



Office of the Superintendent

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March 31, 2023

Mr. Rorie Watt
City Manager
City and Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

Dear Mr. Watt:

The Juneau School District (the District) thanks the Assembly, City Manager, and staff for their support and contributions to the work of our school district. The District truly appreciates CBJ's continual financial support of our community's children and the cooperation between CBJ staff and District staff.

The District is pleased to submit its FY 2024 budget and funding request. The budget represents in financial terms the education and administrative plan for the District for the upcoming year. The Board of Education (the Board) passed this budget at its March 14, 2023 meeting.

Prudent financial management is a fundamental responsibility of the District. Effective budgeting is essential to provide a solid base of core academic programs and maintain a staff of quality professionals. The District anticipates that state and local funding and unassigned fund balance dollars will provide adequate resources to fund the current level of operations.

Budget Development History

The Juneau School District continued its public budget process. The District held a series of meetings to inform the public about the budget, various spending alternatives and solicit input. The following is brief history of these meetings:

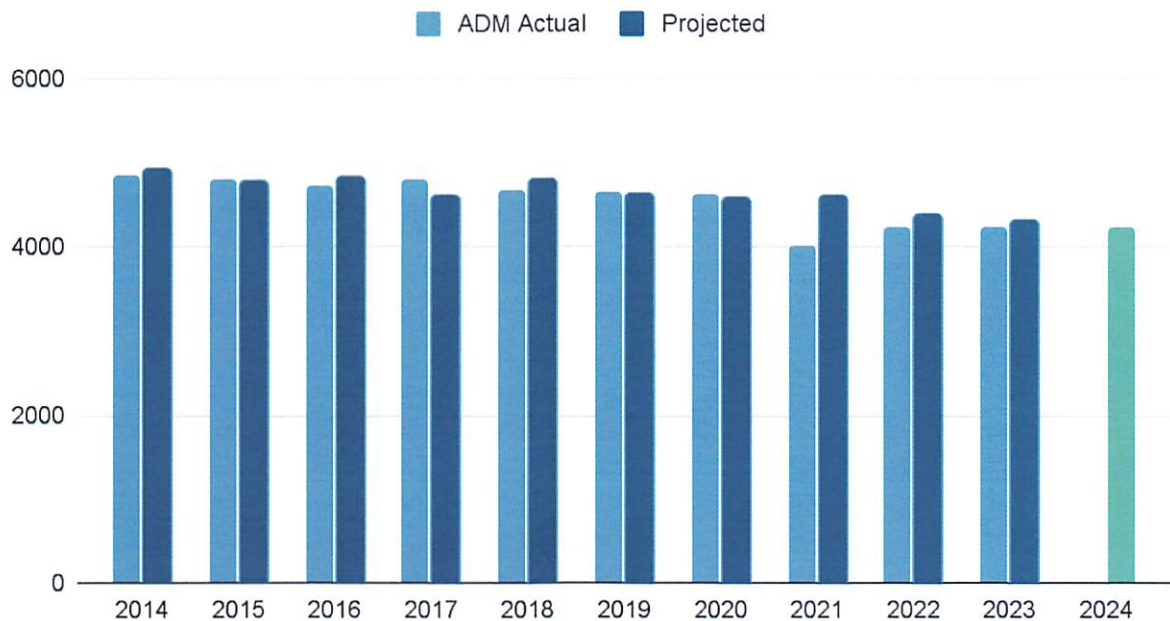
Date	Description
November 17	Super Super Site Council
January 6	Finance Committee Meeting
January 19	Combined Site Councils
January 21	School Board Retreat
January 24	Board Work Session

February 2	Public Forum
February 11	School Board Work Session
February 17	Finance Committee Meeting
February 23	Special School Board Meeting
March 2	Special School Board Meeting
March 7	First FY 2024 Budget Reading
March 14	Final FY 2024 Budget Reading

Enrollment

Enrollment is the primary driver in determining state and local funding for general school operations. Enrollment also impacts state funding of student transportation. The District uses enrollment projections to allocate classroom teachers and supply budgets for its schools. Enrollment is based on the average daily membership (ADM) over a twenty-day period in October. Here is a graph of recent enrollment with next year's projection:

ADM Actual and Projected



The District is projecting an enrollment of 4,240 students next year, with an increase of 12 students over the current year. Fall of 2020 JSD official enrollment was 4022, Fall of 2021 it was 4234, and this past Fall of 2022 official enrollment was 4228. The District estimates that 150 students will continue in the HomeBridge correspondence program. The District is also

projecting 100 students will receive an intensive level of special education services. District officials must also refine the enrollment projection by school or HomeBRIDGE for budgeting, teacher staffing, and school supply budgets.

