

State of Alaska FY2004 Governor's Operating Budget

Department of Education and Early Development Foundation Program Component Budget Summary

Component: Foundation Program

Contact: Karen J. Rehfeld, Acting Commissioner

Tel: (907) 465-8650 **Fax:** (907) 465-3452 **E-mail:** Karen_Rehfeld@eed.state.ak.us

Component Mission

To provide financial support to Alaska's public schools.

Component Services Provided

The Public School Funding Program provides the primary state financial support for the 53 school districts, Mt. Edgecumbe Boarding School and Alyeska Central School, the state's correspondence study program. In FY2003, about \$677 million will be distributed to school districts, according to "Basic Need", as determined by AS 14.17.410, less required local contributions and deductions for eligible Impact Aid. AS 14.17.610 requires that payments be distributed to school districts for the first nine months of the fiscal year based on 1/12th of the total funding received during the preceding fiscal year. The last three monthly payments are adjusted to provide each district with its revised entitlement based on current year student count data. The amount requested is based on student count projections, submitted by each school district. The actual funds needed for this program may vary depending on the actual student counts, local contributions and federal impact aid receipts.

Component Goals and Strategies

Distribute state aid in support of public schools operating throughout the state. Pupils who are of school age receive educational services from one of 53 school districts, Mt. Edgecumbe High School or Alyeska Central School, the state's correspondence study program.

Improve projections through analysis of educational data and trends in addition to local district enrollment projections after submission of current year enrollment data.

Key Component Issues for FY2003 – 2004

PUBLIC SCHOOL FUNDING PROGRAM

The department's budget requests full funding the FY2004 public school foundation program. In addition, the department is recommending an increase to the base student allocation that will require the governor to introduce legislation to increase the base student allocation. Schools need resources to help students meet higher academic standards in reading, writing, and mathematics and to be held accountable for their students performance.

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 department is also recommending that the governor request an increase in the statutory amount of the Quality Schools Grant above the current \$16 per adjusted Average Daily Membership. This recommendation will roll the one-time funding approved by the legislature in FY2001, FY2002, and FY2003 for learning opportunity grants into recurring revenue. Improvement in student performance requires a continuous commitment to providing the resources to ensure that all students meet high academic standards. Including this funding in the annual foundation program will allow school districts to plan for and provide meaningful programs to ensure that students at risk of not meeting standards will be able to reach them at the appropriate age levels.

Major Component Accomplishments in 2002

Distributed approximately \$677million to 53 school districts, Mt. Edgecumbe and Alyeska Central School to provide educational services to 132,669 Alaska students.

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

Foundation Program
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	68.8	68.8	68.8
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	689,485.1	707,255.5	687,599.3
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	689,553.9	707,324.3	687,668.1
Funding Sources:			
1004 General Fund Receipts	656,950.1	674,054.8	654,295.2
1043 Impact Aid for K-12 Schools	20,791.0	20,791.0	20,791.0
1066 Public School Fund	11,812.8	12,478.5	12,581.9
Funding Totals	689,553.9	707,324.3	687,668.1

Foundation Program

Proposed Changes in Levels of Service for FY2004

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)

Summary of Component Budget Changes

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	674,054.8	20,791.0	12,478.5	707,324.3
Adjustments which will continue current level of service:				
-Delete one time floor adjustment (SB2006)	-1,340.9	0.0	0.0	-1,340.9
-Delete one time funding - School Programs and Services (SB2006)	-6,000.0	0.0	0.0	-6,000.0
-Delete One-Time Learning Opportunity Grants Funding (HB403)	-23,340.9	0.0	0.0	-23,340.9
Proposed budget decreases:				
-FY2004 projected entitlement	-3,991.2	0.0	0.0	-3,991.2

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
decrease				
-Savings through the clarification of school age for funding purposes	-3,916.2	0.0	0.0	-3,916.2
-Eliminate Alyeska Central School summer school count	-1,170.4	0.0	0.0	-1,170.4
Proposed budget increases:				
-Increase Public School Trust Fund revenue	0.0	0.0	103.4	103.4
-Learning Opportunity Grants	20,000.0	0.0	0.0	20,000.0
FY2004 Governor	654,295.2	20,791.0	12,581.9	687,668.1