



Office of the Superintendent  
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July 20, 2024

Katie Koester  
City Manager  
City and Borough of Juneau  
155 South Seward Street  
Juneau, Alaska, 99801

Dear Ms. Koester:

On May 14, 2024, the Juneau School District Board of Education approved a revision for the operating fund for FY24.

The Board of Education originally adopted the FY24 operating fund budget in March 2023. Since that adoption, the district's FY23 audit was finalized and reflected a decrease of \$2,915,440 in fund balance compared to the projected amount in the adopted budget. Further challenges were identified in the approved FY24 budget regarding material overstatement of revenue and understatement of expenditures. The need to correct actual FY24 operating revenue and expense was the basis for the budget revision.

The following provides detailed information regarding the approved revision acted on by the Board of Education for the operating fund for FY24 and is provided to you for informational purposes.

**Revenues:**

**Tuition and Other Local Revenue**

Adjustments were made in various Local Revenue line items to align with actual YTD and remaining projected receipts. Additional revenue of \$260,128 is presented as a revision in this source.

**Foundation**

The FY24 Foundation Revenue is reconciled and certified by AK DEED based on final review of the FY 2024 OASIS report of student count submitted in October 2023. There is an overall reduction of \$3,811,400 in Foundation Revenue in FY24 from the original approved budget.

**State Aid to Districts (One-Time)**

These funds were appropriated from the FY23 legislature during the budgeting process. This number is reconciled and certified by AK DEED after finalizing the review of the OASIS count for all school districts.

An amount of \$2,764,319 is JSD's portion of the one-time supplemental state funding appropriation by the 2023 legislature. It was not included in the original budget adoption due to the lateness of the appropriation by the legislature. Also included in this revision are actual

receipts for state raffle proceeds in the amount of \$35,339. These amounts total \$2,799,658 and are reflected as additional income for FY24 in this revision.

PERS/TRS On-Behalf

The initial adopted budget estimated the on-behalf revenue (OBH) at an overstated \$4.3M. This revision includes a calculation of OBH PERS and TRS payments based on actuarial rates for FY24 of 3.1% and 12.96%, respectively, applied to benefit-eligible payments to staff. The TRS OBH expense calculates to \$3,098,344 and PERS OBH calculates to \$349,257. The original budgeted OBH revenue is being revised by \$5,041,999 to cover the anticipated OBH activity.

Medicaid

Medicaid reimbursement is being decreased by \$175,000 for FY24. A new Medicaid billing system was rolled out midyear.

**Expenditures:**

Staff Costs of Existing Staff

Since the initial presentation of the FY24 budget revision in January, the district has experienced staff resignations of 34 FTE. These positions have not been replaced, allowing for additional anticipated savings of \$1,363,000 for the remainder of the year.

Additionally, several staff positions, such as special education teachers, special education specialists, and special education paraprofessionals, along with other teaching and classified positions, were temporarily vacant as a result of retirements, resignations, or promotions. Identified savings of \$978,100 is considered in this revision for these vacancies.

Health Insurance Adjustment

As noted in a February budget work session, it was determined that the FY24 original approved budget included various expenditure line items for health insurance within the budget that were significantly overstated. This revision includes reduction of various health insurance line items throughout the budget.

Utilities Adjustment

A reduction of \$838,035 is presented in this revision after releasing encumbrances for invoices paid and calculating anticipated remaining utility expenses for the year.

HomeBRIDGE Allotment Reduction

The original approved FY24 Budget included expenditure authority in the amount of \$463,000 for HomeBRIDGE allotments. This amount would cover 100% of all current and carryover allotment balances for HomeBRIDGE. A review of historic annual allotment expense allowed for a reduction of \$350,000 in that expenditure line.

Non-Personnel Savings

Upon identifying the FY24 budget status mid-year, the superintendent directed moratoriums on staff travel and non-essential goods, services, and supplies funded through the operating fund. Various professional memberships and subscriptions were also deferred or not renewed. Small amounts of allowable expenses were identified and transferred to available grants, ensuring that

supplanting was not an issue. It is estimated that these efforts have saved/will save approximately \$425,000 for the last half of FY24.

PERS & TRS Employer Contributions

As noted above, the on-behalf revenue in the initial adopted FY24 budget was significantly overstated. However, the expense side of the OBH transactions were not budgeted for at all in the originally approved budget. This revision includes a calculation of OBH PERS and TRS payments based on actuarial rates for FY24 of 3.1% and 12.96%, respectively, applied to benefit-eligible payments to staff. The PERS OBH calculates to \$349,257 and the TRS OBH expense calculates to \$3,098,344. These amounts are included in this revision as needed to cover the anticipated employer obligated contributions for FY24.

CBJ Shared Services FY24 – Non-Instructional Costs

The CBJ Assembly approved ordinance 2023-14(b)(AB) providing for up to \$3,922,787 to the District for non-instructional costs attributed to the maintenance, utilities, and insurance on public facilities owned by CBJ and to provide for non-instructional costs for operations related to community-sponsored events, activities, and facility rentals. This budget revision reflects a transfer of \$3,922,787 in non-instructional maintenance and operations expenses to the special revenue fund to be covered by this appropriation.

