

Funding Public Education in Alaska

Prepared for the

Senate Finance Committee

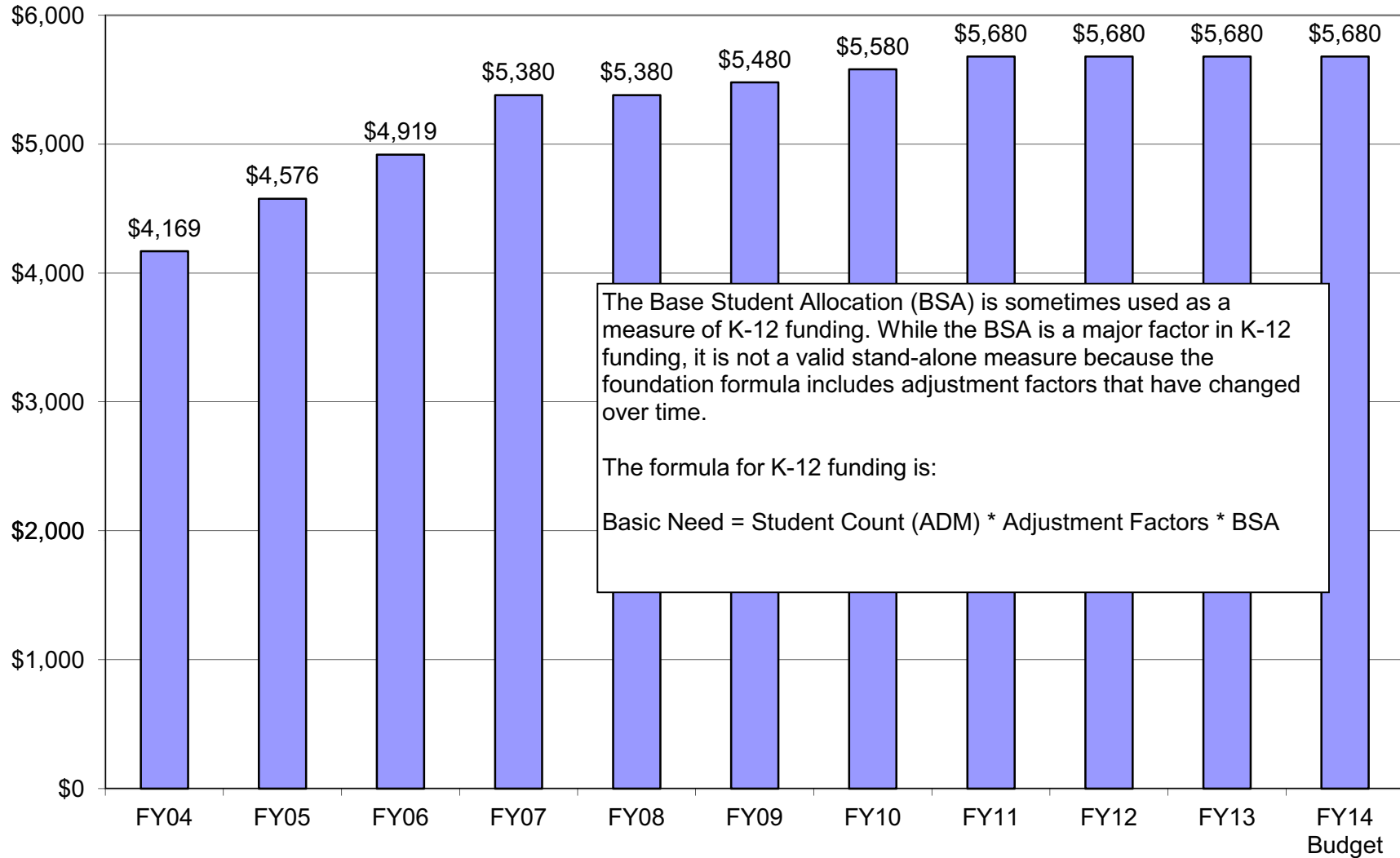
By

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C1: Statutory Base Student Allocation (BSA)



