



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

RECEIVED

Office of Superintendent

Dr. Donna Peterson, Superintendent of Schools
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8888 Fax (907) 262-9132

2009 JUN 30 PM 2:32
KPB
CLERK'S OFFICE

February 3, 2009

Ms. Milli Martin, President
Kenai Peninsula Borough Assembly
144 North Binkley Street
Soldotna, AK 99669

RE: FY09 Budget Revision

Dear Ms. Martin:

The Board of Education approved a FY09 budget revision at the February 2, 2009 Board Meeting to account for the preliminary Department of Education and Early Development 20-day OASIS enrollment. The preliminary enrollment count for the District of 9,256 represents an increase over the enrollment projection of 9,053 by 203 students. It is hoped that the Kenai Borough Assembly will continue to the fund the District to the maximum allowed by the foundation funding formula.

KPB Resolution 2008-040 approved a total school district budget of \$137,098,231 and KPB Ordinance number 2008-19 appropriated local effort funds in the amount of \$40,886,886. The preliminary OASIS FY09 enrollment allows for 'at the cap' funding in the amount of \$41,146,945 representing an increase of \$260,059 over \$40,886,886.

AS 14.14.060 requires the Assembly approve the District's total budget. This year \$3,147,349 additional special revenue funds have been received over the original budgeted amount included in the total budget. The Kenai Peninsula Borough Assembly is respectfully requested to approve a revised 2008-2009 school district total budget in the amount of \$140,414,120 representing a general fund of \$120,377,796 and \$20,036,324 in special revenue funds.

The administration is available to discuss this budget revision as it relates to the educational program and community for this year. The Assembly's continued support of public education is appreciated!

Sincerely,

Donna Peterson, Ed.D.
Superintendent

Attachments

C. D. Carey
C. Chapman



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Finance

Melody Douglas, Chief Financial Officer
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8888 Fax (907) 262-5867
Email mdouglas@kpbsd.k12.ak.us

January 27, 2009

MEMORANDUM

TO: Board of Education

THROUGH: Dr. Donna Peterson, Superintendent

FROM: Melody Douglas, CFO *Melody Douglas*

SUBJECT: FY09 Budget Revision

PURPOSE:

The District annually reviews and revises the general fund budget to reflect the salary and benefit account changes for employees hired for the current school year. It is important to make the changes resulting from these and other adjustments at this time so that comparison of the current year budget to the FY10 preliminary budget is relevant.

In addition to general fund changes, the District has received increased special revenue funding (special purpose grants). This additional funding exceeds the estimated total approved in the FY09 budget for special revenue funds. Consequently, approval by the Board of Education and the Kenai Peninsula Borough Assembly is required per AS 14.14.060.

Detailed information regarding these changes is provided in this memo.

RECOMMENDATION:

The administration recommends the Board of Education approve changes to the FY09 general fund revenue and expenditure budgets as outlined below. The revised FY09 general fund amount is \$120,377,796 and \$20,036,324 for special revenue funds for a total for all funds of \$140,414,120.

PERTINENT INFORMATION – GENERAL FUND:

Revenue Budget

Actual Enrollment

The FY09 budget was developed and approved based on an enrollment projection of 9,053. The District's actual OASIS enrollment per the Department of Education and Early Development (EED) is 9,255.77. Please note this enrollment is not expected to change, however, we won't receive the final foundation calculation from EED for another month or so. In the unlikely event that the final enrollment changes, it will be necessary to revise the FY09 revenue budget.

State Revenue

This increased enrollment generated an additional \$1,130,688 in Foundation funding from the State of Alaska. This increase changes total Foundation revenue from \$61,187,238 to \$62,317,926.

The Quality School portion of State revenue also increased from \$239,561 to \$245,599, a difference of \$6,308.

Local Effort

Per the education funding formula this increased enrollment allows for a maximum local effort of \$41,146,945 which is \$260,059 over the amount of \$ 40,886,886 included in Kenai Peninsula Borough Ordinance 2008-19. It will be necessary to request additional funding from the Kenai Peninsula Borough Assembly once the revised FY09 budget is approved by the Board of Education.

Fund Balance

Use of fund balance for on-going operations is not a recommended practice. Once fund balance is used for operations, there comes a day of reckoning when fund balance is ultimately exhausted. The best use of fund balance is for one-time funding needs since these expenditures don't require on-going financial support. With the additional revenue from state and local sources, it is recommended that use of fund balance be reduced by \$1,228,245 leaving the amount needed for FY09 operations at \$440,627.

