



Office of the Superintendent  
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April 1, 2022

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 cooperation. The District truly appreciates CBJ's continual financial support of our community's children and the cooperation between CBJ staff and District staff involving many issues, especially recent pandemic issues.

The District is pleased to submit its FY 2023 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, 2022 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 this year with the Board's concurrence by following a partial, zero-based budgeting system. The District held a series of meetings to inform the public about the budget, and about various spending alternatives. The following is brief history of these meetings:

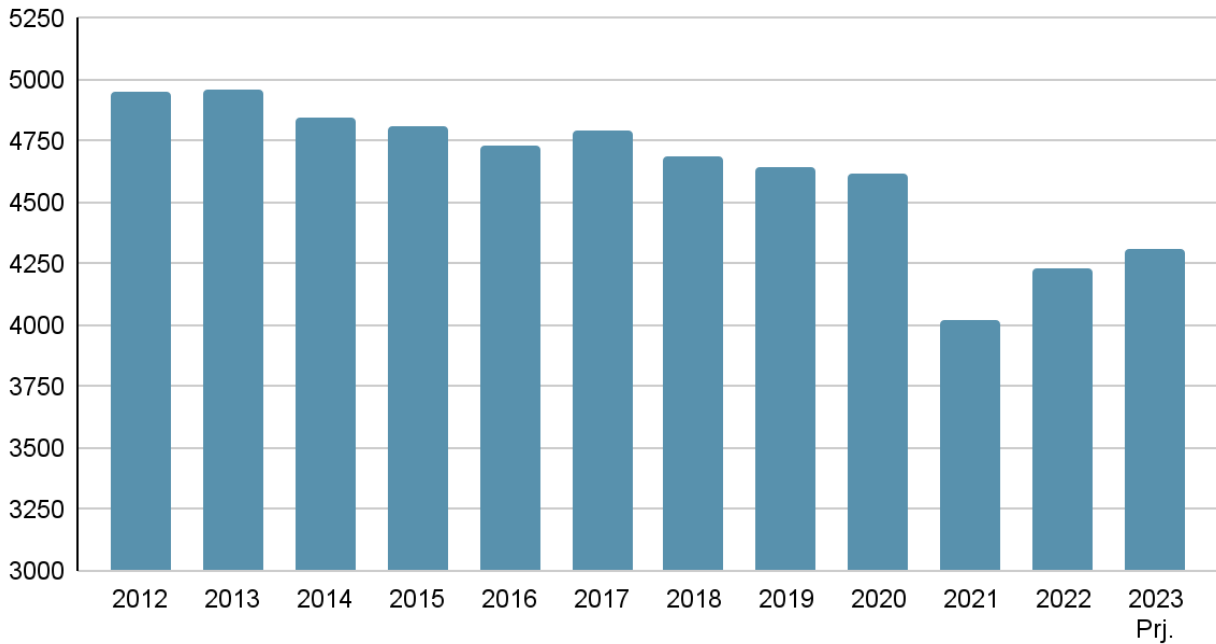
<b>Date</b>	<b>Description</b>
January 14	Combined Site Councils
January 25	Board Work Session
February 10	Public Forum
February 24,28	School Board Work Session
March 3	School Board Work Session
March 4	Special School Board Meeting

March 8	First FY 2023 Budget Reading
March 14	Final FY 2023 Budget Reading

**Enrollment**

The pandemic significantly impacted the Juneau School District’s 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:

**Average Daily Membership Trend**



Projecting next year’s enrollment is fraught with many uncertainties. The District is projecting an enrollment of 4,313 students next year, with an increase of 79 students over the current year. The District estimates that 180 students will continue in the HomeBridge correspondence program. The District is also projecting that next year, 94 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:

