

State of Alaska FY2008 Governor's Operating Budget

Department of Education and Early Development Foundation Program Component Budget Summary

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 FY2007, about \$945 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.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$919,149,100	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 FY2008 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.

HB1 increased the base student allocation from \$4,919 to \$5,380 in FY2007. 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.

The increases in the contributions required for TRS and PERS continue to impact all school districts in FY2008.

Significant Changes in Results to be Delivered in FY2008

The Governor is requesting that the one-time grants approved for FY2007 be continued into FY2008. These one-time grants totaled \$35 million. \$24 million was allocated to implement 1/4 of the increase in the district cost factors proposed by ISER. \$11 million is to be distributed at \$81 per student to support school improvements.

The Governor is requesting approximately \$207 million to assist school districts with the increased employers cost in the PERS and TRS.

Major Component Accomplishments in 2006

Distributed approximately \$832 million to 53 school districts and Mt. Edgecumbe to provide educational services to

131,500 Alaska students.

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

Contact Information
<p>Contact: Eddy Jeans, School Finance Director Phone: (907) 465-8679 Fax: (907) 463-5279 E-mail: Eddy_Jeans@eed.state.ak.us</p>

**Foundation Program
Component Financial Summary**

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	827,832.2	955,448.2	919,149.1
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	827,832.2	955,448.2	919,149.1
Funding Sources:			
1004 General Fund Receipts	795,093.9	922,699.2	886,263.0
1043 Impact Aid for K-12 Schools	20,791.0	20,791.0	20,791.0
1066 Public School Fund	11,947.3	11,958.0	12,095.1
Funding Totals	827,832.2	955,448.2	919,149.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 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	20,791.0	20,791.0	20,791.0
Public School Fund	51225	11,947.3	11,958.0	12,095.1
Restricted Total		32,738.3	32,749.0	32,886.1
Total Estimated Revenues		32,738.3	32,749.0	32,886.1

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	922,699.2	20,791.0	11,958.0	955,448.2
Adjustments which get you to start of year:				
-Add FY06 carryforward authorization for FY08 expenditure per Sec 16(a) Ch 13 SLA 2006	300,000.0	0.0	0.0	300,000.0
-Add remaining FY06 carryforward authorization for FY08 expenditure per Sec 16(b), Ch 13, SLA 2006	209,130.0	0.0	0.0	209,130.0
Adjustments which will continue current level of service:				
-Remove One Time Grants	-35,000.0	0.0	0.0	-35,000.0
-Remove carryforward authorization of \$565,000.0	-565,000.0	0.0	0.0	-565,000.0
-Remove carryforward authorization of \$3,352.6	-3,352.6	0.0	0.0	-3,352.6
Proposed budget increases:				
-Increase in Public School Trust Fund	0.0	0.0	137.1	137.1
-Additional funding for FY08 net of Foundation Program Projection Reduction of 36,436.2	22,786.4	0.0	0.0	22,786.4
-Restore the Cost Factor and School Improvement Grants	35,000.0	0.0	0.0	35,000.0
FY2008 Governor	886,263.0	20,791.0	12,095.1	919,149.1