

# **State of Alaska FY2012 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 fifty-three school districts and Mt. Edgecumbe Boarding School. In FY2012, about \$1.4 billion will be distributed to school districts, according to "Basic Need" as determined by AS 14.17.410, less the required local contributions and deductions for eligible Impact Aid.

**Key Component Challenges**

**PUBLIC SCHOOL FUNDING PROGRAM**

The department's budget requests full funding of the FY2012 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.

The base student allocation of \$5,680 maintains the increase of \$100 for FY2011. 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 increases in the foundation program allow for proactive planning of meaningful programs. This ensures that students at risk of not meeting standards will be able to reach them at the appropriate age levels.

**Significant Changes in Results to be Delivered in FY2012**

Implementing formula changes for the 4th consecutive year out of 5 approved in HB273.

**Major Component Accomplishments in 2010**

- In FY2010 the Public School Funding Program provided approximately \$1.3 billion in "Basic Need", as determined by AS 14.17.410. Approximately \$1.0 billion was state aid distributed to fifty-three school districts
- Mt. Edgecumbe High School provided educational services to 129,229 Alaska students
- Operating budget authorization in FY2010 provided an additional \$56.5 million for the second year of the five-year implementation of SB273.

**Statutory and Regulatory Authority**

AS 14.17  
4 AAC 09

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**Foundation Program  
Component Financial Summary**

*All dollars shown in thousands*

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	9.1	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	1,030,029.0	1,086,638.4	1,096,249.6
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,030,038.1</b>	<b>1,086,638.4</b>	<b>1,096,249.6</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	996,310.1	1,052,483.0	1,063,108.6
1043 Impact Aid for K-12 Schools	20,791.0	20,791.0	20,791.0
1066 Public School Fund	12,937.0	10,700.0	12,350.0
1188 Federal Unrestricted Receipts	0.0	2,664.4	0.0
<b>Funding Totals</b>	<b>1,030,038.1</b>	<b>1,086,638.4</b>	<b>1,096,249.6</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
<b>Unrestricted Revenues</b>				
Federal Receipts	51010	0.0	2,664.4	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>2,664.4</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Public Law 81-874	51130	20,791.0	20,791.0	20,791.0
Public School Fund	51225	12,937.0	10,700.0	12,350.0
<b>Restricted Total</b>		<b>33,728.0</b>	<b>31,491.0</b>	<b>33,141.0</b>
<b>Total Estimated Revenues</b>		<b>33,728.0</b>	<b>34,155.4</b>	<b>33,141.0</b>

**Summary of Component Budget Changes  
From FY2011 Management Plan to FY2012 Governor**

*All dollars shown in thousands*

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2011 Management Plan</b>	<b>1,052,483.0</b>	<b>10,700.0</b>	<b>0.0</b>	<b>23,455.4</b>	<b>1,086,638.4</b>
<b>Adjustments which get you to start of year:</b>					
-FY12 Foundation Program PEF Tracking	1,063,108.6	0.0	0.0	0.0	1,063,108.6
<b>Adjustments which will continue current level of service:</b>					
-Remove Year Two Pre-K Pilot Program (See Early Learning Coordination Component for Year Three IncM and Expansion Inc)	-2,000.0	0.0	0.0	0.0	-2,000.0
-Remove FY 11 Foundation Public Education Fund Tracking	-1,050,483.0	0.0	0.0	0.0	-1,050,483.0
-Remove Estimated FY11 Reimbursement for Medicaid School Based Claims that Offset Draw Needed from PEF	0.0	0.0	0.0	-2,664.4	-2,664.4
<b>Proposed budget increases:</b>					
-Public School Trust Fund Increment	0.0	1,650.0	0.0	0.0	1,650.0
<b>FY2012 Governor</b>	<b>1,063,108.6</b>	<b>12,350.0</b>	<b>0.0</b>	<b>20,791.0</b>	<b>1,096,249.6</b>

