

THE LAKE AND PENINSULA SCHOOL DISTRICT
Work Session AGENDA
March 11, 2015, 1:00 PM

Agenda

1. Insurance Presentation-1:00-2:30pm	2
2. Nuts & Bolts: 2:30-3:00pm	39
3. Small School Processes- 3:00-3:30pm	41
4. Finances- 3:30-4:30pm	47
5. Chignik Lake Trip Proposal- 4:30-4:45pm	76

LAKE AND PENINSULA SCHOOL DISTRICT HEALTH PLAN FUNDING AND STRATEGY

MARCH 11, 2015

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Curt Hebert
Consultant

Anchorage, Alaska

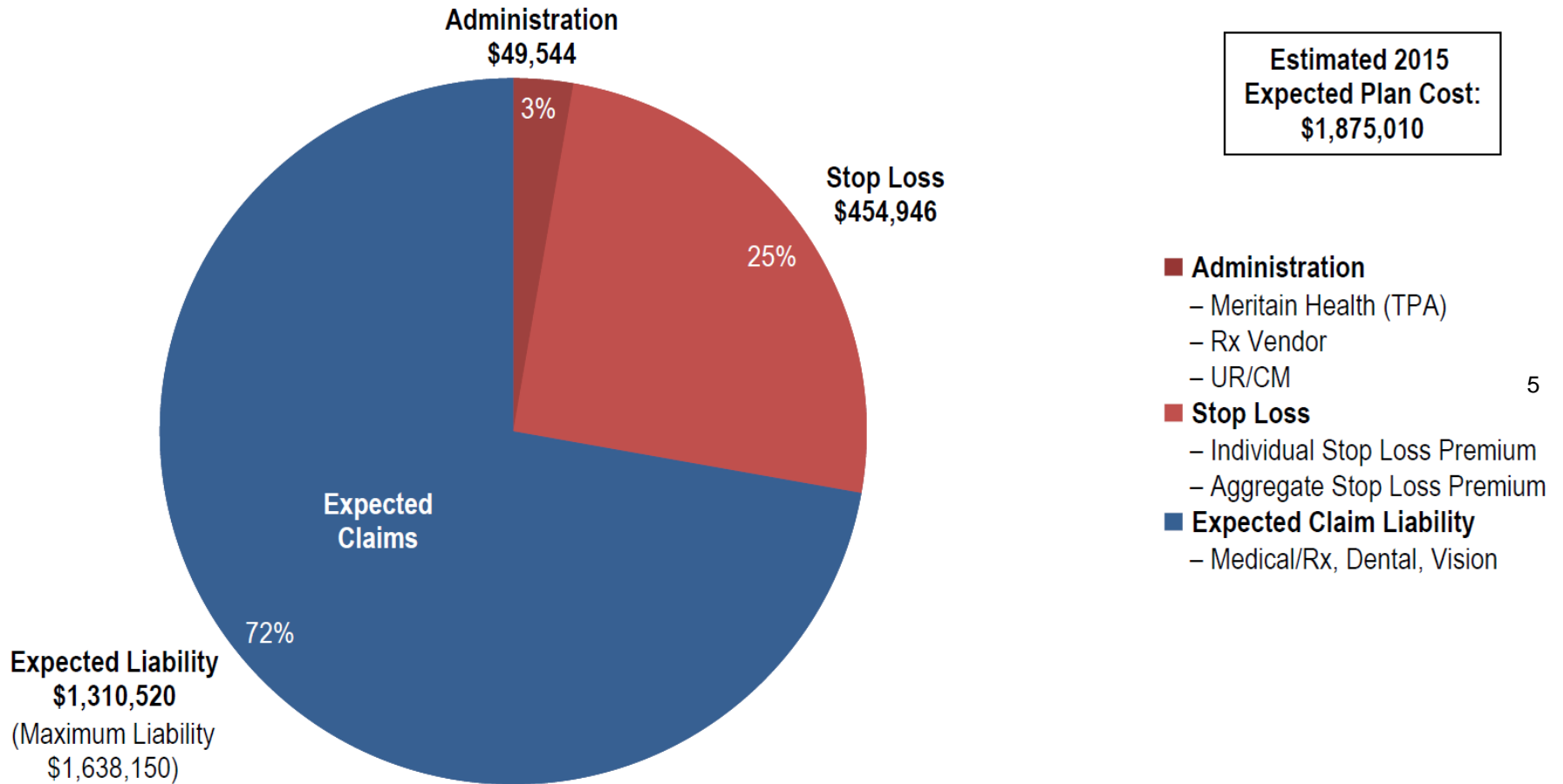
Agenda topics

- LPSD's Self-Funded Health Plan
- Health Care Reform
- Consumerism – Consumer Directed Health Plan (CHDP)
- HSA and Dual Plan Design Strategy
- HSA and What's In It for Me?
- Questions and Answers/Discussion

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LPSD's Self Funded Health Plan

Cost Components of LPSD's Self Funded Health Plan (2015 Stop Loss Renewal)



- 1) Figures are based on 106 employees.
- 2) Actual 2014 net paid claims totaled \$1,196,815 (expected 2014 claim liability at renewal was \$1,153,784).

Self-Funding - The Concept

- Alternative to Fully Insured Benefit
- Benefit to Employer -- **c o n t r o l**
 - Plan design flexibility
 - Cost savings
 - More Information for Planning/Budgeting
 - Reserves – employer holds reserves
- Self-fund predictable claims
- Buy Stop-Loss coverage for the unpredictable, catastrophic losses
- NOTE: Self funding is not a short term solution to reducing/controlling benefit costs

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Stop Loss Coverage

Specific Coverage

- Limits the employer's exposure on any one individual (LPSD - \$75,000)
- Reimburses the employer for claims in excess of a fixed dollar amount called the **Specific Deductible**
- Typically medical only coverage
- Reimbursed as claims occur

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Aggregate Coverage

- Limits the employer's exposure for the group's claims as a whole
- Reimburses amounts above the **Attachment Point**.
- Attachment Point is determined by carrier
- Reimbursed at end of contract period

PROS and CONS of Self-Funding

- 👍 **Cash flow advantages:**
 - Pay as you go approach
 - Maintaining reserves
 - Utilizing the float on claim payments
- 👍 **Cost savings:**
 - No state premium tax
 - Interest on funds otherwise held by the insurer
 - Avoid costly state mandated benefits
- 👍 **Plan control:**
 - Easier monitoring of claims costs
 - Claims data provided
- 👍 **Plan design flexibility:**
 - Not bound by state mandates
 - Not required to cover conversions, mental health or alcoholism
- 👍 **Stability of self-funding:**
 - Employers rarely return to fully insured
 - Claims are claims: why pay more than what *your* claims are?
- 👍 **Fiduciary Responsibility:**
 - Fiduciary options available
 - Employer does not need to assume full liability
- 👎 **Acknowledged claim experience:**
 - Worse than average claim experience could cause higher costs
- 👎 **Budgeting the program:**
 - Monthly fluctuation
 - Devise a method of anticipating monthly expenditures
- 👎 **Increased employer involvement:**
 - Verifying eligibility
 - Maintaining banking arrangements
 - Additional HIPAA responsibilities
- 👎 **Terminating program**
 - Self-funded to fully insured is a double whammy. Paying run-out plus paying fully insured premium.

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Health Care Reform

Key Health Care Reform (PPACA) Impacts

- **Individual Mandate**

Individuals must have coverage or pay a penalty. Coverage includes, employer sponsored plans, individual plans, Medicaid, Medicare, military, and public exchange.

- **Employer Mandate**

Large employers must offer minimum essential coverage (MEC) to ¹⁰ substantially all full-time employees and dependent children or face a penalty.

- **Cadillac Tax in 2018**

A 40% excise tax on “high cost” employer-sponsored coverage. The tax is on the “excess benefit” (the amount over set dollar caps). The initial cap set at \$10,200/self-only and \$27,500 “coverage other than self-only” (family).

LPSD Potential Cadillac Tax Implications

- Current Cadillac Tax Annual Thresholds (Medical & Rx only):

Employee Only: \$10,200 Family: \$27,500

- 4-Tier Plan Rates for 2015

	<u>Monthly</u>	<u>Annually</u>
Employee Only:	\$1,025	\$12,294
Employee & Child(ren):	\$1,638	\$19,658
Employee & Spouse:	\$1,843	\$22,117
Family:	\$2,560	\$30,729

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- Rate Estimates for 2018 (at annual trend of 10%)

	<u>Monthly</u>	<u>Annually</u>
Employee Only:	\$1,364	\$16,636
Employee & Child(ren):	\$2,180	\$26,166
Employee & Spouse:	\$2,453	\$29,439
Family:	\$3,408	\$40,901

Consumerism – Consumer Directed Health Plan (CDHP)

The quality of medical services varies widely

- 3% of hospital patients hurt by medical error
- 1 in 300 patients die from such mistakes
- 90,000 people die of hospital-acquired infections annually
- 180,000 elderly outpatients die or harmed by drug toxicity
- 7,000 patients die annually from drug errors each year
- 55% of recommended care actually gets administered
- \$2,000 annual cost to employers per insured worker, due to poor-quality care

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Compiled by Forbes Magazine; Sources: Lucian Leape; New England Journal of Medicine; CDC; Forbes; Journal of the American Medical Association; Institute of Medicine; Quality and Safety in Health Care; RAND; Midwest Business Group on Health.

Change, economics and health care

- “We always overestimate the change that will happen in two years and underestimate the change that will happen in ten.”
Bill Gates
- “Nobody spends somebody else’s money as carefully as they spend their own.”
Milton Friedman
- “Healthcare is a failed marketplace today because the person paying the bill isn’t the one choosing the service.”
Howard Wizig
- “If you pay according to procedures, don’t be surprised if you get a lot of procedures.”
Hank McKinnell

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The challenge?

Employee engagement... changing minds and behaviors

Old Thinking

Insurance for when I get sick
whether I'm well or sick...

Health care is the
Company's
responsibility



Involved and
Informed

New Thinking

Moving toward health

Health care is my
responsibility with support
from the Company's health
program

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What is a Consumer Directed Healthcare Plan (CDHP)?

- A plan that is designed to increase in cost over time at a slower rate than current offerings
- Typically a PPO type plan with a higher deductible and a Health Savings Account (HSA)
- A plan where employees are financially motivated to be active participants in health care consumption
- A plan that provides information and tools to support employee decision making regarding health care

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HSAs and Dual Plan Design Strategy

High Deductible Health Plan and Health Savings Account

- High Deductible Health Plan (HDHP) and a Health Savings Account (HSA) are independent from one another.
- However, an employee must have a HDHP in order to open an HSA account

HDHP	
Deductible Minimum	
Single	\$ 1,300
Family	\$ 2,600
Our-of-Pocket Maximum	
Single	\$ 6,450
Family	\$12,900

HSA	
Annual Contribution Limits	
Single	\$ 3,350
Family	\$ 6,650

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Why HSAs?

Easy win in today's complex health care system:

- Save now:
 - Lower monthly insurance premiums
 - HSA deposits aren't taxed
 - Opportunity to lower income tax liability
- Save for the future:
 - **HSA funds roll over from year to year**
 - Tax-free interest earned
 - You keep the money even if you change jobs or insurance plans
 - Investment options



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How an HSA works

Traditional health plan vs. HSA-powered health plan



- Larger monthly premium
- Lower deductible



- Lower monthly premium
- Higher deductible

plus



- Money into savings account

Maximize Savings

- **2015 max contributions allowed by IRS:**

- Single-coverage: \$3,350
- Family-coverage: \$6,650
- Catch-up contribution, age 55+: \$1,000 (during
 - year someone turns 55, and every year thereafter)
- Employee and Employer contributions count towards max

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- **How to fund your HSA:**

- Make pretax contributions through payroll deduction, online, or directly to HSA vendor
- Fully fund your HSA on day one
- Make contributions anytime after your HSA is open

How an HSA works

You and/or your employer



Qualified medical expenses:

Exams, prescriptions, procedures, vision, dental and more

Investment options are generally available for participants

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Who is eligible for an HSA?

To own an HSA, you need to:

- Be enrolled in an HSA **qualified** High Deductible Health Plan (HDHP) plan and have no other health coverage.
- Other health coverage includes:
 - *Traditional health plan (non-HSA)*
 - *Medicare*
 - *Tri-care*
 - *VA benefits*
 - *User of Indian Health Services (IHS)*
 - *Flexible Spending Accounts (Med/Rx)*
- No first dollar coverage (*Rx or office visit copays before deductible is met*)



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Maximize your savings

2015 max contributions allowed by IRS:

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- Catch-up contribution, age 55+: \$1,000
(during year someone turns 55, and every year thereafter)
- Employee and Employer contributions count toward max



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How to fund your HSA:

- Make pretax contributions through payroll deduction, online, or directly to HSA vendor
- Fully fund your HSA on day one
- Make contributions anytime after your HSA is open

How do I use my HSA funds?

