

State of Alaska FY2007 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 the 53 school districts and Mt. Edgecumbe Boarding School. In FY2006, about \$832 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.

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$824,427,300	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

PUBLIC SCHOOL FUNDING PROGRAM

The department's budget requests full funding of the FY2007 public school foundation program. The foundation program provides resources schools need to help students meet higher academic standards in reading, writing, and mathematics. Schools and districts are held accountable for their students' performance.

HB1 increased the base student allocation from \$4,576 to \$4,919 in FY2006. Improvement in student performance requires a continuous commitment to providing the resources to ensure that all students meet high academic standards. This increase in the annual foundation program allows 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.

The increases in the contributions required for TRS and PERS continue to impact all school districts in FY2007.

Significant Changes in Results to be Delivered in FY2007

As a demonstration of this administration's commitment to providing resources to schools to support increasing student achievement, the Department of Education & Early Development, through the Governor, is requesting an increase to the base student allocation in the Public School Funding Program to cover the increase in TRS and PERS rates, fuel and inflation for the next two fiscal years. The Governor is requesting an additional \$90 million be added to the foundation program for distribution in FY07.

Legislation is required to increase the base student allocation to the following levels:

FY2007 - Increase by \$433 per ADM from \$4,919 to \$5,352

Major Component Accomplishments in 2005

Distributed approximately \$832 million to 53 school districts and Mt. Edgecumbe to provide educational services to 132,400 Alaska students.

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

Contact Information
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**Foundation Program
Component Financial Summary**

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	68.8	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	743,270.7	832,344.7	824,427.3
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	743,339.5	832,344.7	824,427.3
Funding Sources:			
1004 General Fund Receipts	710,601.2	799,606.4	791,678.3
1043 Impact Aid for K-12 Schools	20,791.0	20,791.0	20,791.0
1066 Public School Fund	11,947.3	11,947.3	11,958.0
Funding Totals	743,339.5	832,344.7	824,427.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Public Law 81-874	51130	20,791.0	20,791.0	20,791.0
Public School Fund	51225	11,947.3	11,947.3	11,958.0
Restricted Total		32,738.3	32,738.3	32,749.0
Total Estimated Revenues		32,738.3	32,738.3	32,749.0

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	799,606.4	20,791.0	11,947.3	832,344.7
Proposed budget decreases:				
-Reduction to reflect FY07 expenditure level	-7,928.1	0.0	10.7	-7,917.4
FY2007 Governor	791,678.3	20,791.0	11,958.0	824,427.3