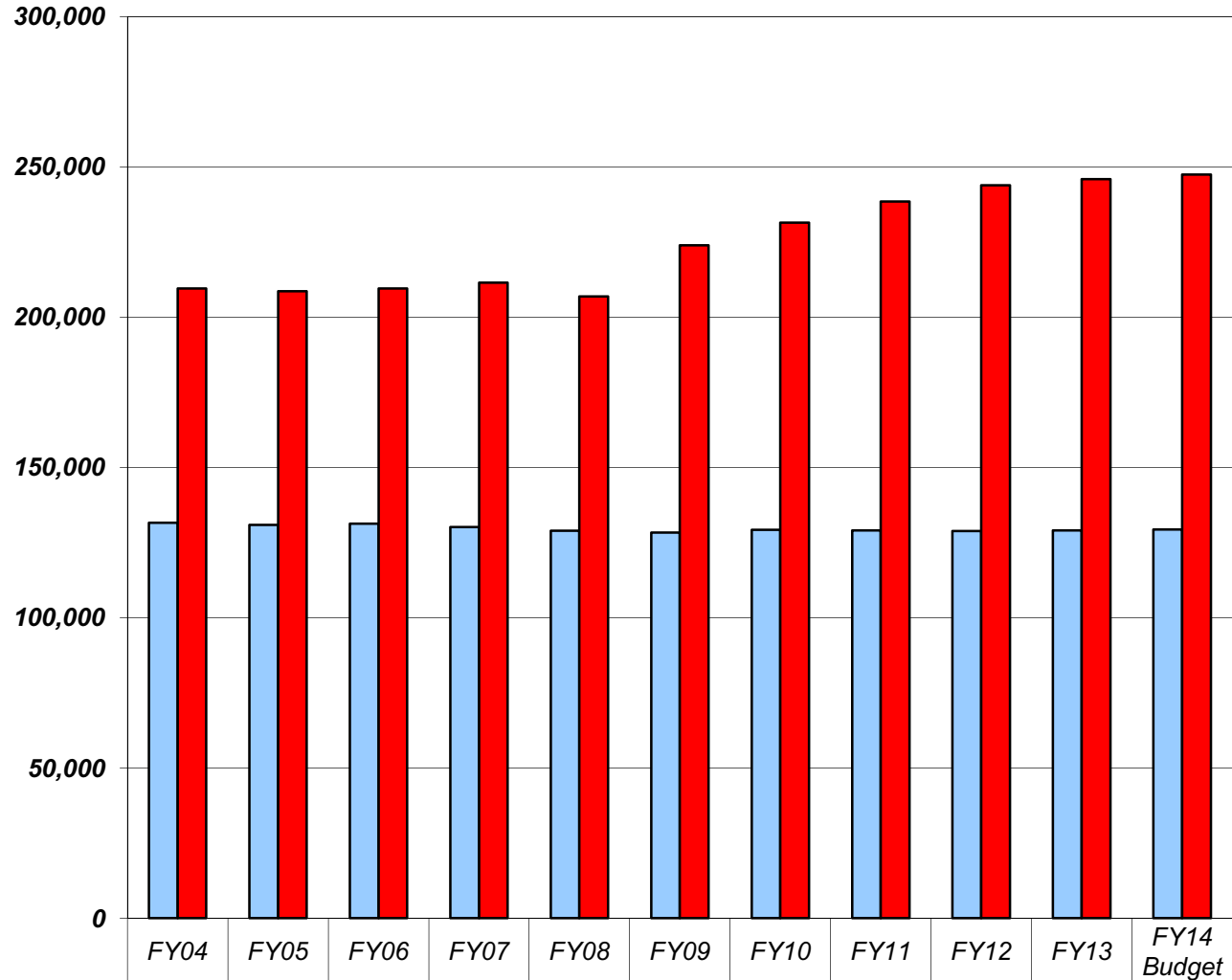
C2: Converting Head Count to Students that are Funded

Adjustment factors--for school size, geographic location, special and intensive needs students, vocational education and others--have changed over time, especially since FY08.

Because funding depends on adjusted ADM (AADM), the conversion from ADM to AADM is a critical part of the funding formula.