HSA funds maybe use for:

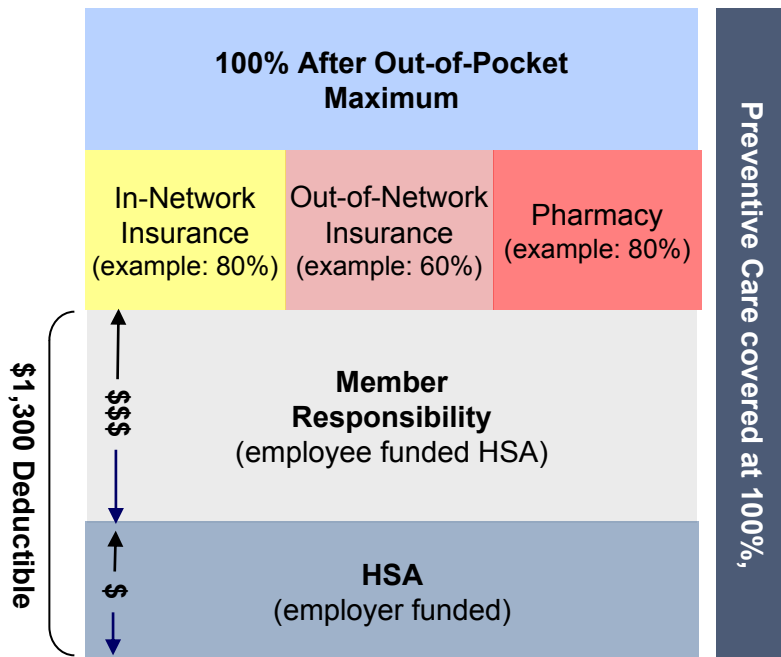
- Qualified medical, Rx, dental & vision expenses incurred while participating in an HSA
- Payments (distributions) are tax free for qualified medical expenses
- Use for non-qualified medical expenses are subject to income taxes plus a 20% penalty
- COBRA premiums, premiums after age 65, and long-term care insurance
- Withdrawals after age 65 are only subject to income taxes



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HSA Highlights

Sample Plan



- HSAs are funded, individually owned accounts connected with a High Deductible Health Plan
- HSAs are portable, earn interest, and can be invested
- Funds roll over and are non-taxable (federally) for health purposes; HSAs can be used for non-health costs ²⁶
- HSAs can be funded by employees and employers
- HSAs have federal mandated design parameters (e.g., prescription drugs (Rx) copays, deductible/out-of-pocket limits)
- Annual tax deductible limit: is a flat dollar amount of \$3,350 for individual and \$6,650 for family for 2015

Preventive care safe harbor

- These services can be covered by insurance and not subject to the deductible, if desired:
 - Periodic health evaluations
 - Routine prenatal and well-child care
 - Immunizations
 - Smoking cessation programs
 - Obesity weight-loss programs
 - Screening services for: cancer, heart and vascular disease, infectious diseases, mental health and substance abuse, metabolic, nutritional, endocrine conditions, musculoskeletal disorders, ob/gyn, pediatric conditions, vision and hearing disorders
 - Some Rx qualify as preventive

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Qualified HSA trustees and custodians

- Insurance companies
- Banks
- Any entity already approved by IRS to be an IRA or Archer MSA trustee/custodian
- Other administrators who request and receive IRS approval
- Well over 1,200 different HSA trustee/custodians

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HSA Basics

	HSA
Eligibility	Individuals (employees) with high-deductible health plan (HDHP) with 2015 indexed features: <ul style="list-style-type: none"> • Minimum deductible \$1,300/\$2,600 (single/family) • Maximum in-network out of pocket \$6,450/\$12,900
Ownership	Employee-owned
Health insurance requirement	HSA-compatible HDHP required
Contributions	Employer, employee, or both
Annual contribution limits	<ul style="list-style-type: none"> • For 2015, IRS annual limit: \$3,350/\$6,650 • Catch-up contributions of \$1,000 age 55+
Funding	Account is fully funded, can be invested and earns interest
Funds rollover	Allowed
Portability	Fully portable, can take to new employer
Qualifying expenses	Miscellaneous IRC 213(d) expenses, limited health premium reimbursements
Nonqualified withdrawals	Yes, but taxable, plus 20% penalty. No penalty after age 65, death, or disability
Combine with FSA	FSA must be “limited purpose”
Claims substantiation	Not required (only on IRS audit)
Financial partner	Required
Claim processing	Debit card or automatic (best vendors)

2015 HSA – Eligible HDHP Requirements

	Single		Family	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Minimum deductible	\$1,300	\$1,300	\$2,600	\$2,600
Maximum deductible	\$6,450	None	\$12,900	none
Minimum out-of-pocket (includes deductible)	\$1,250	\$1,250	\$2,500	\$2,500
Maximum out-of-pocket (includes deductible)	\$6,450	None	\$12,900	None
HSA contribution limits	\$3,350		\$6,650	
Office visits and Rx	Deductibles must apply; no copays/coinsurance before full deductible reached			
Preventive care	Deductible does not have to apply (for medical or Rx)			

Account-based health plans

Employer and employee perspective

	HSA	
	Employer	Employee
Account ownership	Pro or Con: Depending on desired strategy can be advantageous or not to have employees own the accounts (may make “sell” to employees easier but employer does not control)	Pro: Employee owned account, fully portable with triple tax favored status
Plan design flexibility	Neutral/Con: HDHP deductible and out-of-pocket limits are mandated; restrictions may not fit program goals	Neutral/Pro: Depends upon plan design; account can be used for any “qualified medical expenses” including those outside current ₃₁ medical plan
Carry over of unused funds to future years	Neutral/Con: HSA is funded and expensed in each plan year; Employer paid funds leave when employee terminates	Pro: Can accumulate funds, mitigate future risk. Portability is of great value to employees.
Employee contributions are tax free	Pro: Many employees value ability to put pre-tax funds in HSA	Pro: Ability to fund some health expense pre-tax, no “use-it-or-lose-it”
Employer expenditures are tax free	Pro	Pro
Qualified Medical Expenses (QMEs) are reimbursable tax free	Con: Cannot limit QMEs, and even non-medical expenses can be covered with penalties/taxes	Pro: No limit on QMEs; some employees may view as major advantage
Other plan coverage	Pro or Con: Depending on Coordination of Benefits (COB) and likelihood of covering other dependents	Con: Employee can not have another plan or disqualifying coverage and fund HSA

HSA and What's In It for Me?

Is an HSA plan good for me?

- It depends...

Scenario #1:

- **Low to Moderate** user of healthcare - *might be a good fit*
 - Could benefit by paying lower monthly premiums, which would allow for contribution to the HSA account
 - Preventive services are covered at 100%
 - Minimal Rx usage would mean low out-of-pocket expense for Rx
 - There is coverage for the unexpected bad year
 - Participant may choose not to withdraw from their HSA account for unreimbursed medical expenses and allow funds to grow

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Is an HSA plan good for me?

Scenario #2:

- **Moderate to High** user of healthcare – *should evaluate carefully*
 - Could benefit by paying lower monthly premiums, which would allow for contribution to the HSA account
 - Preventive services are covered at 100%
 - High Rx usage would increase out-of-pocket expenses since deductible must be met
 - Higher deductible and out-of-pocket expenses could hamper participants' ability save through an HSA

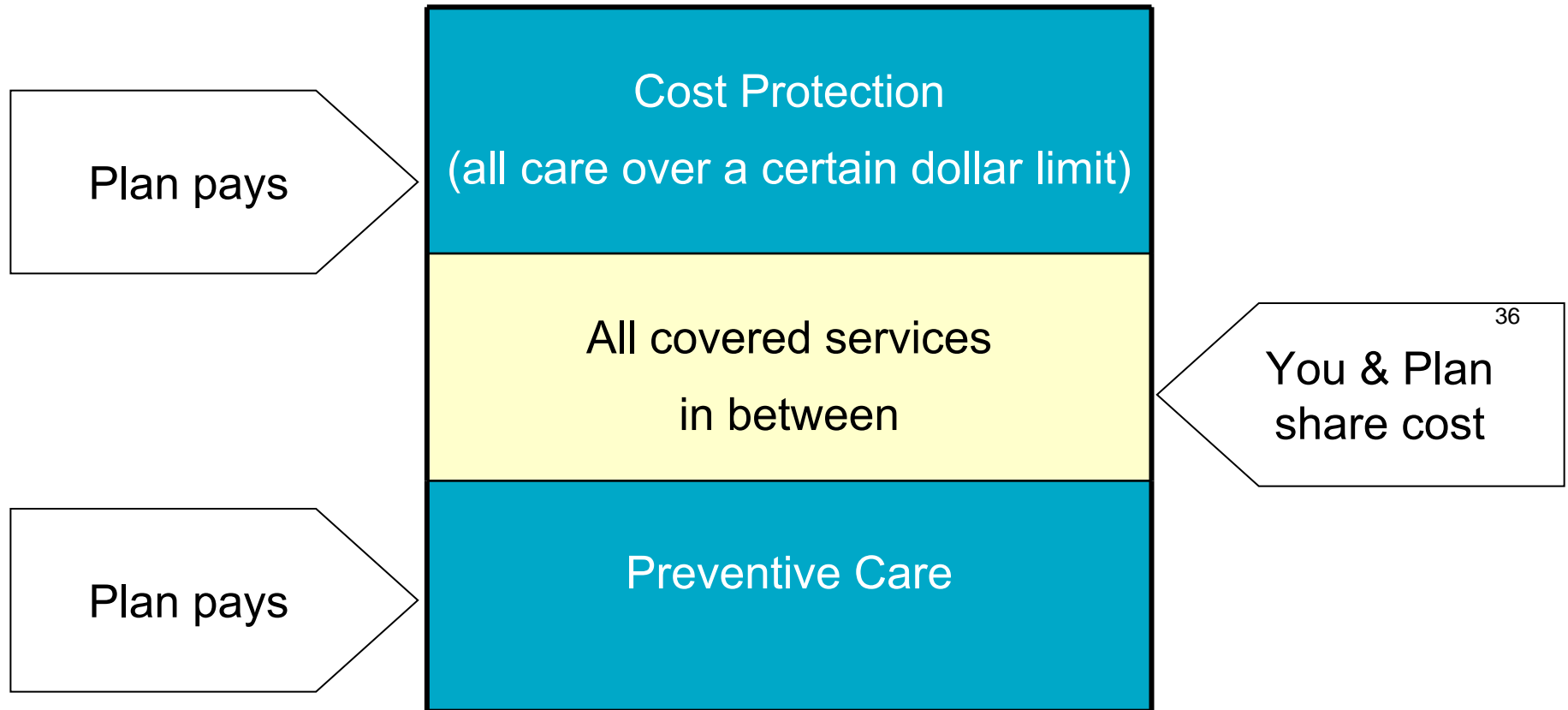
Sample Dual Plan Design

Anticipated Saving 22%

	Low Deductible Plan	High Deductible Plan
Account - HSA		
Employee	Not available	Available, and LPSD might decide to seed
Family		the employee's HSA account
Deductible		
Employee	\$100	\$2,000
Family	\$300	\$4,000 (aggregate deductible)
Preventive Care	100% in network	100%
Coinsurance	90% / 70%	90% / 70%
Out-of-Pocket Max (includes deductible)		
Employee	\$195 single	\$2,000 single
Family	\$12,400 per family	\$4,000 per family
Pharmacy (Retail)	Subject to deductible/OOP max	Subject to deductible/OOP max
Generic		
Preferred Brand	90% after deductible,	100% after deductible
Non-Preferred Brand		
	<i>Certain preventive Rx not subject to deductible</i>	<i>Certain preventive Rx not subject to deductible</i>

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Explaining how HSAs work



Questions and Answers/Discussion



MARSH & MCLENNAN
AGENCY

Nuts & Bolts *March 11, 2015*

Technology:

- How is your district-provided technology working?
- Would you like to have a Computer or an Ipad?
- Process for trade out:
 - You may give the computer back and receive a replacement computer or an Ipad.
 - You may purchase your current computer and request a new computer or Ipad.
- Are there any other changes you would like to see?

Board Member Photos:

I have had some requests regarding Board presence within the schools. Sites would like to display photos along with a short bio for each member so that students may become acquainted with you all.

- What are your thoughts?

Board Orientation Manual:

Recently, I have located a *Board Orientation Manual* that was in dire need of updating. I am almost finished, but would like to submit a copy to you at our next board meeting for review. After completion, I will post a copy of the manual on the LPSD website.

Board Policy at a Glance!

BB 9020 BOARD STANDARDS

The School Board believes that it should hold itself to high standards of performance, accountability, and conduct in order to meet the public trust that has been bestowed by the public election of each member.

Therefore, the School Board has adopted the Board Standards established by the Association of Alaska School Boards, which provide a framework for effective school governance and keep the School Board's focus on student achievement.

Regular efforts will be made to orient new board members to the board standards, provide on-going board development opportunities to assist all board members in meeting those standards, and assess board performance to measure the School Board's effectiveness in meeting them.

E 9020 BOARD STANDARDS

The Board Standards developed by the Association of Alaska School Boards listed below have been adopted by the Lake and Peninsula School Board as a standard of performance that this school board will constantly strive to meet.

VISION

The Board Creates A Shared Vision To Enhance Student Achievement

- 1.1 Board develops a dynamic shared vision for education that reflects student needs and community priorities.
- 1.2 Board keeps the district and community focused on educating students.
- 1.3 Board demonstrates its strong commitment to vision by using the shared vision to guide decision-making.

STRUCTURE

The Board Provides A Structure That Supports The Vision

- 2.1 Board establishes a management system that results in effective decision making processes and enables all the people to help the district achieve its vision and make the best use of its resources.
- 2.2 Board ensures that long and short-term plans are developed and annually revised through a process involving extensive participation, information gathering, research, and reflection.
- 2.3 Board sets high instructional standards based on the best available information about the knowledge and skills students will need in the future.
- 2.4 Board acts to ensure vision and structure comply with legal requirements.
- 2.5 Board encourages and supports innovative approaches to teaching, learning, and the continuous renewal of education.

ACCOUNTABILITY

The Board Measures District Performance Toward Accomplishing the Vision And Reports the Results To The Public.

- 3.1 Board receives regular reports on student progress and needs based on a variety of assessments to evaluate the quality and equity of the educational program.
- 3.2 Board evaluates the superintendent and board performance annually and reports the result to the public.
- 3.3 Board ensures long and short-term plans are evaluated and revised with the needs of students in mind.
- 3.4 Board uses an understandable format to periodically report district performance to the public.

ADVOCACY

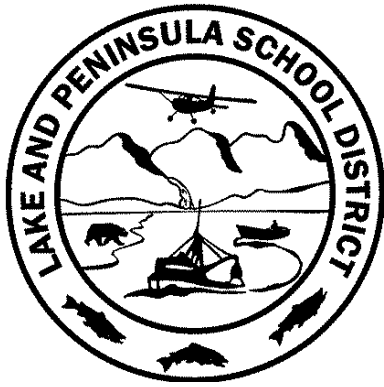
The Board Champions The Vision

- 4.1 Board leads in celebrating the achievements of students and accomplishments of others who contribute to education.
- 4.2 Board advocates for children and families and establishes strong relationships with parents and other mentors to help support students.
- 4.3 Board establishes partnerships with individuals, groups, and organizations to promote educational opportunities for all students.
- 4.4 Board promotes school board service as a meaningful way to make long term contributions to the local community and society.
- 4.5 The board is proactive in identifying and addressing issues that affect the education of students.

