

MEMORANDUM

TO: NWABSD Board of Education Members

DATE: June 6, 2023

NUMBER: 23-139

FR: Office of the Superintendent

SUBJECT: Approval of FY23 District Operating Fund Budget Revision #4

ABSTRACT:

The School Board shall establish and maintain a balanced budget.

ISSUE:

At issue is the approval of the FY23 District Operating Fund Budget Revision #4

BACKGROUND AND/OR PERTINENT INFORMATION:

The FY23 District Operating Fund Budget was approved and adopted at the April 26th, 2022 Regular School Board meeting with expenditures in the amount of \$60,807,518. Budget Revision #1 was approved in June with expenditures in the amount of \$62,991,793, Budget Revision #2 was approved in January with expenditures in the amount of \$64,401,543, and Budget Revision #3 was approved in April with expenditures in the amount of \$61,588,388.

Presented to you is Budget Revision #4 for the FY23 Operating Fund Budget.

Revision #4 is based on a review of revenues and expenditures. In summary Revision #4 includes:

Revenues: \$59,800,330

Expenditures: \$60,654,060

Transfer in from Other Funds: \$0

Transfers out to Other Funds: \$800,000

The revision includes a decrease to salary expenditures by roughly \$990k. This is after a review of open positions and releasing the encumbrance on the remaining open positions and increasing the budget for temporary positions. There will be an approximate \$60k increase to non-personnel expenses to true up year end, however, overall expenditures are projected to decrease by about \$900,000.

The revision includes a decrease in revenue by roughly \$270k. This decrease is based off of the changes in PERS & TRS On-Behalf

Overall, I am projecting a decrease in fund balance of approximately \$1.65 million. This is an estimate for fund balance going into FY24. Final Fund Balance will be known after the FY23 audit is complete.

ALTERNATIVES:

1. Approve Revision #4 of the FY23 District Operating Fund Budget as presented;
2. Disapprove Revision #4 of the FY23 District Operating Fund Budget as presented;
3. Take no action.

ADMINISTRATION'S RECOMMENDATION:

The administration recommends the Board approve Revision #4 of the FY23 District Operating Fund Budget as presented.

**Northwest Arctic Borough School District
FY23 Budget**

	FY23	FY23	Changes	NOTES
	<u>Current Budget</u>	<u>Revised Budget</u>		
REVENUE				
Other Local Revenue	\$450,000	\$530,000	\$80,000	Increase
Earnings on Investments	\$230,000	\$230,000	\$0	
Donations/Contributions	\$0	\$0	\$0	
Borough Appropriation	\$8,540,579	\$8,540,579	\$0	
E-rate Program	\$7,456,903	\$7,456,903	\$0	
State Foundation	\$37,679,925	\$37,679,925	\$0	
Quality Schools	\$108,384	\$108,384	\$0	
TRS On-behalf - 12.06%	\$1,789,996	\$1,536,630	(\$253,366)	Based on position salaries
PERS On-behalf - 2.79%	\$222,108	\$202,622	(\$19,486)	Based on position salaries
Revenue - Other State Sources	\$1,525,156	\$1,525,156	\$0	
Impact Aid Program	\$1,990,131	\$1,990,131	\$0	
TOTAL REVENUES	\$59,993,182	\$59,800,330	(\$192,852)	
TRANSFERS IN				
District Technology Fund				
Locally Funded Maintenance CIP Fund				
NW Magnet School Expansion				
Magnet School Dormitory				
CIP Reserved Local Share				
TOTAL TRANSFERS IN	\$0	\$0		
EXPENSES				
Certificated Salaries	\$13,275,479	\$13,652,393	\$376,913	Based on exp & encumbrance of cert positions
Non-Certificated Salaries	\$8,416,510	\$8,117,786	(\$298,724)	Based on exp & encumbrance of class positions
Leave Pay Out	\$206,510	\$201,510	(\$5,000)	Will be trued up at year end
Board Stipends	\$79,000	\$79,000	\$0	
Employee Benefits	\$11,490,062	\$10,695,972	(\$794,090)	Based on Health insurance encumbrance
TRS On-behalf	\$1,789,996	\$1,536,630	(\$253,366)	Based on position salaries
PERS On-behalf	\$222,108	\$202,622	(\$19,486)	Based on position salaries
SUBTOTAL: Personnel	\$35,479,667	\$34,485,913	(\$993,753)	
Professional & Technical Services	\$3,564,671	\$3,838,290	\$273,619	Increase in Legal & Student activities, decrease in other admin P&T Services
Staff Travel	\$569,565	\$502,318	(\$67,247)	
Board Travel	\$89,379	\$93,654	\$4,275	
Student Travel	\$1,133,275	\$1,004,183	(\$129,092)	
Utility Services	\$8,970,476	\$8,638,951	(\$331,526)	Decrease in internet cost
Energy-includes electricity & fuel	\$4,754,978	\$5,077,847	\$322,869	Increase in cost of Heating Fuel
Other Purchased Services	\$4,492,906	\$4,483,906	(\$9,000)	
Property & Liability Insurance	\$1,002,689	\$955,047	(\$47,642)	
Supplies, Materials & Media	\$1,633,932	\$1,651,412	\$17,480	
Tuition	\$10,620	\$10,620	\$0	
Dues & Fees	\$134,637	\$173,271	\$38,635	
Inventoried Equipment	\$51,593	\$38,648	(\$12,946)	
Indirect Cost Recovery	(\$300,000)	(\$300,000)	\$0	
SUBTOTAL: Non-Personnel	\$26,108,721	\$26,168,146	\$59,425	
TOTAL EXPENSES	\$61,588,388	\$60,654,060		
TRANSFERS OUT				
Food Service Fund	\$0	\$0	\$0	
ATC	\$0	\$0	\$0	
Star of the Northwest - Magnet School	\$0	\$0	\$0	
Teacher Housing Fund	\$350,000	\$750,000	\$400,000	Teacher housing expenses
Special Revenue Fund - Student Transport	\$150,000	\$50,000	(\$100,000)	Not able to hire all bus drivers
TOTAL TRANSFERS OUT	\$500,000	\$800,000	\$300,000	
INCREASE (DECREASE)-UNRESERVED FB	(\$2,095,206)	(\$1,653,729)		
FY22 Unreserved Fund Balance	\$7,541,586	\$7,541,586		
Projected Decrease in Fund Balance	\$5,446,380	\$5,887,857		
Estimated fund balance percentage	8.84%	9.71%		