

## FY2027 Budget Meeting

### Work Session with Assembly and School Board – Local Funding for Education

#### Information for Assembly Members

#### Purpose of the Work Session

During the work session, CBS staff will provide a high level overview of the school funding process and framework and present FY2027 funding recommendations for instructional activities, non-instructional activities, and capital projects.

The session is designed to support informed discussion and alignment early in the budget process. While funding levels discussed will be reflected in the draft FY2027 budget, no formal funding decisions are expected to be made at this meeting.

#### FY2027 School Funding Parameters (Instructional)

FY2027 local contribution parameters for Sitka are included in a publicly available Foundation Formula projection report published by the Alaska Department of Education and Early Development. Based on the State's most recent projections, the FY2027 parameters for Sitka are:

- Required Local Contribution: \$4,497,556
- Maximum Local Contribution: \$8,167,476

*(required local contribution plus \$3,669,920 in allowable additional funding)*

These figures are considered estimates because the final inputs for the State's funding formula (most notably student enrollment counts) are not finalized until later in the year. The projections are based on prior-year enrollment data and State forecasting assumptions.

#### Recommended for Inclusion in FY2027 Draft Budget (Instructional and Non-Instructional)

The following FY2027 amounts are recommended for inclusion in the draft FY2027 budget and reflect a combination of instructional funding under the State formula, non-instructional support, and other funding.

Description	FY2027 Budget (Proposed)	FY2026 Budget	FY2025 Budget
<b>Maximum funding for education as allowed by State of AK</b>	<b>8,167,476</b>	<b>7,972,424</b>	<b>7,669,562</b>
Student activities from the General Fund	134,600	134,600	134,600
Student activities funded from marijuana tax proceeds (estimate)	375,000	360,000	300,000
Performing Arts Center utilities (up to)	67,000	67,000	66,000
Performing Arts Center operations (up to)	125,000	125,000	125,000
<b>Total non-instructional</b>	<b>701,600</b>	<b>686,600</b>	<b>625,600</b>
<b>Secure Rural Schools (50% of amount, up to)</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>Total budgeted disbursements</b>	<b>9,169,076</b>	<b>8,959,024</b>	<b>8,595,162</b>

These amounts do not include the costs of annual maintenance of the CBS buildings occupied by the School District or reimbursements for janitorial services related to Parks and Recreation's use of the facilities.

### **FY2027 Capital Funding for Buildings Occupied by the School District**

In FY2026, a total of 22 capital projects were funded totaling \$1,940,000. Funding for these projects came from the School Building Infrastructure Fund, which was established following approval of the 1% seasonal sales tax increase effective April 2024.

Because final sales tax revenues were not known at the time the FY2026 budget was adopted, project funding levels were based on projected revenues rather than amounts fully accrued. This approach was used to allow projects to move forward. Under normal practice, capital funding decisions would be based on actual accumulated fund balance.

Following receipt of the final FY2025 sales tax revenue data and accounting for FY2026 approved transfers, the School Building Infrastructure Fund currently has an estimated \$555,000 available for future school capital projects.

Based on discussions between CBS and School District staff, appropriation of the full \$555,000 for school capital projected in FY2027 is recommended. The recommendation was approved by the School Board on January 7, 2026. The proposed projects are included in the attached Mid to Long Range Capital Plan.