Expenditure Budget

Staff Costs

The annual budget adjustment to reflect the salaries and benefits of those actually hired for FY09 has been completed. The net difference of these adjustments represents an approximate .2% budget increase of \$271,183 over the original budget. Basically, we hired staff at slightly higher placement on the salary schedules than those employees leaving the District.

Supply and Copy Budget Allocations

The supply and copy budget allocations have been reviewed per administrator request; it has been over 15 years since these formulas have been modified. However, current allocation formulas will remain in effect for the time being. Schools encountering increased enrollment have been recalculated based on EED's OASIS student count. The total increase for supplies (both instructional and custodial) is \$33,978 and the increase for copy-costs is \$9,400.

Charter School Budget Changes

The following charter school budget changes are recommended based on the EED OASIS enrollment information. The net reduction to the general fund budget is \$146,021.

	<u>OASIS Enrollment</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Difference</u>
Aurora Borealis	184.00	\$1,797,482	\$1,828,481	\$ 30,999
Fireweed	72.75	675,232	547,810	(127,422)
Kaleidoscope	233.00	2,254,710	2,208,212	(46,498)
Soldotna Montessori	161.60	1,657,989	1,654,889	(3,100)
Totals		<u>\$6,385,413</u>	<u>\$6,239,392</u>	<u>(\$146,021)</u>

FY09 GENERAL FUND BUDGET REVISION SUMMARY:

Revenue Budget

Approved FY09 Revenue Budget	<u>\$120,209,256</u>
Increased State Revenue	1,130,688
Increased Local Effort	260,059
Increased Quality School Funding	6,038
Decreased Allocation of Fund Balance	<u>(1,228,245)</u>
Total Increased Revenue	<u>168,540</u>
Revised FY09 Revenue Budget	<u>\$120,377,796</u>

Expenditure Budget

Approved FY09 Expenditure Budget	<u>\$120,209,256</u>
Annual Salary and Benefit Adjustment	271,183
Supply Allocation Increase due to Additional Enrollment	33,978
Copy Allocation Increase due to Additional Enrollment	9,400
Charter School Reduction due to Enrollment Changes	<u>(146,021)</u>
Total Increased Expenditures	<u>168,540</u>
Revised FY09 Expenditure Budget	<u>\$120,377,796</u>

PERTINENT INFORMATION – ALL FUNDS

AS 14.14.060 requires the Kenai Peninsula Borough Assembly approve the District's total budget. This year special revenue funds have been received in differing amounts than those approved by the Board of Education. The recap below notes the changes in grant awards; a brief description of these grants is attached.

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Difference</u>
<u>General Fund</u>	<u>\$120,209,256</u>	<u>\$120,377,796</u>	<u>\$ 168,540</u>
<u>Special Revenue Funds:</u>			
Alaska Works	\$ 245,607	\$ 279,261	\$ 33,654
Carl Perkins Fund	192,032	198,740	6,708
Community Theater Fund	60,000	60,000	0
Legislative Grants	-	825,427	825,427
Food Service Fund	3,581,031	3,591,831	10,800
Miscellaneous Grants Fund	350,000	414,488	64,488
NCLB Fund	3,346,077	4,973,850	1,627,773
Principal Coach	455,500	413,000	(42,500)
Pupil Transportation Fund	5,453,205	5,453,205	-
Statewide Mentorship	370,145	76,436	(293,709)
Title VI-B Fund	2,215,378	3,114,869	899,491
Title VII, Indian Education	310,000	317,861	7,861
Youth First	100,000	100,000	-
Youth in Detention	210,000	217,356	7,356
Sub-Total	<u>\$ 16,888,975</u>	<u>\$ 20,036,324</u>	<u>\$3,147,349</u>
Total	<u>\$137,098,231</u>	<u>\$140,414,120</u>	<u>\$3,315,889</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

