TO: Mary Wegner, Superintendent
   School Board Members

FROM: Cassee Olin, Business Manager

DATE: August 25, 2016

RE: Governor’s Veto of June 29th, 2016

What the Governor’s Veto means to the Sitka School District is the following:

- General Fund Reduction of: $122,068 made up of $52,092 was a one-time funding that was in HB256, this amount was added last minute in a conference committee and it was not in our adopted budget in April and $69,976 is an actual cut to the Based Student Allocation (BSA)
- Pupil Transportation Reduction of: $48,738 which is funded outside the foundation formula, but if this fund should have a deficit like Ventures or Community Schools, the General Fund would have to transfer funds from fund balance to clear out the deficit.
- Total to the Sitka School District: $170,806

The $620,424 is for Debt Retirement @25% is for Construction bonds that the City and Borough of Sitka still have remaining on their books. When the bonds went out for purchase, the state will help with reimbursement of either 60% or 70%, and therefore with the governor’s veto these reimbursements are reduced by 25%. The $620,424 is a reduction to the City and Borough of Sitka, which is an overall reduction to our community as a whole.

As it stands right now, we are currently in a waiting pattern until our official count happens in October and we know how close we are to our projections. At which time, administration can make a decision on a budget revision and also our FY16 audit will be completed.
## FY2017 Projected State Program Allocations based on Legislative Appropriations - June 29, 2016 DRAFT with Governor's vetoes.

Allocations are subject to adjustment based on individual program requirements.

### Veto Reductions By District

<table>
<thead>
<tr>
<th>Prog/AYM</th>
<th>$4,727,400</th>
<th>$6,350.0</th>
<th>$6,350.0</th>
<th>Debt Retirement</th>
<th>REAA</th>
<th>Subtotal</th>
<th>Vetoed by District</th>
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<tbody>
<tr>
<td>HB2560</td>
<td>Pupil 7th-12th Public School Funding</td>
<td>$965,743,620</td>
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<td>25%</td>
<td>14,110,252</td>
<td>$14,110,252</td>
<td>$227,652</td>
</tr>
</tbody>
</table>

### Subtotals

- **11** Subtotals: 112,833,121,775,503
  - 1,364,270,460
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### Notes

1 Other includes SESA, other adjustments. FY2017 action $10,410,000. Vetoed funds balance contribution to REFA.

2 Reductions to projects include:

   - $4,727,400
   - $6,350.0
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   - Debt Retirement
   - REAA

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### Total Education Funding Vetoed:

- $64,777,291

### Additional Notes

- Other adjustments include SESA, other adjustments. FY2017 action $10,410,000. Vetoed funds balance contribution to REFA.
- Reductions to projects include:
  - $4,727,400
  - $6,350.0
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- Total Education Funding Vetoed: $64,777,291