

# **State of Alaska FY2011 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 53 school districts and Mt. Edgecumbe Boarding School. In FY2010, about \$1.3 billion 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.

### Key Component Challenges

#### PUBLIC SCHOOL FUNDING PROGRAM

The department's budget requests full funding of the FY2011 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.

The base student allocation of \$5,580 increased by \$100 for FY2010. Improvement in student performance requires a continuous commitment to providing the resources to ensure that all students meet high academic standards. Annual increases in the foundation program allow 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.

Priority Program: Education Foundation & Accountability and Early Learning.

### Significant Changes in Results to be Delivered in FY2011

Implementing the formula changes approved in HB273.

In FY2011, the department will continue implementation of an Age 4 Pre-k program. The Alaska pre-kindergarten program provides a voluntary, comprehensive, half day preschool program for four and early five year olds based on the standards set forth in the Alaska Early Learning Guidelines (early five year old children who do not meet the cut off date for kindergarten entry). Participating school districts are funded through a competitive grant process. The Alaska Pre-K Project provides the framework, guidance, and funding for the creation of local programs in a variety of Alaskan settings including urban, rural, and remote.

Priority Program: Education Foundation & Accountability and Early Learning.

### Major Component Accomplishments in 2009

Distributed approximately \$974 million to 53 school districts and Mt. Edgecumbe to provide educational services to 128,381 Alaska students.

Capital and Operating budgets authorized the next phase of the implementation of the district cost factor adjustment to fund the appropriations for an additional \$13 million for distributions to each school district as grants for educational purposes.

Priority Program: Education Foundation & Accountability and Early Learning.

### Statutory and Regulatory Authority

AS 14.17  
4 AAC 09

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**Foundation Program  
Component Financial Summary**

*All dollars shown in thousands*

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
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	973,070.8	1,033,300.3	1,086,638.4
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>973,070.8</b>	<b>1,033,300.3</b>	<b>1,086,638.4</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	937,979.8	999,572.3	1,055,147.4
1043 Impact Aid for K-12 Schools	20,791.0	20,791.0	20,791.0
1066 Public School Fund	14,300.0	12,937.0	10,700.0
<b>Funding Totals</b>	<b>973,070.8</b>	<b>1,033,300.3</b>	<b>1,086,638.4</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Public Law 81-874	51130	20,791.0	0.0	0.0	20,791.0	20,791.0
Public School Fund	51225	14,300.0	0.0	0.0	12,937.0	10,700.0
<b>Restricted Total</b>		<b>35,091.0</b>	<b>0.0</b>	<b>0.0</b>	<b>33,728.0</b>	<b>31,491.0</b>
<b>Total Estimated Revenues</b>		<b>35,091.0</b>	<b>0.0</b>	<b>0.0</b>	<b>33,728.0</b>	<b>31,491.0</b>

**Summary of Component Budget Changes  
From FY2010 Management Plan to FY2011 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2010 Management Plan</b>	<b>999,572.3</b>	<b>20,791.0</b>	<b>12,937.0</b>	<b>1,033,300.3</b>
<b>Adjustments which will continue current level of service:</b>				
-Remove Year One, Age-4 Pre-K Pilot Program	-2,000.0	0.0	0.0	-2,000.0
<b>Proposed budget decreases:</b>				
-Remove Foundation Program FY10 PEF Tracking	-997,572.3	0.0	0.0	-997,572.3
-Public School Trust Fund Decrement	0.0	0.0	-2,237.0	-2,237.0
<b>Proposed budget increases:</b>				
-Foundation Program FY11 PEF Tracking	1,053,147.4	0.0	0.0	1,053,147.4
-Age-4 Pre-K Program	2,000.0	0.0	0.0	2,000.0
<b>FY2011 Governor</b>	<b>1,055,147.4</b>	<b>20,791.0</b>	<b>10,700.0</b>	<b>1,086,638.4</b>