1-23-09

2008- 2009 Budget
General Fund Revenue

2004-05 Actual	2005-06 Actual	2006-07 Actual	Revenue Source	Current 2008-09 Budget	Estimated OASIS 2008-09 Budget	Change	% of Chg
\$ 6,956,437	\$ 7,386,090	\$ 7,553,047	Borough In-Kind	\$ 8,430,622	\$ 8,430,622	\$ -	-
26,788,170	27,587,592	30,388,629	Borough Appropriation	32,456,264	32,716,323	260,059	1
197,556	494,410	1,067,126	Earnings on Investments	420,000	420,000	-	-
435,323	508,938	657,616	E-Rate	636,320	636,320	-	-
23,701	17,100	16,600	Rentals	30,000	30,000	-	-
294,820	68,292	85,620	Other Revenues	50,000	50,000	-	-
-	-	-	Allocation of Fund Balance	1,668,872	440,627	(1,228,245)	100
<u>34,696,007</u>	<u>36,062,422</u>	<u>39,768,638</u>	Total Local Revenue	<u>43,692,078</u>	<u>42,723,892</u>	<u>(968,186)</u>	<u>(2)</u>
46,240,302	49,779,053	59,959,314	Foundation Program	61,187,238	62,317,926	1,130,688	2
			Energy Relief	-	-	-	-
			1/4 ISER per Governor's Budget Proposal	-	-	-	-
			PERS/TRS Payment	14,640,379	14,640,379	-	-
			PERS/TRS Payment - Charter Schools	-	-	-	-
227,371	224,126	995,531	Learning Opportunity Grant/Quality Schools	239,561	245,599	6,038	3
-	-	-	School Improvement Grant	-	-	-	-
-	110,355	120,577	Tuition	-	-	-	-
<u>46,467,673</u>	<u>50,113,534</u>	<u>61,075,422</u>	Total State Revenue	<u>76,067,178</u>	<u>77,203,904</u>	<u>1,136,726</u>	<u>1</u>
212,193	526,918	492,697	Medicaid	450,000	450,000	-	-
-	17,250	-	Hurricane Katrina	-	-	-	-
<u>212,193</u>	<u>544,168</u>	<u>492,697</u>	Total Federal Revenue	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>-</u>
<u>81,375,873</u>	<u>86,720,124</u>	<u>101,336,757</u>	Total General Fund Revenue	<u>120,209,256</u>	<u>120,377,796</u>	<u>168,540</u>	<u>0</u>

KENAI SCHOOL DISTRICT

EXPENDITURE SUMMARY FUND/OBJ

Page: 1 of 2

02/03/2009

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Report Code: BAT_GL_TEMPLATE

BATCH QUEUE ID 27739

FOR BEGINNING BALANCE THRU CLOSING ENTRIES, 2009

LEDGER TYPE : 5 - EXPENDITURES

OBJECT	DESCRIPTION	BUDGET AMOUNT	ADJUSTED BUDGET	CURRENT ACTIVITY	YTD ACTIVITY	REQUISITION / ENCUMBRANCE	UNENCUMBERED BALANCE	PERCENT ENCMBRD
Fund : 100 - OPERATING FUND								
31	CERTIFIED SALARIES	44,523,254.00	43,863,857.00	17,425,890.46	17,425,890.46	21,600,852.26	4,837,114.28	89
32	NON-CERTIFIED SALARIES	13,218,781.00	13,717,883.00	7,037,429.60	7,037,429.60	5,326,645.18	1,353,808.22	89
35	TOTAL EMPL BENEFITS	36,006,746.00	36,449,398.00	10,416,731.59	10,416,731.59	8,974,790.69	17057875.72	55
41	PROFESS-TECH SERVICE	746,297.00	1,102,421.50	273,251.78	273,251.78	179,211.57	649,958.15	41
42	STAFF TRAVEL	729,364.00	730,452.99	297,420.07	297,420.07	16,407.04	416,625.88	43
43	UTILITIES	8,074,220.00	7,891,786.57	3,105,572.76	3,105,572.76	169.00	4,786,044.81	39
44	PURCHASED SERVICES	9,401,057.00	10,193,305.80	1,064,918.48	1,064,918.48	591,384.28	8,537,003.04	16
45	SUPPLIES AND MATERIALS	3,783,202.00	4,662,191.04	2,318,228.24	2,318,228.24	154,963.01	2,188,999.79	53
48	STIPENDS	20,520.00	20,520.00	15,335.00	15,335.00	0.00	5,185.00	75
49	OTHER EXPENSES	2,039,214.00	1,829,692.00	218,691.28	218,691.28	451.00	1,610,549.72	12
51	EQUIPMENT	1,045,570.00	1,169,772.25	144,621.79	144,621.79	570,536.76	454,613.70	61
55	TRANSFER TO OTHER FD	621,031.00	621,031.00	0.00	0.00	0.00	621,031.00	0
TOTALS:	Fund: 100 - OPERATING FUND	120,209,256.00	122,252,311.15	42,318,091.05	42,318,091.05	37,415,410.79	42,518,809.31	65
TOTALS:	Ledger Type: 5 - Expenditures	120,209,256.00	122,252,311.15	42,318,091.05	42,318,091.05	37,415,410.79	42,518,809.31	65

