

State of Alaska FY2020 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 High School.

Major Component Accomplishments in 2018

- In FY2018, the Public School Funding Program provided approximately \$1.5 billion in "Basic Need", as determined by AS 14.17.410. Approximately \$1.2 billion was state aid distributed to 53 school districts and Mt. Edgecumbe High School; and
- Alaska's 53 school districts and Mt. Edgecumbe High School provided educational services to 129,954 Alaska students enrolled in grades K-12, in FY2018.

Key Component Challenges

The foundation program provides resources that 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 changes in the foundation program, including the timely passage of the operating budget, allows for proactive planning of meaningful programs. This ensures that students at risk of not meeting standards will be able to be reached at the appropriate age levels.

Significant Changes in Results to be Delivered in FY2020

The base student allocation will remain at \$5,930 for FY2020. In FY2020, \$30.0 million in one-time funding authorized in HB287 will be distributed to Alaska School District based on district adjusted average daily membership (AADM).

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

Contact Information

Contact: Heidi Teshner, Administrative Services Director
Phone: (907) 465-2875
E-mail: heidi.teshner@alaska.gov

Component Detail All Funds
Department of Education and Early Development

Component: Foundation Program (141)
RDU: K-12 Aid to School Districts (645)

Formula Component

| | FY2018 Actuals | FY2019 Conference Committee | FY2019 Authorized | FY2019 Management Plan | FY2020 Governor | FY2019 Management Plan vs FY2020 Governor | |
|-----------------------------------|--------------------|-----------------------------|--------------------|------------------------|--------------------|---|---------------|
| 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 | 1,214,265.0 | 1,215,805.8 | 1,215,805.8 | 1,215,805.8 | 1,221,887.2 | 6,081.4 | 0.5% |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Totals | 1,214,265.0 | 1,215,805.8 | 1,215,805.8 | 1,215,805.8 | 1,221,887.2 | 6,081.4 | 0.5% |
| Fund Sources: | | | | | | | |
| 1004 Gen Fund (UGF) | 1,173,474.0 | 1,189,677.4 | 1,171,326.1 | 1,171,326.1 | 1,182,603.9 | 11,277.8 | 1.0% |
| 1043 Impact Aid (Fed) | 20,791.0 | 20,791.0 | 20,791.0 | 20,791.0 | 20,791.0 | 0.0 | 0.0% |
| 1066 Pub School (Other) | 20,000.0 | 5,337.4 | 23,688.7 | 23,688.7 | 18,492.3 | -5,196.4 | -21.9% |
| Unrestricted General (UGF) | 1,173,474.0 | 1,189,677.4 | 1,171,326.1 | 1,171,326.1 | 1,182,603.9 | 11,277.8 | 1.0% |
| Designated General (DGF) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Other Funds | 20,000.0 | 5,337.4 | 23,688.7 | 23,688.7 | 18,492.3 | -5,196.4 | -21.9% |
| Federal Funds | 20,791.0 | 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 Aid to School Districts (645)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | NP |
|--|-----------------|--------------------|-------------------|------------|------------|-------------|----------------|--------------------|---------------|-----------|----------|----------|
| | | | | | | | | | | PFT | PPT | |
| ***** Changes From FY2019 Conference Committee To FY2019 Authorized ***** | | | | | | | | | | | | |
| Tracking Estimated FY2019 Draw for Foundation Expenditures from Public Education Fund | | | | | | | | | | | | |
| | ConfC(L) | 1,189,677.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,189,677.4 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | 1,189,677.4 | | | | | | | | | | |
| Under (AS 14.17.300(b)) funds may be expended from the Public Education Fund without further appropriation. In order to reflect the anticipated need in the FY2019 Foundation Program, a miscellaneous adjustment is used to track expenditures in the Foundation Program component. | | | | | | | | | | | | |
| FY2019 Conference Committee HB 287 | | | | | | | | | | | | |
| | ConfCom | 26,128.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 26,128.4 | 0.0 | 0 | 0 | 0 |
| 1043 Impact Aid | | 20,791.0 | | | | | | | | | | |
| 1066 Pub School | | 5,337.4 | | | | | | | | | | |
| Public School Trust Fund Ch80 SLA2018 (HB213) (Sec2 Ch17 SLA2018 P42 L21 (HB286)) | | | | | | | | | | | | |
| | FisNot | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | -18,351.3 | | | | | | | | | | |
| 1066 Pub School | | 18,351.3 | | | | | | | | | | |
| HB213 changes the Public School Trust Fund under AS 37.14 with a new percent of market value (POMV). The POMV will identify 5% of the monthly average market value of the fund for the previous five fiscal years preceding the previous fiscal year, as determined by the commissioner of revenue, as available for use in the state public school program (Foundation Program) and reimbursement of the costs of the administration of the fund. | | | | | | | | | | | | |
| In FY2019 an additional \$18,351.3 of Public School Trust Funds is appropriated as a result of passage of HB213 and will reduce the estimated capitalization of the Public Education Fund by the same amount to offset the increase in the Public School Trust Fund. | | | | | | | | | | | | |
| | Subtotal | 1,215,805.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,215,805.8 | 0.0 | 0 | 0 | 0 |
| ***** Changes From FY2019 Management Plan To FY2020 Governor ***** | | | | | | | | | | | | |
| Establish a Safer School Grant Program to Support Alaska's Education Challenge Safety and Well Being Commitment | | | | | | | | | | | | |
| | Inc | 10,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10,000.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | 10,000.0 | | | | | | | | | | |