The following is a graph by school and grade of next year's projected enrollment:

FY 2024 Projected Enrollment																	
	K	1	2	3	4	5	6	7	8	9	10	11	12	Subtotal	SpEd PreK	TOTAL	Oct 2022 Actual
Auke Bay	49	47	54	54	53	52								308	5	313	318
Gastineau	42	38	38	49	44	47								258	10	268	271
Glacier Valley	42	53	45	49	51	55								294	10	304	301
Harborview	30	30	30	33	33	30								186	10	196	205
Tlingit Culture/Language	10	12	11	13	14	10								70	-	70	73
Mendenhall River	41	41	43	45	40	51								260	15	275	269
Kaxdigoowu Heen (Riverbend)	35	39	39	49	45	43								250	10	260	261
Juneau Charter	10	9	7	8	7	9	10	10	15					85	-	85	81
Montessori	11	20	30	25	25	21	18	10	20					180	-	180	171
Dzantik'I Heeni							170	142	134					446	-	446	455
Floyd Dryden							142	153	126					421	-	421	406
Juneau-Douglas										161	130	142	138	571	-	571	566
Thunder Mountain										181	136	143	141	601	-	601	584
Yaakoosge Daakahidi										3	16	26	30	75	-	75	71
Johnson Youth Center¹									1	3	4	5	10	23	-	23	23
HomeBridge	6	12	12	12	12	12	12	12	12	13	12	12	12	151		151	173
Total	275	300	306	336	323	329	350	327	308	360	296	328	331	4180	60	4240	4228

The District's Operating Fund

The Operating Fund is the Juneau School District's principal fund for general school operations. It is the state's foundation funding level which governs minimum and maximum local funding.

Operating Fund Summary (includes PERS/TRS On-Behalf Funding)

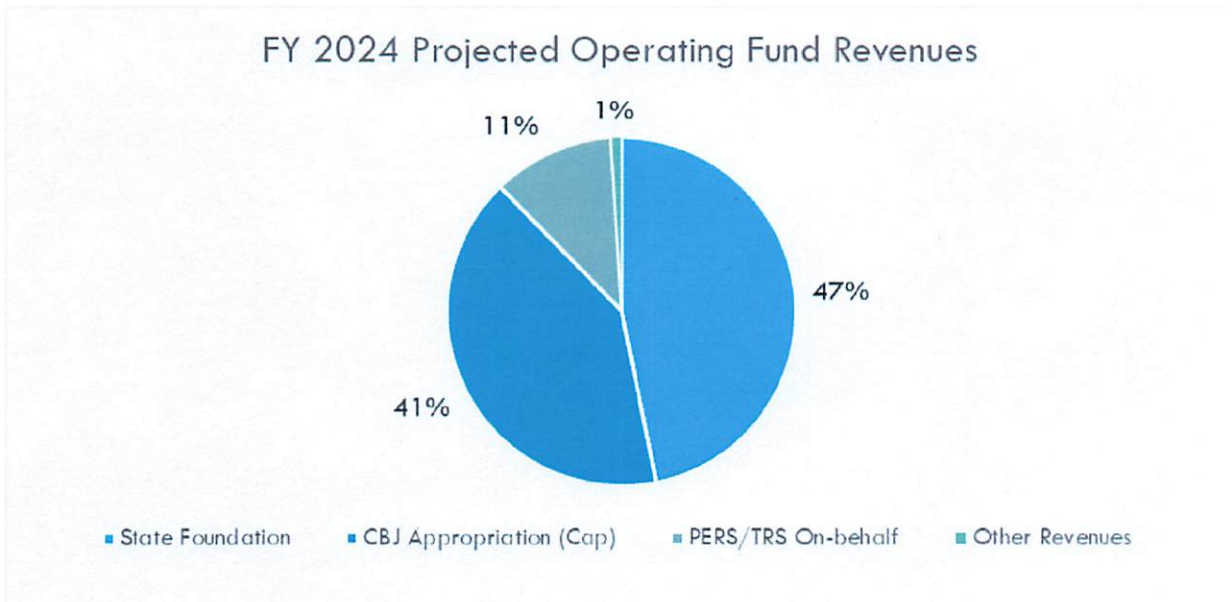
Estimated Revenues	\$75,221,700
Total Resources	\$75,221,700
Required Expenditures	\$13,735,200
Essential Expenditures	\$61,097,000
Prioritized Spending Expenditures	\$389,500
Total Planned Expenditures	\$75,221,700

