



Craig City School District

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Memorandum Item 10c

FOR: Craig City Council and CCSD School Board Members
FROM: Chris Reitan
DATE: April 25, 2023
SUBJECT: CCSD FY 24 Budget Approval

Enclosed is the proposed FY 24 budget. The development of our FY 24 budget is based on the following assumptions:

- State aid is based on our estimated FY 24 student count that was submitted on October 10, 2022 – see attached estimated FY 24 student count and projected FY 24 Foundation Formula.
- State aid is also based on BSA funding of \$5960 Base Student Allocation. There has been legislation introduced in both the Alaska Senate and Alaska House to increase state funding to Alaska school districts through the Base Student Allocation for FY 24 - see attached HB 65 and SB 52.
- CCSD's projected enrollment for FY 24 is slightly increased from our actual FY 23 enrollment based on the assumption that our PACE enrollment will continue to see some growth.
- All certified raises have been accounted for as well as our increases in medical, vision, and dental insurance. However, there are currently 7 certified positions dedicated to the CES FY 24 budget that remain unfilled.
- CCSD has experienced significant increases in our fixed costs that include certified salaries, employee insurance, heating fuel, transportation costs, lodging, etc.
- CCSD has also had to move some salaries back into the general fund that were covered by previous grants.
- Classified raises have not been accounted for yet; negotiations with CCSD's Classified Hourly group on a successor agreement started on April 17, 2023.
- Unknowns related to CCSD's FY 24 budget are the following:
 - Impact of classified hourly raises on the total FY 24 budget
 - Amount of state funding for schools through the Base Student Allocation
 - Next steps for CCSD's major maintenance projects
 - CHS Biomass Project
 - CMS and CES Rehabilitation Projects
- CCSD is currently anticipating an FY 24 budget deficit of \$796,928 (-9.07%). Options for Board consideration to attain a balanced budget are the following:
 - CCSD made a verbal request to the Craig City Council for an additional \$200,000 funding from the City of Craig as part of their local contributing share during the April 5, 2023 CCSD City of Craig Joint Budget Work Session which if approved by the City would necessitate a transfer of a minimum of \$596,928 from CCSD Capital Projects Fund to the General Fund.
 - If the City of Craig decides not to increase their local share by the requested \$200,000 CCSD would transfer the full \$796,928 plus additional monies to address the classified hourly raises that will need to be dedicated to the FY 24 budget at a later date.

Suggested motion: Move to approve the presented CCSD FY 24 budget with a \$596,928 transfer from CCSD's Capital Projects Fund.