During school safety meetings by state and district leadership, the need to provide dedicated school safety funding to districts to efficiently and effectively improve public school safety statewide was a recurring theme. It was noted that while one-time capital appropriations for school safety were certainly helpful, there were limitations inherent to this type of funding. For example, it limited the ability to plan strategically and to support many of the foundational safety needs that cannot be acquired in a one-time purchase like school counselors, nurses, school safety resource officers, or multi-year training.

To address this, a Safer School Grant Program is being proposed to provide districts with consistent and predictable dedicated school safety funding that can be used for a myriad of school safety purposes tailored to their local needs. Similar to the Quality Schools Grant in AS 14.17.480, an accountability component would be utilized. Districts would need to apply to the Department of Education and Early Development (DEED) for the safety program funding annually, receive department approval on their safety plan application, and also provide DEED with an annual end of year report highlighting the grant's yearly impact. Districts failing to submit the end of year report would be ineligible for funding in the next year. DEED would provide the legislature with an annual executive report on the

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

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|---|------------|--------------|-------------------|--------|----------|-------------|----------------|------------------|---------------|-----------|-----|----|
| | | | | | | | | | | PFT | PPT | NP |
| <p>program's accomplishments and expenditures to ensure complete transparency and accountability. Funding would support Alaska's Education Challenge Safety and Well-Being targeted strategies, safety needs identified within the 2018 Alaska School Safety Gap Analysis, and/or substance abuse prevention education to address challenges like the Opioid Epidemic.</p> <p>The following is a draft list of the types of programming/activities this grant could support: professional development on restorative justice, adverse childhood experiences, social emotional learning, positive behavioral supports and interventions, substance abuse prevention, trauma engaged schools, positive school climate, threat assessment, crisis response preparedness training. Furthermore, the Safer School Grant Program could fund safety positions such as nurses, counselors, school safety resource officers, and could enable districts to expand safety partnerships with tribes and community service providers.</p> <p>DEED proposes creating a needs-based operating grant program that would provide sufficient funding to accomplish these intended goals. Of the overall \$10,000.0 appropriation, a minimum of \$100.0 will be granted to each school district. The remaining authorization, above the \$100.0 minimum, would be distributed based on a district's need.</p> | | | | | | | | | | | | |
| Public School Trust Fund Estimate | | | | | | | | | | | | |
| | Inc | 13,154.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 13,154.9 | 0.0 | 0 | 0 | 0 |
| 1066 Pub School | | 13,154.9 | | | | | | | | | | |
| <p>The projection from the Department of Revenue estimates an available FY2020 Public School Trust Fund (PSTF) balance of \$26,200.0.</p> <p>The FY2020 Public School Trust Fund is allocated as follows:</p> <p>\$18,462.3 – Foundation Program \$5,018.1 - Mt. Edgecumbe High School (MEHS) \$2,581.4 – Library Operations (School Broadband Access Grants) \$138.2 - Live Homework Help</p> | | | | | | | | | | | | |