*** "PERS/TRS on behalf" are state retirement funds that pass through the district retirement funds and are recorded on our financial statements. They have a zero net effect on our financial statements/budget. They are not expendable funds.*

In estimating its financial resources for next year, the District made the following FY2024 revenue assumptions:

1. The Legislature will increase the base student allocation by \$430 for a total of \$6,360.
2. CBJ will appropriate funds at the maximum level permitted by law for general school operations.
3. The E-Rate revenue is estimated at \$300,000 for FY 2024. This is the same amount as in the FY 2023 budget.
4. The District will carry over \$1,446,700 into FY 2024 as its beginning unassigned operating fund balance. *This amount meets the JSD Board policy minimum operating unassigned fund balance expectation.*

About half of the Operating Fund revenue is state funding from the foundation program while 41% is the CBJ General Fund Appropriation request. Another 11% is retirement payments made by the state into the retirement system on-behalf of the District with a variety of other sources making up the balance. The District's request for CBJ General Fund Appropriation is at the maximum allowable contribution.



The estimated District's spendable revenue for next year is \$66,732,100. The state foundation program will be \$1,824,176 more than this year. This increase is due to the projected increase in the Student Base Allocation of \$430 and an increase in the projected number of intensive students. One time FY2023 state funding of \$1,800,000 will not continue in FY2024. The CBJ General Fund Appropriation has two parts: a required local contribution based on assessed value as determined by the state assessor January 1, 2022; and an additional allowable amount in excess of the required local effort determined by enrollment (ADM) in October. The required local contribution for 2024 increased \$1,301,958 over FY 2023. The maximum allowable portion based on assessed property value, increased by 2 mills, equates to \$982,610 because the state

foundation will be less next year and the assessed property value increased. The District is requesting an additional \$2,284,568 more in CBJ General Funding next year. The following table compares estimated FY 2024 revenue with the FY 2023 revised budget (omitting the on-behalf payments into the retirement systems):

Operating Fund Revenue	FY 2023 Revised Budget	FY 2024 Adopted Budget	% change
State Foundation	33,406,500	35,229,600	5.5%
One Time Funding	1,838,969	-	-100.0%
CBJ Appropriation	28,491,200	30,775,800	8.0%
Other Revenues	857,655	726,700	-15.3%
Total Revenue	\$ 64,594,324	\$ 66,732,100	3.3%
<i>(not including PERS/TRS on-behalf payments)</i>			
Estimated change in Operating Fund Revenue		\$ 2,137,776	

Developing the District's planned expenditure budget meant prioritizing the District's spending options.

Operating Fund Expenditures

Required Expenditures	\$5,245,600
Essential Expenditures	\$61,097,000
Prioritized Spending Expenditures	\$389,500
Total Planned Expenditures	\$66,732,100

The District made the following assumptions or decisions about planned expenditures:

1. The FY 2024 budget utilizes the latest negotiated agreements which the District is currently in negotiations with the teacher (JEA) union for FY 23-24.
2. The average teacher will cost \$110,000, including substitutes.
3. The average special education para-educator will cost \$66,500.
4. Fuel oil costs will average \$4.34 per gallon for 225,000 gallons of fuel purchased.
5. Electricity rates will remain at an average of 14.54 cents per KWH.
6. Other utility costs will remain the same.
7. The indirect cost rate for FY 2023 will be 4.78%, approved by the Department of Education and Early Development.
8. The teacher allocation ratio used to calculate the number of classroom teachers in the operating fund is:

K – 3: 23.5:1 4– 5: 26.00:1
 6 – 8: 25.00:1 9 – 12: 26.00:1

This is an allocation formula and does not represent actual class sizes.

9. Each regular school will have a principal with comprehensive high schools and middle schools with an assistant principal. Two principals will be shared among four optional programs.
10. Classified school staff will have a reduction of 2.39 FTE of library assistants at the elementary schools.
11. School allocation funds will be established at
 - Elementary: \$101 per student, including preschool students
 - Middle School: \$127 per student
 - High School: \$132 per student
12. High school activities and staff will be supported by activities fees and CBJ. Additionally, CBJ will be requested to maintain their support for middle school activities, a total of \$105,000. Elementary school extra duty contracts will be issued in accordance with the negotiated agreement and paid from the District's operating fund.