<i>FY23 Projected</i>	Sped PreK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total	FY2021 Count
Auke Bay	8	60	41	43	59	51	46								308	306
Gastineau	9	35	32	30	47	49	37								239	237
Glacier Valley	6	65	52	41	48	49	49								310	299
Harborview	9	65	35	30	33	37	30								239	208
TCLL	0	15	12	12	11	14	9								73	72
Mendenhall River	20	52	38	38	49	40	48								285	288
Riverbend	8	58	45	41	47	40	42								281	266
Charter	0	15	11	7	8	7	9	8	14	9					88	82
Montessori		10	8	22	17	22	15	17	14	14					139	143
Dzantik'i Heeni								135	138	153					426	437
Floyd Dryden								162	112	163					437	396
JDHS											148	159	136	141	584	580
TMHS											148	168	161	144	621	620
YDHS											4	11	20	45	80	74
HomeBridge		15	15	10	10	15	10	15	15	15	20	10	15	15	180	203
John Youth Center											5	5	5	8	23	23
<b>Total by Grade</b>	<b>60</b>	<b>390</b>	<b>289</b>	<b>274</b>	<b>329</b>	<b>324</b>	<b>295</b>	<b>337</b>	<b>293</b>	<b>354</b>	<b>325</b>	<b>353</b>	<b>337</b>	<b>353</b>	<b>4313</b>	<b>4234</b>

### The District's Operating Fund

The Operating Fund is the Juneau School District's principal fund for general school operations. Nearly all of it is funded by the state's foundation program which provides state funding and governs minimum and maximum local funding to it.

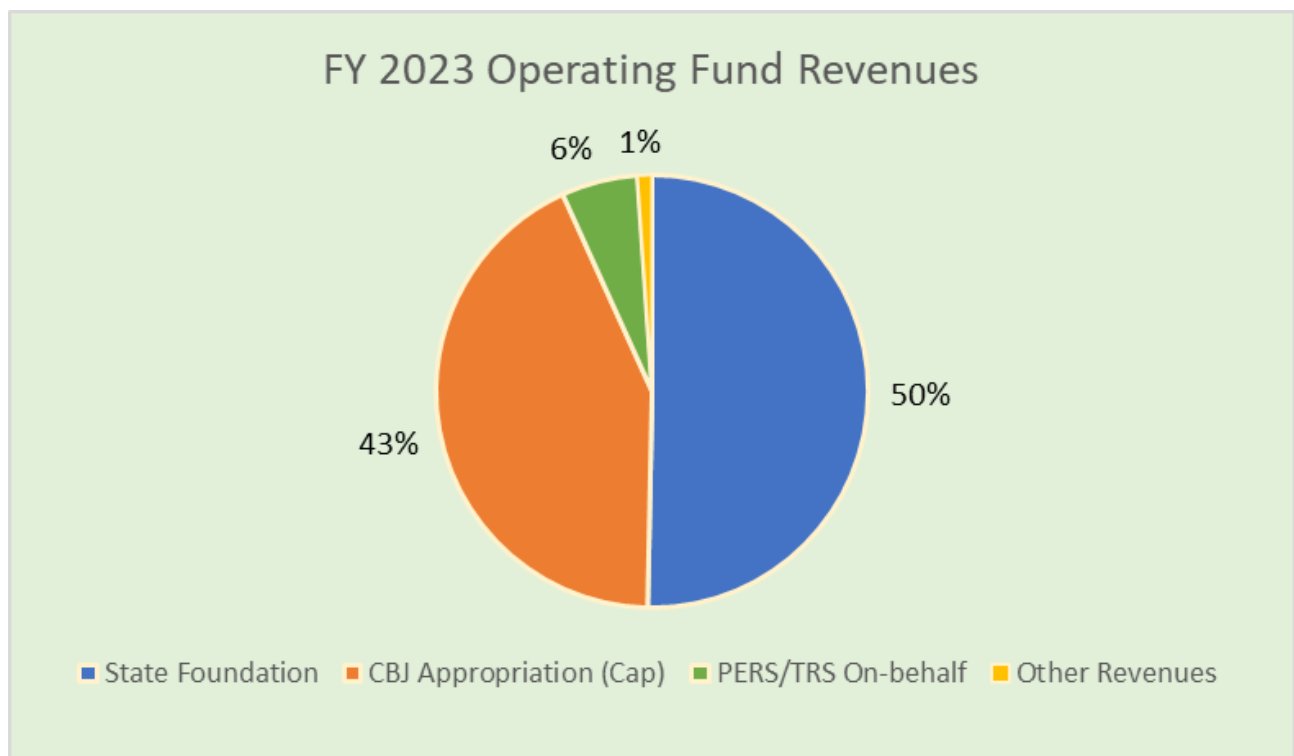
### Operating Fund Summary

Estimated Revenues	\$66,444,200
<b>Total Resources</b>	<b>\$66,444,200</b>
Required Expenditures	\$8,858,500
Essential Expenditures	\$56,884,100
Prioritized Spending Expenditures	\$701,600
<b>Total Planned Expenditures</b>	<b>\$66,444,200</b>

