

Kenai Peninsula Borough School District

FY27 BUDGET MEETING

April 2026



FY27 Preliminary Budget Process

The purpose of this presentation is to provide stakeholders of the Kenai Peninsula Borough School District with an overview of the budget process as well as to provide an avenue for input on how they would like the school district to move forward to address the \$8.5 million shortfall.

FY27 Preliminary Budget Presentation Overview

1. Preliminary Budget – Process Overview
2. Budget Summary – Current Status
3. Revenue Defined
4. General Budget Overview
5. Expenditures Defined
6. Historical Overview of the Base Student Allocation (BSA)
7. Fund Balance Defined

FY27 Preliminary General Fund Budget Summary

Revenue		\$140,965,246
Expenditures	149,228,959	
Transfer to Other Fund – Pupil Transportation & Extra-Curricular Travel	<u>345,000</u>	
Total Expenditures and Transfers		149,573,959
Deficiency of Revenues over Expenditures		(\$8,608,713)

FY27 Preliminary Budget Process – Projected Enrollment

The process used to project the FY27 enrollment is based on a straight-line method. The steps involved were:

1. Grades at all school sites advance up one grade level with some variance based on principal input.
2. Charter school enrollment projections follow the agreement between the School District and the charter school.
3. AR 6183 (c) dictates the enrollment staffing for Homer Flex, Kenai Alternative and Marathon locations.
4. Kindergarten enrollment is based on the average of actual enrollment for the previous three school years, and administrator recommendations.
5. Sites affected by feeder schools, enrollments are adjusted appropriately based on principal input (e. g. K-Beach 6th grade can attend K-Beach or attend KMS for 6th grade).

Projected Enrollment for FY27 is 8,104 (including preschool)

The District was required to submit the FY27 enrollment projections to the Department of Education and Early Development (DEED) on November 5, 2025.



FY27 Preliminary Budget Process - Revenue

- State of Alaska
 - Foundation funding based on projected enrollment
 - Quality Schools funding \$16 per Adjusted Average Daily Membership (AADM)
 - TRS/PERS On-Behalf (Retirement)
- Kenai Peninsula Borough
 - Appropriation (Monthly distribution of funds)
 - In-Kind Services
- Other Revenue
 - E-rate (Revenue that helps lower technology costs and supports student learning).
 - Interest Earnings
 - Miscellaneous

FY27 Preliminary Budget Foundation Funding Formula

ADM
6,969


STEP 1
School Size Adjustment

The appropriate formula from the school size factor table is used to calculate the adjusted ADM for each school.

9,097.68

STEP 2
District Cost Factors



A district's school size adjusted ADM is multiplied by the district's cost factor (1.0 – 2.116).

10,653.38

STEP 3
Special Needs Factor

- \$ Bilingual Education
- \$ Special Education
- \$ Vocational Education
- \$ Gifted and Talented

The previously adjusted ADM is multiplied 1.20, providing an additional 20%.

12,784.06

STEP 4
Voc. Ed. Funding Factor

Vocational Education



The previously adjusted ADM is now multiplied by 1.015, providing an additional 1.5%.

12,975.82


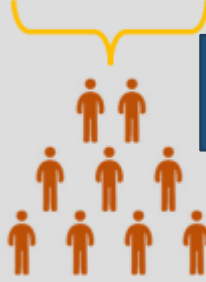
STEP 5
Intensive Services




The districts' intensive count is added to the previously adjusted ADM (13).

15,640.82

STEP 6
Correspondence

The districts' correspondence count is now added to the previously adjusted ADM to arrive at the Final Adjusted ADM (0.90).

AADM 16,662.32

FY27 Preliminary General Fund Budget – State of Alaska Revenue

	FY25 Actual	FY26 Budget	FY27 Preliminary
State of Alaska Foundation Funding	\$68,901,092	\$76,351,095	\$71,827,973
State of Alaska Quality Schools	273,980	268,803	266,597
State of Alaska One – Time payment	11,644,164	-	-
State of Alaska TRS/PERS On-Behalf	<u>8,615,811</u>	<u>6,861,026</u>	<u>8,615,811</u>
Total	\$89,435,047	\$83,480,924	\$80,710,381

- State of Alaska – FY27 Base Student Allocation (BSA) is \$6,660.
- Decrease in FY27 Foundation Funding and Quality Schools revenue by **\$4,525,328** from FY26 Budget.

