

State of Alaska FY2017 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 2015

- In FY2015, 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;
- Alaska's 53 school districts and Mt. Edgecumbe High School provided educational services to 128,580 Alaska students enrolled in grades K-12, in FY2015; and
- In addition to the foundation basic need, the operating fund provided a one-time \$43 million distribution to school districts based on the adjusted Average Daily Membership, the same calculation as used for basic need distribution.

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 their 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 allows for proactive planning of meaningful programs. This ensures that students at risk of not meeting standards will be able to be reached at the appropriate age levels.

Significant Changes in Results to be Delivered in FY2017

The base student allocation will increase by \$50 from \$5,880 to \$5,930, equal to approximately \$12 million in additional funding to be distributed to school districts.

Statutory and Regulatory Authority

AS 14.17
4 AAC 09

Contact Information

Contact: Elizabeth Nudelman, School Finance Director
Phone: (907) 465-8679
Fax: (907) 463-5279
E-mail: elizabeth.nudelman@alaska.gov

Component Detail All Funds
Department of Education and Early Development

Component: Foundation Program (141)
RDU: K-12 Aid to School Districts (645)

Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 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	0.0	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	0.0	1,202,030.5	1,202,030.5	1,202,030.5	1,214,775.5	12,745.0	1.1%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	0.0	1,202,030.5	1,202,030.5	1,202,030.5	1,214,775.5	12,745.0	1.1%
Fund Sources:							
1004Gen Fund (UGF)	0.0	1,168,239.5	1,168,239.5	1,168,239.5	1,163,984.5	-4,255.0	-0.4%
1043Impact Aid (Fed)	0.0	20,791.0	20,791.0	20,791.0	20,791.0	0.0	0.0%
1066Pub School (DGF)	0.0	13,000.0	13,000.0	13,000.0	30,000.0	17,000.0	130.8%
Unrestricted General (UGF)	0.0	1,168,239.5	1,168,239.5	1,168,239.5	1,163,984.5	-4,255.0	-0.4%
Designated General (DGF)	0.0	13,000.0	13,000.0	13,000.0	30,000.0	17,000.0	130.8%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	20,791.0	20,791.0	20,791.0	20,791.0	0.0	0.0%
Positions:							
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%

Component Detail All Funds
Department of Education and Early Development

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

Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor
71000 Personal Services	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%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	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%
77000 Grants, Benefits	1,230,440.1	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,230,440.1	0.0	0.0	0.0	0.0	0.0%
Fund Sources:						
1004Gen Fund (UGF)	1,197,649.1	0.0	0.0	0.0	0.0	0.0%
1043Impact Aid (Fed)	20,791.0	0.0	0.0	0.0	0.0	0.0%
1066Pub School (DGF)	12,000.0	0.0	0.0	0.0	0.0	0.0%
Unrestricted General (UGF)	1,197,649.1	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	12,000.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	20,791.0	0.0	0.0	0.0	0.0	0.0%
Positions:						
Permanent Full Time	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0.0%
Non Permanent	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	
***** Changes From FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee												
1004 Gen Fund	ConfC(L)	1,168,239.5	0.0	0.0	0.0	0.0	0.0	1,168,239.5	0.0	0	0	0
		1,168,239.5										
FY2016 Conference Committee												
1043 Impact Aid	ConfCom	33,791.0	0.0	0.0	0.0	0.0	0.0	33,791.0	0.0	0	0	0
1066 Pub School		20,791.0										
		13,000.0										
Subtotal		1,202,030.5	0.0	0.0	0.0	0.0	0.0	1,202,030.5	0.0	0	0	0

***** Changes From FY2016 Management Plan To FY2017 Governor *****												
Public School Trust Fund Adjustment												
1066 Pub School	Inc	17,000.0	0.0	0.0	0.0	0.0	0.0	17,000.0	0.0	0	0	0
		17,000.0										

An additional \$17.0 million is available from the Public School Trust Fund (PSTF), for a FY2017 Public School Trust Fund amount of \$30.0 million, and reduces the general funds needed to fully support distributions to school districts through the foundation formula.

