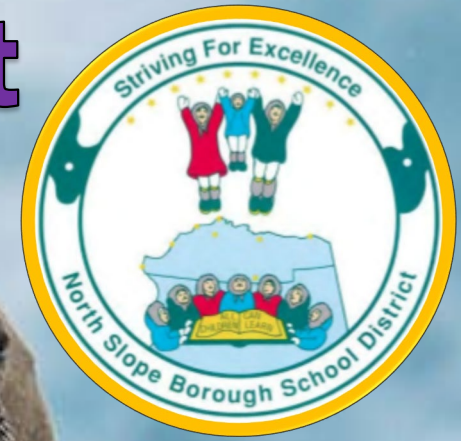


North Slope Borough School District Budget Document



**North Slope Borough Assembly Budget Hearings
FY2022-2023 Operating Budget Overview
March 22, 2022**



School District Mission Statement

Learning in our schools is rooted in the values, history and language of the Iñupiat. Students develop the academic and cultural skills and knowledge to be:

- Critical and creative thinkers able to adapt in a changing environment and world;
- Active, responsible, contributing members of their communities; and
- Confident, healthy young adults, able to envision, plan and take control of their destiny.

School District Strategic Goals 2020-2025



Student Success

- All students will reach their intellectual potential and achieve academic success through integrating Iñupiaq knowledge systems into the core content areas and focusing on the development of the Whole Child.

Community Engagement

- Foster collective responsibility, commitment and trust between the school and community.

Staff Success

- Strengthen the recruitment and retention of highly effective staff and inspire more Iñupiaq teachers and administrators.

Financial and Operational Stewardship

- Effectively employ our operational and financial resources to support our strategic goals and long-term stability of the district.



School Board Members



Nancy
Rock
Point Hope
Board
President

Robyn
Burke
Utqiagvik
Board
Clerk

Qaiyaan
Harcharek
Utqiagvik

Frieda
Nageak
Utqiagvik

Charles
Brower
Utqiagvik

Madeline
Hickman
Wainwright

Nora Jane
Burns
Kaktovik

School District Finance Committee Members



Nancy Rock



Frieda Nageak



Charles Brower

Budget Planning Calendar

January 1

- School Superintendent submits proposed school budget to School Board (Charter § 9.040).

February 1

- School Board approves budget and six-year capital plan and sends preliminary budget to Mayor (no references to preliminary budget).

February 1

- Enterprises send recommended budgets to Mayor (no references to dates).

March 1

- School Board sends final budget to Mayor on, but not prior to, March 1 or the first business day after March 1 (Charter § 9.040, AS 14.14.060(c)).

March 15

- Mayor submits proposed operating budget and tax levy to Assembly.

March 30

- Assembly holds hearing and approves the operating budget ordinance, including the amount of local support for education, and the tax levy resolution (Charter §§ 11.060–11.070 and AS 29.45.240).

March 31

- Clerk delivers ordinance to School Board showing the amount of local support appropriated for public schools (AS 14.14.060(b)).

May 31

- Mayor submits proposed capital budget and six-year plan to Assembly (Charter § 11.020).

June 15

- Assembly holds hearing and approves the capital budget and six-year capital plan ordinances (Charter §§ 11.060–11.070).

August

- Clerk prepares any necessary bond election ordinances for introduction not later than the first meeting in August.





FY21 and FY22 Financial Overview School Operating Fund

School District Actual FY21 Resources



Revenue By Type	FY21 Actual
Intergovernmental Revenues	
Local Sources: Borough appropriation	\$38,766,371
Borough "In-Kind"	3,526,447
State of Alaska	
Foundation Program Funding	18,065,624
On-behalf PERS	1,080,388
On-behalf TRS	2,974,259
Federal Funding	
Impact Aid	5,076,241
Earnings on Investments	399,547
Other Revenue	99,726
E-Rate Program Revenue	4,765,437
Total General School Operating Revenues	\$74,754,040

