

State of Alaska FY2005 Governor's Operating Budget

Department of Education and Early Development Foundation Program Component Budget Summary

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Component: Foundation Program

Contribution to Department's Mission

To provide financial support to Alaska's public schools.

Core Services

The Public School Funding Program provides the primary state financial support for the 53 school districts and Mt. Edgecumbe Boarding School. In FY2005, about \$693 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.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$693,344,900	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

PUBLIC SCHOOL FUNDING PROGRAM

The department's budget requests full funding of the FY2005 public school foundation program. The foundation program provides resources schools need to help students meet higher academic standards in reading, writing, and mathematics. Schools and districts are held accountable for their students' performance.

SB202 increased the base student allocation from \$4,010 to \$4,169. Improvement in student performance requires a continuous commitment to providing the resources to ensure that all students meet high academic standards. This increase in the annual foundation program allows school districts to plan for and provide meaningful programs to ensure that students at risk of not meeting standards will be able to reach them at the appropriate age levels.

A significant increase in cost of TRS and PERS rates will impact all school districts in FY2005. The reduction in state aid projected in FY2005 based on an increase in Required Local Effort, reductions in the funding floor, and decreased enrollment will impact school district's ability to address this issue.

Significant Changes in Results to be Delivered in FY2005

There are no proposed changes in the results to be delivered in FY2005.

Major Component Accomplishments in 2003

Distributed approximately \$677 million to 53 school districts, Mt. Edgecumbe and Alyeska Central School to provide educational services to 132,485 Alaska students.

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

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Foundation Program Component Financial Summary

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 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	678,797.1	701,700.1	693,276.1
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	678,865.9	701,768.9	693,344.9
Funding Sources:			
1004 General Fund Receipts	664,560.6	668,396.0	660,606.6
1043 Impact Aid for K-12 Schools	1,826.8	20,791.0	20,791.0
1066 Public School Fund	12,478.5	12,581.9	11,947.3
Funding Totals	678,865.9	701,768.9	693,344.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Public Law 81-874	51130	1,826.8	20,791.0	20,791.0
Public School Fund	51225	12,478.5	12,581.9	11,947.3
Restricted Total		14,305.3	33,372.9	32,738.3
Total Estimated Revenues		14,305.3	33,372.9	32,738.3

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	668,396.0	20,791.0	12,581.9	701,768.9
Proposed budget decreases:				
-FY2005 Projected Foundation Program Entitlement	-7,789.4	0.0	-634.6	-8,424.0
FY2005 Governor	660,606.6	20,791.0	11,947.3	693,344.9