The following shows the Operating Fund's anticipated beginning fund balance (FY 2023 ending fund balance carried over into FY 2024):

Non-Spendable	\$750,000
Restricted	\$250,000
Assigned for Other Purposes	\$0
Committed	\$18,565
Unassigned	\$1,446,700 -
Total Fund Balance	\$2,465,265

ESSER III grant budget

The District received notification from the Department of Education & Early Development (DEED) that the District was allocated \$5,401,646 for the ESSER III grant. This is part of the American Rescue Plan Act (ARP) enacted March 11, 2021. The ARP Act provides funding to help meet a wide range of needs arising from the COVID-19 pandemic, including reopening schools safely, sustaining their safe operations, and addressing students' social, emotional, mental health, and academic needs resulting from the pandemic.

The Board and administration decided to fund additional classroom teaching positions for smaller class sizes, again to assist in the recovery of student learning. It will fund on-going commitments for remote learning services, continued enhancement of the HomeBRIDGE program by additional leadership and other instructional support. The ESSER III grant will also continue with the support for substitute teachers hourly rate increase. This grant covers expenditures no further than September 30, 2024.

Other Grants

Many federal grants passed through DEED are entitlement grants that the District can expect steady funding each year. However, there are some local grants facing renewal that the District will not receive confirmation on until July 2024. They are included in this budget, assuming

they will be renewed. These grants enhance place-based education, local Native art education and languages. Several teachers are paid from these grants to support specialized programming.

High School and Middle School Activities

The public funded high school student activities fund is funded only by CBJ. The District seeks CBJ high school activities support of \$1,200,000 for FY 2024. This is the same funding level as FY23. The District requests that the Assembly continue to support the supervision and administrative costs of high school student activities. Without these services, the District cannot operate a high school activities program.

The Board requests for funding middle school activities outside the cap in the amount of \$105,000 which is the same funding level as FY23.

Activities are instrumental in the experience of our students. We appreciate the collaboration to continue the offering of activities for our students.

Food Service

The food service program for FY23 will end in the positive for the second time in many years. This is a result of the District, along with all other food service programs throughout the nation, were reimbursed for all meals at a higher rate in FY22. Our participation levels for lunch increased through the pandemic as families have been impacted by the pandemic. The District is requesting \$75,000 to help subsidize the food service program and make it affordable for families.

Pupil Transportation

The state funds most of the District's bus services at \$666 per student for those students enrolled in regular, alternative, and charter schools. That per-pupil rate has not changed since fall 2014 and is expected to be the same next year making the estimated state funding \$2,723,000. That means FY 2024 state funding is considerably less than funding in FY 2020 and earlier. While the number of students are fewer than Fall 2014, routing is similar because students live in all neighborhoods. At the same time contracted bus costs will increase because of inflation. The pupil transportation fund is expected to lose \$500,000 next year. The District is respectfully requesting \$250,000, an increase of \$100,000 over the original FY 2023 budget, to help fund pupil transportation next year. The District is currently working with our bus contractor to reduce routes by three which will reduce the transportation costs by an estimated \$250,000. The number of regular buses depends on its elementary routes, which are running with an average of 46 – 47 riders each way. The special education routes are operating at capacity.

This request does not include any debt coverage. Debt coverage is included in the District's FY2023 Supplemental funding request.

Kindergarten Readiness Program

The District plans to continue the kindergarten readiness program. We call this program KinderReady. The readiness program has a variety of funding sources, including the City and Borough of Juneau. The District greatly appreciates CBJ's funding and support of this program and is respectfully requesting \$450,000 in funding for the next year. The District is currently actively looking for other alternative funding sources for this program. This program is a

program that frontloads kindergarten readiness which is becoming more and more critical given the AK Reads Act. There is funding available through the AK Reads Act for PK programs but it is on an eligibility basis for the district who are most needy in state. We do not anticipate funding from the AK Reads Act for the FY2024 year. We appreciate this opportunity to contribute to high quality early childhood programming in Juneau.

Community Schools

The District is requesting \$195,000 for the Community School program; an amount that is an increase by \$100,000 from CBJ. This money helps facilitate community groups using schools, and partially offsets staff costs to make this possible. The increase in funding will set Community Schools up to operate at a break even point. In support of our community, we can't pass all increases on to the renter and keep costs reasonable. We seldom hear that it is too cheap, but often hear it is expensive. This is because we need someone present in the buildings regardless of the number of people attending the event. Custodial costs and supplies (such as cleaning and paper products) have also increased. With the close of Centennial Hall, our facility use requests are up significantly. Thus staffing needs are higher than anticipated, and again, we can't pass all those increases off to community renters. Personnel costs have increased over the years, and the funding for the program has remained level up to this point.

