

# **State of Alaska FY2025 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 2023**

- 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 128,238 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 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 FY2025**

The base student allocation (BSA) will remain at \$5,960 for FY2025.

In FY2024, the first approved district-wide pre-elementary program will be included in the average daily membership for the Foundation Program state aid calculation. Additional district-wide pre-elementary programs are likely to be approved for the FY2025 calculation.

**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

	FY2023 Actuals	FY2024 Enrolled	FY2024 Authorized	FY2024 Management Plan	FY2025 Governor Adjusted Base	FY2025 Governor	FY2024 Management Plan vs FY2025 Governor	
1000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
2000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
3000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
4000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
5000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
7000 Grants, Benefits	1,211,192.1	1,193,823.3	1,193,823.3	1,193,823.3	1,166,581.2	1,166,581.2	-27,242.1	-2.3%
8000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>1,211,192.1</b>	<b>1,193,823.3</b>	<b>1,193,823.3</b>	<b>1,193,823.3</b>	<b>1,166,581.2</b>	<b>1,166,581.2</b>	<b>-27,242.1</b>	<b>-2.3%</b>
<b>Fund Sources:</b>								
1004 Gen Fund (UGF)	1,159,112.2	1,140,791.6	1,140,791.6	1,140,791.6	1,110,701.3	1,110,701.3	-30,090.3	-2.6%
1043 Impact Aid (Fed)	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	0.0	0.0%
1066 Pub School (Other)	31,288.9	32,240.7	32,240.7	32,240.7	35,088.9	35,088.9	2,848.2	8.8%
<b>Unrestricted General (UGF)</b>	<b>1,159,112.2</b>	<b>1,140,791.6</b>	<b>1,140,791.6</b>	<b>1,140,791.6</b>	<b>1,110,701.3</b>	<b>1,110,701.3</b>	<b>-30,090.3</b>	<b>-2.6%</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>0.0%</b>
<b>Other Funds</b>	<b>31,288.9</b>	<b>32,240.7</b>	<b>32,240.7</b>	<b>32,240.7</b>	<b>35,088.9</b>	<b>35,088.9</b>	<b>2,848.2</b>	<b>8.8%</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>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	0.0%
Permanent Part Time	0	0	0	0	0	0	0	0.0%
Non Permanent	0	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 FY2024 Enrolled To FY2024 Authorized *****</b>												
<b>Estimated Foundation Program Expenditures from Public Education Fund Sec72(g) Ch1 SLA2023 P161 L17 (HB39)</b>												
	Enrol(L)	1,173,032.3	0.0	0.0	0.0	0.0	0.0	1,173,032.3	0.0	0	0	0
1004 Gen Fund		1,140,791.6										
1066 Pub School		32,240.7										
<b>FY2024 Enrolled</b>												
	Enrolled	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>1,193,823.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,193,823.3</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>***** Changes From FY2024 Management Plan To FY2025 Governor Adjusted Base *****</b>												
<b>Reverse FY2024 Estimated Foundation Program Expenditures from Public Education Fund</b>												
	OTI	-1,173,032.3	0.0	0.0	0.0	0.0	0.0	-1,173,032.3	0.0	0	0	0
1004 Gen Fund		-1,140,791.6										
1066 Pub School		-32,240.7										
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 FY2024 Foundation Program estimate includes a base student allocation of \$5,960.												
<b>FY2025 Estimated Foundation Program Expenditures from Public Education Fund</b>												
	IncM	1,145,790.2	0.0	0.0	0.0	0.0	0.0	1,145,790.2	0.0	0	0	0
1004 Gen Fund		1,110,701.3										
1066 Pub School		35,088.9										
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 FY2025 Foundation Program estimate includes a base student allocation of \$5,960.												
The amount necessary to fund the total amount for the fiscal year ending June 30, 2025, of state aid calculated under the public school funding formula under AS 14.17.410(b), estimated to be \$1,145,790,200 is appropriated to the public education fund (AS 14.17.300) from the following sources: (1) \$35,088,900 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 \$1,110,701,300, from the general fund.												
<b>Subtotal</b>		<b>1,166,581.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,166,581.2</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>***** Changes From FY2025 Governor Adjusted Base To FY2025 Governor *****</b>												
<b>Totals</b>		<b>1,166,581.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,166,581.2</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Component:** Foundation Program (141)

Line Number	Line Name		FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
7000	Grants, Benefits		1,211,192.1	1,193,823.3	1,166,581.2
Object Class	Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>7000 Grants, Benefits Detail Totals</b>			<b>1,211,192.1</b>	<b>1,193,823.3</b>	<b>1,166,581.2</b>
7003	Sub-Recipient Pass-Through Grants	Foundation formula grants to school districts, including Mt. Edgecumbe High School.	1,211,192.1	1,193,823.3	1,166,581.2

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

**Component:** Foundation Program (141)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2023 Actuals	FY2024 Management Plan	FY2025 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 United States 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>31,288.9</b>	<b>32,240.7</b>	<b>35,088.9</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.	31,288.9	32,240.7	35,088.9