

State of Alaska FY2021 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 2019

- 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 129,005 Alaska students enrolled in grades K-12.

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 FY2021

The base student allocation (BSA) will remain at \$5,930 for FY2021, which will be the fourth year without a change in the BSA.

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

Contact Information

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Component Detail All Funds
Department of Education and Early Development

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

Formula Component

	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 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	1,202,579.6	1,214,932.3	1,214,932.3	1,214,932.3	1,234,069.4	19,137.1	1.6%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,202,579.6	1,214,932.3	1,214,932.3	1,214,932.3	1,234,069.4	19,137.1	1.6%
Fund Sources:							
1004 Gen Fund (UGF)	1,158,099.9	1,172,603.9	1,172,603.9	1,172,603.9	1,183,504.2	10,900.3	0.9%
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)	23,688.7	21,537.4	21,537.4	21,537.4	29,774.2	8,236.8	38.2%
Unrestricted General (UGF)	1,158,099.9	1,172,603.9	1,172,603.9	1,172,603.9	1,183,504.2	10,900.3	0.9%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	23,688.7	21,537.4	21,537.4	21,537.4	29,774.2	8,236.8	38.2%
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 FY2020 Conference Committee To FY2020 Authorized *****												
FY2020 Conference Committee												
	ConfCom	42,328.4	0.0	0.0	0.0	0.0	0.0	42,328.4	0.0	0	0	0
1043 Impact Aid		20,791.0										
1066 Pub School		21,537.4										
Tracking FY2020 Draw for Foundation Expenditures from Public Education Fund												
	ConfC(L)	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										
Veto FY2021 Foundation Program Forward Funding												
	Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Per guidance from the Attorney General appropriations of future general fund revenues are not valid. This item has been vetoed to prevent an unconstitutional dedication of funds.												
Restore FY2021 Foundation Program Forward Funding												
	Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Legislative add-back appropriation made in Chapter 2, SSSLA2019, of HB2001.												
Veto FY2021 Foundation Program Forward Funding												
	Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Per guidance from the Attorney General appropriations of future general fund revenues are not valid. This item has been vetoed to prevent an unconstitutional dedication of funds.												
	Subtotal	1,214,932.3	0.0	0.0	0.0	0.0	0.0	1,214,932.3	0.0	0	0	0
***** Changes From FY2020 Management Plan To FY2021 Governor *****												
Reverse Tracking FY2020 Draw for Foundation Expenditures from Public Education Fund												
	OTI	-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										
Reverse the miscellaneous adjustment used to track expenditures in the Foundation Program from the Public Education Fund that occur without further appropriation per AS 14.17.300(b). The FY2020 Foundation Program estimate includes a base student allocation of \$5,930.												
Foundation Program Expenditures from Public Education Fund												
	Misadj	1,213,278.4	0.0	0.0	0.0	0.0	0.0	1,213,278.4	0.0	0	0	0
1004 Gen Fund		1,183,504.2										
1066 Pub School		29,774.2										

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
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 Foundation Program, a miscellaneous adjustment is used to track expenditures. The FY2021 Foundation Program estimate includes a base student allocation of \$5,930.												
Transition Public School Trust Fund to Language Section to Maximize Investment Returns												
	Dec	-21,537.4	0.0	0.0	0.0	0.0	0.0	-21,537.4	0.0	0	0	0
1066 Pub School		-21,537.4										
Transition Public School Trust Fund (PSTF) from a direct appropriation to pay foundation payments and operational costs at Mt. Edgecumbe High School (MEHS) to a language section transfer to the Public Education Fund (PEF).												
This change is necessary to provide the Department of Revenue, Treasury Division, investment flexibility to earn maximum return. A single annual draw from PSTF at the same time each year provides Treasury with predictable cash flow to plan investments. Currently, PSTF is appropriated directly to pay foundation payments and for operational costs at MEHS. These direct appropriations are not as predictable as a single draw meaning that Treasury must reserve a larger portion of the fund at all times to ensure sufficient cash on hand to meet expenditures. A single deposit into the PEF solves this issue and increases the long term earning potential of the PSTF.												
Totals		1,234,069.4	0.0	0.0	0.0	0.0	0.0	1,234,069.4	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		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
7000	Grants, Benefits		1,202,579.6	1,214,932.3	1,234,069.4
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
7000 Grants, Benefits Detail Totals			1,202,579.6	1,214,932.3	1,234,069.4
7003	Sub-Recipient Pass-Through Grants	Foundation formula grants to school districts, including Mt. Edgecumbe Boarding School.	1,202,579.6	1,214,932.3	1,234,069.4

Revenue Detail (1681)
Department of Education and Early Development

Component: Foundation Program (141)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
5043 Impact Aid (1043 Impact Aid)			20,791.0	20,791.0	20,791.0
5085 Impact Aid for K-12 Schools - Federal Grants		Federal Impact Aid revenue is reflected in the budget as a placeholder. These funds are passed through directly from the U.S. Department of Education to Anchorage, Fairbanks, and Kodiak school districts for Impact Aid. This amount is deducted from the amount granted in calculating the allocation of the Foundation Program.	20,791.0	20,791.0	20,791.0
6066 Pub School (1066 Pub School)			23,753.4	21,537.4	29,774.2
6587 Public School Fund - Other Interest Earned		Prior-year reimbursement recovery to the Foundation Program. AS 37.14.110 establishes the Public School Trust Fund. The sum of one percent of 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 funds from tobacco tax revenue.	23,753.4	21,537.4	29,774.2