

Date: March 10, 2026
To: LPSD School Board
From: Laura Hylton, Finance Director
RE: March Board Report

FY27 Insurance Renewal

AK Public Risk Alliance (APRA) hosted an update meeting in February and property rates are expected to remain flat, increases will come from ongoing replacement value updates as appraisals are completed. Cost to build have changed so much in recent year this adjustment is necessary and reinsurance carriers view APRA's program favorably during underwriting with values assessments underway.

Liability which includes cyber, crime, student/volunteer accident and general liability is expected to see low double digit increases. Cyber and crime are driving this market currently. Worker's Compensation is expected to remain flat.

APRA added coverages for FY26 environmental liability and property terrorism the programs provide added coverage and did not generate new premium costs. Cyber liability and crime plans were incorporated into the program and reduced premium costs.

Optional additional coverage for excess Sexual Abuse of Minors (SAM), Cyber Liability, Environmental liability and active assailant are available for pricing if the board is interested in these programs our broker will facilitate quotes. SAM claim limits were incrementally increased from \$2M to \$15M and then reduced, the higher the limits more litigation and awards. I am not recommending adding coverage in excess of what APRA provides.

ERATE – Internet Bids FY27

The ERATE filing window is open and closes April 1st. LPSD's 470 form requesting services posted for the required 28-days and we received five proposals. Proposal evaluations were completed and Microcom is highest scoring proposal. Contract documents are expected in the next few days and the 471 form requesting discounts will be filed before the deadline.

Reporting Update

FY26 audit is scheduled for the week of August 10, 2026. The audit documentation is a yearlong process involving the provision of electronic files to the auditors for review.

Grants and Federal Funding

Impact Aid payments for 90% proration were received today, payments are not yet final for the 2026 application. Construction funding and possibly added direct support funding may be issued before June 30th. This reflects an increase to the FY26 Impact Aid estimate of 50% proration of \$843,929 reducing the endowment draw for FY26 and covering unexpected expenses like the boiler replacement.

The Dept. of Labor monitored our BBRCTE funding SAEF2 grant went very well. LPSD's systems of internal controls provide the required framework for documenting the financial systems for Federal Grants. The internal

control systems ensure compliance with the grant requirements and CFR2 requirements. Steve Noonkesser and I provided written monitoring rubrics for program and financial system information and met with DOL staff for the in person review. Two items were identified for added information for program participation numbers and time and effort increased documentation. The response will be submitted in March.

Part I of the Indian Education grant was submitted on March 5th and the count is 257 tribally connected students. Thank you to all the staff and parents who worked to complete 506 forms documenting tribal membership. The membership only needs to be documented one time for each student and directly provides funding for aides to support reading and the SNAP meet for high school students.

Financial Report attached.

Alaska DEED is finalizing the October count data for the 2025-2026 final foundation funding calculations. With mid-year hires and actual revenue allocations nearly complete a budget revision for FY26 is planned for board review and approval in April.

Legislative Session

Several funding bills and budget items to watch are the appropriation in the Governor's budget for the BBRCTE residential funding program and HB261 which would establish multiyear average adjusted average daily membership calculations intended to smooth fluctuations in enrollments over three years. Analysis of FY23-FY27 restatements and estimates show of HB261 would benefit LPSD. HB261 fiscal notes and estimates have been a bit of a process, the choice between prior year and the average of 3-years is done by school making the estimates complicated.

HB347 proposes a \$630 increase to the BSA with all the news articles highlighting the continued deficits for most districts this is needed, with the state budget realities it is unclear if any added funding will in fact be appropriated.

Bills affecting education and mandating curriculum only reflect the cost to the State of Alaska. The estimated costs for districts to purchase and staff to meet the new requirements are typically not provided to the legislature.

Legislative Contacts:

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Lake and Peninsula School District

