

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Education and Early Development
K-12 Support
Budget Request Unit Budget Summary**

K-12 Support Budget Request Unit

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BRU Mission

To provide financial support to Alaska's public schools.

BRU Services Provided

The K-12 Support BRU contains the formula programs within the Department of Education & Early Development and other supplemental programs. These programs provide the primary financial support to Alaska's 53 school districts, Mt. Edgecumbe Boarding School and Alyeska Central School, Alaska's centralized correspondence study program.

The funding for each program is reviewed annually to ensure accuracy and fairness in distribution of funds. The Division of Education Support Services, Office of School Finance, administers the following formula programs: Foundation Program, Tuition Students, and Boarding Home Grants. The Division of Teaching and Learning Support administers Youth in Detention, Schools for the Handicapped, and Community Schools programs.

BRU Goals and Strategies

- * Provide timely, accurate payments to school districts.
- * Provide financial assistance to school districts through formula programs.
- * Improve quality and consistency of reported data.

Key BRU Issues for FY2003 – 2004

PUBLIC SCHOOL FUNDING PROGRAM

The department's FY2004 budget requests full funding for the public school foundation program.

Quality Schools Grants

The Quality Schools Grant is part of the state's public school funding program to help students meet higher academic standards in reading, writing, and mathematics. Student achievement needs to be measured against rigorous standards in these areas at appropriate age levels. The Quality Schools Grants provide resources to schools and school districts to develop intervention plans and programs for students at risk of not meeting these standards. If a student is not making adequate progress, swift and intensive intervention is needed to get the student back on track.

The FY2004 budget includes \$20 million for supplemental grants outside the school funding formula to support targeted student intervention programs.

Major BRU Accomplishments in 2002

No major accomplishments.

K-12 Support
BRU Financial Summary by Component

All dollars in thousands

	FY2002 Actuals				FY2003 Authorized				FY2004 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<u>Formula Expenditures</u>												
Foundation Program	656,950.1	20,791.0	11,812.8	689,553.9	674,054.8	20,791.0	12,478.5	707,324.3	654,295.2	20,791.0	12,581.9	687,668.1
Tuition Students	2,225.0	0.0	0.0	2,225.0	2,225.0	0.0	0.0	2,225.0	0.0	0.0	0.0	0.0
Boarding Home Grants	185.8	0.0	0.0	185.8	335.9	0.0	0.0	335.9	185.9	0.0	0.0	185.9
Youth in Detention	1,089.5	0.0	0.0	1,089.5	1,100.0	0.0	0.0	1,100.0	1,100.0	0.0	0.0	1,100.0
Schools for the Handicapped	4,480.8	0.0	0.0	4,480.8	6,846.9	0.0	0.0	6,846.9	6,297.2	0.0	0.0	6,297.2
Community Schools	500.0	0.0	0.0	500.0	500.0	0.0	0.0	500.0	0.0	0.0	0.0	0.0
<u>Non-Formula Expenditures</u>												
None.												
Totals	665,431.2	20,791.0	11,812.8	698,035.0	685,062.6	20,791.0	12,478.5	718,332.1	661,878.3	20,791.0	12,581.9	695,251.2

K-12 Support**Proposed Changes in Levels of Service for FY2004****Foundation Program**

Delete one time floor adjustment (SB2006)
(-\$1,340.9 General Fund)

Delete one time funding - School Programs and Services (SB2006)
(-\$6,000.0 General Fund)

Delete One-Time Learning Opportunity Grants Funding (HB403)
(-\$23,340.9 General Fund)

FY2004 projected entitlement decrease
(-2,650.3)

Adjust authorization to correspond to state aid entitlement through the current Public School Funding Program.

Increase Public School Trust Fund revenue
(\$103.4)

Increase in the FY04 estimated revenue for the Public School Trust Fund.

Savings through the clarification of school age for funding purposes
(-\$3,916.2 General Fund)

Eliminate funding for four-year olds in the Foundation Program. Clarifying the school age statute for Public School Funding purposes will eliminate 2-year kindergarten programs that some schools district offer to four-year olds. The impact is those four-years will be eligible to enter the public school system at the age of 5. Current compulsory education laws require children to start school at the age of 7.

Eliminate Alyeska Central School summer school count
(-\$1,170.4 General Fund)

Savings realized through the elimination of the summer school count from Alyeska Central School.

Learning Opportunity Grants
(\$20,000.0 General Fund)

Tuition Students

Eliminate program funding
(-\$2,225.0 General Fund)

This program provides funding to school districts for students who are wards of the state to compensate for the loss of local tax revenue. This regulation is outdated and is no longer relevant given that many of the children in foster care are residents of the school district, living in taxable homes or they are in custody in non-taxable facilities.

Boarding Home Grants

Delete one time item - Regional Learning Center Pilot Program (SB2006)
(-\$150.0 General Fund)

Schools for the Handicapped

Special Education Service Agency
(\$17.6 General Fund)

Full funding for the Special Education Service Agency as required by AS 14.30.650 of \$15.75 per average daily membership in the prior fiscal year.

**Alaska Challenge Youth Academy - Full funding
(\$569.4 General Fund)**

Full funding for the Alaska Challenge Youth Academy as required by AS 14.30.740.

**Transfer out of state placement to DHSS
(-\$500.0 General Fund)**

Costs of providing services to seriously emotionally disturbed youth continue to increase as does the number of children requiring services. While the bigger issue of trying to identify how best to serve these students and how to pay for it, this proposed change would create some efficiencies by consolidating the resources currently available into one department who has the responsibility for serving these children.

**Transfer the Alaska youth initiative to DHSS
(-\$637.0 General Fund)**

Costs of providing services to seriously emotionally disturbed youth continue to increase as does the number of children requiring services. While the bigger issue of trying to identify how best to serve these students and how to pay for it, this proposed change would create some efficiencies by consolidating the resources currently available into one department who has the responsibility for serving these children.

Community Schools

**Eliminate program funding
(-\$500.0 General Fund)**

Eliminate funding for the Community Schools program. The intent of the program when it was originally established in 1975 was to encourage the establishment of programs to expand the use of the school beyond the normal school day. If fully funded, this grant program would exceed \$3 million annually.

K-12 Support

Summary of BRU Budget Changes by Component

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	685,062.6	20,791.0	12,478.5	718,332.1
Adjustments which will continue current level of service:				
-Foundation Program	-30,681.8	0.0	0.0	-30,681.8
-Boarding Home Grants	-150.0	0.0	0.0	-150.0
-Schools for the Handicapped	-1,137.0	0.0	0.0	-1,137.0
Proposed budget decreases:				
-Foundation Program	-9,077.8	0.0	0.0	-9,077.8
-Tuition Students	-2,225.0	0.0	0.0	-2,225.0
-Community Schools	-500.0	0.0	0.0	-500.0
Proposed budget increases:				
-Foundation Program	20,000.0	0.0	103.4	20,103.4
-Schools for the Handicapped	587.3	0.0	0.0	587.3
FY2004 Governor	661,878.3	20,791.0	12,581.9	695,251.2