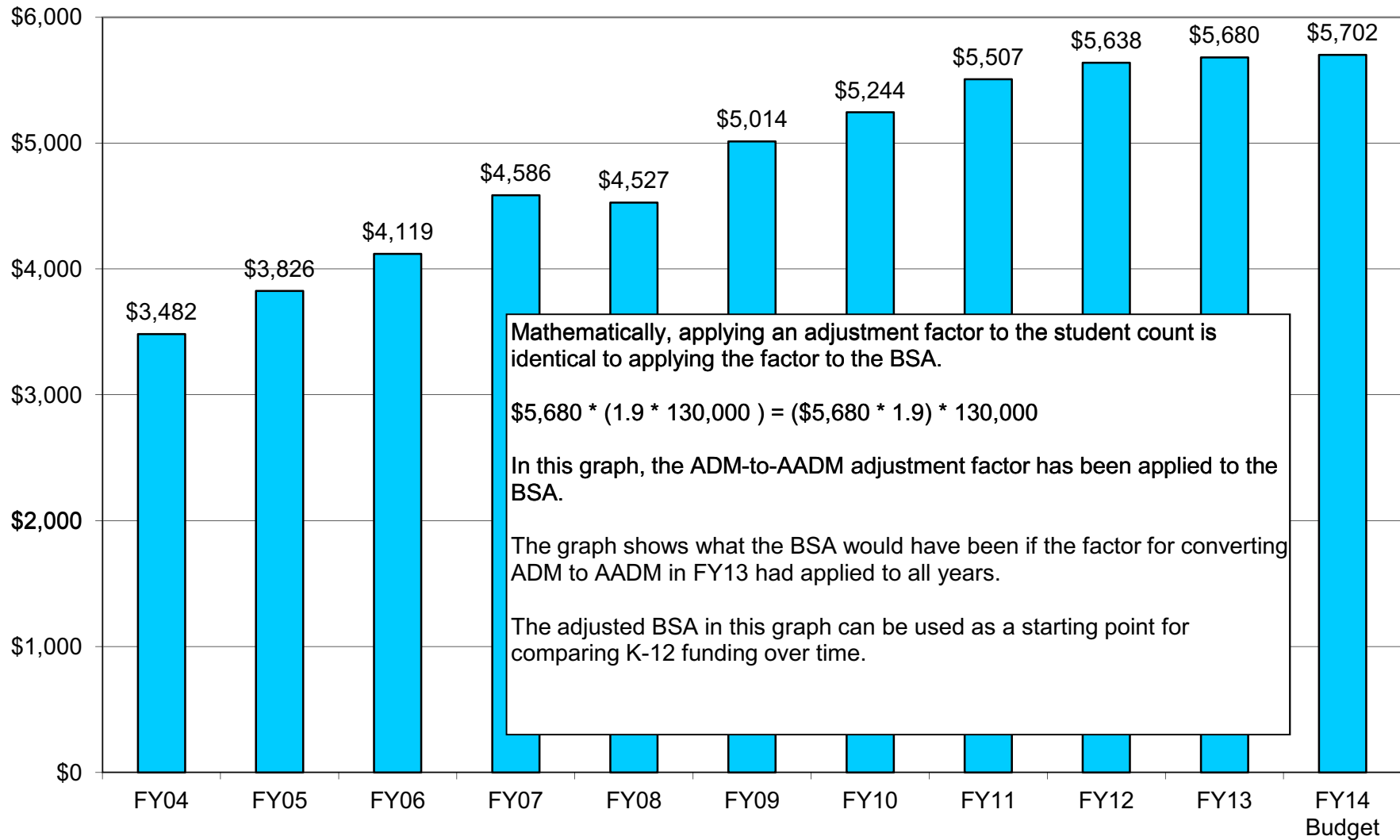
As shown in the graph, the student count (for funding purposes) was 1.6 times the head count in FY04. In FY14, the student count (for funding purposes) was 1.9 times the head count.

Note that ADM has remained at roughly 130,000 over time, but that AADM has increased from 210,000 to 247,000. At any given BSA, a higher AADM means more money.