**Component Detail All Funds**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 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	9.1	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	1,030,029.0	1,086,638.4	1,086,638.4	1,086,638.4	1,096,249.6	9,611.2	0.9%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>1,030,038.1</b>	<b>1,086,638.4</b>	<b>1,086,638.4</b>	<b>1,086,638.4</b>	<b>1,096,249.6</b>	<b>9,611.2</b>	<b>0.9%</b>
<b>Fund Sources:</b>							
1004 Gen Fund	996,310.1	1,052,483.0	1,052,483.0	1,052,483.0	1,063,108.6	10,625.6	1.0%
1043 Impact Aid	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	0.0	0.0%
1066 Pub School	12,937.0	10,700.0	10,700.0	10,700.0	12,350.0	1,650.0	15.4%
1188 Fed Unrstr	0.0	2,664.4	2,664.4	2,664.4	0.0	-2,664.4	-100.0%
<b>Unrestricted General (UGF)</b>	<b>996,310.1</b>	<b>1,052,483.0</b>	<b>1,052,483.0</b>	<b>1,052,483.0</b>	<b>1,063,108.6</b>	<b>10,625.6</b>	<b>1.0%</b>
<b>Designated General (DGF)</b>	<b>12,937.0</b>	<b>10,700.0</b>	<b>10,700.0</b>	<b>10,700.0</b>	<b>12,350.0</b>	<b>1,650.0</b>	<b>15.4%</b>
<b>Other Funds</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>Federal Funds</b>	<b>20,791.0</b>	<b>23,455.4</b>	<b>23,455.4</b>	<b>23,455.4</b>	<b>20,791.0</b>	<b>-2,664.4</b>	<b>-11.4%</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 Support (53)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2011 Conference Committee (Final) To FY2011 Authorized *****												
<b>FY2011 Conference Committee</b>												
	ConfCom	1,053,147.4	0.0	0.0	0.0	0.0	0.0	1,053,147.4	0.0	0	0	0
1004 Gen Fund		1,050,483.0										
1188 Fed Unrstr		2,664.4										
PEF Tracking \$1,050,483.0												
Language item adopted in CC had the fiscal impact of reducing PEF Tracking need by \$2,664.4 because \$2,664.4 was added from unrestricted federal due to estimate of the amount to be received for reimbursement of Medicaid School Based Claims.												
<b>FY2011 Conference Committee</b>												
	ConfCom	33,491.0	0.0	0.0	0.0	0.0	0.0	33,491.0	0.0	0	0	0
1004 Gen Fund		2,000.0										
1043 Impact Aid		20,791.0										
1066 Pub School		10,700.0										
<b>FUNDING FOR SCHOOL MEALS (SB 213)</b>												
	FisNot	2,046.6	0.0	0.0	0.0	0.0	0.0	2,046.6	0.0	0	0	0
1004 Gen Fund		2,046.6										
<b>FUNDING FOR SCHOOL MEALS (SB 213)</b>												
	Veto	-2,046.6	0.0	0.0	0.0	0.0	0.0	-2,046.6	0.0	0	0	0
1004 Gen Fund		-2,046.6										
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	<b>Subtotal</b>	<b>1,086,638.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,086,638.4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
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	<b>Subtotal</b>	<b>1,086,638.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,086,638.4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
<b>Remove Year Two Pre-K Pilot Program (See Early Learning Coordination Component for Year Three IncM and Expansion Inc)</b>												
	OTI	-2,000.0	0.0	0.0	0.0	0.0	0.0	-2,000.0	0.0	0	0	0
1004 Gen Fund		-2,000.0										
FY11 year-two funding for the Pre-K Pilot Program was included in the conference committee change record; however, it had been adopted as a one-time item. This transaction removes the one-time funding. Year-three funding to continue the Pre-K Program in FY12 is requested in the Early Learning Coordination Component.												