School District FY21 Actual Expenditures



Budget Code	EXPENDITURES		FY21 Actual
310-318		CERTIFIED SALARIES	18,528,730
320-329		CLASSIFIED SALARIES	11,409,469
360-366; 390-399		EMPLOYEE BENEFITS	18,789,570
410, 412, 414		PROFESSIONAL AND TECHNICAL	1,600,564
420-424		STAFF TRAVEL	206,927
425-429		STUDENT TRAVEL	450,355
431-436		UTILITIES	9,309,292
440-445		OTHER PURCHASED SERVICES	3,365,314
450-471		SUPPLIES	2,865,338
477-494		OTHER	86,168
495		INDIRECT COSTS/REVENUE	-133,223
510		EQUIPMENT	70,559
44		INSURANCE RECOVERY	-150,492
542-550		FUND TRANSFERS	12,249,470
		Total	78,648,041

Net Change in Fund Balance **(\$3,894,001)**

School District Actual FY22 YTD Resources



Revenue By Type	FY22 YTD Actual
Intergovernmental Revenues	
Local Sources: Borough appropriation	\$ 36,828,052
Borough "In-Kind"	0
Borough Supplemental	0
State of Alaska	
Foundation Program Funding	7,556,335
On-behalf PERS	599,417
On-behalf TRS	1,731,029
Federal Funding	
Impact Aid	2,304,777
Earnings on Investments	0
Other Revenue	111,755
E-Rate Program Revenue	2,799,225
Total General School Operating Revenues	\$ 51,930,590

School District FY22 Actual YTD Expenditures



Budget Code	EXPENDITURES	FY22 YTD Actual
310-318	CERTIFIED SALARIES	9,354,041
320-329	CLASSIFIED SALARIES	6,486,689
360-366; 390-399	EMPLOYEE BENEFITS	9,711,438
410, 412, 414	PROFESSIONAL AND TECHNICAL	720,836
420-424	STAFF TRAVEL	174,432
425-429	STUDENT TRAVEL	613,253
431-436	UTILITIES	5,666,924
440-445	OTHER PURCHASED SERVICES	109,941
450-471	SUPPLIES	1,020,986
477-494	OTHER	31,233
495	INDIRECT COSTS/REVENUE	0
510	EQUIPMENT	191
542-550	FUND TRANSFERS	0
	Total	33,889,964

FY23 Budget Development Process



- Preliminary Budget presentation for FY2023 to BOE-January 2022
- Budget retreat at the end of February with all directors and school administrators and SAC leadership
 - Discuss available resources for the upcoming FY23 Budget including departmental and school site needs and related priorities.
- Meeting with NSB Mayor and Administration to discuss School District budget needs and shortfalls-January/February 2022
- Meeting with NSB Assembly Budget Committee to present the FY23 School District Budget Overview-End of February 2022
- Budget hearings with Department leadership and school administrators-March/April
- School District Budget Presentation to the NSB Assembly –March 2022
- Budgetary adjustments based on local appropriation and State Legislature April-May 2022
- FY2023 Budget Adoption and Approval by School Board-May-June 2022
- FY23 School District Budget submission to State of Alaska Department of Education-July 15, 2022.



School District's Total Budgeted Resources-3yrs



Revenue By Type	FY 20 Budget	FY 21 Budget	FY 22 Budget	Current FY23 Projections	% Total Revenues	Diff FY23 to FY22
Intergovernmental Revenues						
Local Sources: Borough appropriation	\$31,838,063	\$ 38,766,371	\$ 36,828,052	\$36,828,052	49.6%	-
Borough "In-Kind"	2,500,000	2,500,000	2,600,000	3,500,000	4.8%	900,000
Borough Supplemental	-	-	-	-	-	-
State of Alaska						
Foundation Program Funding	19,885,272	18,678,264	19,160,684	18,972,528	25.6%	(188,156)
On-behalf PERS	924,689	1,172,828	1,104,203	1,134,407	1.6%	30,204
On-behalf TRS	2,799,095	3,212,465	3,555,105	3,122,972	4.2%	(432,133)
Federal Funding						
Impact Aid	6,860,420	8,070,542	6,974,479	5,076,241	6.9%	(1,898,238)
Earnings on Investments	5,000	175,000	175,000	300,000	0.4%	125,000
Other Revenue	341,400	191,400	191,400	191,400	0.3%	-
E-Rate Program Revenue	4,881,600	4,393,440	4,393,440	5,144,580	7.0%	751,140
Total General School Operating Revenues	\$70,035,539	\$77,160,310	\$74,982,363	\$74,270,180	100%	(712,183)