FY27 Preliminary General Fund Budget – KPB Revenue

	FY25 Actual	FY26 Budget	FY27 Preliminary
KPB Appropriation	\$40,914,211	\$46,878,229	\$43,594,014
KPB In-Kind	<u>15,314,096</u>	<u>15,480,851</u>	<u>15,480,851</u>
Total	\$56,228,307	\$62,359,080	\$59,074,865

- Decrease in FY27 KPB appropriation by **\$3,284,215** from FY26 Budget.
- KPB FY27 maximum appropriation is \$68,685,024 due to the increase in the Full and True Value of taxable real and personal property.

FY27 Preliminary General Fund Budget - Revenue

	FY25 Actual	FY26 Budget	FY27 Preliminary
State Of Alaska	\$89,435,047	\$83,480,924	\$80,710,381
Kenai Peninsula Borough	56,228,307	62,359,080	59,074,865
Other Revenue	<u>3,045,386</u>	<u>1,180,000</u>	<u>1,180,000</u>
Total Revenue	\$148,708,740	\$147,020,004	\$140,965,246

- Other Revenue: E-rate, Interest Earnings and Miscellaneous.

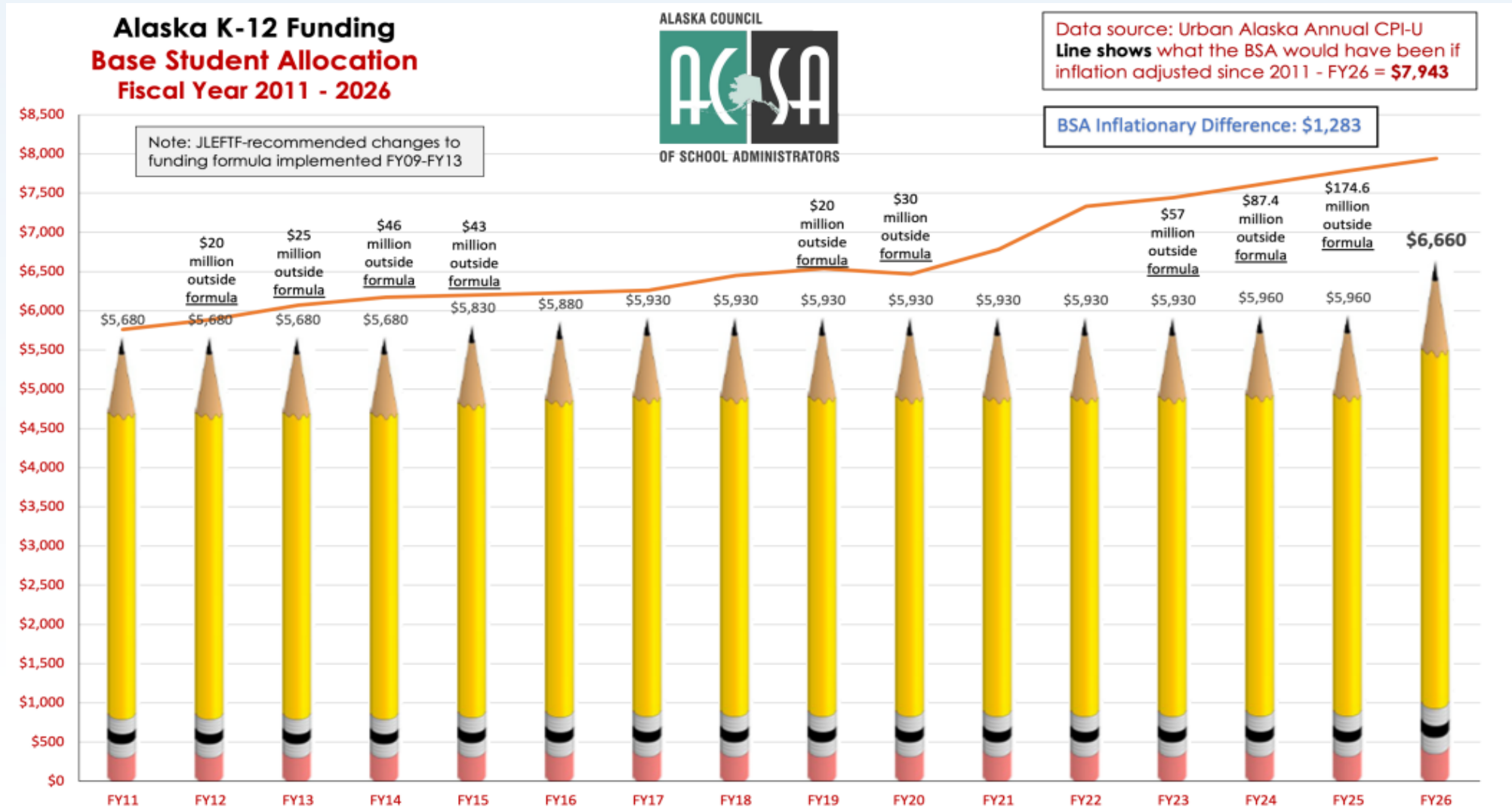
FY27 Preliminary General Fund Budget - Expenditures

