

Introduced by: Mayor
Date: 04/17/01
Action: Adopted
Vote: 9 Yes, 0 No

**KENAI PENINSULA BOROUGH
RESOLUTION 2001-046**

**A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF LOCAL SCHOOL
FUNDING POLICY**

WHEREAS, the Kenai Peninsula Borough is required by state statute to provide local funding to support operations of the borough school district; and

WHEREAS, in recent years, borough residents have asked the school district and the borough assembly to provide local school funding beyond that strictly provided for under state statute; and

WHEREAS, some items historically funded through that portion of the school district budget considered "inside the cap" are being moved "outside the cap" to avoid funding restrictions; and

WHEREAS, to ensure that the level of local school funding is within state statutes, it necessary to establish a policy and procedure that should be followed by the school district and the borough when considering the level and nature of local school funding; and

WHEREAS, a committee was established that included members from the assembly, school district board members, school district administration, and borough administration, and

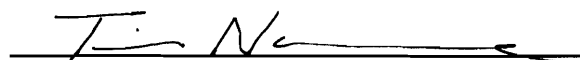
WHEREAS, the committee has prepared a local school funding policy;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the attached policy be approved by the assembly.

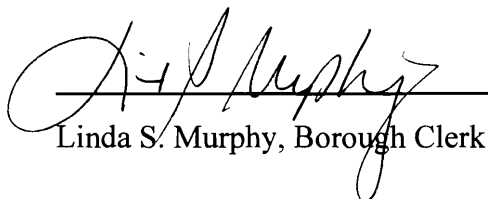
SECTION 2. That this resolution takes effect immediately upon its adoption.

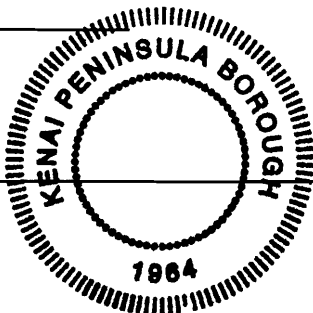
ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF APRIL, 2001.



Timothy Navarre, Assembly President

ATTEST:


Linda S. Murphy, Borough Clerk



KENAI PENINSULA BOROUGH POLICY

Local School Funding

April 5, 2001

Purpose: To provide guidelines and procedures relative to local funding of school district operating and capital activities.

Background: The borough is required under Alaska Statute 14.17.410 to provide local funding to support operation of the borough school district. Alaska statutes provide both a minimum level of local funding that must be provided, and a maximum level that cannot be exceeded. The establishment of a minimum and maximum are intended to result in a generally uniform level of school district operational funding on a statewide basis regardless of their local tax base. The minimum level of local funding is equal to 4 mills on the borough's full and true taxable property value as of the prior January 1 as determined by the Alaska Department of Community and Economic Development. The maximum is equal to the sum of the minimum level plus an additional 23% of the minimum (the 2001 additional amount is \$906.20 per adjusted average daily membership). The maximum is generally referred to as the "cap". Certain local expenditures in support of school district activities are considered to be "outside the cap" and as such are not subject to these statutory limitations. Local expenditures for school capital improvements, including debt service, is an example of local school funding considered "outside the cap."

In recent years borough residents have asked the school district and the borough assembly to provide local school funding beyond that strictly provided for under state statutes. As a result, some items historically funded through that portion of the school district budget considered "inside the cap", are being moved "outside the cap" in order to avoid funding restrictions. In order to ensure that the level of local school funding is within state statutes, it is necessary to establish a policy and procedure that should be followed by the school district and the borough when considering the level and nature of local school funding.

Responsibility: The borough assembly is responsible for:

- Providing funding as required by AS 14.17.410.
- Approving the total school district budget
- Establishing the amount of local funding for school purposes
- Responding to School Board approved requests

The borough administration is responsible for:

- Reviewing school district requests for local funding and making recommendations to the assembly.

The school board is responsible for ensuring that:

- Requests for local funds are consistent with state statutes.

- Local funds are used and accounted for in a manner consistent with state statutes and any assembly imposed restrictions.
- Approving requests for local funding.

Policy: It is the policy of the borough to provide a level of local funding that the Borough can reasonably afford in order to help ensure the highest quality education possible and to maintain school facilities at a level sufficient to support school district educational programs.

Types of Local Funding:

Borough funding of local sources can consist of the following:

- Cash
- In-kind contributions

Items eligible for inside the cap funding

- Instruction
- Maintenance, including custodial and utilities
- Audit services
- Insurance

Items eligible for outside the cap funding

- Capital improvement projects
- Other activities deemed to be legally outside the cap

Procedures:

Requesting Local Funding Inside the Cap -

Annual Budget Requests

- The school district shall submit to the borough a request for local funding by April 15th of each year. This request should be included as part of the next year operating budget that is submitted to the assembly.

Supplemental Funding Requests

- The school district shall submit to the borough administration all requests for supplemental funding. Supplemental funding requests should detail the following:
 - The amount being requested
 - Why the funding is needed
 - Whether or not the request is for a recurring or non-recurring expense
 - Whether or not other revenue sources are available

- Whether or not the planned expenditure is a valid and legal school district expense

Requesting Local Funding Outside the Cap –

Capital improvement projects

- Requests for funding of capital improvement projects should be submitted as part of the school district annual budget. The Borough's capital projects department and maintenance department in conjunction with the facilities director of the school district shall prepare annually a list of projects for which funding is being requested. These projects shall be incorporated as part of the Borough's annual budget.

Other

- Requests for funding outside the cap may be submitted as part of the annual budget or as a supplemental request.
- Because of the unusual nature of funding outside the cap, all requests for funding outside the cap shall be directed to the borough administration in memorandum form and should include the following:
 - The amount being requested
 - Why the funding is needed
 - Whether or not the request is for a recurring or non-recurring expense
 - Whether or not other revenues sources are available
 - Whether or not the planned expenditure is a valid and legal school district expense
- The borough administration will review such requests and provide a written analysis and recommendation to the assembly.
- The borough assembly will respond to all school board approved requests.