



April 26, 2024

Craig City School District
Attn: Chris Reitan, Superintendent
PO Box 800
Craig, Ak. 99921

Dear Chris,

At the regular city council meeting on April 25, 2024 the city council considered the school district's request for increasing the local contribution to the school district. By our calculations, the district was requesting \$1,155,442 above the \$550,660 included in the district's draft budget for a total of \$1,706,102 in cash contribution to the district and approximately \$81,000 in in-kind and supplemental contributions from the city for FY25.

Using the full estimated SRS payment for this year (estimated at \$475,000), using city general funds (\$200,000) and drawing down an existing savings account (\$61,000) the contribution from the city without additional draw from the school reserve fund would be \$736,656. The Craig City Council authorized an additional draw from the School Reserve held at Alaska Permanent Capital Management of up to \$850,000. The council confirmed, as we have previously discussed, that the draw from the reserve fund will be reduced by any additional one-time or BSA formula funding approved in the State of Alaska FY25 budget. **This brings the total city contribution up to \$1,586,656 (minus additional state funding provided to the district) for FY25.** This appears to leave about \$120,000 in additional cuts to the district's FY25 budget to balance.

Please also note, that this funding is a one time increase for this year. Funding next year, and in future years will be dependent on some sales tax increase by the voters in October of this year, or a council decision to add revenues next year from other sources. The district should plan accordingly based on the October 2024 vote.

Now that the council has settled on the local contribution amount, please complete your budget draft process so that we can schedule a joint meeting between the city council and school board and get the budget to the council for approval.

If you have any questions, please let me know.

Brian Templin
Craig City Administrator