

State of Alaska FY2002 Governor's Operating Budget

Department of Education and Early Development
Foundation Program
Component

Component: Foundation Program

Contact: Karen J. Rehfeld, Director

Tel: (907) 465-8650 **Fax:** (907) 465-3452 **E-mail:** Karen_Rehfeld@eed.state.ak.us

Component Mission

Formula Program - No mission statement.

Component Services Provided

The Public School Funding Program provides the primary state financial support for the 53 school districts, Mt. Edgecumbe Boarding School and Alyeska Central School, the state's correspondence study program. In FY2002, about \$675 million will be distributed to school districts, according to "Basic Need", as determined by AS 14.17.410, less required local contributions and deductions for eligible Impact Aid. AS 14.17.610 requires that payments be distributed to school districts for the first nine months of the fiscal year based on 1/12th of the total funding received during the preceding fiscal year. The last three monthly payments are adjusted to provide each district with its revised entitlement based on current year student count data. The amount requested is based on student count projections, submitted by each school district. The actual funds needed for this program may vary depending on the actual student counts, local contributions and federal impact aid receipts.

Component Goals and Strategies

Distribute state aid in support of public schools operating throughout the state. Pupils who are of school age receive educational services from one of 53 school districts, Mt. Edgecumbe High School or Alyeska Central School, the state's correspondence study program.

Improve projections through analysis of educational data and trends in addition to local district enrollment projections after submission of current year enrollment data.

Key Component Issues for FY2001 – 2002

Funding Level

The governor's budget fully funds the FY2002 public school foundation program. Although the state aid required under the current school funding formula would decrease by \$10.5 million in FY2002 due to increases in required local effort and federal impact aid, this is not the time to reduce the state support of education. Schools need resources to help students meet higher academic standards in reading, writing, and mathematics and to be held accountable for their students performance. The governor's budget maintains the FY2001 level of funding that includes \$6.2 million in one-time grants approved by the legislature.

The governor has appointed an Education Funding Task Force that will make specific recommendations to him and the State Board of Education and Early Development by February 1, 2001. The task force will consider ideas stemming from the recent Education Summit and other forums that include allowing districts to increase student instruction time by extending the number of days in the school year and increasing the amount of the Quality Schools Grants. The task force recommendations will help develop a five-year financing plan for providing school districts with the resources to ensure that all our students are meeting high academic standards. The February time frame will allow the task force recommendations to be incorporated into legislation or budget proposals to be considered by the upcoming legislature.

Accountability

The public school funding program contains a provision that school districts spend at least 70% of their operating funds on instruction. Implementation of this requirement requires that the department collect uniform financial data from all schools districts. The department continues to work with school districts to establish criteria for allocating instructional costs consistently and revising regulations to ensure uniform reporting of financial data.

The funding program also requires the department to provide the legislature with reports by January 15, 2001 including:

- A comparison of the per school funding in the new formula to the use of funding communities in the old funding formula including a thorough review of educational adequacy in the schools of Alaska; and
- Proposed adjustments to the district cost factors.

Access to uniform, consistent, and reliable data on the cost of operating schools, and the particular effects based upon location and size, is critical to the success of this effort.

Major Component Accomplishments for FY2000

Distributed approximately \$672.3 million to 53 school districts, Mt. Edgecumbe and Alyeska Central School to provide educational services to 131,696 Alaska students.

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

Foundation Program
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	68.8	68.8	68.8
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	672,129.4	675,454.1	675,454.1
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	672,198.2	675,522.9	675,522.9
Funding Sources:			
1004 General Fund Receipts	643,794.4	646,316.3	646,316.3
1043 Public Law 81-874	20,791.0	20,791.0	20,791.0
1066 Public School Fund	7,612.8	8,415.6	8,415.6
Funding Totals	672,198.2	675,522.9	675,522.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	643,794.4	646,316.3	646,316.3	646,316.3	646,316.3
Unrestricted Total		643,794.4	646,316.3	646,316.3	646,316.3	646,316.3
Restricted Revenues						
Public Law 81-874	51130	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0
Public School Fund	51225	7,612.8	8,415.6	8,415.6	8,415.6	8,415.6
Restricted Total		28,403.8	29,206.6	29,206.6	29,206.6	29,206.6
Total Estimated Revenues		672,198.2	675,522.9	675,522.9	675,522.9	675,522.9

Foundation Program

Proposed Changes in Levels of Service for FY2002

The governor's budget fully funds the FY2002 public school foundation program. Although the state aid required under the current school funding formula would decrease by \$10.5 million in FY2002 due to increases in required local effort and federal impact aid, this is not the time to reduce the state support of education. Schools need resources to help students meet higher academic standards in reading, writing, and mathematics and to be held accountable for their students performance. The governor's budget maintains the FY2001 level of funding that includes \$6.2 million in one-time grants approved by the legislature.

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Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	646,316.3	20,791.0	8,415.6	675,522.9
FY2002 Governor	646,316.3	20,791.0	8,415.6	675,522.9