ROLLOVER
ENCUMBRANCES

(1,874,515.15)

**Total Adjusted
Budget**

120,377,796.00

KENAI SCHOOL DISTRICT
EXPENDITURE SUMMARY BY FUND AND FUNC

Page: 1 of 2

01/27/2009

Report Code: BAT_GL_TEMPLATE

BATCH QUEUE ID 27342

10:50:01 AM

FOR BEGINNING BALANCE THRU CLOSING ENTRIES, 2009

LEDGER TYPE : 5 - EXPENDITURES

FUNCTION	DESCRIPTION	BUDGET AMOUNT	ADJUSTED BUDGET	CURRENT ACTIVITY	YTD ACTIVITY	REQUISITION / ENCUMBRANCE	UNENCUMBERED BALANCE	PERCENT ENCMBRD
Fund : 100 - OPERATING FUND								
4100	REGULAR INSTRUCTION	52,706,056.00	52,658,326.90	16,871,816.65	16,871,816.65	17,615,078.62	18,171,431.63	65
4120	BILINGUAL INSTRUCTIO	913,724.00	904,504.00	376,630.35	376,630.35	323,327.70	204,545.95	77
4130	GIFTED/TALENTED INST	652,782.00	647,473.00	280,100.30	280,100.30	339,927.23	27,445.47	96
4140	ALTNTV (CONNECTIONS)	3,534,448.00	3,803,218.80	1,618,373.50	1,618,373.50	1,437,995.61	746,849.69	80
4160	VOCATIONAL EDUCATION	1,528,422.00	1,476,991.00	647,650.98	647,650.98	763,882.18	65,457.84	96
4200	SPED INSTRUCTION	12,656,362.00	12,963,919.11	5,294,449.64	5,294,449.64	5,256,920.15	2,412,549.32	81
4220	SPED SVCS - STUDENT	4,426,259.00	4,963,132.55	1,796,448.81	1,796,448.81	1,980,173.00	1,186,510.74	76
4300	SUPPORT SERV-PUPILS	513,154.00	513,154.00	0.00	0.00	0.00	513,154.00	0
4320	GUIDANCE SERVICES	1,605,244.00	1,687,267.00	795,893.58	795,893.58	866,793.69	24,579.73	99
4330	HEALTH SERVICES	1,420,549.00	1,390,972.60	621,307.73	621,307.73	422,366.25	347,298.62	75
4350	SUPPORT SVCES/INSTRC	1,260,108.00	1,435,126.68	515,814.58	515,814.58	304,738.65	614,573.45	57
4352	LIBRARY SERVICE	1,150,928.00	1,087,603.40	493,623.21	493,623.21	417,101.91	176,878.28	84
4400	SCHOOL ADMINISTRATION	5,430,301.00	5,455,500.99	2,139,774.40	2,139,774.40	1,987,790.03	1,327,936.56	76
4450	SCH ADMIN - SUPPORT	3,716,377.00	4,083,190.57	1,853,925.01	1,853,925.01	1,264,930.95	964,334.61	76
4510	DISTRICT ADMINISTRTN	82,775.00	82,775.00	0.00	0.00	0.00	82,775.00	0
4511	BOARD OF EDUCATION	317,712.00	314,744.00	113,385.14	113,385.14	32,996.45	168,362.41	47
4512	OFF OF SUPERINTENDEN	349,525.00	368,061.40	150,950.30	150,950.30	82,582.32	134,528.78	63
4513	ASST SUPT/INSTRUCTN	238,561.00	233,879.88	130,950.79	130,950.79	87,036.12	15,892.97	93
4550	DIST ADMIN SPPT SVCS	802,006.00	802,006.00	43,791.12	43,791.12	0.00	758,214.88	5
4551	FISCAL SERVICES	821,282.00	900,286.75	613,655.59	613,655.59	413,967.63	-127,336.47	114
4552	INTERNAL SERVICES	747,142.00	714,453.81	451,761.35	451,761.35	290,771.76	-28,079.30	104
4553	STAFF SERVICES	882,354.00	930,544.95	490,776.74	490,776.74	308,711.68	131,056.53	86
4555	DATA PROCESSING SVCS	1,035,440.00	1,532,069.90	582,006.97	582,006.97	791,044.88	159,018.05	90
4556	OPERATIONS	652,102.00	651,719.00	146,648.47	146,648.47	79,810.38	425,260.15	35
4557	INDIRECT COST POOL	300,903.00	300,903.00	0.00	0.00	0.00	300,903.00	0
4600	OPERATION OF PLANT	20,175,333.00	20,032,267.86	5,636,460.89	5,636,460.89	2,015,855.21	12,379,951.76	38
4700	PUPIL ACTIVITY	1,668,376.00	1,697,188.00	485,025.10	485,025.10	359,904.13	852,258.77	50