**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)

**RDU:** K-12 Support (53)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<b>Remove FY 11 Foundation Public Education Fund Tracking</b>												
	OTI	-1,050,483.0	0.0	0.0	0.0	0.0	0.0	-1,050,483.0	0.0	0	0	0
1004 Gen Fund		-1,050,483.0										
PEF Tracking \$1,050,483.0												
A language item adopted in Conference Committee had the fiscal impact of reducing the amount needed from the Public Education Fund for anticipated Foundation Program expenditures by \$2,664.4. The basis for the reduction was anticipating receipt of \$2,664.4 from unrestricted federal before the end of FY11 due to a projected reimbursement of Medicaid School Based Claims.												
<b>Remove Estimated FY11 Reimbursement for Medicaid School Based Claims that Offset Draw Needed from PEF</b>												
	OTI	-2,664.4	0.0	0.0	0.0	0.0	0.0	-2,664.4	0.0	0	0	0
1188 Fed Unrstr		-2,664.4										
A language item adopted in Conference Committee had the fiscal impact of reducing the amount needed from the Public Education Fund by \$2,664.4. The basis for the reduction was anticipating receipt of \$2,664.4 from unrestricted federal before the end of FY11 due to a projected reimbursement of Medicaid School Based Claims. It is unknown if such federal funds will actually be received; in addition this transaction is necessary to remove all Public Education Fund tracking-related transactions.												
<b>FY12 Foundation Program PEF Tracking</b>												
	Misadj	1,063,108.6	0.0	0.0	0.0	0.0	0.0	1,063,108.6	0.0	0	0	0
1004 Gen Fund		1,063,108.6										
This change record is only for tracking the FY2012 Foundation Program anticipated need. Funds will be expended out of the Public Education Fund. The Base Student Allocation is \$5,680.												
<b>Public School Trust Fund Increment</b>												
	IncM	1,650.0	0.0	0.0	0.0	0.0	0.0	1,650.0	0.0	0	0	0
1066 Pub School		1,650.0										
The formula adjustment to the Public School Trust Fund is an increase of \$1,650,000 and reflects the FY12 total anticipated expenditure of \$12,350.0.												
<b>Totals</b>		<b>1,096,249.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,096,249.6</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Line Item Detail**  
**Department of Education and Early Development**  
**Commodities**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000	Commodities		9.1	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
<b>74000 Commodities Detail Totals</b>			<b>9.1</b>	<b>0.0</b>	<b>0.0</b>
74222	Books And Educational	Books / Educational materials associated with the administration and management of the Pre-K Program	9.1	0.0	0.0

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

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
77000	Grants, Benefits		1,030,029.0	1,086,638.4	1,096,249.6
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
<b>77000 Grants, Benefits Detail Totals</b>			<b>1,030,029.0</b>	<b>1,086,638.4</b>	<b>1,096,249.6</b>
77431	Education	Foundation Formula grants to school districts.	1,029,234.4	1,085,511.1	1,095,122.3
77431	Education	EED MEHS Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid).	794.6	1,127.3	1,127.3

**Unrestricted Revenue Detail**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51010	Federal Receipts	0.0	2,664.4	0.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51010	Federal Receipts HB300 SLA2010 CH41 Sec16(3) Pg80 Ln11-14: after deducting the amount appropriated in (1) and (2) of this subsection, the remainder is appropriated to the Department of Education & Early Development, K-12 support, foundation program allocation, for distribution to school districts through the foundation formula.				0.0	2,664.4	0.0

Subsections (1) and (2) are related to appropriations to the Department of Health & Social Services, Medicaid school-based claims allocation for the distribution to school districts participating in the Medicaid school-based claims program.

**Restricted Revenue Detail**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51130	Public Law 81-874	20,791.0	20,791.0	20,791.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51130	Pub Law 81-874/GF This authorization of Federal Impact Aid revenue is shown in the Alaska Department of Education & Early Development (EED) budget only as a place holder- Impact Aid is not received by EED. The funds are sent directly from the US Department of Education to Anchorage, Fairbanks, and Kodiak school districts for Impact Aid. EED deducts the amount granted in calculating the allocation of the Foundation Program.		05111049	11100	20,791.0	20,791.0	20,791.0

**Restricted Revenue Detail**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51225	Public School Fund	12,937.0	10,700.0	12,350.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51225	Public School Fund		05111047	11100	12,937.0	10,700.0	12,350.0
<p>AS 37.14.110 establishes the Public School Trust Fund and each year the sum of one-half of 1 percent of the 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 available funds from tobacco tax revenue.</p>							

**Inter-Agency Services**  
**Department of Education and Early Development**

**Component:** Foundation Program (141)  
**RDU:** K-12 Support (53)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor	
77431	Education	Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid).	Intra-dept	EED MEHS	794.6	1,127.3	1,127.3
<b>77431 Education subtotal:</b>				<b>794.6</b>	<b>1,127.3</b>	<b>1,127.3</b>	
<b>Foundation Program total:</b>				<b>794.6</b>	<b>1,127.3</b>	<b>1,127.3</b>	
<b>Grand Total:</b>				<b>794.6</b>	<b>1,127.3</b>	<b>1,127.3</b>	