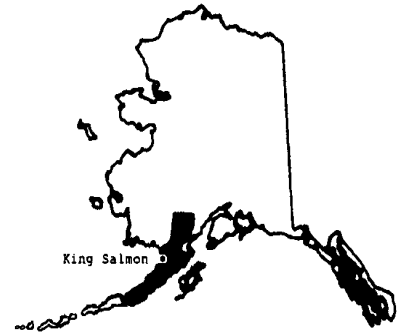
CONDUCT & ETHICS

The Board and Its Individual Members Conduct District Business in a Fair, Respectful, and Responsible Manner

- 5.1 Board and its individual members act in a manner that reflects service to the community on behalf of students.
- 5.2 Board demonstrates a commitment to continually improving teamwork, problem solving, and decision-making skills through a conscious program of board development.
- 5.3 Expenditures for board activities are clearly identified in the budget, related to the district vision, and open to public scrutiny.



THE
 LAKE AND PENINSULA
 SCHOOL DISTRICT
 101 Jensen Drive
 P.O. Box 498
 King Salmon, Alaska 99613
 Phone (907) 246-4280 / Fax (907)
 246-4473



**INTENT TO ENROLL
 2015-2016**

I, _____, intend to enroll my children in the
 (First and Last Name)

Chignik Lagoon School for the 2015-2016 school year. I assure the LPSD School Board that my child/children will, without a doubt, be in Chignik Lagoon and ready to attend school next fall. I understand that the school board will be using this information to make decisions on the school's status for the coming year.

The children that my family will enroll at the Chignik Lagoon School will be:

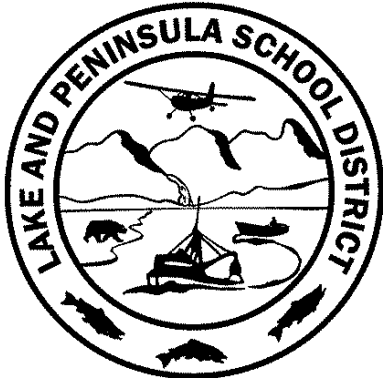
Name	Age	Grade
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

 (Signature)

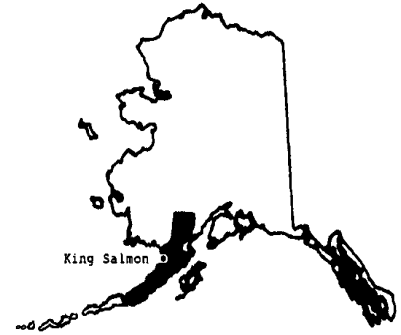
 (Date)

Verification Contact Information:

Primary Phone # _____ Secondary Phone # _____



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LPSD School Site Sustainability Plan

District Sustainability Plans are **due April 7th, 2015** at the Superintendent’s office. The plans and accompanying affidavits will be reviewed by the LPSD School Board at the April Board meeting (a date has yet to be determined) and a decision to open or close your school for the following school year will be made during this regular meeting in April. The Board may choose to delay staffing a school until they see the number of students in the village at the start of the school year.

I. District Projected #s for the 2015/2016 school year:

Chignik Lagoon’s projected enrollment for the Fall of 2015 is estimated to be as low as 8 students.

II. School Site Projected #s for the 2015/2016 school year:

KG	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Total

III. Please provide justification for differences in numbers:

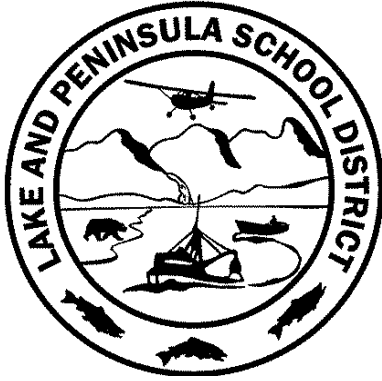
IV. Please attach signed affidavits from each family who will be enrolling students in your school. This would encompass families already in your village and those that are planning on moving in. See attached.

Student Numbers as of: 03/02/15

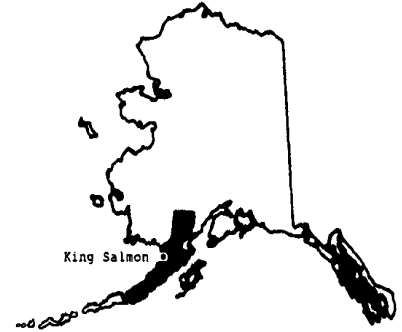
	P3	P4	KG	1	2	3	4	5	6	7	8	9	10	11	12	13	14	PK-SS Total	K-SS Total
BAY			1	2	1	1		1	1			1		2		1		11	11
EGE				1			1			1	1	1		4	1			10	10
IGI	2	2	2	1		2	2	2		1	1	2	1	1				19	15
KHK	5	5	7	1	2	1	3	2		1	2	1			2			32	22
LAG		1	1		1	1		2	1			2			1			10	9
LAK	1	2			1	1		1		1		1			5	1	1	15	12
LEV	1	3	1	4	2	4	4	2	1	1	1	1		1	2	2		30	26
LHS			1						2		3			1	1			8	8
NEW	5	10	2	6	3	4	5	2	3	1	5	4	4	6	3	1		64	49
NON		3	1		2	3	4	2	1	4	1	1	2	3			1	28	25
PIP			1		1	3	2		1			1		1		1		11	11
PTA		3	4	3	4		6	6	7	8	3	4	5	6	2			61	58
PTH		3	1	3	1	1	2			1	1		1	1	2			17	14
PVL	2	2		3	3	5		3	5	1		3		2	4			33	29
LPSD	16	34	22	24	21	26	29	23	22	20	18	22	14	27	23	6	2	349	299

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01/23/15																			
LPSD	15	30	28	27	22	28	28	23	21	19	15	25	12	25	25	6	1	350	305
11/30/14																			
LPSD	15	29	21	25	23	28	29	25	21	22	14	25	13	28	23	7	2	350	306
10/31/14																			
LPSD	15	31	23	25	24	26	29	26	22	22	13	25	13	29	22	7	2	354	308
10/21/14																			
LPSD	15	35	23	26	24	27	29	25	23	23	15	25	12	29	23	6	3	363	313
10/01/14																			
LPSD	5	10	25	26	24	27	29	26	23	22	15	25	12	29	22	6	3	329	314
09/15/14																			
LPSD	0	0	25	25	26	27	30	26	24	22	16	25	13	29	22	8	3		321
08/30/14																			
LPSD			24	27	25	28	31	25	25	24	17	24	13	29	21	7	3		323



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Date: February 6, 2015
To: Lake and Peninsula Assembly Members
From: Ty Mase
Re: Superintendent's Report – February 2015

This report will focus primarily on LPSD's financial health. First and foremost, I would like to thank the Borough for working with the school district and listening to our requests with an open mind and an eye for what's best for kids. Our past has been one of solid support from our Borough and we appreciate every dime and all of the support. Just in my short tenure with LPSD, I have seen the Borough:

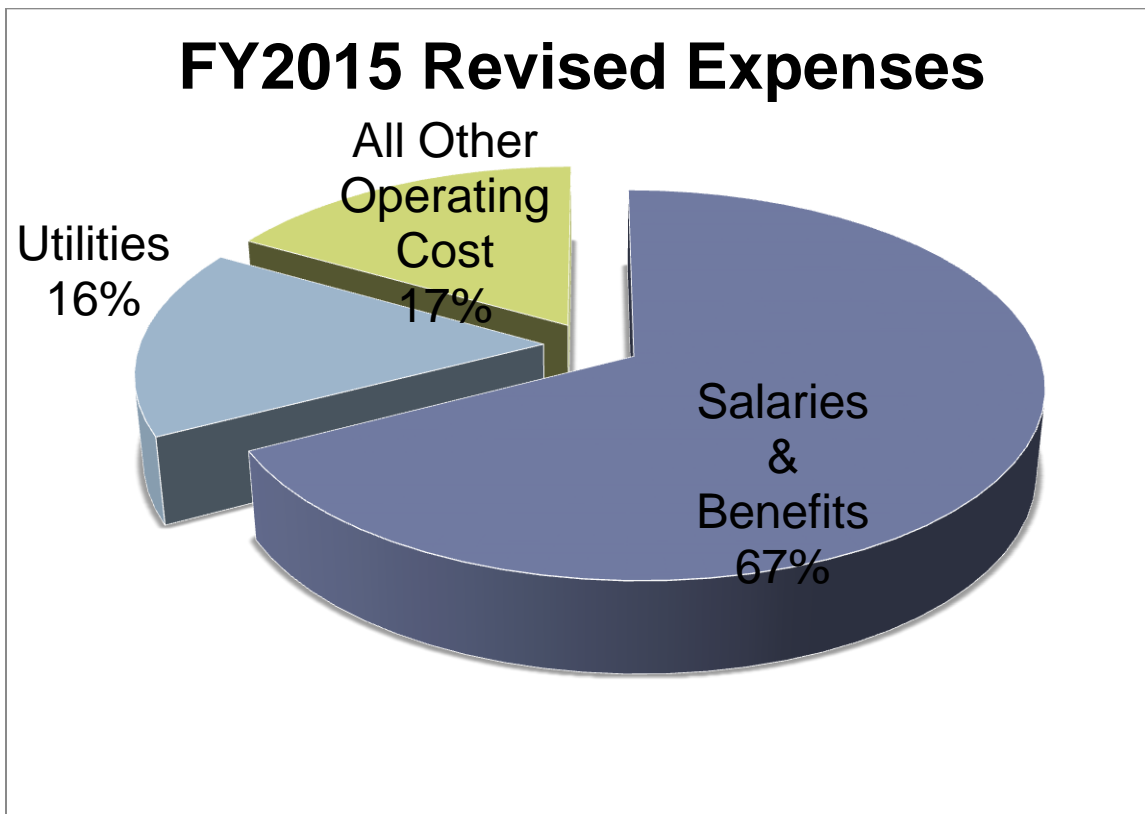
- play an instrumental role in funding, and thus helping to launch a CTE program
- create a student-representative role on your Assembly, thus taking a role in educating our students on their civic responsibilities
- pass a multimillion dollar bond to help fund school expansions and efficiency projects
- make it a point to visit and interact with students each year at our AA Meet
- open up discussions and create a School Endowment Fund Committee.

To say that you have been a friend of the school district is an understatement. The Borough was created with education in mind and you have not strayed from this responsibility.

With this all said, it is always difficult to come back time after time requesting additional fiscal help. However, what keeps me asking, is the kids of Lake and Pen and knowing that the Assembly shares the District's desire to offer the absolute best education possible to our children.

Our Financial Situation:

Our spring has been consumed with budget and staffing discussions. Laura is working diligently trying to get our budget numbers together and we suspect that the end result will be a substantial budget shortfall. 2015/2016 promises to be an extremely tight year financially. If the Governor's budget cuts stand, we will lose over \$200,000 in one time funding alone. Compound this with possibility of a loss of enrollment/closing a school, increased costs of doing business and the ANE Grant sun setting and we are looking at a substantial deficit. As you can see by the chart below, our two biggest expenses are buildings and people. With this in mind, we are slowly working through the district looking for cost saving measures in hopes of carving away at our deficit. The headlines in today's paper read, "In Walker's new budget, even senior citizens and local jails feel the pinch." I bring this up because we are in much the same financial position as the State and we are going to have to look at all areas in order to tighten our belts next year. Things will, without a doubt, have to look differently. We are going to look at staffing and may need to reduce positions and/or move some folks around. We will try not to rock the boat too much but I do want everyone to know and understand that we are heading towards different times.



Some Ideas of Support to Consider:

Increase the Borough's Appropriation – If it can be afforded, this would be a clean and simple way to support the district financially.

School Endowment Fund – Opening up this fund to help cover certain unfunded programs (like

preschool and tutoring) would be an option to consider.

Joint Meetings – Allowing LPSD Board members to piggy-back on already existing Borough charter would be a low cost option to aide the District. Board bylaws would have to be amended to allow us to meet at the same time as the Assembly.

District Office – We currently pay approximately \$100,000 a year in utilities and \$21,000 a year for janitorial services for the school district and borough offices. If the Borough would entertain taking on some or all of this financial burden, it would be of great help. Maintenance of the building (new windows, roof, stain, etc.) is another topic to consider.

Split Deficit – This has been brought up during several meetings and it seems like a very logical way to deal with the district's deficit. By splitting the projected budget shortfall, it continues to hold the district responsible for financial shortfalls. As the Mayor has said many times, "it shows that we have skin in the game."

At any rate, these are but a few options to consider and discuss. In the mean time, we will do our best to find cost savings measures throughout the district.

Thanks you for your time and consideration.

2015-2016 Budget

March 11, 2015



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Lake and Peninsula School District

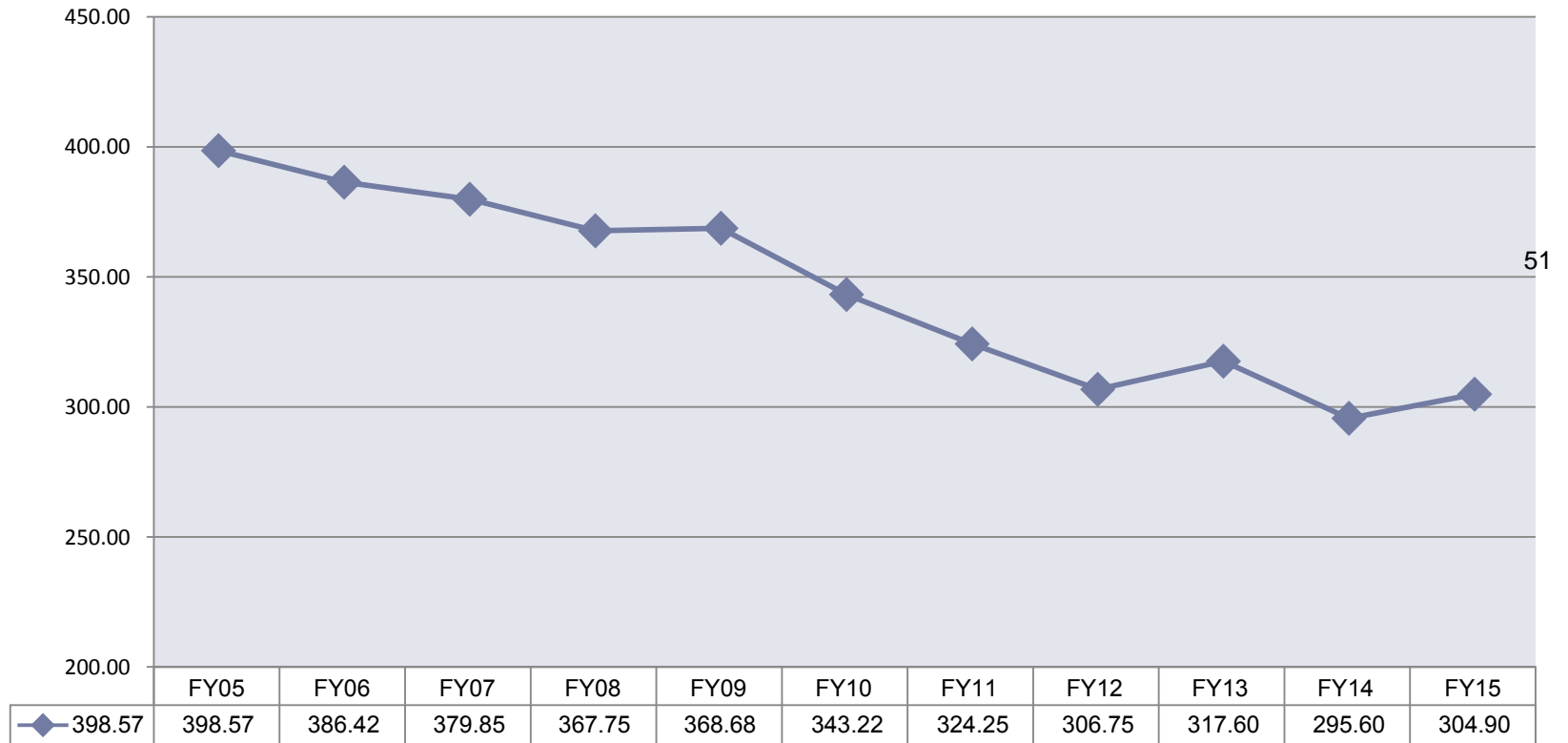
Ty Mase, Superintendent
Laura Hylton, Business Manager