In estimating its financial resources for next year, the District made the following FY 2023 revenue assumptions:

1. The Legislature will maintain the base student allocation of \$5,930.
2. The Legislature will not provide supplemental funding to school districts next year.
3. CBJ will appropriate funds at the maximum level permitted by law for general school operations.
4. The E-Rate revenue is estimated at \$300,000 for FY 2023. This is the same amount as in the FY 2022 budget.
5. The District will carry over \$622,000 into FY 2023 as its beginning unassigned operating fund balance.

About half of the Operating Fund revenue is state funding from the foundation program while 43% is the CBJ General Fund Appropriation request. Another 6% 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 “Cap.”



The estimated District’s spendable revenue for next year is \$62,658,600 or \$907,900 more than the current year. The state foundation program will be \$356,300 less than this year. This seems odd in spite of anticipated higher enrollment next year. That is because the hold harmless provision that helped the District this year will be stepped down next year and the following year, and will end in FY 2024. Also, part of the reduction is because local assessed property values increased, which reduces the state’s portion by \$720,477. The CBJ General Fund Appropriation has two parts: a required local contribution based on assessed value as determined by the state assessor January 1, 2021; and an additional allowable amount in excess of the required local effort determined by enrollment (ADM) in October. The required local contribution increased \$720,477 over FY 2022.. The maximum allowable portion based on

assessed property value increased by 2 mills which equates to \$543,756 because the state foundation will be less next year and the assessed property value increased.. The District is requesting an additional \$1,264,233 more in CBJ General Funding next year. The following table compares estimated FY 2023 revenue with the FY 2022 revised budget (omitting the on-behalf payments into the retirement systems):

<b>Operating Fund Revenue</b>	<b>FY2022 Budget Revision</b>	<b>FY2023 Preliminary Budget</b>	<b>% change</b>
State Foundation	33,797,000	33,440,700	-1.1%
CBJ Appropriation	27,227,000	28,491,200	4.6%
Other Revenues	726,700	726,700	0.0%
<i>Total Revenue</i> <i>(not including PERS/TRS on-behalf payments)</i>	<u>\$ 61,750,700</u>	<u>\$ 62,658,600</u>	1.5%
Estimated change in Operating Fund Revenue		\$ 907,900	

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

**Operating Fund Expenditures**

Required Expenditures	\$8,858,500
Essential Expenditures	\$56,884,100
Prioritized Spending Expenditures	\$701,600
<b>Total Planned Expenditures</b>	<b>\$66,444,200</b>

The Board and administration worked together to budget for the Operating Fund and the ESSER III grant fund, a federal grant to assist school districts to recover from the pandemic. Several positions (three nurses and a portion of the chief of staff) were shifted from the Operating Fund to the ESSER III grant. Several other costs associated with remote learning will be funded by ESSER III next year.

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

1. The FY 2023 budget utilizes the latest negotiated agreements which the District is currently in negotiations with all unions for FY23.
2. The average teacher will cost \$108,000, including substitutes.
3. The average special education para-educator will cost \$65,500.
4. Fuel oil costs will average \$3.15 per gallon for 254,000 gallons of fuel purchased.
5. Electricity rates will remain at an average of 12.0 cents per KWH.

6. Other utility costs will remain the same.
7. The indirect cost rate for FY 2023 will be 5.65%.
8. The teacher allocation ratio used to calculate the number of classroom teachers in the operating fund is:
 

K – 3: 24:1	4– 5: 29.00:1
6 – 8: 26.00:1	9 – 12: 27.00:1

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

The District plans to use ESSER III funds to further reduce actual class sizes:

- |                |                 |
|----------------|-----------------|
| K – 3: 23.50:1 | 4– 5: 28.00:1   |
| 6 – 8: 25:1    | 9 – 12: 26.00:1 |

9. Each regular school will have a principal with both comprehensive high schools and both middle schools having an assistant principal. The two alternative schools will share a principal.
10. School allocation funds will be established at:
  - Elementary: \$101 per student, including pre-school students
  - Middle School: \$127 per student
  - High School: \$132 per student
11. 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 2022 ending fund balance carried over into FY 2023):

Non-Spendable	\$943,283
Restricted	\$470,712
Assigned for Other Purposes	\$608,656
Committed	\$41,716
Unassigned	\$622,000
<b>Total Fund Balance</b>	<b>\$2,686,367</b>

### **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. This grant covers expenditures through September 30, 2025. 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. A portion of this grant will help fund a robust summer school program during June 2023.