- Staffing is based on projected enrollment and the staffing formula.
- The employee salaries were calculated with step increases based on the salary scale.
- The Healthcare calculation was based on FY26 rates + 5%. This amount may be updated later if more information is received. The split for health care is 85/15 per the negotiated agreement.
- A lapse calculation of 1% was used for salaries and benefits. (Based on experience)
- Utilities based on a 3-year average.
- Supplies budgets are updated based on projected enrollment.

FY27 General Fund Budget - Expenditures

Salaries – Includes Step Increases	\$70,493,830	47.13%
Benefits	46,420,498	31.03%
Workers Compensation	1,767,867	1.18%
Professional and Technical	2,072,207	1.39%
Travel (Employee and Student)	572,462	0.38%
Utilities	7,278,994	4.87%
Purchased Services (Includes In-Kind Maintenance and Charter school rent and in-kind)	14,416,092	9.64%
Supplies	4,877,254	3.26%
Other Expenses	478,524	0.32%
Indirect Services	(219,285)	-0.15%
Equipment	1,070,516	0.72%
Transfers to Other Funds – Pupil Transportation & Extra-Curricular Travel	<u>345,000</u>	<u>0.23%</u>
Total Expenditures	\$149,573,959	100.00%

Base Student Allocation (BSA) Fiscal Year 2011-2026



Fund Balance - FY21 through FY25

	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual
Fund Balance					
Nonspendable:					
Inventories	\$ 808,939	\$ 859,582	\$ 837,026	\$ 878,448	\$ 921,752
Prepaid Items	1,272,067	900,000	1,128,837	1,014,418	900,000
Restricted for:					
Home School Carry-over	1,282,585	1,606,026	1,191,814	1,833,789	1,808,970
Facilities Maintenance	1,661,881	1,976,704	1,724,298	1,945,831	2,750,245
Committed:					
Minimum Fund Balance Policy	4,022,433	4,138,062	4,225,327	4,434,649	4,300,225
Assigned to:					
School Incentive Purchases	868,014	829,567	755,718	830,604	888,754
Professional-Technical Services	313,517	203,500	92,793	100,933	51,923
Staff Travel	4,610	-	-	-	3,846
Purchased Services	32,692	4,086	20,237	13,113	4,457
Supplies	813,766	894,466	437,978	292,603	179,353
Other Expenses	1,031,032	1,077,908	948,782	755,414	694,470
Equipment	124,639	532,381		4,077	231,809
Subsequent Year Operations	2,677,222	-	61,817	4,677,983	-
Unassigned	910,504	2,354,271	5,836,963	1,794,375	3,506,161
Total Fund Balance	\$ 15,823,901	\$ 15,376,553	\$ 17,261,590	\$ 18,576,237	\$ 16,241,965
Change in Fund Balance	\$ (4,024,029)	\$ (447,348)	\$ 1,885,037	\$ 1,314,647	\$ (2,334,272)

Questions?

- Email: cvoivedich@kpbsd.org
- **KPBSD Finance Department:** <https://kpbsd.org/finance>

Kenai Peninsula Borough School District

*The mission of the Kenai Peninsula Borough School District is
Supporting Students in Life Success.*

www.kpbsd.org