Square Miles:	30,907
Population:	~1,631
Enrollment:	~ 304
Schools:	13



LPSD Student Population

**LPSD Foundation Average Daily Membership
October Count**



FY2016 Projected Enrollment by Site

PROJECTED FY2016

School / Attendance Center:	<i>A</i>		<i>B</i>	<i>A + B</i>		<i>C</i>
	Average Daily Membership [ADM]		K-6 PLUS 7-	12	Special Ed.	
	K-6	7-12	TOTAL	Intensive		

Enter Total of
Corresp. ADM
only

Enter the District's ADM & Intensive numbers in the appropriate boxes by school. Correspondence goes in the above box.

LAKE & PENINSULA

Chignik Bay School {reopened pending 10ADM]	11.00	4.00	15.00	
Chignik Lagoon School	7.00	3.00	10.00	
Chignik Lake School	8.00	4.00	12.00	
Egegik School	4.00	8.00	12.00	
Igugig School	8.00	7.00	15.00	
Kokhanok School	21.00	5.00	26.00	1.00
Levelock School	20.00	5.00	25.00	
Newhalen School	35.00	24.00	59.00	1.00
Nondalton School	15.00	11.00	26.00	1.00
Perryville School	15.00	11.00	26.00	
Pilot Point School	10.00	3.00	13.00	
Port Alsworth School (Tanalian)	26.00	37.00	63.00	
Port Heiden School (Meshik)	15.00	6.00	21.00	
TOTAL	195.00	128.00	323.00	3.00

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State Funding

- ▶ Governor's budget removed the one-time funding of \$217,445, this budget includes it,
- ▶ Governor's budget has \$3 million in support for 10 megabits/second download speed for internet services, this budget includes internet at 10x2 service and represents LPSD's share of the cost after ERATE of \$390,576.73 maybe offset by \$286,279 reducing LPSD cost to \$104,279.73 for internet and telecom
- ▶ So far the Governor and the legislature have budgeted for the BSA increase of \$50

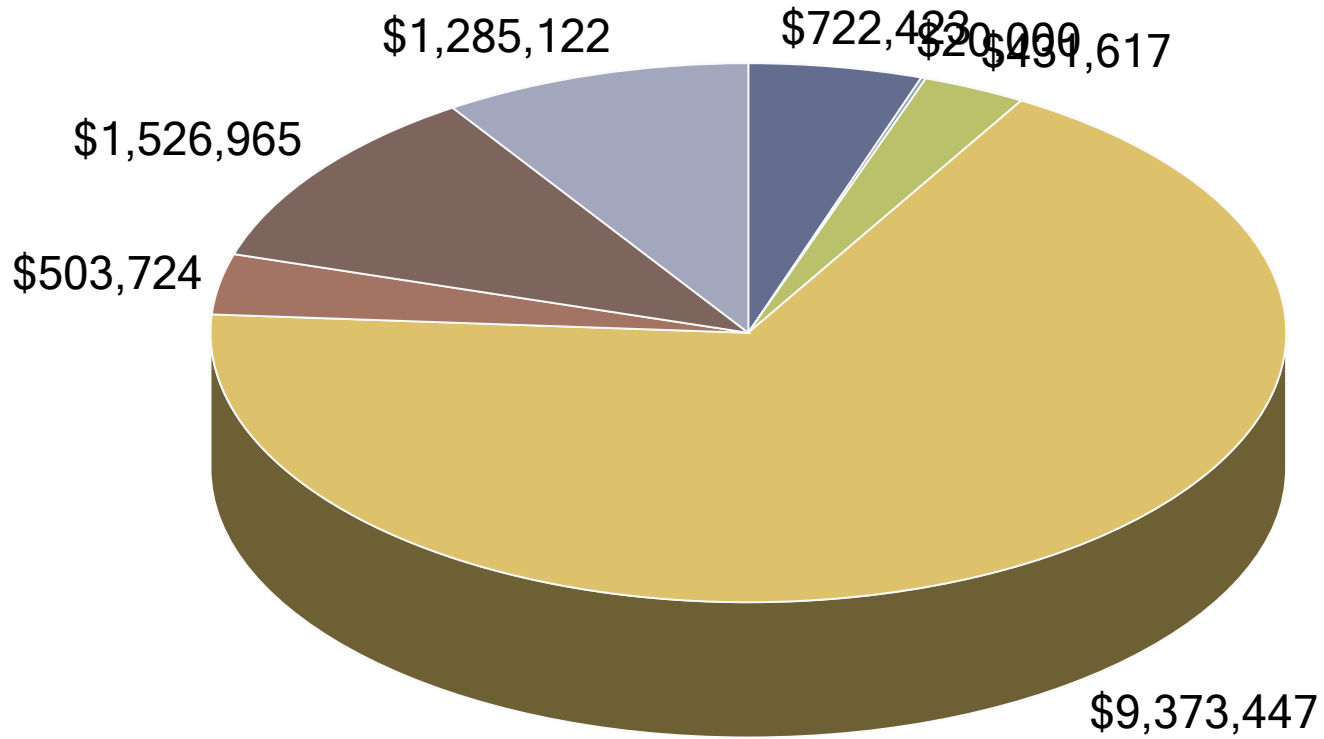


Revenue by Source

	AUDITED	AUDITED	AUDITED	Revised	Projected
DESCRIPTION	FY2012	FY2013	FY2014	FY2015	FY2016
BOROUGH APPROPRIATION	1,028,792	772,513	735,594	722,423	722,423
INTEREST	35,587	29,426	29,616	20,000	20,000
OTHER LOCAL	423,688	529,158	391,710	386,617	431,617 54
STATE FOUNDATION	8,980,346	9,079,542	8,251,292	8,903,382	9,373,447
OTHER STATE – one-time	138,463	178,138	304,279	340,074	217,445
OTHER STATE - Broadband				358,992	286,279
ERATE – direct expense offset	604,638	580,442	538,338	697,088	1,526,965
Impact Aid	2,357,466	2,288,380	1,668,949	1,465,023	1,285,122
TOTAL	13,568,980	13,457,599	11,919,778	12,893,599	13,863,298



Revenue by Source FY2016 Projected



- Borough Appropriation
- Other Local
- Other State
- Impact Aid
- Interest
- State Foundation
- Erate Revenue

Expenditures by Type

DESCRIPTION	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Revised	FY2016 Projected
CERTIFICATED SALARIES	\$3,421,884	\$3,727,944	\$3,572,896	\$3,685,729	\$3,976,787
NON-CERTIFICATED	\$1,693,811	\$1,708,737	\$1,946,706	\$1,945,442	\$1,918,592
FRINGE BENEFITS	\$2,568,996	\$2,117,194	\$2,063,358	\$2,672,435	\$2,296,076
Travel Allowance	\$45,419	\$49,912	\$44,828	\$46,500	\$56,400
Housing Allowance	\$454,042	\$500,407	\$400,968	\$407,000	\$408,200
PROF AND TECH SERVICES	\$239,785	\$175,271	\$228,344	\$249,450	\$316,100
TRAVEL	\$830,026	\$992,228	\$968,919	\$911,000	\$922,000
UTILITIES	\$2,122,625	\$1,926,810	\$1,791,288	\$2,430,525	\$3,044,542
SERVICES AND INSURANCE	\$143,355	\$213,332	\$228,457	\$183,590	\$222,320
DEBT SERVICE	\$61,219	\$63,153	\$0	\$0	\$0
SUPPLIES & EXPENSES	\$610,233	\$553,944	\$556,477	\$439,500	\$442,990
TUITION AND STIPENDS	\$10,200	\$9,150	\$24,000	\$14,000	\$15,000
OTHER & INDIRECT COSTS	(\$20,663)	(\$47,532)	(\$27,389)	(\$35,400)	(\$28,928)
EQUIPMENT	\$0	\$11,577	\$19,246	\$10,000	\$5,000
TRANSFERS	\$1,387,565	\$983,446	\$960,087	\$400,000	\$400,000
TOTAL	\$13,568,497	\$12,985,573	\$12,778,185	\$13,359,771	13,995,079

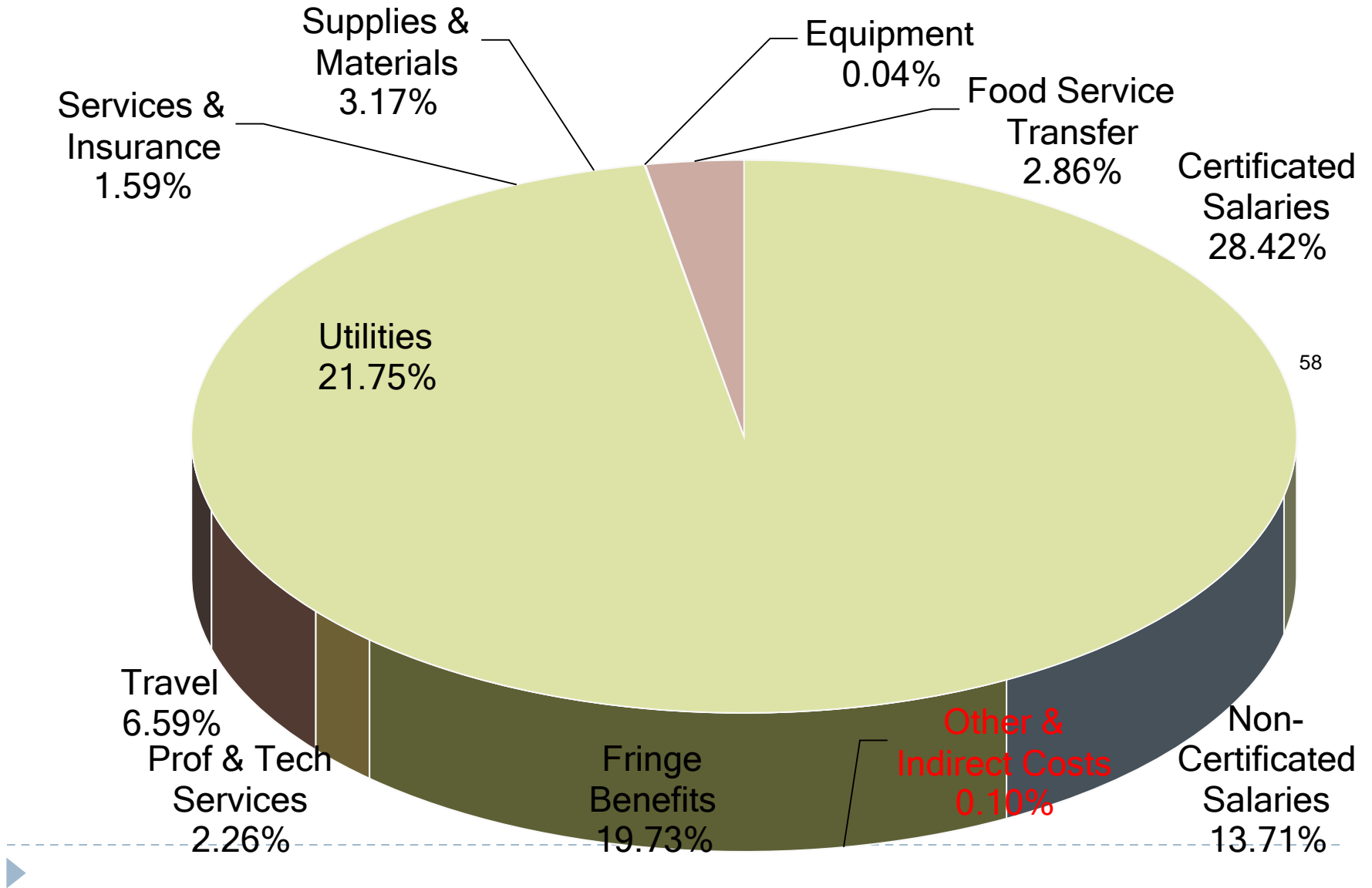
Summary of Budget reduction for 2015-2016 School Year

