FY 2027 Draft Budget

FOR BOARD MEMBER INFORMATION AND REVIEW

Developing the Anchorage Independent School District Budget

KRS 160.470 requires that school districts follow a specific process in formulating its annual budget each year.

The preparation of the **Draft Budget** is the first step. It is submitted to the Board for review at the January meeting. The best information available at the time is gathered and used to prepare a “continuation” budget in which you “roll over” the existing program with only mandated revisions such as salary step increases.

The result is a **Tentative Budget** approved by the Board in May, which is used to start the school year. With the Tentative Budget, input is gathered to determine expansion areas, programs to be revised or program/staff reductions, and the appropriate justification for each.

The final **Working Budget** is approved by the Board at its first meeting after the final property assessments have been received from the Anchorage City PVA, certified by the Kentucky Revenue Cabinet, and the tax rates have been set.

The Board is required by KDE to submit a balanced budget that contains a contingency of at least 2%, however, the State Board of Education recommends a higher minimum contingency requirement of 5%.

<u>Special Education:</u> The budget reflects no changes in our costs for special education programs. However, any additional changes in placements of existing students or the enrollment of new students can impact this category as the year progresses. Conversely, as special needs students leave Anchorage School, we will always evaluate whether the loss of those students necessitate lowering the number of staff required to meet the needs of all student IEP’s. This category is very difficult to budget for as one student with new identified needs through the ARC process can substantially impact a budget. This is one reason to try to keep more funds in the contingency budget, to allow a cushion should cost increase.

Fund 3 - Facilities

Capital Outlay Budget: The Capital Outlay budget represents money received from the Kentucky Department of Education (KDE) for capital outlay projects or bond debt. The District receives $100 per Average Daily Attendance (ADA) for the year.

Facility Support Program of Kentucky (FSPK) Budget: For many years, this budget was used exclusively to pay bond debt and interest. Property tax receipts make up all the revenue of this budget. For FY27, of the 99.6 cents tax rate, 5.20% (“the nickel”), must go directly to this program for facility needs.

Fund 51 – Food Service

The Fund 51 Budget is one of the budgets the state characterizes as a revenue producing account that have receipts and expenditures tracked separately and must be included in our contingency.

The budget is intended to govern food service operations, which covers salaries, purchase of food, equipment, and repairs and maintenance. The District supplemented the Food Service Fund in FY08, FY15, FY16, FY19, FY20, FY21, and FY22. Lunch prices increased in FY11 and FY16.

Changes from FY 26 to FY 27

CERS employer contribution was reduced from 18.62% to 17.43%.

Below is a historical reflection of the employer portion of CERS (classified employees' retirement program). CERS has released FY27's rate, which is a decrease from FY26's rate. As you can see, the rate fluctuates and thus, is hard to project from year to year.

FY 11 16.93%	FY 17 18.68%	FY 23 26.79%
FY 12 18.96%	FY 18 19.18%	FY 24 23.34%
FY 13 19.55%	FY 19 21.48%	FY 25 19.71%
FY 14 18.89%	FY 20 24.06%	FY 26 18.62%
FY 15 17.67%	FY 21 24.06%	FY 27 17.43%
FY 16 17.06%	FY 22 26.95%	

Other conditions in building the draft budget

1. Revenue was kept static.
2. Salary tables remained static.
3. Non-salary expenses remained static.
4. Staff members were advanced 1 year in experience.
5. All monies in Funds 310 and 320 will be put into escrow at the close of FY 26.

Fund	Revenue	Expense	Contingency Amount	Contingency Percentage*
General Fund (1)	$11,408,155	$10,829,485	$578,670	5.34%
Food Service Fund (51)	$358,779	$343,171	$15,608	4.55%
Capital Outlay (310)	$37,726	$37,726	$0	N/A
Building Fund (320)	$323,947	$323,947	$0	N/A

*Contingency % determined by dividing contingency amount by fund expense

Unknowns at this point:

1. FY 25 audit has not been completed which will impact FY 26 beginning balances
2. Final SEEK numbers not known which will impact revenue in funds 1 and 310.
3. SEEK numbers for FY 27 to be determined by legislature which will impact revenue projections in funds 1 and 310.
4. Salary tables for FY 27 yet to be determined and any changes from FY 26 will impact funds 1 and 51

Fund 1 Revenue Projections:

