



# FY 2024 Wrap-Up, Looking Ahead in FY 2025

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Frank Hauser, Superintendent  
Juneau School District  
July 29, 2024

# Help Limit the Spread of Misinformation: Spread Facts

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- Since 2000, JSD has lost 1,533 students, 27% of its student population. The only change to the district footprint since 2000 was the addition of a high school.
- The district has lost nearly \$8.5M in state foundation funding since 2017.
- Declining enrollment, inflation, and nearly flat state funding stretched resources and staffing, affecting academic opportunities for students.
- Change had already come to JSD. High schools, separately, could no longer offer a full slate of in-person classes. Post-pandemic, students continued to rely on online courses, and students, some freshmen and sophomores, had “free periods” because there were no classes available for them to take.

# Juneau's aging population and low fertility rates raise concerns about declining future

Annual JEDC report also shows growing income gap, plus high housing and healthcare costs.

By [Mark Sabbatini](#)

Friday, November 17, 2023 10:49am

NEWS

ECONOMY

<https://www.juneauempire.com/news/juneaus-aging-population-and-low-fertility-rates-raise-concerns-about-declining-future/>

# Audit shows ‘deeply concerning’ deficit for school district

Independent report says failure to follow policy contributed to negative balance.

By [Clarise Larson](#)

Friday, November 18, 2022 6:20pm

NEWS

LOCAL NEWS

SCHOOLS



Juneau School District spent at a deficit of over \$620,000, in the past fiscal year while failing to adhere to district policies that could have lessened the total, according to an [independent third-party audit](#) presented at a recent school board meeting.

“It’s a big deal,” said Rorie Watt, CBJ city manager. “It’s a really serious issue, and I am concerned that the school district needs to resolve its budget issues and I don’t think it’s going to be easy.”

<https://www.juneauempire.com/news/audit-shows-deeply-concerning-deficit-for-school-district/>

# A Tale of 3 Budget Years and 3 Deficits

NOV 2023

JAN 2024

APR 2024

## FY2023

### November 2023

- Audit identified \$2M deficit from 2022-2023 school year
- Had to be resolved by June 30, 2024

### April 2024

- Budget revision to balanced FY24 budget

## FY2024

### January 2024

- School finance specialist brought in
- Identified FY24 budget errors
  - overstated revenues
  - understated expenses
- Immediate Board action (e.g., hiring freeze)

### April 2024

- Budget revision to balanced FY24 budget

## FY2025

### Structural deficits looming plus ongoing:

- Declining enrollment and Foundation Funding
- Increased contractual and staffing costs
- Increased fixed costs

### February 2024

- Consolidation and RIF plans adopted by the Board

### March 2024

- Balanced FY25 budget submitted to CBJ Assembly

# The Juneau School District had a \$9.5M projected deficit this year. It's now a \$633,185 surplus. How is that possible?

Resignation of 34 employees since January, health insurance savings among reasons, officials say.

By [Mark Sabbatini](#)

Monday, April 22, 2024 1:14pm

NEWS

EDUCATION FUNDING

SCHOOLS

<https://www.juneauempire.com/news/the-juneau-school-district-had-9-5m-projected-deficit-this-year-its-now-a-633185-surplus-how-is-that-possible/>

**JSD FY 2024 Operating Fund Budget**

**REVISION**

April 16, 2024

Adjustments since 1/9/24 initial presentation:

Revenue:

Other Local Revenue	\$	260,128
State Foundation	\$	(3,811,400)
One Time Supplemental	\$	2,799,658
PERS/TRS Onbehalf	\$	(5,041,999)
Medicaid Reimbursements	\$	(175,000)

Adjust to YTD Actual  
 \* Enrollment Driven, Budgeted BSA Adjustment  
 Legislative Appropriation  
 Overstated Originally  
 Adjust to YTD expected

**Board Approved 3/19/23 \$ 75,221,700**

\$ (5,968,613)