Summary of Budget Increases for 2015-2016 School Year

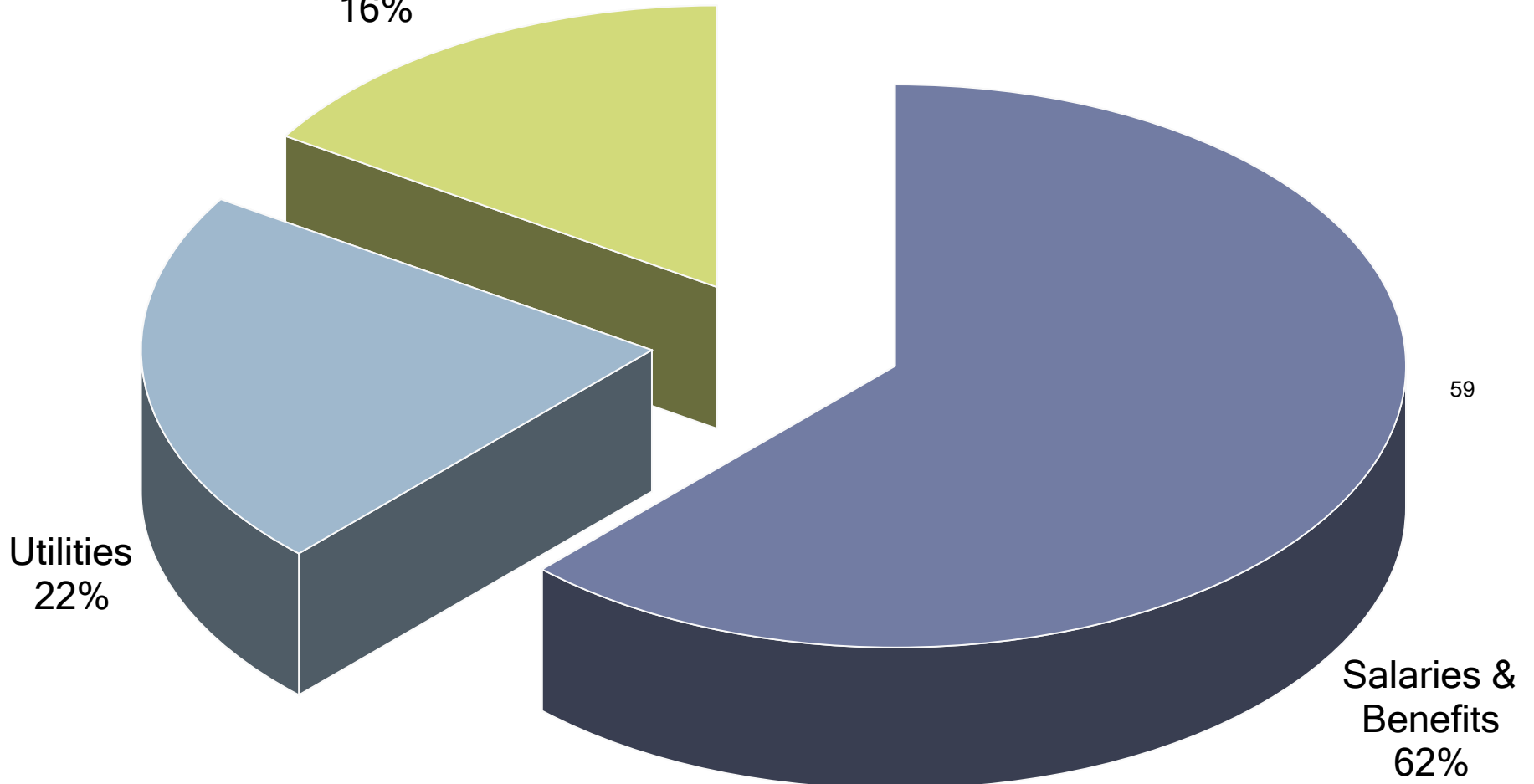
Staffing		Staffing	
1 FTE teacher Kokhanok (enrollment decrease)	\$ (72,793)	.5 FTE Levelock (enrollment increase)	\$ 35,422
1 FTE maintenance	\$ (104,832)	Tutors - end of grant - migrant partial funding	\$ 37,757
Reduce summer cleaning to 2 weeks in August	\$ (30,000)	.5 FTE Counselor - end of grant	\$ 46,519
.3 FTE Maintenance	\$ (29,272)	.5 FTE tutoring coordinator - end of grant	\$ 53,065
Eliminate non-emergency overtime est	\$ (70,000)	.56 FTE Federal Programs - .44 FTE paid by contract	\$ 74,470
	<hr/>		<hr/>
	\$ (306,897)		\$ 247,233
		Net Change Staffing	\$ (59,664)
Contracts			
District office cleaning	\$ (21,000)		
Travel			57
Reduce number of staff traveling to graduations	\$ (7,500)		
Supplies & Materials			
Reduction in site budets - instruction	\$ (40,500)		
Operations			
Shut schools off in June and July	\$ (40,592)		
District office garbage pickup	\$ (2,650)		
		Net Decrease all other	\$ (112,242)
		Total Net Decrease	<u>\$ (171,906)</u>



FY2016 Revised Expenditure by Type



FY2016 Revised Expenses



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Deficit Estimate

	Revised FY15	Projected FY16	Projected FY16 without energy funding	Projected FY16 with out broadband	Projected FY16 without both
Revenue	\$12,893,599	\$13,863,298	\$13,645,853	\$13,577,019	\$13,359,574
Total Expenses	\$13,359,771	\$13,995,079	\$13,995,079	\$13,995,079	\$13,995,079 ⁶⁰
Projected Deficit	(\$466,172)	(\$131,781)	(\$349,226)	(\$418,060)	(\$635,505)
50% Deficit Borough paid		(\$65,890)	(\$174,613)	(\$209,030)	(\$317,753)

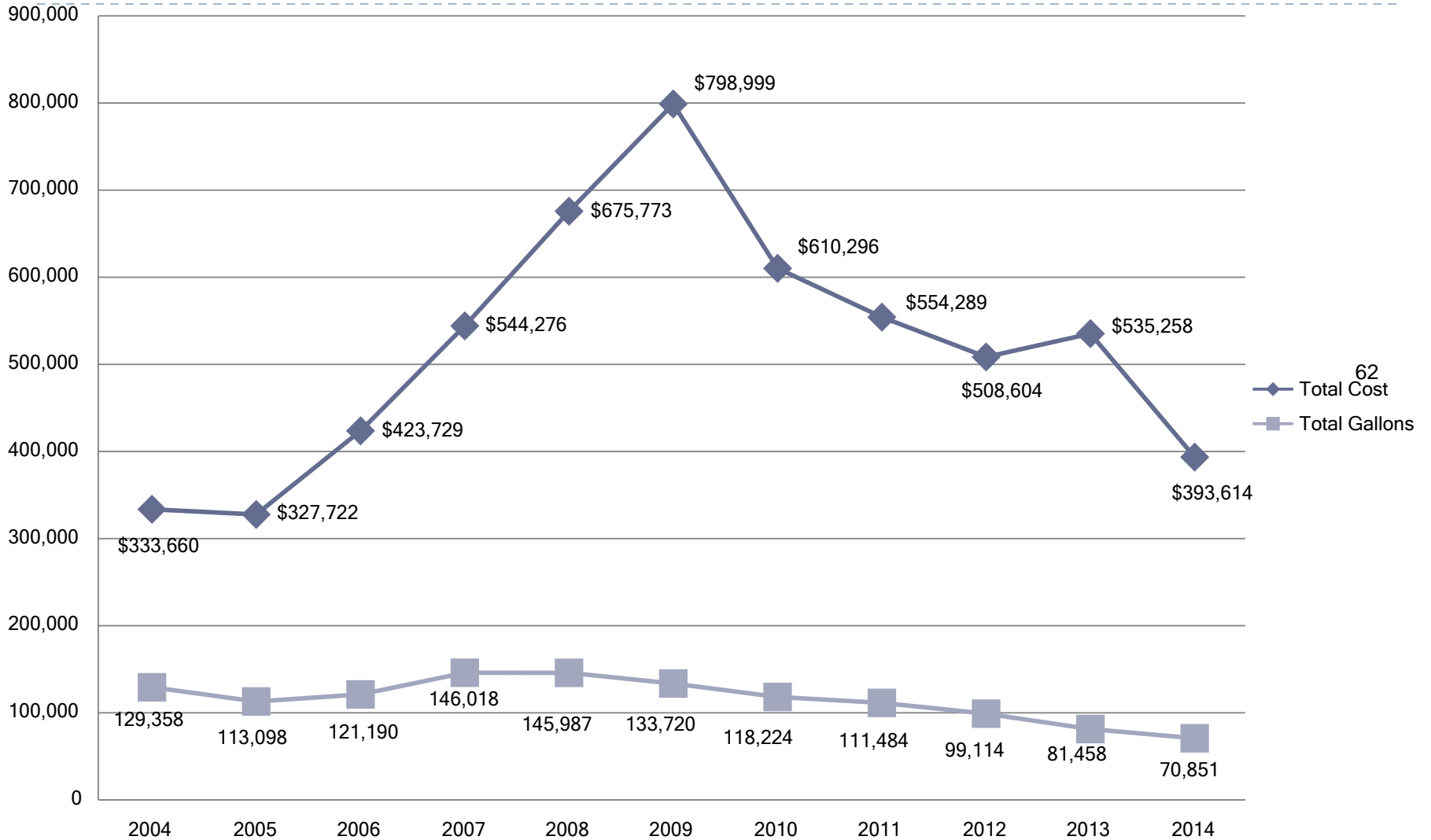


Fund Balance Summary

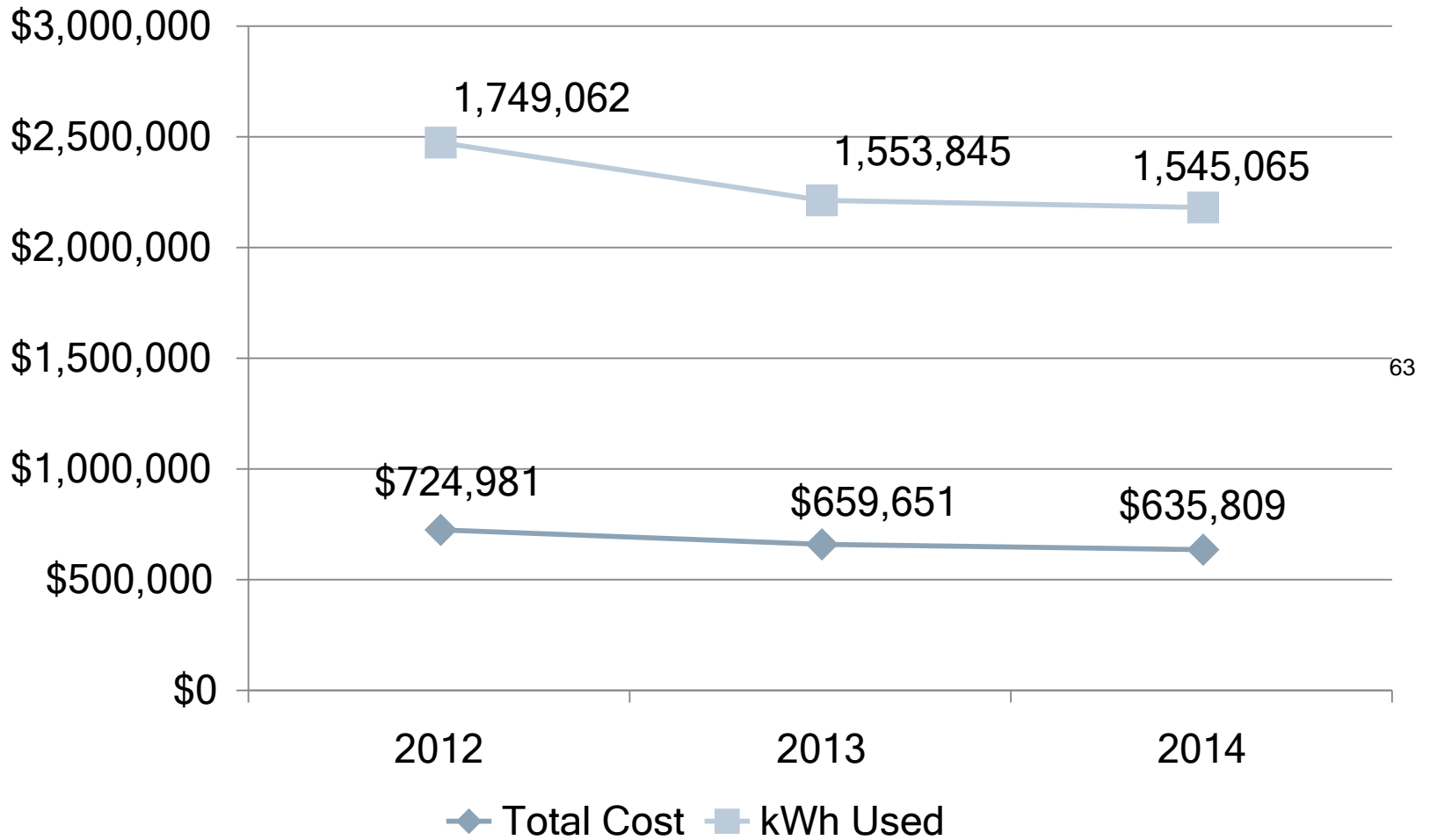
June 30, 2014

	General	Capital Project	Special	Total
Non-spendable:				
Inventory	216,637	-	42,222	258,859
Prepaid Items	20,955	-	-	20,955
Restricted:				
Career & Technical education	130,608	-	-	130,608
Committed:				
Student transportation	-	-	108,461	108,461
Vehicle replacement	-	312,223	-	312,223
Capital grant match and other purposes	-	1,248,891	-	1,248,891
Insurance	150,000	-	-	150,000
Assigned	980,317	-	-	980,317
Unassigned	2,437,937	-	(39,768)	2,398,169
Total fund balances	3,936,454	1,561,114	110,915	5,608,483

