TRANSFERS OUT	\$3,005,214	\$675,000
INC/(DEC)-UNRESERVED FB	(\$2,847,021)	(\$3,280,552)
Projected EOY Fund Balance	\$10,927,573	\$5,280,552
Decrease in Fund Balance	\$2,847,021	\$3,280,552
Est. Prepaid & Inventory	\$2,800,000	\$2,000,000
Projected BOY Fund Balance	\$5,280,552	(\$0)