**Component Detail All Funds**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

	<b>FY2009 Actuals</b>	<b>FY2010 Conference Committee</b>	<b>FY2010 Authorized</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>	<b>FY2010 Management Plan vs FY2011 Governor</b>	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	973,070.8	1,027,996.5	1,033,300.3	1,033,300.3	1,086,638.4	53,338.1	5.2%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>973,070.8</b>	<b>1,027,996.5</b>	<b>1,033,300.3</b>	<b>1,033,300.3</b>	<b>1,086,638.4</b>	<b>53,338.1</b>	<b>5.2%</b>
<b>Fund Sources:</b>							
1004 Gen Fund	937,979.8	994,268.5	999,572.3	999,572.3	1,055,147.4	55,575.1	5.6%
1043 Impact Aid	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	0.0	0.0%
1066 Pub School	14,300.0	12,937.0	12,937.0	12,937.0	10,700.0	-2,237.0	-17.3%
<b>General Funds</b>	<b>937,979.8</b>	<b>994,268.5</b>	<b>999,572.3</b>	<b>999,572.3</b>	<b>1,055,147.4</b>	<b>55,575.1</b>	<b>5.6%</b>
<b>Federal Funds</b>	<b>20,791.0</b>	<b>20,791.0</b>	<b>20,791.0</b>	<b>20,791.0</b>	<b>20,791.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>14,300.0</b>	<b>12,937.0</b>	<b>12,937.0</b>	<b>12,937.0</b>	<b>10,700.0</b>	<b>-2,237.0</b>	<b>-17.3%</b>
<b>Positions:</b>							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
<b>FY2010 Conference Committee</b>												
	ConfCom	992,268.5	0.0	0.0	0.0	0.0	0.0	992,268.5	0.0	0	0	0
1004 Gen Fund		992,268.5										
Tracking for Foundation expenditures from Public Education Fund. See "Savings" department, Designated Savings RDU, Savings Public Education Fund component.												
ADN 5-10-0005												
<b>FY2010 Conference Committee</b>												
	ConfCom	35,728.0	0.0	0.0	0.0	0.0	0.0	35,728.0	0.0	0	0	0
1004 Gen Fund		2,000.0										
1043 Impact Aid		20,791.0										
1066 Pub School		12,937.0										
The \$2.0 million general funds are for the Age-4 Pre-K Pilot Program.												
<b>SB 57 Charter School Funding</b>												
	Misadj	1,314.3	0.0	0.0	0.0	0.0	0.0	1,314.3	0.0	0	0	0
1004 Gen Fund		1,314.3										
<b>November 20, 2010 Foundation Formula Preliminary Actual adjustment</b>												
	Misadj	3,989.5	0.0	0.0	0.0	0.0	0.0	3,989.5	0.0	0	0	0
1004 Gen Fund		3,989.5										
<b>Subtotal</b>		<b>1,033,300.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,033,300.3</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
<b>Subtotal</b>		<b>1,033,300.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,033,300.3</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
<b>Remove Foundation Program FY10 PEF Tracking</b>												
	Dec	-997,572.3	0.0	0.0	0.0	0.0	0.0	-997,572.3	0.0	0	0	0
1004 Gen Fund		-997,572.3										

Three change records reflect the tracking of the Foundation Program's estimated funding need for FY10 from the Public Education Fund. Removing these items is required to then accurately track the FY11 Foundation Program's estimated need from the Public Education Fund. This (\$997,572.3) decrement is the total of the Conference Committee change record for \$992,268.5, the \$1,314.3 Charter / Alternative School Funding (SLA09, HB57), and the November 20, 2010 Foundation Formula Preliminary Actual Adjustment change record for (\$3,989.5).