As part of developing its budget next year, the Board and administration prioritized spending the ESSER III grant next year. First, three registered nurse positions and 40% of the chief of staff's position were shifted into this grant for funding next year. Second, the Board prioritized spending for three reading and equity specialists for elementary schools to assist recovery of student learning. Third, this grant will also fund .25 FTE of all counselors, a social, emotional/trauma specialist, along with a second middle school restorative practice position.

The Board and administration also decided to fund additional classroom teaching positions for smaller class sizes, again to assist in the recovery of student learning. The ESSER II grant will fund an administrative assistant for the IT department because of the tremendous impact caused by establishing remote learning and continuing on-line instructional services beyond FY 2023. It will fund on-going commitments for remote learning services, and continued enhancement of the HomeBRIDGE program by additional leadership and other improvements.

### **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 2022. 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.

### **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 2023. This is \$100,700 over FY22 funding levels. The reason for the increase is for increased airplane travel as the ferry service has diminished throughout Southeast Alaska. 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 a slight increase of \$2,800 from FY22.

### **Food Service**

The food service program for FY22 will end in the positive for the first time in many years. This is due to the fact that the District along with all other food service programs through the nation were reimbursed for all meals at a higher rate. Also our participation levels for lunch and breakfast have 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 enrolled in regular, alternative, and charter schools. That per-pupil rate has not changed since FY 2015 and is expected to be the same next year making the estimated state funding \$2,753,000. That means FY 2023 state funding is considerably less than funding in FY 2020 and earlier. At the same time contracted bus costs will increase because of inflation. The pupil transportation fund is expected to lose \$200,000 next year. The District is respectfully requesting \$150,000, a decrease of \$100,000 over the original FY 2022 budget, to help fund pupil transportation next year. Also, the administration will undertake a fresh look at ways to reduce the District's transportation costs, which is not an easy task. The number of regular buses depends on its elementary routes, which are running with an average of 36 – 37 riders each way. The special education routes are operating at capacity.

### **Kindergarten Readiness Program**

The District plans to continue the kindergarten readiness program. 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 \$150,000 increase over FY22 is due to the fact that the STEPS grant is ending and therefore if alternative funding is not found then one of our Kindergarten Ready programs will have to be eliminated. The District is currently actively looking for other alternative funding sources for this program.

### **Community Schools**

The District is requesting \$95,000 for the Community School program; an amount that CBJ has supported for several years. This money helps facilitate community groups using schools, and partially offsets staff costs to make this possible.

### **RALLY**

RALLY is experiencing a very troubling time during this pandemic. The number of RALLY students is very low while staff costs to provide services remains about the same. The District appreciates the additional support that was received during this year to keep RALLY afloat. The administration has taken efforts in order to make RALLY cost effective for families and the District. In October of 2021, the administration consolidated two sites into other sites through the District. The District is requesting \$150,000 in support for RALLY next year.