OBJECT	AMOUNT	% OF Budget
0999 - BEG BALANCE CARRY FORWARD	$ (3,373,157.00)	29.568%
1111 - GENERAL PROPERTY TAX	$ (5,360,406.00)	46.987%
1111B - PERSONAL PROPERTY TAX	$ (20,000.00)	0.175%
1113 - PSC PROPERTY TAX	$ (22,500.00)	0.197%
1113B - PSC PROPERTY TAX-TANGIBLE	$ (30,000.00)	0.263%
1115 - DELINQUENT PROPERTY TAX	$ (153,409.00)	1.345%
1117 - MOTOR VEHICLE TAX	$ (350,000.00)	3.068%
1131 - OCCUPATIONAL LICENSE TAX	$ (925,000.00)	8.108%
1140 - PENALTIES & INTEREST ON TAXES	$ (15,000.00)	0.131%
1191 - OMITTED PROPERTY TAX	$ (37,500.00)	0.329%
1510 - INTEREST ON INVESTMENTS	$ (135,000.00)	1.183%
1740 - STUDENT FEES	$ (75,000.00)	0.657%
1740A - STUDENT FEES-EXTRA CURRICULAR	$ (75,675.00)	0.663%
1740B - TECHNOLOGY FEES	$ (57,771.00)	0.506%
1919 - OTHER RENTAL INCOME	$ (8,000.00)	0.070%
1980 - REFUND OF PRIOR YR EXPENDITURE	$ (15,000.00)	0.131%
1990 - MISCELLANEOUS REVENUE	$ (20,000.00)	0.175%
1990B - MEDICAID REIMBURSEMENT	$ (9,500.00)	0.083%
3111 - SEEK PROGRAM	$ (692,737.00)	6.072%
3130 - NATIONAL BOARD CERT TEACHER	$ (24,000.00)	0.210%
3800 - REVENUE IN LIEU OF TAXES/STATE	$ (8,500.00)	0.075%
TOTAL REVENUE	**$ (11,408,155.00)**	

Fund 1 Expenditures Projections:

Object	Amount	% of Budget
CERTIFIED PERMANENT SALARY	$3,608,407	33.320%
EXTENDED DAY	$146,661	1.354%
EXTRA SERVICE	$185,944	1.717%
CERTIFICATIONS	$24,001	0.222%
CERTIFIED SUB SALARY	$20,962	0.194%
CLASSIFIED REGULAR SALARY	$1,069,367	9.875%
CLASSIFIED OVERTIME	$10,750	0.099%
CLASSIFIED SUBSTITUTE	$27,500	0.254%
BOARD PER DIEM	$9,000	0.083%
GROUP LIFE	$17,500	0.162%
LONG TERM DISABILITY	$24,000	0.222%
FICA	$64,268	0.593%
MEDICARE	$69,518	0.642%
HEALTH INSURANCE MATCH	$114,020	1.053%
KTRS BENEFIT	$21,468	0.198%
CERS	$186,338	1.721%
UNEMPLOYMENT INSURANCE	$6,600	0.061%
WORKERS COMPENSATION INSUR/	$25,000	0.231%
SICK LEAVE	$300,000	2.770%
REGISTRATION FEES	$24,250	0.224%
PROFESSIONAL SERVICES	$417,800	3.858%
WATER/SEWAGE	$20,000	0.185%
BUILDING REPAIR AND MAINTENAN	$2,975,500	27.476%
CONSTRUCTION SERVICES	$100,000	0.923%
FIDELITY BOND	$124,000	1.145%
POSTAGE	$4,500	0.042%
TELEPHONE	$17,250	0.159%
ADVERTISING/PRINTING	$9,000	0.083%
TUITION	$437,500	4.040%
TRAVEL	$8,900	0.082%
PURCHASED SERVICES	$139,500	1.288%
SUPPLIES	$252,010	2.327%
ELECTRICITY AND NATURAL GAS	$118,000	1.090%
CATERING	$1,000	0.009%
BOOKS	$110,921	1.024%
REGISTRATIONS	$2,900	0.027%
TECHNOLOGY REPAIR AND MAINTE	$130,000	1.200%
DUES AND FEES	$3,150	0.029%
MISCELLAENOUS	$2,000	0.018%
Total Budget less contingency	**$10,829,485**	