

## MEMORANDUM

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**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 \$70,727,105
- 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 \$3,224,699

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**

|                                   | <b>FY25<br/>REVISION #2</b> | <b>FY26<br/>PROPOSED</b> |
|-----------------------------------|-----------------------------|--------------------------|
| <b><u>REVENUE</u></b>             |                             |                          |
| 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              |
| <b>TOTAL REVENUES</b>             | <b>\$79,611,411</b>         | <b>\$65,877,405</b>      |
| <b><u>TRANSFERS IN</u></b>        |                             |                          |
| CIP Reserved Local Share          | \$1,500,000                 | \$2,300,000              |
| <b>TOTAL TRANSFERS IN</b>         | <b>\$1,500,000</b>          | <b>\$2,300,000</b>       |
| <b><u>EXPENSES</u></b>            |                             |                          |
| 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                |
| <b>SUBTOTAL: Personnel</b>        | <b>\$40,844,887</b>         | <b>\$38,499,923</b>      |
| Prof & Technical Services         | \$4,840,647                 | \$4,301,720              |
| Staff Travel                      | \$428,000                   | \$360,101                |
| Board Travel                      | \$83,852                    | \$45,000                 |
| Student Travel                    | \$1,169,775                 | \$19,000                 |
| 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)              |
| <b>SUBTOTAL: Non-Personnel</b>    | <b>\$40,108,331</b>         | <b>\$32,227,182</b>      |
| <b>TOTAL EXPENSES</b>             | <b>\$80,953,218</b>         | <b>\$70,727,105</b>      |
| <b><u>TRANSFERS OUT</u></b>       |                             |                          |
| 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                      |
| <b>TOTAL TRANSFERS OUT</b>        | <b>\$3,005,214</b>          | <b>\$675,000</b>         |
| <b>INC/(DEC)-UNRESERVED FB</b>    | <b>(\$2,847,021)</b>        | <b>(\$3,224,699)</b>     |
| <b>Projected EOY Fund Balance</b> | <b>\$10,927,573</b>         | <b>\$5,280,552</b>       |
| Decrease in Fund Balance          | \$2,847,021                 | \$3,224,699              |
| Est. Prepaid & Inventory          | \$2,800,000                 | \$2,000,000              |
| <b>Projected BOY Fund Balance</b> | <b>\$5,280,552</b>          | <b>\$55,852</b>          |