KENAI SCHOOL DISTRICT
EXPENDITURE SUMMARY BY FUND AND FUNC

Report Code: BAT_GL_TEMPLATE

BATCH QUEUE ID 27342

4904	TRANS FD-FOOD SERVIC	621,031.00	621,031.00	0.00	0.00	0.00	621,031.00	0
TOTALS:	Fund: 100 - OPERATING FUND	120,209,256.00	122,252,311.15	42,151,221.20	42,151,221.20	37,443,706.53	42,657,383.42	65
TOTALS:	Ledger Type: 5 - Expenditures	120,209,256.00	122,252,311.15	42,151,221.20	42,151,221.20	37,443,706.53	42,657,383.42	65

Valid
 Encumbrances at
 6/30/08

(1,874,515.15)

**Total Revised
 General Fund
 Budget**

\$ 120,377,796.00

SPECIAL REVENUE FUNDS

Associated General Contractors – AK Works grant is an Alaska Department of Labor funded project that supports our District's after school construction academies.

Carl Perkins - Basic programs provide improved vocational education for economically disadvantaged, physically challenged, English language learners, seasonal migrant families, at-risk students, parenting and/or pregnant youth, and students of under-represented minorities and gender.

Community Theater fund was established to account for community use of three theaters in the Central Peninsula area.

Food Service programs provide for daily lunches to students and staff.

Legislative Equipment Fund SB46 awarded direct funding for schools to be used for equipment, curriculum, critical incident supplies and other items needed for school programs.

Miscellaneous Grant Funds these funds include McKinney-Vento homeless grant, Gear up, Staff development mini grants, Title I-D, delinquent and at risk, Upward bound and corporate grants.

NCLB Fund No Child Left Behind is a stated integrated grant which encompasses several grants as follows:

Title I-A: This is an entitlement grant based on poverty. Funds provide supplemental academic programs to children who are not on target to meet the state's content performance standards.

Title I-C, Migrant: Funds provide support for the unique academic needs of migrant children.

Title II, Part A: Teacher and principal training and recruitment.

Title III: English language acquisition, language enhancement and academic achievement

Title IV, Safe & Drug-Free Schools: Provides drug and alcohol education at the elementary level and intervention and counseling for secondary students.

Title V, Part A: Recruitment and professional development of teachers to increase student achievement.

Principal Coach is a program funded by EED, for superintendents and school-site administrators new to the profession or new to the state with less than two years experience in Alaska.

Pupil Transportation programs provide for transporting students to and from school.

Statewide Alaska Mentorship is a program funded by EED, providing three full-time positions for teacher mentors in our district. By mentoring new teachers, Alaska can improve the quality of instruction, increase teacher retention and improve student achievement.

Title VI-B grant provides funds for the overall improvement of service for students receiving Special Education.

Title VII. Indian Education programs provide math, reading, writing, and study skills tutorials to eligible Alaska Native and/or Native American students.

Youth First is a grant funded by Alaska Department of Labor to support vocational courses provided through the Workforce Development Center.

Youth in Detention grant provides the additional funding for the extended instructional, administrative, and operational activities associated with a year-round school program for incarcerated students.