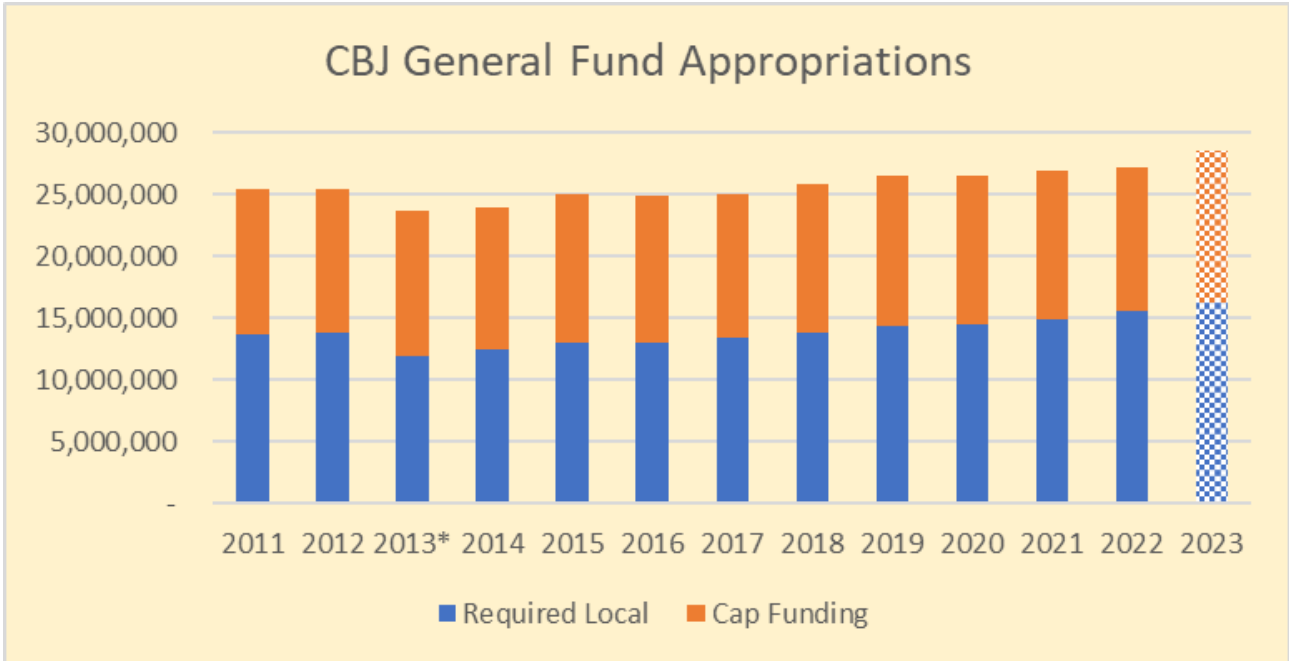


**Learn to Swim**

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.

**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 \$1,226,600 over the FY 2022 amended budget. In addition, it is requesting an additional \$2,275,000 for other purposes: student activities, transportation, food service, Kinder Ready, Community Schools, Learn to Swim and RALLY. This is an increase of \$153,500 over the FY 2022 original budget. The following shows recent requests for CBJ financial support to the District:



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

<b>Request for Funding</b> Subject to CBJ Assembly approval	<b>FY 2022</b> <b>Revised</b> <b>Budget</b>	<b>FY 2023</b> <b>Budget</b>	<b>+/-</b>
General School Operations	\$ 27,264,600	\$ 28,491,200	\$ 1,226,600
<b>Requests Outside the Cap</b>			
<b>K-12 Programs</b>			
High School Activities	1,099,300	1,200,000	100,700
Middle School Activities	102,200	105,000	2,800
Transportation	250,000	150,000	(100,000)
Food Service	75,000	75,000	-
<i>Total K-12 Programs</i>	<u>1,526,500</u>	<u>1,530,000</u>	<u>3,500</u>
<b>Other Programs</b>			
Kinder Ready	300,000	450,000	150,000
Community Schools	95,000	95,000	-
Learn to Swim Program	-	50,000	-
RALLY	150,000	150,000	-
<i>Total Other Programs</i>	<u>545,000</u>	<u>745,000</u>	<u>150,000</u>
<b>Supplemental Ordinances and Emergency Resolutions</b>			
Pandemic Response Fund	-	-	-
<b>Total Requests Outside the Cap</b>	<u>2,071,500</u>	<u>2,275,000</u>	<u>153,500</u>
<b>Total Requests for Funding</b>	<u><b>\$ 29,336,100</b></u>	<u><b>\$ 30,766,200</b></u>	<u><b>\$ 1,380,100</b></u>

*Values rounded to the nearest hundred.*

## Conclusion

The Board and District administrators are available to answer your questions concerning this budget. Representatives from the District will be present at the Assembly's Finance Committee meeting April 13, 2022 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 (Apr 1, 2022 14:57 PDT)

Dr. Bridget Weiss  
Superintendent






# FY23 Letter to CBJ

Final Audit Report

2022-04-01

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## "FY23 Letter to CBJ" History

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