

# **State of Alaska FY2023 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 2021**

- The Public School Funding Program provided approximately \$1.6 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 127,015 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 supported at the appropriate age levels.

**Significant Changes in Results to be Delivered in FY2023**

The base student allocation (BSA) will remain at \$5,930 for FY2023. There are no significant changes in results to be delivered in FY2023.

**Statutory and Regulatory Authority**

AS 14.17  
4 AAC 09

**Contact Information**

**Contact:** Heidi Teshner, Acting Deputy Commissioner  
**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

|                                   | FY2021 Actuals     | FY2022 Conference Committee | FY2022 Authorized  | FY2022 Management Plan | FY2023 Governor    | FY2022 Management Plan vs FY2023 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            | 1,246,155.6        | 1,214,266.2                 | 1,214,266.2        | 1,214,266.2            | 1,195,351.7        | -18,914.5                                 | -1.6%        |
| 78000 Miscellaneous               | 0.0                | 0.0                         | 0.0                | 0.0                    | 0.0                | 0.0                                       | 0.0%         |
| <b>Totals</b>                     | <b>1,246,155.6</b> | <b>1,214,266.2</b>          | <b>1,214,266.2</b> | <b>1,214,266.2</b>     | <b>1,195,351.7</b> | <b>-18,914.5</b>                          | <b>-1.6%</b> |
| <b>Fund Sources:</b>              |                    |                             |                    |                        |                    |   |              |
| 1004 Gen Fund (UGF)               | 1,195,590.5        | 1,162,308.5                 | 1,162,308.5        | 1,162,308.5            | 1,143,271.8        | -19,036.7                                 | -1.6%        |
| 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)           | 29,774.1           | 31,166.7                    | 31,166.7           | 31,166.7               | 31,288.9           | 122.2                                     | 0.4%         |
| <b>Unrestricted General (UGF)</b> | <b>1,195,590.5</b> | <b>1,162,308.5</b>          | <b>1,162,308.5</b> | <b>1,162,308.5</b>     | <b>1,143,271.8</b> | <b>-19,036.7</b>                          | <b>-1.6%</b> |
| <b>Designated General (DGF)</b>   | <b>0.0</b>         | <b>0.0</b>                  | <b>0.0</b>         | <b>0.0</b>             | <b>0.0</b>         | <b>0.0</b>                                | <b>0.0%</b>  |
| <b>Other Funds</b>                | <b>29,774.1</b>    | <b>31,166.7</b>             | <b>31,166.7</b>    | <b>31,166.7</b>        | <b>31,288.9</b>    | <b>122.2</b>                              | <b>0.4%</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>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 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      |          |
| <b>***** Changes From FY2022 Conference Committee To FY2022 Authorized *****</b>  |            |                    |                   |            |            |             |                |                    |               |           |          |          |
| <b>FY2022 Estimated Foundation Expenditures Sec70i Ch1 SSSLA2021 P156 L7 (HB69)</b>   |            |                    |                   |            |            |             |                |                    |               |           |          |          |
|   | ConfC(L)   | 1,193,475.2        | 0.0               | 0.0        | 0.0        | 0.0         | 0.0            | 1,193,475.2        | 0.0           | 0         | 0        | 0        |
| 1004 Gen Fund   |            | 1,162,308.5        |                   |            |            |             |                |                    |               |           |          |          |
| 1066 Pub School   |            | 31,166.7           |                   |            |            |             |                |                    |               |           |          |          |
| <p>(i) The amount necessary to fund the total amount for the fiscal year ending June 30, 2022, of state aid calculated under the public school funding formula under AS 14.17.410(b), 9 estimated to be \$1,193,475,200, is appropriated to the public education fund (AS 14.17.300) from the following sources:</p> <p>(1) \$31,166,700 from the public school trust fund (AS 37.14.110(a));</p> <p>(2) the amount necessary, after the appropriation made in (1) of this subsection, estimated to be \$1,162,308,500, from the general fund</p> |            |                    |                   |            |            |             |                |                    |               |           |          |          |
| <b>FY2022 Conference Committee</b>  |            |                    |                   |            |            |             |                |                    |               |           |          |          |
|   | ConfCom    | 20,791.0           | 0.0               | 0.0        | 0.0        | 0.0         | 0.0            | 20,791.0           | 0.0           | 0         | 0        | 0        |
| 1043 Impact Aid   |            | 20,791.0           |                   |            |            |             |                |                    |               |           |          |          |
| <b>Subtotal</b>   |            | <b>1,214,266.2</b> | <b>0.0</b>        | <b>0.0</b> | <b>0.0</b> | <b>0.0</b>  | <b>0.0</b>     | <b>1,214,266.2</b> | <b>0.0</b>    | <b>0</b>  | <b>0</b> | <b>0</b> |
| <b>***** Changes From FY2022 Management Plan To FY2023 Governor *****</b>   |            |                    |                   |            |            |             |                |                    |               |           |          |          |
| <b>Reverse FY2022 Foundation Program Expenditures from Public Education Fund</b>  |            |                    |                   |            |            |             |                |                    |               |           |          |          |
|   | OTI        | -1,193,475.2       | 0.0               | 0.0        | 0.0        | 0.0         | 0.0            | -1,193,475.2       | 0.0           | 0         | 0        | 0        |
| 1004 Gen Fund   |            | -1,162,308.5       |                   |            |            |             |                |                    |               |           |          |          |
| 1066 Pub School   |            | -31,166.7          |                   |            |            |             |                |                    |               |           |          |          |
| Reverse FY2022 language appropriation.  |            |                    |                   |            |            |             |                |                    |               |           |          |          |
| <b>FY2023 Estimated Foundation Program Expenditures from Public Education Fund</b>  |            |                    |                   |            |            |             |                |                    |               |           |          |          |
|   | Misadj     | 1,174,560.7        | 0.0               | 0.0        | 0.0        | 0.0         | 0.0            | 1,174,560.7        | 0.0           | 0         | 0        | 0        |
| 1004 Gen Fund   |            | 1,143,271.8        |                   |            |            |             |                |                    |               |           |          |          |
| 1066 Pub School   |            | 31,288.9           |                   |            |            |             |                |                    |               |           |          |          |