100 Board Report
Fiscal Year: 2025-2026

From Date: 7/1/2025 To Date: 3/12/2026

Account Description	GL Budget	YTD	Balance	Encumbrance	Budget Balance	% Budget
Instruction	\$4,408,877	\$2,527,237	\$1,881,640	\$1,417,066	\$ 464,575	10.54%
Lake View Home School	\$ 19,541	\$ 21,231	-\$ 1,690	\$ 11,658	-\$ 13,348	-68.31%
CTE	\$ 441,751	\$ 211,711	\$ 230,040	\$ 60,721	\$ 169,318	38.33%
SPED direct instruction	\$1,258,006	\$ 732,213	\$ 525,793	\$ 426,411	\$ 99,382	7.90%
SPED special services	\$ 274,970	\$ 106,518	\$ 168,452	\$ 26,355	\$ 142,097	51.68%
Student support	\$ 61,245	\$ 23,587	\$ 37,658	\$ 11,563	\$ 26,095	42.61%
Instructional Support	\$ 693,427	\$ 484,609	\$ 208,818	\$ 209,578	-\$ 760	-0.11%
Instructional Technology	\$ 843,987	\$ 626,585	\$ 217,402	\$ 198,708	\$ 18,695	2.22%
School Admin - Principals	\$ 877,505	\$ 496,322	\$ 381,183	\$ 313,716	\$ 67,467	7.69%
School Support - Secretaries	\$ 100,069	\$ 80,003	\$ 20,066	\$ 33,946	-\$ 13,880	-13.87%
District Admin - Superintendent & Board	\$ 584,729	\$ 448,734	\$ 135,994	\$ 67,266	\$ 68,728	11.75%
District Admin - Business Services	\$ 810,516	\$ 685,485	\$ 125,030	\$ 222,374	-\$ 97,343	-12.01%
Maintenance and Operations	\$3,076,646	\$2,486,547	\$ 590,099	\$ 481,573	\$ 108,525	3.53%
Student Activities	\$ 439,168	\$ 324,019	\$ 115,149	\$ 22,608	\$ 92,541	21.07%
Other Fund TRS & PERS OB	\$ 0	\$ 790	-\$ 790	\$ 423	-\$ 1,213	0.00%
Other Fund TRS & PERS OB	\$ 0	\$ 6,265	-\$ 6,265	\$ 4,717	-\$ 10,982	0.00%
Debt Service - leases	\$ 70,080	\$ 0	\$ 70,080	\$ 0	\$ 70,080	0.00%
Transfer Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00%
Grand Total:	\$13,960,516	\$9,261,856	\$4,698,660	\$3,508,683	\$1,189,977	8.52%

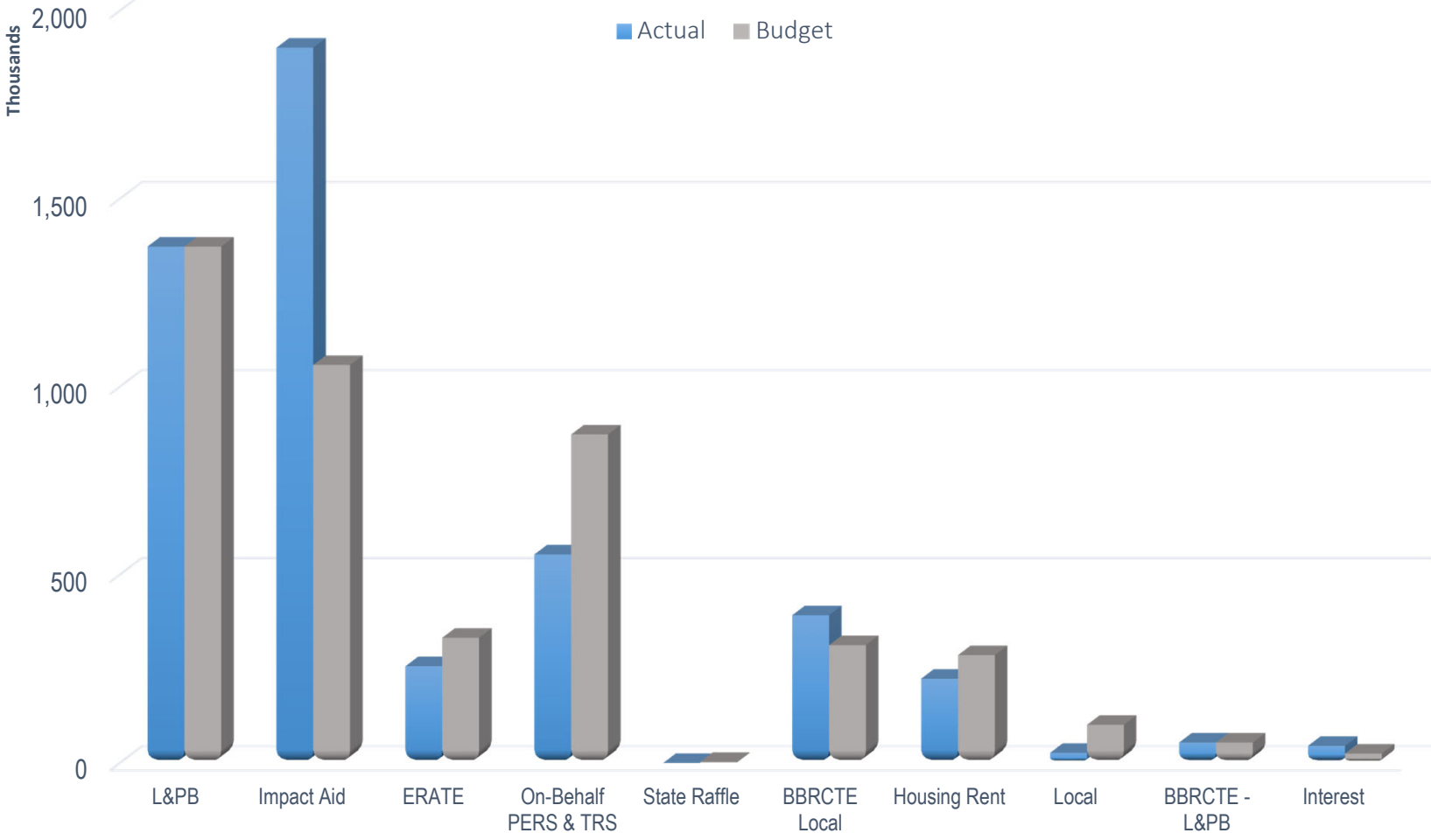
Budget Notes:

