



FY27 Preliminary  
 General Fund Budget – Revenue  
 State of Alaska and KPB

Projected Revenue Shortfall  
 of \$7,809,543

|                                     | <b>FY26<br/>Budget</b> | <b>FY27<br/>Preliminary</b> | <b>Difference<br/>between FY26<br/>and FY27</b> |
|-------------------------------------|------------------------|-----------------------------|---|
| State Of Alaska                     | \$76,619,898           | \$72,094,570                | -\$4,525,328                                    |
| Kenai Peninsula<br>Borough          | 62,359,080             | 59,074,865                  | -3,284,215                                      |
| State of Alaska and<br>KPB Revenues | \$138,978,978          | \$131,169,435               | -\$7,809,543                                    |

# Why is consolidation being considered?

The Kenai Peninsula Borough School District continues to face financial pressure from declining enrollment, rising fixed costs, and long-term sustainability challenges.

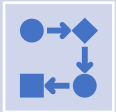
Consolidation is not about short term savings alone. It is about making careful, student focused decisions that protect educational opportunities while minimizing disruption to students, families, and communities.

# How Consolidation Options Were Evaluated



## **Purpose**

The district is addressing long-term financial and enrollment challenges through a student-focused, sustainability-minded approach.



## **Process**

This year's work began with consistent evaluation criteria, not predetermined outcomes.



## **Priority was given to options that:**

- Do not require adding new bus routes
- Keep students in their local communities
- Increase opportunities and options for student
- Do not close the only school in a community
- Preserve facilities for future public or educational use



When these criteria were applied, only a small number of consolidation scenarios met all expectations

# Additional Planning Context

- Fireweed Academy currently holds a lease with the Kenai Peninsula Borough School District for space at West Homer Elementary through FY27.
- Any consolidation planning involving West Homer Elementary must account for existing lease obligations and ensure continuity of educational programming during the lease term.
- No changes to Fireweed's lease or occupancy are proposed as part of this discussion



# Proposed Phased Approach for Board Consideration

## Phase One

- Consolidate Seward Middle School with Seward High School and Seward Elementary

## Phase Two

- Consolidate Paul Banks Elementary with West Homer Elementary
- Continue implementation of the Soldotna Elementary and Redoubt Elementary consolidation

## Phase Three

- Consider consolidation of Sterling Elementary and Tustumena Elementary into a regional Soldotna-area elementary school

## Budget context

The FY27 budget process will help determine whether additional consolidation or adjustments to timing are needed to achieve a balanced budget.

# Considerations:



Board Decision making must include the entirety of balancing the budget through reductions of expenditures. This includes pupil teacher ratio increases, program reductions, activities reductions, and other options



- Student experience, transitions, and continuity
- Educational programming and staffing
- Transportation time and logistics
- Community impact and use of facilities
- Capacity to implement changes thoughtfully and effectively
- Importance of sequencing work to avoid repeated disruption



Final direction should reflect the board's priorities for maintaining strong educational opportunities across the district while maintaining a balanced budget

# What this is and is not

- This work is about long-term sustainability, not short-term fixes.
- It is not about targeting specific schools or communities. It is not about closing the only school in a town or forcing long commutes.
- No decisions are final without Board of Education action, and community input remains an important part of the process.