Heating Fuel Usage & Cost

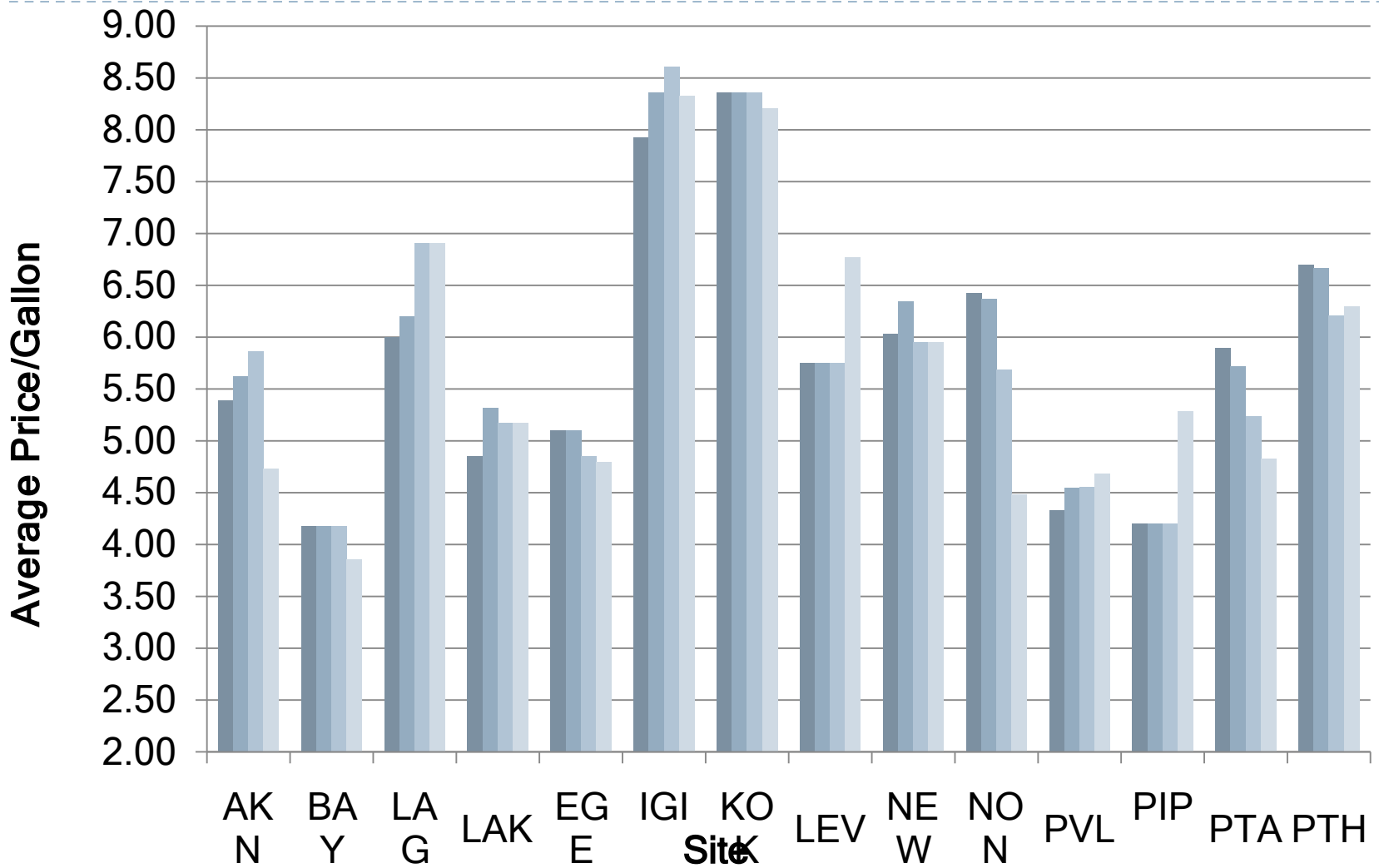


Electrical Cost and Usage



Average Fuel Price by Location

■ 2012 ■ 2013 ■ 2014 ■ 2015



Future Expenditure Considerations

Planning for Technology replacements

- ▶ Student laptops
- ▶ Student desktops
- ▶ Copiers
- ▶ Printers
- ▶ SMARTBoards

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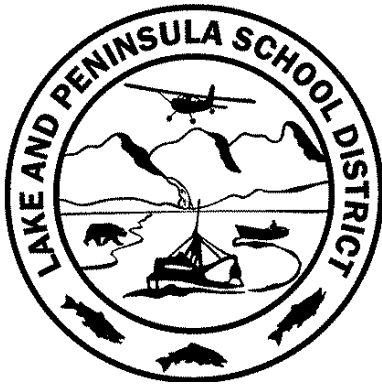
Major Maintenance

- ▶ Tank farm upkeep/repair/replace
- ▶ Vehicles
- ▶ Septic systems
- ▶ Increased square footage
- ▶ Cost to integrate new building systems into operations

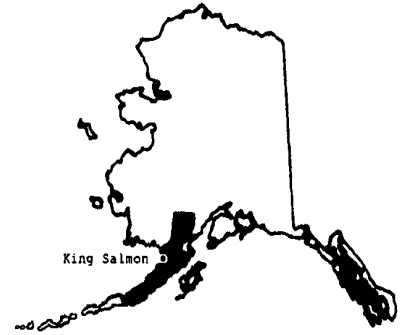


Questions





THE
LAKE AND PENINSULA
SCHOOL DISTRICT
101 Jensen Drive
P.O. Box 498
King Salmon, Alaska 99613
Phone (907) 246-4280 / Fax (907)
246-4473



**Lake and Peninsula School District
FY2016 Projected Budget
July 1, 2015 through June 30 2016**

Submitted for First Reading – March 12, 2015

Based upon the current available information, estimating State Foundation Revenue and Impact Aid entitlements, overall FY2016 revenue projections (including teacher housing) are as follows:

Borough Appropriation	722,423
Local Revenue	451,617
State Foundation	9,373,447
State Broadband Support*	286,279
Energy Funding**	217,445
TRS On Behalf of	669,824
PERS On Behalf of	102,511
Federal Sources	2,812,087
Fund Balance	<u>131,781</u>
Total	\$14,767,414

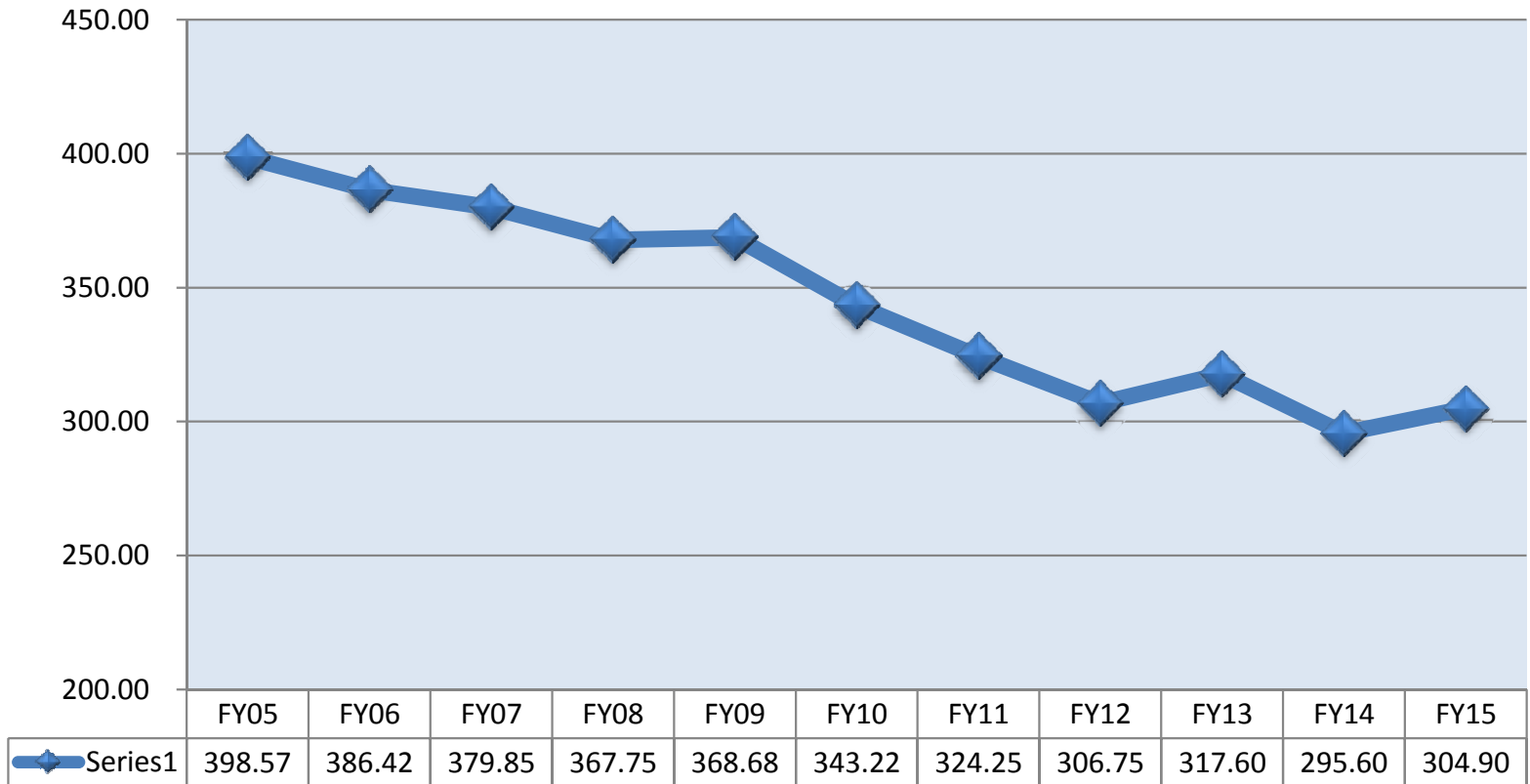
The School District has prepared a projected expenditure budget in the amount of \$14,700,913 in anticipated expenditures and transfers. The budget provides expenditures in the instruction categories of 69%. The District requested and received a waiver of the statutory provision that 70% of the general fund budget (excluding transfers) for all school districts be spent on instructional categories.

Due to SB53 the State is contributing directly to the retirement system an amount equal to the difference between our actuarially set contribution rate and the actual set by SB53 for FY2016. For LPSD the TRS is 29.27% vs. 12.56% and for the PERS 27.19% vs. 22%. The revenue amounts listed above for on behalf of contributions reflects management’s estimate of this contribution. The estimated expenses are recorded in this budget by function.

The Alaska State Board of Education adopted a new Chart of Accounts for Alaska School Districts which was effective July 1, 2002. This may limit the usefulness of the historical information for comparison. This reclassification does not represent any change in actual programs but simply a re-ordering of expenditures in some of the functional categories.

*State Broadband support is in the Governor’s budget and was removed by House Finance.
**Energy support was included in SB278 as part of the 3-year funding; it was removed in the Governor’s budget.

LPSD Foundation Average Daily Membership October Count



Summary of Budget reduction for 2015-2016 School Year

Summary of Budget Increases for 2015-2016 School Year

Staffing

1 FTE teacher Kokhanok (enrollment decrease)	\$ (72,793)
1 FTE maintenance	\$ (104,832)
Reduce summer cleaning to 2 weeks in August	\$ (30,000)
.3 FTE Maintenance	\$ (29,272)
Eliminate non-emergency overtime est	\$ (70,000)

Staffing

.5 FTE Levelock (enrollment increase)	\$ 35,422
Tutors - end of grant - migrant partial funding	\$ 37,757
.5 FTE Counselor - end of grant	\$ 46,519
.5 FTE tutoring coordinator - end of grant	\$ 53,065
.56 FTE Federal Programs - .44 FTE paid by contract	\$ 74,470

\$ (306,897)

\$ 247,233

Net Change Staffing

\$ (59,664)

Contracts

District office cleaning	\$ (21,000)
--------------------------	-------------

Travel

Reduce number of staff traveling to graduations	\$ (7,500)
---	------------

Supplies & Materials

Reduction in site budets - instruction	\$ (40,500)
--	-------------

Operations

Shut schools off in June and July	\$ (40,592)
District office garbage pickup	\$ (2,650)

Net Decrease all other

\$ (112,242)

Total Net Decrease

\$ (171,906)

THE LAKE AND PENINSULA SCHOOL DISTRICT
BUDGET INFORMATION

DESCRIPTION	Revised FY15	Projected FY16	Difference
BOROUGH APPROPRIATION	\$722,423	\$722,423	\$0
INTEREST	\$20,000	\$20,000	\$0
ERATE	\$697,088	\$1,526,965	\$829,877
OTHER LOCAL	\$386,617	\$431,617	\$0
STATE FOUNDATION	\$8,903,382	\$9,373,447	\$470,065
OTHER STATE	\$340,074	\$217,445	(\$122,629)
OTHER STATE - RETIRE OB TRS	\$2,197,177	\$669,824	(\$1,527,353)
OTHER STATE - RETIRE OB PERS	\$276,483	\$102,511	(\$173,972)
OTHER STATE - BROADBAND	\$358,992	\$286,279	(\$72,713)
IMPACT AID	\$1,465,023	\$1,285,122	(\$179,901)
TOTAL	\$15,367,259	\$14,635,633	\$90,457
TOTAL BUDGETED REVENUES	\$15,367,259	\$14,635,633	\$90,457

THE LAKE AND PENINSULA SCHOOL DISTRICT
BUDGET INFORMATION

DESCRIPTION	Revised FY15	Projected FY16	Difference
GENERAL INSTRUCTION			
CERTIFICATED SALARIES	\$2,495,100	\$2,334,500	(\$160,600)
NON-CERTIFICATED	\$268,242	\$426,066	\$157,824
EMPLOYEE BENEFITS	\$1,314,300	\$1,000,354	(\$313,946)
PERS OB	\$43,955	\$17,654	(\$26,301)
TRS OB	\$1,418,110	\$404,624	(\$1,013,486)
HOUSING SUBSIDY	\$304,500	\$295,800	(\$8,700)
TRAVEL ALLOWANCE	\$36,000	\$36,000	\$0
PROF AND TECH SERVICES	\$75,200	\$75,200	\$0
STAFF TRAVEL	\$60,000	\$65,000	\$5,000
STUDENT TRAVEL	\$123,000	\$122,000	(\$1,000)
COMMUNICATIONS	\$499,037	\$388,777	(\$110,260)
PURCHASED SERV AND INSURANCE	\$0	\$0	\$0
SUPPLIES & MATERIALS	\$163,000	\$184,490	\$21,490
TUITION AND STIPENDS	\$0	\$0	\$0
OTHER AND INDIRECT COSTS	\$0	\$1,500	\$1,500
EQUIPMENT	\$10,000	\$0	(\$10,000)
TOTAL GENERAL INSTRUCTION	\$6,810,444	\$5,351,965	(\$1,458,479)
SPECIAL EDUCATION			
CERTIFICATED SALARIES	\$361,300	\$371,800	\$10,500
NON-CERTIFICATED	\$195,000	\$206,300	\$11,300
EMPLOYEE BENEFITS	\$248,900	\$167,900	(\$81,000)
PERS OB	\$20,690	\$7,550	(\$13,140)
TRS OB	\$210,212	\$71,301	(\$138,911)
HOUSING SUBSIDY	\$52,000	\$51,000	(\$1,000)
TRAVEL ALLOWANCE	\$1,200	\$3,800	\$2,600
PROF AND TECH SERVICES	\$0	\$0	\$0
STAFF TRAVEL	\$46,000	\$63,000	\$17,000
SUPPLIES & MATERIALS	\$4,000	\$4,000	\$0
OTHER AND INDIRECT COSTS	\$0	\$0	\$0
TOTAL SPECIAL EDUCATION	\$1,139,302	\$946,651	(\$192,651)
SPECIAL ED-SUPPORT SERV.			
PROF AND TECH SERVICES	\$46,250	\$126,500	\$80,250
STAFF TRAVEL	\$4,000	\$4,000	\$0
COMMUNICATION	\$200	\$200	\$0
SUPPLIES & MATERIALS	\$0	\$0	\$0
TOTAL SPECIAL ED-SUPPORT SERV.	\$50,450	\$130,700	\$80,250
SUPPORT SERVICES-PUPILS			
CERTIFICATED SALARIES	\$113,300	\$144,700	\$31,400
EMPLOYEE BENEFITS	\$41,900	\$43,000	\$1,100
PERS OB	\$28,245	\$10,307	(\$17,938)
TRS OB	\$84,098	\$27,344	(\$56,754)
HOUSING SUBSIDY	\$10,500	\$10,200	(\$300)
TRAVEL ALLOWANCE	\$1,600	\$1,600	\$0
STAFF TRAVEL	\$12,000	\$12,000	\$0
COMMUNICATIONS	\$100	\$100	\$0
SUPPLIES & MATERIALS	\$0	\$0	\$0
TOTAL SUPPORT SERVICES-PUPILS	\$291,743	\$249,251	(\$42,492)
SUPPORT SERV.-INSTRUCTION			
CERTIFICATED SALARIES	\$103,900	\$428,700	\$324,800
NON-CERTIFICATED	\$223,000	\$152,300	(\$70,700)
EMPLOYEE BENEFITS	\$146,500	\$220,100	\$73,600
PERS OB	\$45,249	\$16,513	(\$28,736)
TRS OB	\$105,798	\$51,169	(\$54,629)