Tracking Estimated FY2017 Foundation Expenditures from Public Education Fund

1004 Gen Fund	Misadj	1,163,984.5	0.0	0.0	0.0	0.0	0.0	1,163,984.5	0.0	0	0	0
		1,163,984.5										

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 FY2017 Foundation Program, a miscellaneous adjustment is used to track expenditures in the Foundation Program component.

The FY2017 Foundation Program estimate includes a \$50 base student allocation (BSA) increase from \$5,880 to \$5,930.

The estimate reflects the remaining foundation program need after applying the FY2017 Public School Trust Fund amount of \$30,000.0.

Reverse Tracking FY2016 Estimated Draw for Foundation Expenditures

1004 Gen Fund	OTI	-1,168,239.5	0.0	0.0	0.0	0.0	0.0	-1,168,239.5	0.0	0	0	0
		-1,168,239.5										

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 FY2016 Foundation Program, a miscellaneous adjustment is used to track expenditures in the Foundation Program component.

The current estimated draw from the Public Education Fund for FY2016 Foundation Program expenditures is based on an adjusted average daily membership (AADM) as of November 2014; regular average daily membership (ADM); and, \$5,880 per ADM.

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	
	Totals	1,214,775.5	0.0	0.0	0.0	0.0	0.0	1,214,775.5	0.0	0	0	0

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

Component: Foundation Program (141)
RDU: K-12 Aid to School Districts (645)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000	Grants, Benefits		0.0	1,202,030.5	1,214,775.5
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000 Grants, Benefits Detail Totals			0.0	1,202,030.5	1,214,775.5
77431	Education	Foundation Formula grants to school districts.	0.0	1,197,649.9	1,210,594.0
77438	State Agency Grants	EED MEHS Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid and State Aid).	0.0	4,380.6	4,181.5

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

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000	Grants, Benefits		1,230,440.1	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000 Grants, Benefits Detail Totals			1,230,440.1	0.0	0.0
77431	Education	Foundation Formula grants to school districts.	1,225,969.6	0.0	0.0
77438	State Agency Grants	EED MEHS Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid and State Aid).	4,470.5	0.0	0.0

Restricted Revenue Detail
Department of Education and Early Development

Component: Foundation Program (141)
RDU: K-12 Aid to School Districts (645)

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51130	Public Law 81-874	0.0	20,791.0	20,791.0

Detail Information					FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund			
51130	Pub Law 81-874/GF		05111049	11100	0.0	20,791.0	20,791.0

This authorization of Federal Impact Aid revenue is shown in the Alaska Department of Education and 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.

Restricted Revenue Detail
Department of Education and Early Development

Component: Foundation Program (141)
RDU: K-12 Aid to School Districts (645)

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51225	Public School Fund	0.0	13,000.0	30,000.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51225	Public School Fund		05111047	11100	0.0	13,000.0	30,000.0
<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>							

Restricted Revenue Detail
Department of Education and Early Development

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

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51130	Public Law 81-874	20,791.0	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51130	Pub Law 81-874/GF		05111049	11100	20,791.0	0.0	0.0

This authorization of Federal Impact Aid revenue is shown in the Alaska Department of Education and 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.

Restricted Revenue Detail
Department of Education and Early Development

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

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51225	Public School Fund	12,000.0	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51225	Public School Fund		05111047	11100	12,000.0	0.0	0.0
<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>							

Interagency Services
Department of Education and Early Development

Component: Foundation Program (141)
RDU: K-12 Aid to School Districts (645)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor	
77438	State Agency Grants	Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid and State Aid).	Intra-dept	EED MEHS	0.0	4,380.6	4,181.5
Foundation Program total:				0.0	4,380.6	4,181.5	

Interagency Services
Department of Education and Early Development

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor	
77438	State Agency Grants	Estimated foundation formula entitlement for Mt. Edgecumbe High School (Impact Aid and State Aid).	Intra-dept	EED MEHS	4,470.5	0.0	0.0
77438 State Agency Grants subtotal:				4,470.5	4,380.6	4,181.5	
Foundation Program total:				4,470.5	4,380.6	4,181.5	
Grand Total:				4,470.5	4,380.6	4,181.5	