Budget Summary-Expenditures-3yrs



Budget Code	EXPENDITURES	FY20 BUDGET	FY21 BUDGET	FY22 BUDGET	Current FY23 Projections	% TOTAL	DIFF FY23 TO FY22
310-318	CERTIFIED SALARIES	17,231,133	19,036,074	19,777,520	20,173,070	25.6%	395,550
320-329	CLASSIFIED SALARIES	12,776,776	12,208,482	12,413,974	12,662,253	16.1%	248,279
360-366; 390-399	EMPLOYEE BENEFITS	18,731,832	20,445,109	20,249,043	20,686,253	26.3%	437,210
410, 412, 414	PROFESSIONAL AND TECHNICAL	1,195,020	2,022,093	1,901,380	1,875,000	2.4%	(26,380)
420-424	STAFF TRAVEL	435,775	519,650	519,650	500,000	0.6%	(19,650)
425-429	STUDENT TRAVEL	1,608,241	1,575,000	1,575,000	1,500,000	1.9%	(75,000)
431-436	UTILITIES	10,224,242	8,900,000	8,976,400	9,800,000	12.5%	823,600
440-445	OTHER PURCHASED SERVICES	1,539,195	1,722,086	1,598,600	3,400,000	4.3%	1,801,400
450-471	SUPPLIES	2,465,181	2,206,816	2,589,139	2,800,000	3.6%	210,861
477-494	OTHER	236,768	165,000	137,900	125,000	0.2%	(12,900)
495	INDIRECT COSTS/REVENUE	-138,000	-95,000	-95,000	-133,000	-0.2%	(38,000)
510	EQUIPMENT	237,500	175,000	200,000	175,000	0.2%	(25,000)
542-550	FUND TRANSFERS	3,491,876	8,280,000	5,138,757	5,138,757	6.5%	-
	Total	70,035,539	77,160,310	74,982,363	78,702,333	100.0%	3,719,970

FY23 Preliminary Budget gap (**\$4,432,153**) based on current projections. Projections do not include the upcoming negotiated agreements for the Teachers Union and or Administrators Union.

Supplemental Initiatives from NSB



Breakfast Feed Program \$700,000



Village Athletics Program \$1,000,000



Residential Learning Center \$900,000



Vocational Education Program \$500,000

Total Supplemental Funding Initiatives \$3,100,000



Other Budget Informational Items



Average Daily Membership FY22

Alaska Public School Funding Program

State of Alaska
 Department of Education & Early Development
 Finance & Support Services
 Average Daily Membership (ADM) Report

PROJECTED FY2022

Prepared By: <u>Ian Acuna</u>
District Name: <u>North Slope Borough School District</u>
Email: <u>ian.acuna@nsbsd.org</u>
<small>I certify the reported counts & foundation claim comply with state law, regulations, including the Student Data Reporting Manual. Noncompliance is subject to PTPC sanctions per AS 14.20.030 & 20 AAC 10.020(d)(9).</small>
Superintendent's Signature: <u>Pauline Harvey</u> Date: <u>11/01/2020</u>

DUE: NOVEMBER 5, 2020

School District / Attendance Center:	K-6 ADM	7-12 ADM	ADM TOTAL	SPED Intensive
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Enter the District's ADM & Intensive numbers in the column for that school. Correspondence goes in the above box.

NORTH SLOPE

Alak School	84.00	83.00	167.00	0.00
Barrow High School (Barrow)	0.00	320.00	320.00	6.00
Kali School (Point Lay)	65.00	46.00	111.00	0.00
Eben Hopson Middle (Barrow)	102.00	188.00	290.00	0.00
Fred Ipalook (Barrow)	471.00	0.00	471.00	8.00
Harold Kaveolook School (Kaktovik)	39.00	24.00	63.00	1.00
Meade River School (Atqasuk)	45.00	28.00	73.00	0.00
Nuiqsut Trapper School	99.00	65.00	164.00	1.00
Nunamiut School (Anaktuvuk Pass)	52.00	34.00	86.00	1.00
Tikigaaq School (Point Hope)	132.00	119.00	251.00	4.00
Qargi Academy Charter School	0.00	20.00	20.00	0.00
Kiita Learning Community	0.00	23.00	23.00	0.00
TOTAL	1,089.00	950.00	2,039.00	21.00