## SSD CIP Mid to Long Range Plan - for FY2027 Budget

School	Risk Score	Prioritization	Project	Estimate Year	FY26	FY27	FY28	FY29	FY30	FY31	Deferred	Grant	Loan	Capital	TOTAL
BMS	25	High	BMS Envelope Restoration	2024	50,000	100,000	2,350,000		10,000,000			-	10,000,000	2,500,000	12,500,000
SHS	25	High	SHS Envelope Restoration	2024	50,000	100,000		2,350,000		10,000,000		-	10,000,000	2,500,000	12,500,000
PHS	20	High	PHS Compressor Replacement	2025		10,000								10,000	10,000
SHS	18	High	SHS Entry Doors & Grate Replacement	2024	85,000									85,000	85,000
XES	18	High	XES Back Ramp Replacement	2024	15,000									15,000	15,000
PHS	18	High	PHS Heat Pump Replacement	2025		75,000								75,000	75,000
PAC	18	High	PAC Theater Controls Upgrade*	2025		125,000								125,000	125,000
SHS	15	Medium	SHS Walk-In Freezer Repair	2025		25,000								25,000	25,000
KGH	15	Medium	KGH Dishwasher Replacement	2025		25,000								25,000	25,000
SSD	15	Medium	SSD DDC Upgrades (SHS, BMS, XES)	2024	175,000									175,000	175,000
KGH	15	Medium	KGH HVAC Controls Upgrade	2024	150,000									150,000	150,000
XES	15	Medium	XES Walk-In Freezer Repair	2024	25,000									25,000	25,000
KGH	15	Medium	KGH PA System Replacement	2025		40,000								40,000	40,000
KGH	15	Medium	KGH Clock System Replacement	2025		30,000								30,000	30,000
SSD	12	Medium	SSD Boiler Overhaul	2024	200,000									200,000	200,000
KGH	12	Medium	KGH Compressor Replacement	2024	15,000									15,000	15,000
SHS	12	Medium	SHS Exterior Window Repair	2024	50,000	-50,000								-	-
XES	12	Medium	XES Covered Area Repairs	2024	20,000									20,000	20,000
XES	12	Medium	XES Roof Restoration	2024					1,250,000				1,250,000	-	1,250,000
PAC	12	Medium	PAC Lighting Upgrade	2025					300,000					300,000	300,000
KGH	12	Medium	KGH Door Release System Upgrade	2025		40,000								40,000	40,000
KGH	10	Medium	KGH Hot Water Heater Replacement	2025		15,000								15,000	15,000
XES	10	Medium	XES Asphalt Repairs	2024	125,000									125,000	125,000
PAC	10	Medium	PAC A/V Upgrade	2025					125,000					125,000	125,000
KGH	9	Medium	KGH Covered Area Revitalization	2024	75,000									75,000	75,000
KGH	9	Medium	KGH Playground Improvements	2024										-	-
SHS	9	Medium	SHS Flooring & Wall Paneling Replacement	2024							1,500,000			1,500,000	1,500,000
SHS	9	Medium	SHS Gym Wood Floor Refurbishment	2024	120,000									120,000	120,000
BMS	9	Medium	BMS Flooring Replacement	2024						600,000				600,000	600,000
BMS	9	Medium	BMS Band Wood Floor Refurbishment	2024	50,000									50,000	50,000
XES	9	Medium	XES Flooring Replacement	2024						400,000				400,000	400,000
XES	9	Medium	XES Exterior Repainting	2024	200,000									200,000	200,000
BMS	9	Medium	BMS Gym Wood Floor Refurbishment	2024	100,000									100,000	100,000
SSD	9	Medium	SSD Access Control Upgrade (SHS, PHS, BMS, KGH)	2025						750,000				750,000	750,000
SEACC	8	Medium	SEACC Window Replacements	2024					15,000					15,000	15,000
SHS	8	Medium	SHS Electrical Improvement	2025		10,000								10,000	10,000
SEACC	8	Medium	SEACC Electrical Improvement	2025		10,000								10,000	10,000
SEACC	6	Low	SEACC Envelope Refurbishment	2024							100,000			100,000	100,000
KGH	6	Low	KGH School Sign Replacement	2024	20,000									20,000	20,000
SHS	6	Low	SHS Parking Lot Improvements	2024							400,000			400,000	400,000
KGH	6	Low	KGH Gym Floor Resurfacing	2024	125,000									125,000	125,000
XES	6	Low	XES Gym Floor Resurfacing	2024	150,000									150,000	150,000
PAC	6	Low	PAC Exterior Improvements	2024	100,000									100,000	100,000
PAC	6	Low	PAC Bollard Replacements	2024	40,000									40,000	40,000
BMS	6	Low	BMS Front Parking Lot Asphalt Resurfacing	2024							200,000			200,000	200,000
XES	4	Low	XES Playground Asphalt Resurfacing	2024							200,000			200,000	200,000
XES	4	Low	XES Playground Fence Replacement	2024							75,000			75,000	75,000
KGH	4	Low	KGH Carpet Replacement	2024							900,000			900,000	900,000
TOTAL					1,940,000	555,000	2,350,000	2,350,000	11,690,000	11,750,000	3,375,000	-	21,250,000	12,760,000	34,010,000

\*Request for supplemental appropriation to be discussed Feb 10