| Estimated FY2020 Foundation Expenditures from Public Education Fund | | | | | | | | | | | | |
| | Misadj | 1,172,603.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,172,603.9 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | 1,172,603.9 | | | | | | | | | | |
| <p>The amount to fully-fund the FY2020 Foundation Program funded through the Public Education Fund was appropriated in Sec4 Ch6 SLA2018 P5 L13 (HB287).</p> <p>Under AS 14.17.300(b) funds may be expended from the Public Education Fund without further appropriation. In order to reflect the anticipated need in the FY2020 Foundation Program, a miscellaneous adjustment is used to track expenditures in the Foundation Program component.</p> <p>The FY2020 Foundation Program estimate includes a base student allocation (BSA) of \$5,930.</p> <p>The estimate reflects the remaining foundation program need after applying the FY2020 Public School Trust Fund amount of \$18,492.3</p> | | | | | | | | | | | | |
| Reverse Estimated FY2019 Foundation Expenditures from Public Education Fund | | | | | | | | | | | | |
| | OTI | -1,189,677.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1,189,677.4 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | -1,171,326.1 | | | | | | | | | | |

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

Component: Foundation Program (141)
RDU: K-12 Aid to School Districts (645)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | |
|--|---------------|--------------------|----------------------|------------|------------|-------------|----------------|--------------------|---------------|-----------|----------|----------|
| | | | | | | | | | | PFT | PPT | NP |
| 1066 Pub School | | -18,351.3 | | | | | | | | | | |
| Reverse language section transaction from the base budget. | | | | | | | | | | | | |
| | Totals | 1,221,887.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,221,887.2 | 0.0 | 0 | 0 | 0 |

Line Item Detail (1676)
Department of Education and Early Development
Grants, Benefits

Component: Foundation Program (141)

| Line Number | Line Name | | FY2018 Actuals | FY2019 Management Plan |
|--|-----------------------------------|--|--------------------|------------------------|
| 7000 | Grants, Benefits | | 1,214,265.0 | 1,215,805.8 |
| | | | | |
| Object Class | Servicing Agency | Explanation | FY2018 Actuals | FY2019 Management Plan |
| | | | | |
| 7000 Grants, Benefits Detail Totals | | | 1,214,265.0 | 1,215,805.8 |
| 7003 | Sub-Recipient Pass-Through Grants | Foundation formula grants to school districts, including Mt. Edgecumbe High School | 1,214,265.0 | 1,215,805.8 |

Revenue Detail (1681)
Department of Education and Early Development

Component: Foundation Program (141)

| Revenue Type (OMB Fund Code) Revenue Source | Component | Comment | FY2018 Actuals | FY2019 Management Plan |
|---|-----------|--|-----------------|---------------------------|
| 5043 Impact Aid (1043 Impact Aid) | | | 20,791.0 | 20,791.0 |
| 5085 Impact Aid for K-12 Schools - Federal Grants | | This authorization of Federal Impact Aid revenue is shown in the Alaska Department of Education and 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. | 20,791.0 | 20,791.0 |
| 6066 Pub School (1066 Pub School) | | | 20,000.0 | 23,688.7 |
| 6587 Public School Fund - Other Interest Earned | | 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. | 20,000.0 | 23,688.7 |