



Craig City School District

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Jackie Hanson, Superintendent
Christy House, Elem./MS Principal
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Memorandum Item 10b

TO: CCSD School Board Members
FROM: Jackie Hanson, Superintendent
DATE: April 23, 2026
SUBJECT: CCSD FY 2027 Draft Projected General Operating Budget

The CCSD School Board held a Budget Work Session on April 15, 2026, to review the FY2027 Projected General Operating Budget. Please note, a current assumption of a Base Student Allocation (BSA) of \$6,660 was used to determine CCSD's Public School Funding/State Aid.

Due to rising operational costs and a significant decline in projected revenue driven by enrollment decreases, the FY27 budget includes cost-saving measures to maintain fiscal stability. **If enrollment does not stabilize or increase, and no additional state or local funding is received, the District is unfortunately approaching the point at which further reductions would require impacts to programs, staffing, or services.**

FY27 Reductions/Reallocations

The following reductions and adjustments have been accounted for in our FY27 Projected General Operating Budget:

- Absorb one (1) CMS Certified Teaching Position
- Close the PACE Wasilla Learning Center
- Continue consolidating CHS & PACE Principal position
- Cut all Textbook Line Items in the budget (100.471) by 60% each (9K total), cut all Supplies & Materials Line Items in the budget (350.450) by an average of 30% (13K total), cut PACE Marketing entirely (35K) & PACE Supplies & Materials (140.450) (15K total), cut PACE Professional/Technical (350.412) by 60K, cut CCSD Maintenance Supplies (600.450) by 10K
- Absorb 29-hour PACE Administrative Assistant position

FY27 Cost Increases

- Personnel remains CCSD's largest expenditure due to the nature of providing a public service. From FY26 to FY27, certified salaries have increased by approximately \$160,000, with pending classified negotiations expected to add another \$85,000, continuing to pressure the budget as expenditures outpace revenues.
- Projected increases in operational costs within District facilities include heating and power, which are CCSD's responsibilities, while water, sewer, and garbage are provided In-Kind by the City of Craig. With the CEMS Rehabilitation Project opening the Commons and Entryway areas, heating costs may be under-budgeted. Current projections are \$75K for CES, \$85K for CMS, and \$180K for CHS. Our maintenance team has been diligent in managing utility systems and identifying efficiencies, and at CHS, CCSD's Maintenance Director, Mr. Zack Cross, has identified potential system improvements that could reduce energy use and operating costs - an outcome CCSD would definitely welcome!

Suggested Motion: Move to approve CCSD's, FY 2027 Draft Projected General Operating Budget, as presented.