

State of Alaska FY2013 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 FY2013, about \$1.4 billion will be distributed to school districts, according to "Basic Need" as determined by AS 14.17.410, less the 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 FY2013 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.

Improvement in student performance requires a continuous commitment to providing the resources to ensure that all students meet high academic standards. A school district's ability to have advanced notice of any potential increases in the foundation program allow for proactive planning of meaningful programs. This ensures that students at risk of not meeting standards will be able to reach them at the appropriate age levels.

Significant Changes in Results to be Delivered in FY2013

Implementing formula changes for the 5th consecutive year out of 5 approved in HB273.

Major Component Accomplishments in 2011

- In FY2011 the Public School Funding Program provided approximately \$1.4 billion in "Basic Need", as determined by AS 14.17.410. Approximately \$1.1 billion was state aid distributed to 53 school districts and Mt. Edgecumbe High School.
- Alaska's 53 school districts and Mt. Edgecumbe High School provided educational services to 129,114 Alaska students enrolled in grades K-12 in FY2011.
- Operating budget authorization in FY2011 provided an additional \$57.7 million for the third year of the five-year implementation of SB273.

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

Contact Information

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**Foundation Program
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	19.5	0.0	0.0
73000 Services	1,743.1	0.0	0.0
74000 Commodities	97.2	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	1,083,856.3	1,127,981.1	1,111,554.3
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,085,716.1	1,127,981.1	1,111,554.3
Funding Sources:			
1002 Federal Receipts	737.5	0.0	0.0
1004 General Fund Receipts	1,053,487.6	1,094,840.1	1,077,513.3
1043 Impact Aid for K-12 Schools	20,791.0	20,791.0	20,791.0
1066 Public School Fund	10,700.0	12,350.0	13,250.0
Funding Totals	1,085,716.1	1,127,981.1	1,111,554.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	737.5	0.0	0.0
Public Law 81-874	51130	20,791.0	20,791.0	20,791.0
Public School Fund	51225	10,700.0	12,350.0	13,250.0
Restricted Total		32,228.5	33,141.0	34,041.0
Total Estimated Revenues		32,228.5	33,141.0	34,041.0

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	1,094,840.1	12,350.0	0.0	20,791.0	1,127,981.1
Adjustments which get you to start of year:					
-FY2013 Foundation Program Public Education Fund Tracking	1,077,513.3	0.0	0.0	0.0	1,077,513.3
Adjustments which will continue current level of service:					
-Reverse Carryforward of State Aid to School Districts - Sec14(b)	-20,000.0	0.0	0.0	0.0	-20,000.0
-Reverse FY2012 Foundation Public Education Fund Tracking	-1,063,108.6	0.0	0.0	0.0	-1,063,108.6
-Reverse FY2012 VocEd Adjustment - SB84 Capitalized Fund	-11,731.5	0.0	0.0	0.0	-11,731.5
Proposed budget increases:					
-Public School Trust Fund Increment	0.0	900.0	0.0	0.0	900.0
FY2013 Governor	1,077,513.3	13,250.0	0.0	20,791.0	1,111,554.3