THE LAKE AND PENINSULA SCHOOL DISTRICT
BUDGET INFORMATION

<u>DESCRIPTION</u>	<u>Revised FY15</u>	<u>Projected FY16</u>	<u>Difference</u>
HOUSING SUBSIDY	\$15,000	\$30,800	\$15,800
TRAVEL ALLOWANCE	\$1,200	\$8,500	\$7,300
PROF AND TECH SERVICES	\$65,000	\$38,400	(\$26,600)
STAFF TRAVEL	\$100,000	\$90,000	(\$10,000)
COMMUNICATIONS	\$697,088	\$1,526,965	\$829,877
SUPPLIES & MATERIALS	\$50,000	\$35,000	(\$15,000)
OTHER AND INDIRECT COSTS	\$1,000	\$1,000	\$0
TOTAL SUPPORT SERV.-INSTRUCTION	\$1,553,735	\$2,599,447	\$1,045,712
SCHOOL ADMINISTRATION			
CERTIFICATED SALARIES	\$349,600	\$403,600	\$54,000
EMPLOYEE BENEFITS	\$143,900	\$127,020	(\$16,880)
TRS OB	\$228,484	\$83,708	(\$144,776)
HOUSING SUBSIDY	\$25,000	\$20,400	(\$4,600)
TRAVEL ALLOWANCE	\$4,000	\$4,000	\$0
STAFF TRAVEL	\$60,000	\$60,000	\$0
SUPPLIES & MATERIALS	\$1,000	\$1,000	\$0
TOTAL SCHOOL ADMINISTRATION	\$811,984	\$699,728	(\$112,256)
SCHOOL ADMIN SUPPORT			
NON-CERTIFICATED	\$36,850	\$35,000	(\$1,850)
EMPLOYEE BENEFITS	\$18,400	\$17,500	(\$900)
PERS OB	\$3,353	\$1,224	(\$2,129)
COMMUNICATIONS	\$4,000	\$4,000	\$0
SUPPLIES & MATERIALS	\$500	\$500	\$0
TOTAL SCHOOL ADMIN SUPPORT	\$63,103	\$58,224	(\$4,879)
BOARD & ADMINISTRATION			
CERTIFICATED SALARIES	\$172,445	\$201,637	\$29,192
NON-CERTIFICATED	\$0	\$0	\$0
EMPLOYEE BENEFITS	\$202,735	\$197,902	(\$4,833)
PERS OB	\$0	\$0	\$0
TRS OB	\$100,334	\$22,992	(\$77,342)
TRAVEL ALLOWANCE	\$1,000	\$1,000	\$0
PROF AND TECH SERVICES	\$10,000	\$10,000	\$0
STAFF TRAVEL	\$75,000	\$75,000	\$0
COMMUNICATIONS	\$9,500	\$4,000	(\$5,500)
PURCHASED SERV AND INSURANCE	\$3,500	\$3,500	\$0
SUPPLIES & MATERIALS	\$18,000	\$15,000	(\$3,000)
TUITION AND STIPENDS	\$14,000	\$15,000	\$1,000
OTHER AND INDIRECT COSTS	\$12,000	\$12,000	\$0
TOTAL BOARD & ADMINISTRATION	\$618,514	\$558,031	(\$60,483)
DISTRICT ADMIN SUPPORT SERV.			
NON-CERTIFICATED	\$318,500	\$334,106	\$15,606
EMPLOYEE BENEFITS	\$146,100	\$166,800	\$20,700
PERS OB	\$42,852	\$15,638	(\$27,214)
TRAVEL ALLOWANCE	\$1,000	\$1,000	\$0
PROF AND TECH SERVICES	\$28,000	\$29,000	\$1,000
STAFF TRAVEL	\$15,000	\$15,000	\$0
COMMUNICATIONS	\$600	\$500	(\$100)
PURCHASED SERV AND INSURANCE	\$3,500	\$3,500	\$0
PURCHASED SERV AND INSURANCE	\$32,200	\$35,420	\$3,220
SUPPLIES & MATERIALS	\$20,000	\$20,000	\$0
OTHER AND INDIRECT COSTS	(\$54,400)	(\$49,428)	\$4,972
EQUIPMENT	\$0	\$5,000	\$5,000
TOTAL DISTRICT ADMIN SUPPORT SERV.	\$553,352	\$576,536	\$23,184

MAINTENANCE

THE LAKE AND PENINSULA SCHOOL DISTRICT
BUDGET INFORMATION

<u>DESCRIPTION</u>	<u>Revised FY15</u>	<u>Projected FY16</u>	<u>Difference</u>
NON-CERTIFICATED	\$867,000	\$727,970	(\$139,030)
EMPLOYEE BENEFITS	\$360,200	\$302,000	(\$58,200)
PERS OB	\$91,033	\$33,221	(\$57,812)
TRAVEL ALLOWANCE	\$500	\$500	\$0
PROF AND TECH SERVICES	\$25,000	\$37,000	\$12,000
STAFF TRAVEL	\$150,000	\$150,000	\$0
UTILITY SERVICES	\$85,000	\$80,000	(\$5,000)
UTILITY SERVICES	\$675,000	\$630,000	(\$45,000)
UTILITY SERVICES	\$460,000	\$410,000	(\$50,000)
PURCHASED SERV AND INSURANCE	\$35,000	\$27,800	(\$7,200)
PURCHASED SERV AND INSURANCE	\$107,400	\$150,000	\$42,600
SUPPLIES & MATERIALS	\$180,000	\$180,000	\$0
TOTAL OPERATION AND MAINTENANCE OF	\$3,036,133	\$2,728,491	(\$307,642)
PUPIL ACTIVITIES			
CERTIFICATED SALARIES	\$90,084	\$91,850	\$1,766
NON-CERTIFICATED	\$36,850	\$36,850	\$0
EMPLOYEE BENEFITS	\$49,500	\$53,500	\$4,000
PERS OB	\$1,106	\$404	(\$702)
TRS OB	\$50,141	\$8,686	(\$41,455)
STUDENT TRAVEL	\$266,000	\$266,000	\$0
PURCHASED SERV AND INSURANCE	\$800	\$800	\$0
PURCHASED SERV AND INSURANCE	\$1,190	\$1,300	\$110
SUPPLIES & MATERIALS	\$3,000	\$3,000	\$0
OTHER AND INDIRECT COSTS	\$6,000	\$6,000	\$0
TOTAL PUPIL ACTIVITIES	\$504,671	\$468,390	(\$36,281)
TRANSFERS			
TRANSFER OTHER	\$400,000	\$400,000	\$0
TOTAL TRANSFERS	\$400,000	\$400,000	\$0
TOTAL BUDGETED EXPENDITURES	\$15,833,431	\$14,767,414	(\$1,066,017)

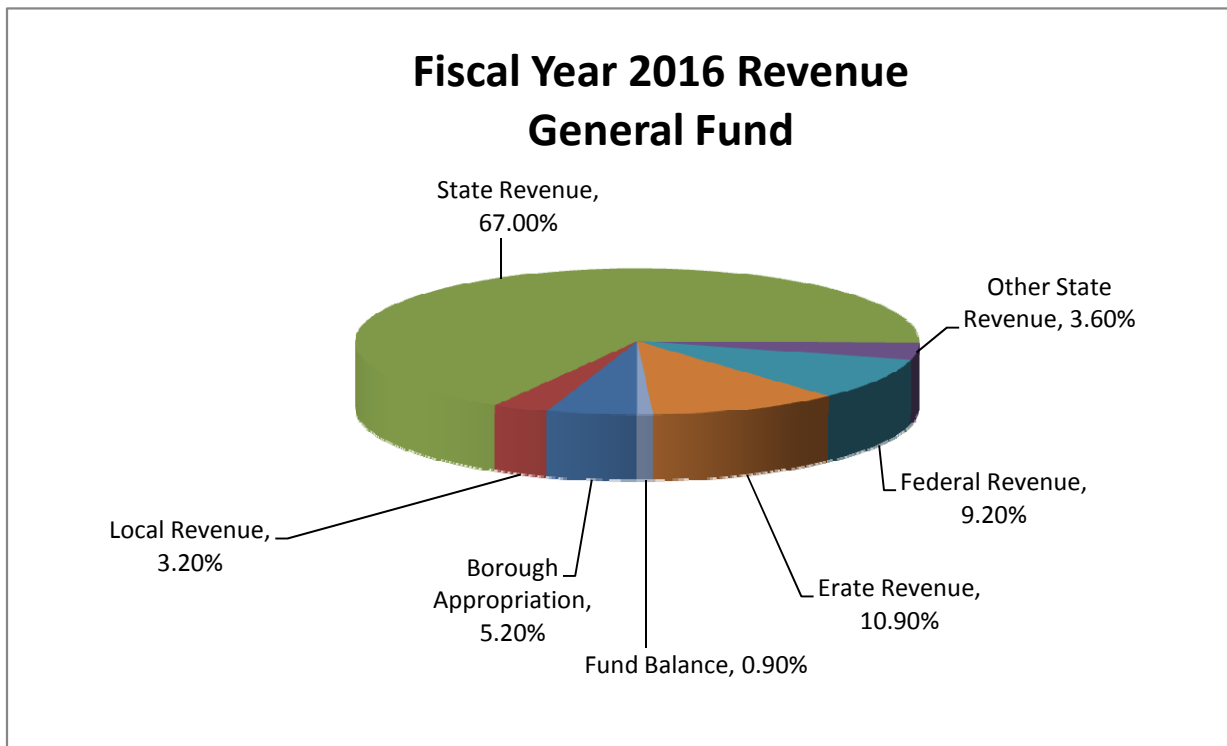
Lake and Peninsula Borough School District

General Fund FY16 Budget
Without PERS & TRS On-Behalf

Revenue

Borough Appropriation	\$ 722,423	5.20%
Local Revenue	451,617	3.20%
State Revenue	9,373,447	67.00%
Other State Revenue	503,724	3.60%
Federal Revenue	1,285,122	9.20%
Erate Revenue	1,526,965	10.90%
Fund Balance	131,781	0.90%
Total Revenue Budget	<u>\$ 13,995,079</u>	<u>100.00%</u>

As this chart illustrates, the primary source of funding for the Lake and Peninsula Borough School District is the State of Alaska. The Lake and Peninsula Borough funds the District's local contribution, through a funding appropriation. An amount comes from the federal government in the form of Impact Aid. The category of "Other Revenue" includes E-Rate revenue.

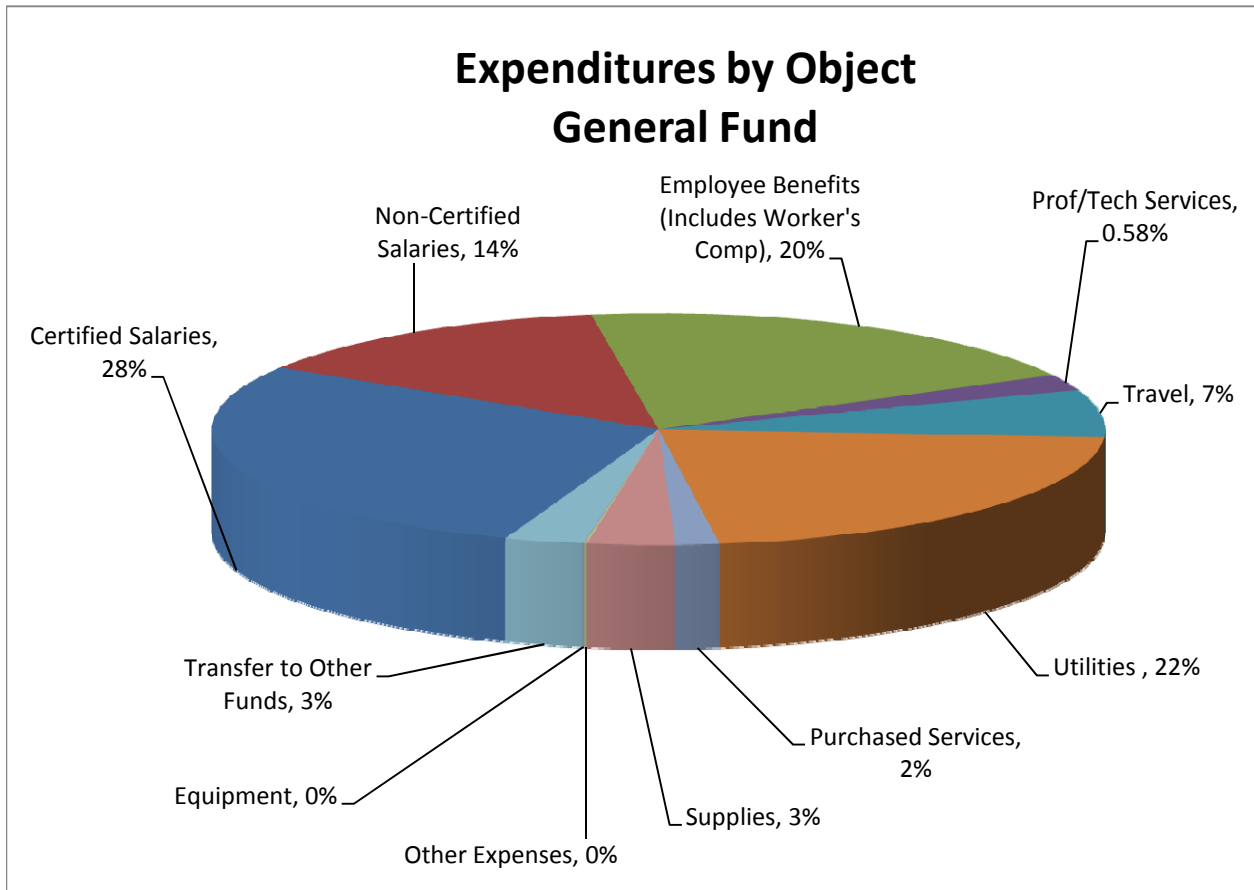


Lake and Peninsula Borough School District

General Fund FY16 Budget
Without PERS & TRS On-Behalf

Expenditures by Object

Certified Salaries	\$ 3,976,787	28%
Non-Certified Salaries	1,918,592	14%
Employee Benefits (Includes Worker's Comp)	2,760,676	20%
Professional/Technical Services	316,100	2%
Travel	922,000	7%
Utilities	3,044,542	22%
Purchased Services	222,320	2%
Supplies	442,990	3%
Other Expenses	(13,928)	0%
Equipment	5,000	0%
Transfer to Other Funds	400,000	3%
	<u>\$ 13,995,079</u>	<u>100.02%</u>