**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)

**RDU:** K-12 Support (53)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<b>Foundation Program FY11 PEF Tracking</b>												
1004 Gen Fund	Inc	1,053,147.4	0.0	0.0	0.0	0.0	0.0	1,053,147.4	0.0	0	0	0
		1,053,147.4										
This change record is only for tracking the FY2011 Foundation Program anticipated need. Funds will be expended out of the Public Education Fund. The Base Student Allocation is \$5,680.												
<b>Remove Year One, Age-4 Pre-K Pilot Program</b>												
1004 Gen Fund	OTI	-2,000.0	0.0	0.0	0.0	0.0	0.0	-2,000.0	0.0	0	0	0
		-2,000.0										
This change record is needed to reverse the FY10 one-time funding for the first year of the Age-4 Pre-K Pilot Program. An increment to continue the program in FY11 will also be requested.												
<b>Age-4 Pre-K Program</b>												
1004 Gen Fund	Inc	2,000.0	0.0	0.0	0.0	0.0	0.0	2,000.0	0.0	0	0	0
		2,000.0										
This request is for the 2nd year of the program implementation of an Alaska pre-kindergarten program. The program will provide a voluntary, comprehensive, half day preschool program for four- and early five-year olds based on the standards set forth in the Alaska Early Learning Guidelines (early five-year olds are children who do not meet the cut off date for kindergarten entry). Participating school districts will be funded through a competitive grant process. The Alaska Pre-K Project will provide the framework, guidance, and funding for the creation of local programs in a variety of Alaskan settings including urban, rural, and remote.												
These Pre-K programs will focus on all areas of a child's development while emphasizing school readiness, language development, early literacy, mathematics, and cognition. They will balance teacher directed and child initiated activities by providing opportunities and experiences for learning through exploration, Mediated Learning Experiences, and direct instruction for four- and young five-year olds. The program will meet with children five days per week following the local school calendar with at least two and one half hours and no more than three hours of contact time per day.												
<b>Public School Trust Fund Decrement</b>												
1066 Pub School	Dec	-2,237.0	0.0	0.0	0.0	0.0	0.0	-2,237.0	0.0	0	0	0
		-2,237.0										
The formula adjustment to the Public School Trust Fund is a decrease of (\$2,237,000) and reflects the FY11 total anticipated expenditure of \$10,700,000.												
<b>Totals</b>		<b>1,086,638.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,086,638.4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Line Item Detail**  
**Department of Education and Early Development**  
**Grants, Benefits**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000	Grants, Benefits		973,070.8	1,033,300.3	1,086,638.4
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>77000 Grants, Benefits Detail Totals</b>			<b>973,070.8</b>	<b>1,033,300.3</b>	<b>1,086,638.4</b>
77431	Education	Foundation Formula grants to school districts.	972,183.8	1,032,350.3	1,085,511.1
77431	Education	EED MEHS Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid).	887.0	950.0	1,127.3

**Restricted Revenue Detail**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51130	Public Law 81-874	20,791.0	20,791.0	20,791.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51130	Pub Law 81-874/GF		05111049	11100	20,791.0	20,791.0	20,791.0
<p>This authorization of Federal Impact Aid revenue is shown in the Alaska Department of Education &amp; Early Development (EED) budget only as a place holder- Impact Aid is not received by EED. The funds are sent directly from the US Department of Education to Anchorage, Fairbanks, and Kodiak school districts for Impact Aid. EED deducts the amount granted in calculating the allocation of the Foundation Program.</p>							

**Restricted Revenue Detail**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51225	Public School Fund	14,300.0	12,937.0	10,700.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51225	Public School Fund		05111047	11100	14,300.0	12,937.0	10,700.0
	AS 37.14.110 establishes the Public School Trust Fund and each year the sum of one-half of 1 percent of the total receipts from the management of state land, including amounts paid to the state as proceeds of sale or annual rent of surface rights, mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue-sharing payments or bonuses are transferred to the fund. The interest earnings are available for appropriation to support the state public school program. This also includes available funds from tobacco tax revenue.						

**Inter-Agency Services**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

<u>Expenditure Account</u>	<u>Service Description</u>	<u>Service Type</u>	<u>Servicing Agency</u>	<u>FY2009 Actuals</u>	<u>FY2010 Management Plan</u>	<u>FY2011 Governor</u>	
77431	Education	Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid).	Intra-dept	EED MEHS	887.0	950.0	1,127.3
<b>77431 Education subtotal:</b>				<b>887.0</b>	<b>950.0</b>	<b>1,127.3</b>	
<b>Foundation Program total:</b>				<b>887.0</b>	<b>950.0</b>	<b>1,127.3</b>	
<b>Grand Total:</b>				<b>887.0</b>	<b>950.0</b>	<b>1,127.3</b>	