Fund Balance

The district has a projected positive fund balance of \$633,185, or 0.9%.

This budget revision projects an FY24 operating fund balance of \$2,580,608 minus the FY23 audited ending fund balance deficit of (\$1,947,423). The net of these two years' activities equal the projected positive fund balance of \$633,185.

On behalf of the Juneau School District, we appreciate the ongoing partnership and support of CBJ.

Sincerely,



Frank Hauser  
Superintendent

*Ordinance Serial No. 2023-15  
An Ordinance Appropriating Funds from the Treasury  
for FY24 School District Operations*

**Section 3. Appropriation. The following amounts are hereby appropriated for the fiscal year beginning July 1, 2023 and ending June 30, 2024.**

**APPROPRIATION:**

General Operations	75,221,700
Special Revenue	<u>21,095,300</u>
 Total Original Appropriation	 96,317,000

**Juneau School District Revised FY24 Budget  
JSD Board approved 5/14/2024**

	JSD Board Approved FY24 Revision	CBJ Ordinance 2023-14(b)(AB) (Shared Services)	Adjusted Fund Distribution based on CBJ Shared Services
<b>EXPENDITURES:</b>			
General Operations	70,595,266	(3,922,787)	66,672,479
Special Revenue	<u>21,095,300</u>	<u>3,922,787</u>	<u>25,018,087</u>
 Total Revised Appropriation	 91,690,566	 -	 91,690,566

**Juneau School District  
FY24 Expenditures - FUNCTION  
REVISION - 4.16.24**

**Board Action Required from Original Budget**

Function	Board Approved Original Budget 3.19.23	Budget Adjustment 4.16.24	FY24 Projected Expenditures (REVISED)
100 INSTRUCTION	Function Level Detail Not Provided in Original Approved Budget	Function Level Detail Not Provided in Original Approved Budget	24,159,270
120 BILINGUAL/BICULTURAL			\$ 909,445
130 EXTENDED LEARNING			\$ 445,961
140 CORRESPONDENCE STUDY			\$ 506,496
160 VOCATIONAL EDUCATION			\$ 168,070
200 SPECIAL EDUCATION INSTR.			\$ 12,337,102
220 SPECIAL EDUCATION SUPPORT			\$ 4,741,007
300 SUPPORT SERVICES-STUDENT			\$ 7,846
310 ATTENDANCE AND SOCIAL WORK			\$ 2,699
320 GUIDANCE SERVICES			\$ 1,456,270
330 HEALTH SERVICES			\$ 901,892
350 SUPPORT SERVICES INSTR.			\$ 1,839,574
352 LIBRARY SERVICES			\$ 21,736
360 TECH SERVICES INSTR.			\$ 1,792,473
400 SCHOOL ADMINISTRATION			\$ 2,656,219
450 SCHOOL ADMIN SUPPORT SVCS			\$ 3,000,026
511 BOARD OF EDUCATION			\$ 40,064
512 OFFICE OF SUPERINTENDENT			\$ 407,794
515 PUBLIC INFORMATION SER			\$ 249,290
550 DISTRICT ADM SUPPORT SVCS			\$ 1,791,459
551 FISCAL SERVICES			\$ 532,752
553 STAFF SERVICES			\$ 114,305
560 DISTRICT ADM TECH SVCS			\$ 1,069,660
600 OPERATIONS AND MAINTENANCE			\$ 6,956,379
700 STUDENT ACTIVITIES	\$ 49,681		
780 COMMUNITY SERVICES	\$ 155,993		
900 OTHER FINANCING USES	\$ 359,016		
<b>Grand</b>	<b>\$ 74,656,300</b>	<b>\$ (7,983,821)</b>	<b>\$ 66,672,479</b>
<b>JSD Board Approved 4.16.24</b>		\$ (1,363,000)	Resignations Since 12/2023
		\$ (978,100)	Hiring Freeze Savings
		\$ (3,554,500)	Health Insurance Overstated Originally
		\$ (838,035)	Utility Savings - Release Encumbrances
		\$ (350,000)	Homebridge Allocations
		\$ (425,000)	Superintendent Reductions
		\$ 349,257	PERS OBH
		\$ 3,098,344	TRS OBH
		\$ (4,061,034)	
		\$ (3,922,787)	CBJ - Shared Services - Non-Instructional
	<b>\$ (7,983,821)</b>		

