

Central Kenai Peninsula Hospital Service Area

2026 Proposed Budget
Pages 321-325, 365-366



Powers 16.08.015

Established 1969

The Central Kenai Peninsula Hospital Service Area is **authorized to construct, maintain, and operate a hospital or hospitals**, to establish and to operate, or to participate in the expense of operating, **a center for the treatment of alcoholism and chemical dependency**, and **to provide other health services or health facilities within the service area**, including but not limited to: primary health care, health promotion and chronic disease services (including psychiatric treatment, mental health and rehabilitation services), outpatient services, health education, preventive medical care and wellness programs, home health services, personal care services, long term care, and hospice care, subject to such conditions as may be established by ordinance of the Kenai Peninsula Borough.



Background Information

Current Mill Rate **.01 mills**

Provides funding for payment of debt service, purchase of capital equipment, operational expenses of a hospital, operating cost of the Service Area and other health care related items within the Service Area.



Expenditures

	FY2025 Original Budget	FY2026 Mayor Proposed Budget	Difference Between Proposed & Original Budget
Service Area Funded:			
Annual Audit	\$ 117,030	\$ 119,605	\$ 2,575
Administrative Fee	18,086	15,546	(2,540)
Arbitrage Compliance	3,250	4,000	750
Other Misc.	2,000	2,000	-
Hospital Funded:			
Debt Service	5,017,038	4,266,949	(750,089)
Property Insurance	601,163	496,240	(104,923)
	\$ 5,758,567	\$ 4,904,340	\$ (854,227)
Change			-14.83%



Capital Projects

	FY2025 Original Budget	FY2026 Mayor Proposed Budget	Difference Between Proposed & Original Budget
Hospital Projects/Equipment	\$ 47,590,650	\$ 32,115,031	\$ (15,475,619)
(Information Only, appropriated through Supplementals)			



Significant Budgetary Items



- Remaining 4 years of the 2014 tax exempt revenue bonds were refinanced in FY2025 to save 3.7% and reduce future payments.
- Audit fees are up about 2.2% based on the current 3 year contract pricing structure, additional federal or state audits may create add'l cost.
- Property insurance will continue to increase as the facility is upgraded or expanded and replacement costs escalate.