Correspondence ADM Only



Average Daily Membership FY23

Alaska Public School Funding Program
DocuSign Envelope ID: 575AB53D-F9A2-4575-9DB7-799D1FA5CAB7

State of Alaska
Department of Education & Early Development
School Finance & Support Services
Average Daily Membership (ADM) Report

PROJECTED FY2023

Prepared By: Ian Acuna
District Name: North Slope Borough School District
Email: ian.acuna@nsbsd.org
I certify the reported counts & foundation claim comply with state law, regulations, including the Student Data Reporting Manual. Noncompliance is subject to PTPC sanctions per AS 14.20.030 & 20 AAC 10.020(d)(9).
Superintendent's Signature: <i>Rick Carlson</i> Date: 11/5/2021

DUE: NOVEMBER 5, 2021

School District / Attendance Center:	K-6 ADM	7-12 ADM	ADM TOTAL	SPED Intensive
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Enter the District's ADM & Intensive numbers in the column for that school. Correspondence goes in the above box.

Correspondence ADM Only

NORTH SLOPE

Alak School (Wainwright)	83.00	81.00	164.00	0.00
Barrow High School (Barrow)	0.00	311.00	311.00	8.00
Eben Hopson Middle School (Barrow)	95.00	177.00	271.00	2.00
Fred Ipalook Elementary (Barrow)	409.00	0.00	409.00	7.00
Harold Kaveolook School (Kaktovik)	42.00	26.00	68.00	1.00
Kali School (Point Lay)	48.00	39.00	87.00	0.00
Kiita Learning Community (Barrow)	0.00	24.00	24.00	0.00
Meade River School (Atkasuk)	39.00	24.00	63.00	1.00
Nuiqsut Trapper School (Nuiqsut)	82.00	43.00	125.00	2.00
Nunamiut School (Anaktuvuk Pass)	47.00	30.00	77.00	1.00
Tikigaq School (Point Hope)	128.00	117.00	245.00	3.00
TOTAL	973.00	872.00	1844.00	25.00



FY22 Budgeted FTE's By Function

Function	FTE's
Instruction	197
Special Education-Instruction	53.5
Special Education Support Services-Students	1.90
Support Services-Students	26.25
Support Services-Instruction	16.60
School Administration	16
School Administration Support Services	17
District Administration	11
District Administration Support Services	17
Operations and Maintenance of Plant	68.25
Student Transportation	21
Community Education	.5
Food Service	23.5
Teacher Housing	5.25
CTE/RLC	2
Total FTE's	476.75

Note: For FY2023, we anticipate making some adjustments to the FTE's based on student to teacher ratio.



Legislative Update-State

- Governor Dunleavy released his proposed budget for the upcoming fiscal year on December 15, as required by state law. Alaska faces serious budget challenges, but is seeing a bit of a reprieve this year between hundreds of millions in one-time federal funding, exceptional returns from Alaska Permanent Fund investments, and higher oil prices than originally projected.
- The budget fully funds education and restores funding to numerous items that have been cut in recent years, including the marine highway system, the UAA system, oil tax credits, community assistance, PCE, school bond debt reimbursement, and rural school construction.
- Education is mostly flat funded with a couple of increases and some small decreases. Noted below are the highlights:
 - The Foundation formula is fully funded at \$18.8 million, a decrease of \$1.17 million due to a decrease in student count. (The base student allocation remains at \$5,930, which it has been at since FY17).
 - Pupil transportation is fully funded at \$71.8 million.
 - Fully funded school bond debt reimbursement at \$78.9 million and \$32.8 million for the REAA FUND.



Legislative Update-State Continued

- \$54.89 million for a new school for Napakiak (Supplemental bill).
- An additional \$228,000 for the Lower Kuskokwim School District to increase the number of boarding students from 50 to 70 in the CTE program that it operates in partnership with the Anchorage School District, and to allow students to attend not just CTE training but also the ASD's Middle College Program.
- \$2.9 million for the Special Education Service Agency.
- Pre-Kindergarten grants: \$3.2 million (Transferred Early Childhood Grants to Pre-K Grants).
- Mt. Edgecumbe Boarding School: \$14.66 million (down \$4.82 million).
- Residential School Program: \$8.53 million.
- Alaska State Council on the Arts: \$3.87 million
- Alaska State Libraries: \$5.96 million (down \$2.24 million).
- Online with Libraries: \$474,500, a slight decrease.
- Live Homework Help: \$138,200.
- BAG Grants: \$6.79 million (decrease of \$1 million, sufficient funds for all eligible districts at the full amount of grant for which they're eligible).
- WWAMI: \$4.94 million, an increase of \$1.68 million to raise the student count from 20 to 30 students.
- Alaska Performance Scholarship Awards: \$11.75 million.
- Education Grants \$5.84 million.