Juneau School District FY24 Expenditures - OBJECT REVISION - 4.16.24	Board Action Required from Original Budget		
Object	Board Approved Original Budget 3.19.23	Budget Adjustment 4.16.24	FY24 Projected Expenditures (REVISED)
3110-SUPERINTENDENT	Object Level Detail Not Provided in Original Approved Budget	Object Level Detail Not Provided in Original Approved Budget	\$ 187,247
3130-PRINCIPALS			\$ 1,841,331
3140-CERT DIRECTOR/MANG/COORD			\$ 858,008
3150-TEACHERS			\$ 18,570,950
3160-EXTRA DUTY COMPENSATION			\$ 20,000
3171-CERTIFICATED TEMPORARY			\$ 450,918
3175-CERTIFICATED PAYMENT FOR LEAVE			\$ 2,153
3180-SPECIALIST-CERTIFIED			\$ 2,429,439
3210-CLASS. DIRECT/MANG/COORD			\$ 769,496
3220-SPECIALIST-CLASSIFIED			\$ 348,567
3230-AIDES			\$ 4,771,529
3240-SUPPORT STAFF 9 MONTH			\$ 903,512
3241-SUPPORT STAFF 10 MONTH			\$ 983,659
3242-SUPPORT STAFF 12 MONTH			\$ 1,824,067
3250-MAINTENANCE/CUSTODIAL			\$ 2,036,591
3270-OVERTIME			\$ 161,804
3280-PAYMENT FOR LEAVE			\$ 222,815
3290-SUBSTITUTES			\$ 958,364
3291-HOURLY EMPLOYEES			\$ 111,949
3292-STUDENT INTERNS			\$ 3,572
3293-BOARD STIPENDS			\$ 24,144
3611-LIFE INS			\$ 233,730
3612-HEALTH INS - JESS			\$ 3,807,612
3614-HEALTH INS - CO ADMIN			\$ 99,163
3615-HEALTH INS - TEACHERS			\$ 5,401,564
3616-HEALTH INS - JSAA			\$ 310,239
3617-HEALTH INS - EXEMPT			\$ 149,718
3620-UNEMPLOYMENT INSURANCE			\$ 8,739
3630-WORKER'S COMPENSATION			\$ 532,025
3640-FICA CONTRIBUTION			\$ 1,359,200
3650-TRS			\$ 2,154,353
3651-TRS - PAID BY STATE			\$ 3,098,345
3660-PERS			\$ 2,569,888
3661-PERS - PAID BY STATE			\$ 349,257
3670-LEGAL TRUST			\$ 33,964
3680-MILEAGE ALLOWANCE			\$ 78,577
3690-OTHER EMPLOYEE BENEFITS			\$ 99,759
4100-PROFESSIONAL TECHNICAL SVC			\$ 2,448,225
4140-LEGAL SERVICES			\$ 5,016
4200-STAFF TRAVEL			\$ 28,903
4250-STUDENT TRAVEL			\$ 2,612
4300-UTILITIES SERVICES			\$ 431
4310-WATER AND SEWER			\$ 38,122
4320-GARBAGE			\$ 58,992
4330-COMMUNICATIONS			\$ 5,503
4331-TELEPHONES			\$ 297,092
4333-POSTAGE			\$ 13,378
4351-HEATING OIL			\$ 490,474
4352-ELECTRICITY			\$ 496,887
4400-OTHER PURCHASED SERVICES			\$ 588,306
4401-PURCHASED SVCS - COPIER			\$ 186,047
4410-RENTALS			\$ 4,600
4420-BUILDING REPAIR/MAINT SVC	\$ 35,899		
4430-EQUIPMENT REPAIR/MAINT SVC	\$ 41,849		
4440-GROUNDS REPAIR/MAINT SVC	\$ 6,293		
4450-INSURANCE PREMIUMS	\$ 1,307,964		
4470-LIABILITY INSURANCE	\$ 677,350		
4500-SUPPLIES/MATERIALS/MEDIA	\$ 779,672		
4515-SNACKS	\$ 1,615		
4517-TEACHER DISCRETIONARY	\$ 20,380		
4520-MAINT/CONST SUPPLIES	\$ 49,485		
4530-JANITORIAL SUPPLIES	\$ 66,045		
4570-SMALL TOOLS AND EQUIPMENT	\$ 10,650		
4580-GAS AND OIL	\$ 15,803		
4750-SUPPLIES-TECHNOLOGY RELATED	\$ 1,193,912		
4810-TUITION	\$ 500		
4900-OTHER EXPENSES	\$ 209,550		
4910-DUES AND FEES	\$ 22,820		
4950-INDIRECT COSTS	\$ (577,346)		
5100-EQUIPMENT (OVER \$5,000)	\$ 20,184		
5520-TRANSFERS TO SPECIAL REV	\$ 18,000		
5521-TRANSFER TO PUPIL TRANSP	\$ 341,016		
	<b>\$ 74,656,300</b>	<b>\$ (7,983,821)</b>	<b>\$ 66,672,479</b>
		\$ (1,363,000) Resignations Since 12/2023	
		\$ (978,100) Hiring Freeze Savings	
		\$ (3,554,500) Health Insurance Overstated Originally	
		\$ (838,035) Utility Savings - Release Encumbrances	
		\$ (350,000) Homebridge Allocations	
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		\$ 349,257 PERS OBH	
		\$ 3,098,344 TRS OBH	
		\$ (4,061,034)	
		\$ (3,922,787) CBJ - Shared Services - Non-Instructional	
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**Information Only**