Component Detail All Funds
Department of Education and Early Development

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

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	19.5	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	1,743.1	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	97.2	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	1,083,856.3	1,096,249.6	1,127,981.1	1,127,981.1	1,111,554.3	-16,426.8	-1.5%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,085,716.1	1,096,249.6	1,127,981.1	1,127,981.1	1,111,554.3	-16,426.8	-1.5%
Fund Sources:							
1002 Fed Rcpts (Other)	737.5	0.0	0.0	0.0	0.0	0.0	0.0%
1004 Gen Fund (UGF)	1,053,487.6	1,063,108.6	1,094,840.1	1,094,840.1	1,077,513.3	-17,326.8	-1.6%
1043 Impact Aid (Other)	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	0.0	0.0%
1066 Pub School (DGF)	10,700.0	12,350.0	12,350.0	12,350.0	13,250.0	900.0	7.3%
Unrestricted General (UGF)	1,053,487.6	1,063,108.6	1,094,840.1	1,094,840.1	1,077,513.3	-17,326.8	-1.6%
Designated General (DGF)	10,700.0	12,350.0	12,350.0	12,350.0	13,250.0	900.0	7.3%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	21,528.5	20,791.0	20,791.0	20,791.0	20,791.0	0.0	0.0%
Positions:							
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 FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 Conference Committee												
	ConfCom	1,063,108.6	0.0	0.0	0.0	0.0	0.0	1,063,108.6	0.0	0	0	0
1004 Gen Fund		1,063,108.6										
Tracking - Legislative Finance language conference committee record to reflect the estimated draw from the Public Education Fund for the Foundation Program expenditures.												
FY2012 Conference Committee												
	ConfCom	33,141.0	0.0	0.0	0.0	0.0	0.0	33,141.0	0.0	0	0	0
1043 Impact Aid		20,791.0										
1066 Pub School		12,350.0										
ADN 0520003 Foundation Program Ch3 FSSLA2011 (Sec14b, P73, L14-17) (HB108)												
	CarryFwd	20,000.0	0.0	0.0	0.0	0.0	0.0	20,000.0	0.0	0	0	0
1004 Gen Fund		20,000.0										
The sum of \$20,000,000 is appropriated from the general fund to the Department of Education and Early Development for the fiscal year ending June 30, 2012, to be distributed as state aid to districts according to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A)-(D).												
This transaction type is carry-forward because the effective date of the section is June 30, 2011.												
Adjustment to Estimated FY12 Foundation Expenditures from PEF - SB84 Capitalized Fund												
	Misadj	11,731.5	0.0	0.0	0.0	0.0	0.0	11,731.5	0.0	0	0	0
1004 Gen Fund		11,731.5										
Tracking - Fiscal Note (SB84) capitalized Public Education Fund and increased estimated Foundation Program need for FY12.												
SB84 creates a high school vocational education factor adjustment of 1.01 in the foundation formula. The adjustment follows the special needs factor adjustment of 1.20 and generates state funding of approximately \$11.7 million. These funds are intended to assist districts in providing vocational and technical instruction for students enrolled in grades nine through twelve.												
Subtotal		1,127,981.1	0.0	0.0	0.0	0.0	0.0	1,127,981.1	0.0	0	0	0
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
Subtotal		1,127,981.1	0.0	0.0	0.0	0.0	0.0	1,127,981.1	0.0	0	0	0
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
Reverse Carryforward of State Aid to School Districts - Sec14(b)												
	OTI	-20,000.0	0.0	0.0	0.0	0.0	0.0	-20,000.0	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	

1004 Gen Fund		-20,000.0										
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Sec 14(b) - The sum of \$20,000,000 is appropriated from the general fund to the Department of Education and Early Development for the fiscal year ending June 30, 2012, to be distributed as state aid to districts according to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A)-(D).

This transaction type was carry-forward because the effective date of the section is June 30, 2011.

Reverse FY2012 Foundation Public Education Fund Tracking

1004 Gen Fund	OTI	-1,063,108.6	0.0	0.0	0.0	0.0	0.0	-1,063,108.6	0.0	0	0	0
		-1,063,108.6										

Public Education Fund (PEF) Tracking \$1,063,108.6

Reverse FY2012 Public Education Fund Foundation Program tracking.

FY2013 Foundation Program Public Education Fund Tracking

1004 Gen Fund	Misadj	1,077,513.3	0.0	0.0	0.0	0.0	0.0	1,077,513.3	0.0	0	0	0
		1,077,513.3										

This change record is only for tracking the FY2013 Foundation Program anticipated need. Funds will be expended out of the Public Education Fund. The Base Student Allocation is \$5,680.

Public School Trust Fund Increment

1066 Pub School	IncM	900.0	0.0	0.0	0.0	0.0	0.0	900.0	0.0	0	0	0
		900.0										

The formula adjustment to the Public School Trust Fund is an increase of \$900.0 and reflects the FY2013 total anticipated expenditure of \$13,250.0.