This request does not include any debt coverage. Debt coverage is included in the District's FY2023 Supplemental funding request.

RALLY

In order to create as many efficiencies as possible, we have restructured our RALLY locations. We closed two sites and four sites remain open. Students from the elementary sites where programs were closed, are bussed to one of the closest RALLY sites at the end of the day. Each of the four sites are full and we have a waiting list of 45 students. This is a community-facing program, not a K-12 instructional program. JSD is happy to provide childcare support to parents at convenient locations. Affordable childcare is a significant challenge for the Juneau community; families participated less when we raised prices to try to keep the program solvent. It is a licensed childcare provider aligned with the stated priorities of the assembly concerning high-quality, affordable childcare. A licensed childcare provider has a higher bar for qualifications of staff. RALLY is not staffed by teachers. Like so many businesses, we are having trouble finding qualified staff. As a result, the only way we can keep RALLY open is to hire JSD classified staff to work after school. This requires us to pay overtime, increasing the RALLY cost. If we pass this cost onto the families, we have significant challenges meeting the "affordability" necessary to support families. While we have minimized the debt with restructuring, additional funding would allow us to expand for those on the waitlist without incurring additional debt from overtime. The RALLY program has applied for additional COVID grant funding for childcare centers. If this funding should come through, then RALLY will not end the FY23 fiscal year in a deficit. The District is respectfully requesting \$250,000 in support for RALLY next year.

This request does not include any debt coverage. Debt coverage is included in the District's FY2023 Supplemental funding request.

Learn to Swim

The District is also requesting \$50,000 for the Learn to Swim Program. This program was funded previously by the school district's general fund as part of the bond requirement of the Diamond Park Aquatic Center, the term of this bond was 10 years and therefore the last year of the bond requirement is FY22. Rather than cease this program, we feel this is an important collaboration between CBJ and JSD to increase water safety for children in our community.

Local Funding Request

The District is requesting the Assembly to fund general school operations at the maximum amount permitted by law. This is an increase of \$2,284,600 over the FY 2023 amended budget. In addition, it is requesting an additional \$2,575,000 for other purposes: Student Activities, Transportation, Food Service, Kinder Ready, Community Schools, Learn to Swim and RALLY. This is an increase of \$300,000 over the FY 2023 original budget.

The following table summarizes the District's funding request to the Assembly:

Request for Funding Subject to CBJ Assembly approval	FY 2023 Revised Budget	FY 2024 Budget	+/-
General School Operations	\$ 28,491,200	\$ 30,775,800	\$ 2,284,600
Requests Outside the Cap			
K-12 Programs			
High School Activities	1,200,000	1,200,000	-
Middle School Activities	105,000	105,000	-
Transportation	150,000	250,000	100,000
Food Service	75,000	75,000	-
<i>Total K-12 Programs</i>	<u>1,530,000</u>	<u>1,630,000</u>	<u>100,000</u>
Other Programs			
Kinder Ready	450,000	450,000	-
Community Schools	95,000	195,000	100,000
Learn to Swim	50,000	50,000	
RALLY	150,000	250,000	100,000
<i>Total Other Programs</i>	<u>745,000</u>	<u>945,000</u>	<u>200,000</u>
Total Requests Outside the Cap	<u>2,275,000</u>	<u>2,575,000</u>	<u>300,000</u>
Total Requests for Funding	\$ 30,766,200	\$ 33,350,800	\$ 2,584,600

Values rounded to the nearest hundred.

Conclusion

The Board and District administrators are available to answer your questions concerning the FY2024 budget. Representatives from the District will be present at the Assembly's Finance Committee meeting April 12, 2023 when it reviews the District's budget and at the Assembly meeting when it approves the District's budget.

The Juneau School District appreciates the support the City and Borough of Juneau has continually extended to education and remains grateful for our positive partnership with the

Assembly.

We look forward to a successful working relationship with you and the Assembly to promote the educational needs of our community now and in the future. Thank you for your consideration of our proposed budget.

Sincerely,

Bridget Weiss

Bridget Weiss (Apr 3, 2023 16:45 AKDT)

Dr. Bridget Weiss

Juneau School District

Superintendent