- 1) Budget assumed all schools are open. Levelock closed November 7, 2025.
- 2) Revenue based on \$680 BSA, receiving \$700

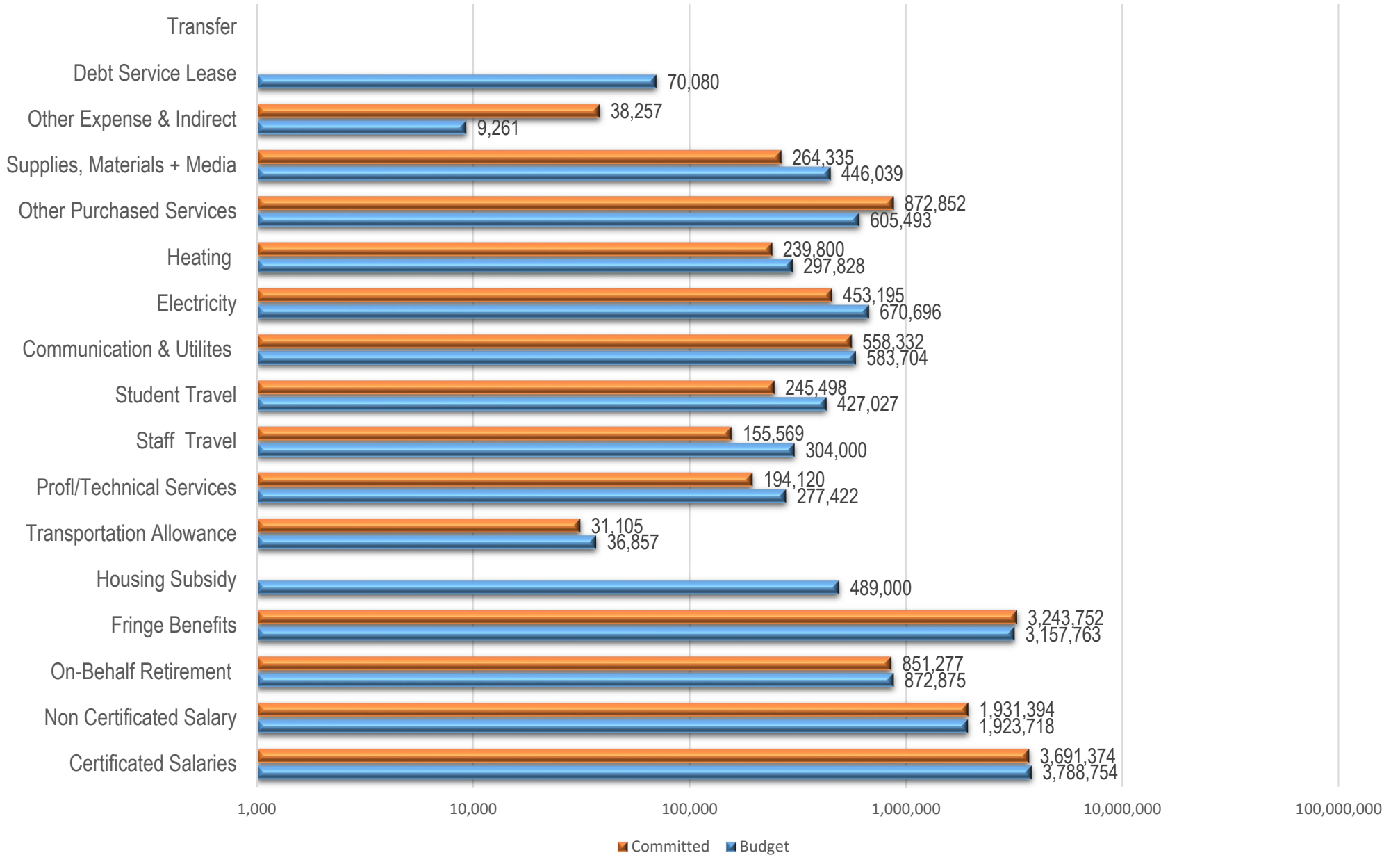
Expenditure Notes:

- 1) Salaries, Benefits and TRS & PERS on-behalf amounts will require budget revisions for actual amount of staff placement since March budget estimates.
- 2) District Admin - Business Services will be over budget until grant indirect costs are posted for the year.
- 3) LVHS will be over budget due to added staff salary for LVHS teacher.
- 4) Other fund TRS & PERS OB transfer to Student Support annually at year end.

Budget vs. Actual (Year-to Date) Revenue Comparison (Excluding SOA Foundation)



Budget vs. Committed Expenses by Category (Committed - Year-to-Date and Encumbered)



Budget vs. Committed Expenses by Category (Committed - Year-to-Date and Encumbered)

