

Synopsis of FY10 budget process:

ASSUMPTIONS

FY10 budget had to be built without the inclusion of stimulus money due to the uncertainty of both amount and timelines in the stimulus package. We do believe that stimulus funds will eventually become available and from what we are told to date we believe:

- Stimulus money cannot be used to pay for a current program. Under regulation we cannot supplant regular education funds with grant funds.
- Stimulus funds may be used to create new programs, but only if it the district's intent to continue those programs after stimulus funds are expended.
- Stimulus funds will enable us to reinstate funds reduced under the current budget and/or create new programs to meet board goals (i.e. reinstate supplies funds in both site and district-wide programs, create an improved early childhood program, reinstate professional development activities, enhance our Yup'ik culture program and reinstate a wide variety of maintenance projects).

REVENUE CHANGES for FY10

1. FY09 budget was built using PL874 money that was held for a "rainy day."
2. FY09 budget also assumed that our fuel inventory would be reduced by \$555,000, which is not revenue.
3. Interest revenue is estimated at \$35,000 less than FY09.
4. ISER is included in the foundation formula.

EXPENDITURES for FY10

Payroll

1. \$190,000 of payroll dollars that were charged to Indian Education money were moved to the general fund and/or other grants.
2. A total of \$138,759 for substitutes was reduced to \$15,000, with the idea that existing classified staff can cover for certified teachers that are absent – a method of covering absences that is currently common practice at sites.
3. Special Education services were previously over-staffed by 140 hours per week. This has been reduced to reflect the actual need.
4. Used the existing formula to determine secretary and janitorial service hours, which reduced some sites and increased some based on need. Secretaries are funded at .5 FTE for small sites and 1 FTE for large sites. Janitors are funded at 1 FTE per 18,000 square feet. Our new facilities coming online and changes in power generation required us to re-evaluate this staffing.
5. Tech liaison salaries were moved to site budgets from district office budget. The technology liaison program is being reorganized to meet site support needs.
6. Ekwok will have 19 students in FY10, only 2 teachers are needed to provide a sufficient teacher to student ratio.
7. An \$8000 extra duty stipend has been included to allow for a Yup'ik Culture program facilitator. \$2000 has been included for travel and expenses for that position as well. Should stimulus funds become available additional program support may be added to this budget item.
8. Small site lead teacher pay was allocated as \$8000 in extra duty pay.

9. The opportunity for the creation of an enhanced early childhood program can be implemented under stimulus money as it becomes available. The current PAT program will be restructured into this new program.
10. Health insurance was increased to accommodate a possible 20% increase.
11. New hires have saved \$48,000 in teacher salary dollars at sites.

Non-payroll

12. Travel that was in the site budgets for principal use was moved to grant sources, including school improvement money.
13. Student activities were funded at original FY09 budget level.
14. Guidance line item funds for freight for state-mandated testing was moved to district office instructional support program budget, since it is coordinated by that personnel.
15. Vocational Education funds were added to sites with a K-12 program. With the elimination of Carl Perkins money, there have not been any funds available for the program in recent years. It is funded at \$160 per high school student for FY10.
16. Heating oil cost projections in the budget are based on average usage over the last two years, costed out at the price of the inventory that will be used next year. Under federal accounting requirements we are required to utilize our oldest inventory before we can use our new inventory. (see attachment for details).
17. Much of the district travel for professional development that has been out of the general fund has been moved to grants or eliminated.
18. New textbooks and consumables have been moved to grants or put on hold, pending receipt of stimulus funds. Consumable materials for curriculum are being consolidated to share resources, textbook inventories are being conducted to help reduce the number of new materials purchased, and electronic resources are being substituted for more costly paper-based resources.
19. The fall district in-service will be funded entirely out of grants (with the possibility of the use of stimulus funds).
20. All supply line items throughout the budget across the district have been reduced by 10%, with some district-wide departments making much deeper cuts in supplies.
21. Budgeted amounts for electricity have been changed to reflect actual usage and FY10 estimated costs.
22. Maintenance replacement cycle has been reduced from \$330,000 to \$30,000 to the barest necessities (gym floor refinishing).
23. Maintenance summer projects have been put on hold (pending possible receipt of stimulus or grant funds).
24. Planning work for a new school at Koliganek will come out of Impact Aid construction grant.
25. District Office janitorial services will be covered in-house by existing personnel creating a savings of \$23,000.
26. The \$22,141 revenue over expenses is critical to retain as unreserved funds available to cover any unforeseen increase in costs or emergencies.