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 FY2023 Foundation Program estimate includes a base student allocation of \$5,930.

Proposed budget language for language section:

(...) The amount necessary to fund the total amount for the fiscal year ending June 30, 2023, of state aid calculated under the public school funding formula under AS 14.17.410(b), estimated to be \$1,174,560,675, is appropriated to the public education fund (AS 14.17.300) from the following sources:

- (1) \$31,288,875 from the public school trust fund (AS 37.14.110(a));
- (2) the amount necessary, after the appropriation made in (1) of this subsection, estimated to be \$1,143,271,800 from the general fund.

**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 |
|                              | Totals     | 1,195,351.7 | 0.0               | 0.0    | 0.0      | 0.0         | 0.0            | 1,195,351.7      | 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                         |   | FY2021 Actuals     | FY2022 Management Plan | FY2023 Governor    |
|--|-----------------------------------|---|--------------------|------------------------|--------------------|
| 7000                                       | Grants, Benefits                  |   | 1,246,155.6        | 1,214,266.2            | 1,195,351.7        |
| Object Class                               | Servicing Agency                  | Explanation   | FY2021 Actuals     | FY2022 Management Plan | FY2023 Governor    |
| <b>7000 Grants, Benefits Detail Totals</b> |                                   |   | <b>1,246,155.6</b> | <b>1,214,266.2</b>     | <b>1,195,351.7</b> |
| 7003                                       | Sub-Recipient Pass-Through Grants | Foundation formula grants to school districts, including Mt. Edgecumbe High School. | 1,246,155.6        | 1,214,266.2            | 1,195,351.7        |

**Revenue Detail (1681)**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)

| Revenue Type (OMB Fund Code)<br>Revenue Source    | Component | Comment   | FY2021 Actuals  | FY2022<br>Management Plan | FY2023 Governor |
|---|-----------|---|-----------------|---------------------------|-----------------|
| <b>5043 Impact Aid (1043 Impact Aid)</b>          |           |   | <b>20,791.0</b> | <b>20,791.0</b>           | <b>20,791.0</b> |
| 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        |
| <b>6066 Pub School (1066 Pub School)</b>          |           |   | <b>29,774.1</b> | <b>31,166.7</b>           | <b>32,133.7</b> |
| 6587 Public School Fund - Other Interest Earned   |           | 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. | 29,774.1        | 31,166.7                  | 32,133.7        |
| <b>6998 OffBudget (9999 No specif.)</b>           |           |   | <b>76.1</b>     | <b>0.0</b>                | <b>0.0</b>      |
| 6976 Off Budget Fund - PY Reimbursement Recovery  |           | Prior year reimbursement recovery.  | 76.1            | 0.0                       | 0.0             |

**Revenue Detail (1681)**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)