AS 37.14.110(a)

Reverse FY2012 VocEd Adjustment - SB84 Capitalized Fund

1004 Gen Fund	OTI	-11,731.5	0.0	0.0	0.0	0.0	0.0	-11,731.5	0.0	0	0	0
		-11,731.5										

Reverse Public Education Fund (PEF) Tracking - Fiscal Note (SB84) capitalized Public Education Fund and increased estimated Foundation Program need for FY12.

SB84 creates a high school vocational education factor adjustment of 1.01 in the foundation formula. The adjustment follows the special needs factor adjustment of 1.20 and generates state funding of approximately \$11.7 million. These funds are intended to assist districts in providing vocational and technical instruction for students enrolled in grades nine through twelve.

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	
	Totals	1,111,554.3	0.0	0.0	0.0	0.0	0.0	1,111,554.3	0.0	0	0	0

Line Item Detail
Department of Education and Early Development
Travel

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

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000	Travel		19.5	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000 Travel Detail Totals			19.5	0.0	0.0
72111		Airfare (Instate Employee)	5.7	0.0	0.0
72112		Surface Transport (Instate Employee)	0.5	0.0	0.0
72113		Lodging (Instate Employee)	2.1	0.0	0.0
72114		Meals & Incidentals (Instate Employee)	1.3	0.0	0.0
72121		Airfare (Instate Nonemployee)	4.4	0.0	0.0
72123		Lodging (Instate Nonemployee)	0.2	0.0	0.0
72124		Meals & Incidentals (Instate Nonemp.)	1.0	0.0	0.0
72126		Nontax Reimbursement (Instate Nonemp.)	2.1	0.0	0.0
72424		Meals & Incidentals(Out of state Nonemp)	0.3	0.0	0.0
72426		Nontax Reimbursement-Out of state Nonemp	1.9	0.0	0.0

Line Item Detail
Department of Education and Early Development
Services

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

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000	Services		1,743.1	0.0	0.0
Expenditure Account			FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
	Servicing Agency	Explanation			
		73000 Services Detail Totals	1,743.1	0.0	0.0
73026	Training/Conferences		77.0	0.0	0.0
73155	Software Maintenance		0.1	0.0	0.0
73753	Program Mgmt/Consult		1,410.5	0.0	0.0
73819	Commission Sales (IA Svcs)		0.1	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)		255.4	0.0	0.0

Line Item Detail
Department of Education and Early Development
Commodities

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

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000	Commodities		97.2	0.0	0.0
			FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Expenditure Account	Servicing Agency	Explanation			
74000 Commodities Detail Totals			97.2	0.0	0.0
74222	Books And Educational		70.4	0.0	0.0
74226	Equipment & Furniture		19.0	0.0	0.0
74229	Business Supplies		7.8	0.0	0.0

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

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

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
77000	Grants, Benefits		1,083,856.3	1,127,981.1	1,111,554.3
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
77000 Grants, Benefits Detail Totals			1,083,856.3	1,127,981.1	1,111,554.3
77431	Education	Foundation Formula grants to school districts.	1,082,594.4	1,126,781.1	1,108,570.5
77431	Education	EED MEHS Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid).	1,261.9	1,200.0	2,983.8

Restricted Revenue Detail
Department of Education and Early Development

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

Master Account	Revenue Description				FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51010	Federal Receipts				737.5	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51010	Federal Receipts				737.5	0.0	0.0

Restricted Revenue Detail
Department of Education and Early Development

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

Master Account	Revenue Description	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51130	Public Law 81-874	20,791.0	20,791.0	20,791.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
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 & 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)

Master Account	Revenue Description	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51225	Public School Fund	10,700.0	12,350.0	13,250.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51225	Public School Fund		05111047	11100	10,700.0	12,350.0	13,250.0
<p>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.</p>							

Inter-Agency Services
Department of Education and Early Development

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor	
77431	Education	Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid).	Intra-dept	EED MEHS	1,261.9	1,200.0	2,983.8
77431 Education subtotal:				1,261.9	1,200.0	2,983.8	
Foundation Program total:				1,261.9	1,200.0	2,983.8	
Grand Total:				1,261.9	1,200.0	2,983.8	