A School Trip Proposal for May 2015

Chignik Lake School

Peksulineq (Cultural Heritage Week)

Sponsored by the Copper Mountain Foundation



OVERVIEW

We at Chignik Lake School have been invited to attend the 2015 Peksulineq Festival, scheduled this year to take place from May 11th through the 15th. This is a one-week Alutiiq cultural festival that has been hosted annually (since 1994) by the Native Village of Tatitlek located in the Prince William Sound.

The opportunity this festival provides to our students for interpersonal development and cultural education is tremendous. The festival has a long history and is well organized and well attended. Moreover, Chignik Lake is also an Alutiiq village and the traditional ways learned in Tatitlek can be brought home, thus engendering conversation with elders and parents, thereby strengthening our own sense of heritage and community. As stated on the festival's website: "In addition to cultural preservation, the goal of the Peksulineq Festival is to provide an opportunity for students, elders, and instructors to share and learn the Native arts, lifestyle, and language of the Alutiiq people." More information can be found at the official website: <http://www.tatitlekcultureweek.com/>

The organizers have generously offered to provide us with round-trip transportation between Anchorage and Tatitlek, as well as accommodations and meals once we arrive on site. Our proposed budget will therefore include airfare from Chignik Lake to Anchorage along with a reserve fund for meals and hotel accommodations should layovers (coming or going) be necessary.

As it stands, we have seven students who are eligible for travel. Five have expressed interest at this point. The organizers of the festival have indicated that we can take at least three students and two chaperones, but the number of students may be increased to five (see attached email correspondence).

SPECIFICS

Festival Organization Point of Contact:

Nichole Palmer at npalmer@tatitlek.csd.schoolaccess.net

Transportation Plan:

On Saturday, May 9th, our group will fly to Anchorage to join other groups who will take a bus to Whittier. The groups will then take the ferry together to Tatitlek. They will return to Whittier by ferry on May 16th. A bus will transport them to Anchorage. The bus and ferry expenses will be paid by the Peksulineq Festival organizers. On Sunday, May 17th, our group would return to the village by air.

Estimated Funds:

Estimated Group Costs:

Roundtrip airfare/Chignik Lake to Anchorage (budgeted for seven):	\$9,100
Meals, additional transportation & lodging:	\$2,000
“Sea Otter Supporter” donation (proposed):	<u>\$1,000</u>
Total	\$12,100

Explanation of Budget:

The airfare cost for five students and two chaperones is estimated to be \$1,300 each (total of \$9,100, based on current pricing on Lake Clark Air). The cost for contingent overnight expenses includes two nights lodging for seven, transportation, and meals in transit. That is: four rooms at \$150 per room for a total of \$600 each night (\$1,200 for two nights), leaving \$800 for transportation and meals. In order to defray some of the costs to the festival organizers, we have offered to become “Sea Otter” level sponsors. This would require a donation of \$1,000. As of this writing the logistics of the donation have not been worked out.

At last report, we have \$5,280.44 in our student government account. This is after several large orders (Student Store inventory, sports uniforms, sweatshirts) have been placed and paid for. We expect to recoup the cost for these in the coming months as well as hosting several fundraising activities.

The current student government account balance is around \$12,000. Students are continuing to fund raise operating the student store.

GENERAL INFORMATION AND EMAIL CORRESPONDENCE

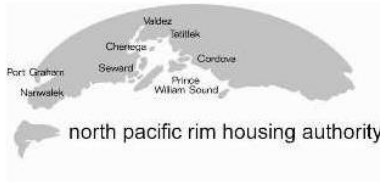
Donors to 2015 Peksulineq Festival:

(from the web page: http://www.tatitlekcultureweek.com/Default.aspx?m_id=182)

Peksulineq (Cultural Heritage Week)
Sponsored by the Copper Mountain Foundation

Home | About | Participation | Evening Activities | Auction | Our Sponsors | Contact Us | Gallery

----- **Mountain Goat Supporters \$5,000** -----



----- Deer Supporters \$2,500 -----

LANDYE BENNETT
BLUMSTEIN LLP
ATTORNEYS





---- Sea Otter Supporters \$1,000 ----



Valdez School

---- Halibut Supporters \$500 ----



Valdez Native Tribe

COPY OF EMAIL CONVERSATION WITH NICHOLE PALMER

On Oct 9, 2014, at 12:45 PM, Robert Fagerquist <rfagerquist@lpsd.com> wrote:

Good morning,

I was given your name as a point of contact by Judy Youngquist who mentioned that we could possibly join you for your Cultural Heritage Week next May - "we" are Chignik Lake School, out here near the end of the Alaska Peninsula. I've mentioned this idea to

my class (I'm the middle and high school teacher), and it was met with great enthusiasm. We checked out your website and some of the students thought they recognized a few of the people in the photos.

This year we have 6-8 possible graduates out of a school of only 17 students, and it would be nice to give them a nice send-off. Obviously it would be great for all our kids to participate as we don't have many venues for interaction with other schools or organizations outside of our school district, and we haven't had a culture week or spirit camp here for quite some time.

I have been doing some background work to see if this would even be feasible for us, and it looks like we could make it happen. We would need to get some fundraisers going. We have several planned already, but I don't want to jump the gun. To start at the beginning (if you do think it would be a good idea for us to join you), please let us know what you would expect from us and what you suggest we bring. What would we do for lodging? Should we bring food or other items/materials? I'm trying to get an approximate budget so that I can present it to the school board and to the school district administration. As this is the first trip I have attempted outside the school district, I'm trying to meet as many challenges as possible ahead of time so that, when the time comes, we can relax and enjoy the experience.

Thank you for your time, and we are looking forward to hearing from you,

Rob Fagerquist
High School Generalist
Chignik Lake School
(907) 845-2210

On November 13, 2014 at 1:12:21 PM Nichole Palmer wrote:

Nichole Palmer <npalmer@tatitlek.csd.schoolaccess.net> writes:

Hello!

We had our school numbers meeting today and I discussed the possibility of you bringing your students. Unfortunately we are having housing issues and need to decrease the number of student invites. We do however want to allow you some spots but weren't sure if you could still commit if you were only allowed to bring a smaller number of students? We are having to cut all of our schools in half so we were thinking of allowing you to bring around 3 students. Let me know if you would still be interested if this was the case. We need to have a rough number by next week.

Thanks!

On Nov 18, 2014, at 11:16 AM, Robert Fagerquist <rfagerquist@lpsd.com> wrote:

Thanks for getting back to me. I have spent the weekend and Monday and Tuesday recalibrating and discussing with the students - and I have a question or two, if I may.

But, before anything else, please accept our deepest gratitude for

the invitation. We are all very excited here.

Here's what we have: 11 students, of which 2 are ineligible for travel (super-seniors), 2 have not expressed interest in going. That leaves us with 7. So, my first question: is three the maximum you can go? If you had perhaps room to squeeze in five, that would be great. In truth, I think we'd only have three or four in the end, but that remains to be seen. If three is indeed the absolute maximum, we can make due. We'd have to come with a system to choose who can go, but we can work that out.

Also, our district requires two chaperones, male and female. Are they accounted for in the total?

Next, is there any way we can help defray the costs? We have been discussing becoming a sponsor to show our appreciation. I am writing up the proposal to go before our school board and in it I suggest becoming a Sea Otter sponsor (\$1000). We are open to all suggestions.

Finally, the travel: our budget presently includes travel to Anchorage. Do you have any suggestions on how to get to Tatitlek? Possibilities include flying to Whittier directly and catching the ferry, or finding other transportation (bus, I guess) from Anchorage to Whittier, then on the ferry.

Thanks again for all your help,

Rob Fagerquist
High School Generalist
Chignik Lake School
(907) 845-2210

On November 20, 2015 10:28:20 AM Nichole Palmer wrote:

Good questions. We would provide transportation for you to the village perhaps by plane or ferry from Whittier. We would also help figure out a way to get you to Whittier if you paid your way all the way to Anchorage. Currently the committee has 3 slots for you not counting your two chaperones but I am advocating to get you more. It may happen but I'm not quite sure as of now. We needed to make sure you still wanted to come if you were limited. We have another meeting next week and I plan to take this info to them. I'll be in touch and let you know what I come up with. Please count on attending with at least 3 students possibly more.

If you would like to discuss this in more detail before then, please feel free to call me. I'm free after noon each day as I only teach half days and we can chat more if needed.

OUT OF DISTRICT LPSD STUDENT TRAVEL
Chignik Lake Student Travel for the
Peksulineq Festival in Tatitlek, May 9-16th

C13b Non-District Sponsored Out of District Travel Request

1. What is the purpose of the trip? How does this trip support instruction? Has it been tied to standards?
The purpose of the trip is to connect students with the celebration of their traditional culture in another village in the hope of beginning a celebration of Alutiiq culture in Chignik Lake.
The trip should address several LPSD cultural awareness standards. These include:
CA 07.01.01.02
Identifies traditional role of elders in the local/regional community.
CA 07.01.02.02
Identifies and describes the purpose of local/regional cultural practices and rituals.
In addition, students are supplementing learning in the classroom concerning employability and math in their fundraising work.
2. Please list the names of chaperones and students wishing to attend this trip. Are all students listed eligible to travel?
The chaperones will be secondary teacher, Robert Fagerquist, and parent, Tanya Garner. The students travelling on this trip will be: Shaylin Garner, David Garner, Kendra Brown and Jewel Shangin. All four students are eligible for travel. Mrs. Garner is on the LSAC and has worked for the school as a substitute in the past.
3. Has principal and LSAC approval been secured for this trip?
The principal and LSAC have both approved this trip.
4. How were students selected for this trip?
A point system was established by which students could earn points by participating in fundraising events and other student government activities. Over time, these are the only students still committed to making the trip.
5. Please provide an anticipated daily schedule.
Students will be involved in a number of cultural activities including, beading, skin sewing, drum making, kayak building, mask making, fish processing, basket weaving, wood carving, traditional games, dancing, motivational speakers, dance groups, talent show, community dance and beach science workshops.

6. What arrangements have been made to house students (provide location and contact #)?

The group will overnight in the school under the supervision of chaperones. Nichole Palmer at npalmer@tatitlek.csd.schoolaccess.net, (509)-294-7668, Committee Director, Angela Totemoff, (907)-278-4000

7. What arrangements have been made to assure the safe passage of students to and from this event (please attach travel forms)?

Flight arrangements will have to be made through the district travel coordinator to get from Chignik Lake to Anchorage and back. Travel between Anchorage and Tatitlek is provided by the festival organizers. On May 9, 2015, our group along with others will take a bus from Anchorage to Whittier. A special ferry has been arranged to carry festival participants to Tatitlek. On May 16th, the groups will return to Whittier and then take a bus back to Anchorage. The group will have to stay overnight in Anchorage (accommodations will be worked out with travel coordinator) flying back to Chignik Lake on May 17th.

8. What procedures are in place for responding to emergencies (illness, robberies, death or injury of a family member)?

There are health aides in Tatitlek who can deal with illness/injuries that may arise while there. Flight services can be arranged from Tatitlek to Anchorage in case of emergency.

9. How will serious violation of the rules be handled (theft, sexual misconduct, alcohol/tobacco/drug use, curfew violations, failure to cooperate, abandoning the group)?

It should first be noted that the students travelling are some of our best behaving students. Also, two of the students are children of the female chaperone. If there is a serious violation of the rules, a student could be kept at the school supervised by a chaperone prohibited from further involvement in activities and interaction from other students until departure from Tatitlek. In accordance with board policy, a student could be sent home at the parent's expense if the violation was serious enough.

10. How is the travel to be funded? What is the expense of this trip?

Airfare is estimated to be around \$7800 for six people. We estimate a cost of \$1200 for two nights of hotel stay in Anchorage. We also estimate that we will spend approximately \$600 on food and transportation while in Anchorage. Finally, we propose to donate \$1000 to the festival to help defray the cost of food and board for our group while in Tatitlek for the week. The total cost would be \$10,600. We plan to pay for the trip from student government funds.

11. What arrangements have been made to cover the classes of certified staff members?

We plan to have our graduation the week before this trip. The only two students who are not seniors are planning to be on the trip. If there are students attending Mr. Fagerquist's class during this trip, a substitute will be hired to cover the class.

12. How many days will students be absent from school for this trip?

Students travelling for this activity will miss five school days.

Signature of Site Administrator _____ *J. L. Wood* _____ *3/4/15*

Signature of Trip Organizer _____ *[Signature]* _____ *3/4/15*