School District Legislative Priorities- State



- HB 164 The Alaska Reads Act
 - Introduced by Governor Mike Dunleavy and Senator Tom Begich, the Alaska Reads Act is a bill that would create a statewide comprehensive K-3 reading policy designed to improve reading outcomes.
- HB272-Increase in Baseline Student Allocation from \$5,930 to \$6,153 in FY23 and \$6,208 for FY24
- HB273-Increase in Baseline Student Allocation, Inflation
- School Debt Reimbursement Program-HB350
- Broadband Legislation-HB363
- HB220 Retirement Systems-Defined Benefit Options
- HB147 Rural Definition Teacher Education Loan Program



Legislative Update-Federal

Impact Aid is tied to the Student enrollment and ADM

- Due to the Pandemic, Congress in FY22 allowed for the use of PY figures to be utilized to ensure there is no significant reduction in funding. For FY23, Congress is considering to use the ADM prior to the Pandemic. The Senate has approved in utilizing PY figures and is now with the House for their consideration. On a best-case scenario, we expect a status quo funding on the Impact Aid.
- FY22 Appropriations Bill provided major increases for federal K-12 programs
 - Title 1 Funding
 - Title II professional and Development Grants
 - Full-Service community schools
 - English Language acquisition grants



School District FY23 Financial Priorities

- Maintenance and Operations
 - Aging infrastructure-requiring more operations funding to maintain.
 - Aging fleet and support equipment
 - Deferred maintenance (health, life and safety concerns)

- Increase in insurance premiums
- Increase in utility costs
- Increase in Broadband costs

- Contractual Obligations
 - North Slope Borough School District Negotiated Agreement with the North Slope Borough Education Association-Current Agreement matures at the end of the FY22.
 - North Slope Borough School District Negotiated Agreement with the North Slope Borough Administrators' Association-Current Agreement matured at the end of FY21.

North Slope Borough Budget Request

NSB Request for Funding FY2023

Baseline Appropriation \$40,328,052-Status Quo Baseline/Insurance In-Kind
Supplemental Funding \$3,100,000
Total Funding Request \$43,428,052

Increase in In-kind support is strictly due to increase in NSB casualty policy

Approach to a Balanced Budget

Current Budget Gap

(\$4,432,153)

Options for Consideration

- Appropriation of unrestricted fund balance
- Budgetary Adjustments
 - Reduction in FTE's- Review Vacancy Positions including the Student to Teacher Ratio
 - Reduction in Added Duty Contracts
 - State Legislative funding-HB272 and HB273 and possibility of one time forward funding considering the State Spring Forecast providing for additional financial resources.

North Slope Borough Funding Request

Moving Forward

Issue

- In the last two budget cycles, the Borough Administration has provided their funding recommendation letter to the School District on March 7, 2022 for FY23 and March 21, 2021 for FY22 which is way too late in the budget process and has created havoc in the District's ability to issue and or commit to Teacher Contracts.
 - School Districts generally see a 35% turnover rate each year and requires a significant recruiting effort from HR in fulfilling positions and the prime time for recruitment starts as early as January.
 - With the Global Pandemic, we are seeing a national crises of shortage of Teaching professionals north of 330K nation-wide.
 - For FY23, our School District is projecting between 75-100 certificated vacant positions and this does not include the classified positions.
 - Its imperative to have stable and predictable funding including timely communication in order to meet student needs, especially at this time.

Solution

- For FY24 Budget Process, the School District requests the Assembly commit 75% of the PY Appropriation for FY24 in December or in January. The remainder 25% will be subject to the Budgetary process.
 - This will allow the School District to issue Tenured and Non-Tenured Contracts as early as February and commence the recruiting efforts thereafter.