**\$ 69,253,087 REVISED 4/16/24**  
**FY24 Revised Revenue**

Expense:

Reconciled Staffing Expense	\$	(1,363,000)
Reconciled Staffing Expense	\$	(978,100)
Health Insurance Line Item	\$	(3,554,500)
Utility Line Items	\$	(838,035)
Supplies Reduction	\$	(350,000)
Operation Savings	\$	(425,000)
PERS ER Contribution	\$	349,257
TRS ER Contribution	\$	3,098,344

\* Resignations Since 12/2023  
 \* Hiring Freeze Savings  
 Health Insurance Overstated Originally  
 Utility Savings - Release Encumbrances  
 \* Homebridge Allocations  
 \* Non-Personnel Savings  
 PERS OBH  
 TRS OBH

**Board Approved 3/19/23 \$ 74,656,300**

\$ (4,061,034)

**\$ 70,595,266 REVISED 4/16/24**

**Footnote**

\$	418,000	Rev	* Enrollment Driven - Intensive SPED Additional Revenue Over 1.9.24 Projected Revenue
\$	(1,363,000)	Exp	* Resignations Since 12/2023
\$	(978,100)	Exp	* Hiring Freeze Savings
\$	(350,000)	Exp	* Homebridge Allocations
\$	(425,000)	Exp	* Non-Personnel Savings
\$	(3,534,100)		

\* This amount reflects budget impacts realized since 1.9.24 that were not included in the original FY24 budget presentation

Footnote

\$	418,000	Rev	*	Enrollment Driven - Intensive SPED Additional Revenue Over 1.9.24 Projected Revenue
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\$	(978,100)	Exp	*	Hiring Freeze Savings
\$	(350,000)	Exp	*	Homebridge Allocations
\$	(425,000)	Exp	*	Non-Personnel Savings
\$	(3,534,100)			

\* This amount reflects budget impacts realized since 1.9.24 that were not included in the original FY24 budget presentation

- Since January, for **FY24**: Over \$3.5M savings in resignations, hiring freeze, non-personnel savings, and DEED Intensive Need review + \$3.9M in non-instructional, shared services from CBJ = over \$7.4M.
- Over \$7.4M in savings since Jan. for **FY24**, but the district has a current projected fund balance—not of \$7.4M—but of \$633,185 for FY24. Because there was an **FY24** deficit.
- In addition, the **FY25** projected deficit was **separate**. That deficit was addressed separately in the **FY25** budget—not through the savings above for FY24, but through consolidation, PTR, reductions in force, and FY25 shared services.
- Without the board-approved reorganization and consolidation plan for FY25, severe staff and program-altering cuts would have been required to balance the FY25 budget.



# Looking Forward – FY 2025

On June 28, the Governor signed into law the operating budget that included the following education funding items:

- \$175 million (\$680) in one-time, outside-the-formula funding for education
- \$7.3 million one-time funds for pupil transportation.

On July 6, the Board of Education met and approved “add-back” positions for FY25:

- Additional teaching positions for HomeBRIDGE, Special Education, English Language, Talent Enrichment Development, reading interventions, and secondary and elementary classrooms;
- Special Education, general, and literacy paraeducators;
- Classified positions in Maintenance, Custodial, IT, Finance and school offices.

At the July 6 meeting, and with the approval of the additional one-time funds, the board voted not to take a loan from CBJ and to hold some of the new, one-time money in fund balance to comply with Board Policy on required fund balance.

# Commitments to Avoid Future Budget Issues

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- Implementation of updated financial practices: Continued clear and open communication about the district's finances
- Realistic enrollment projections: Build budget on accurate and realistic enrollment numbers
- Budgetary planning: Develop the budget based on known and realistic projections, avoiding overly optimistic assumptions
- Maintain fund balance: Adhere to Board Policy on maintaining an adequate fund balance for financial stability
- Spreading the facts: Continued honest discussions about budget realities, including declining enrollment, to support informed decisions