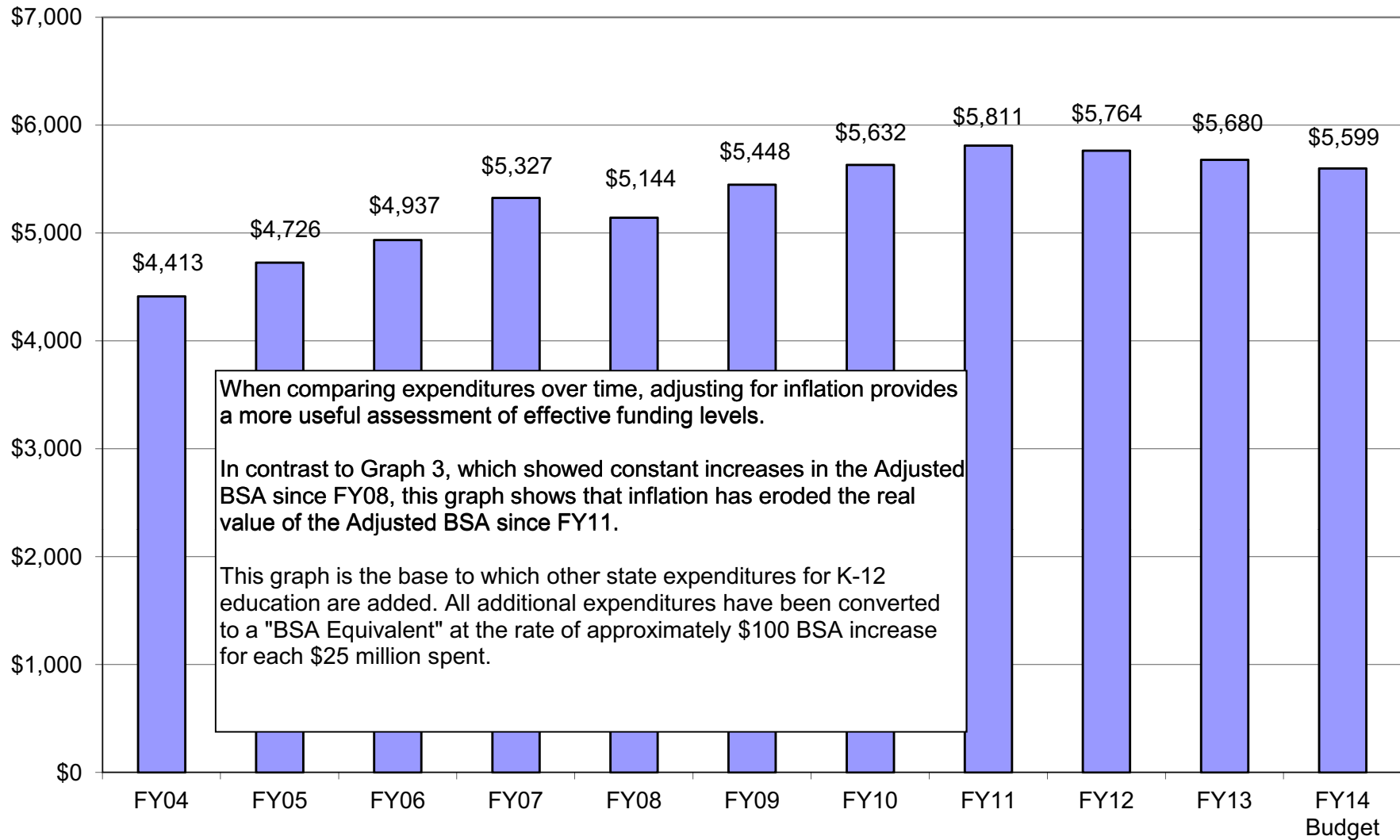


ADM (student count)	131,623	130,928	131,263	130,164	128,975	128,381	129,229	129,047	128,886	129,021	129,323
AADM (the ADM times various formula factors)	209,571	208,681	209,520	211,523	206,888	223,912	231,517	238,494	243,874	245,944	247,472

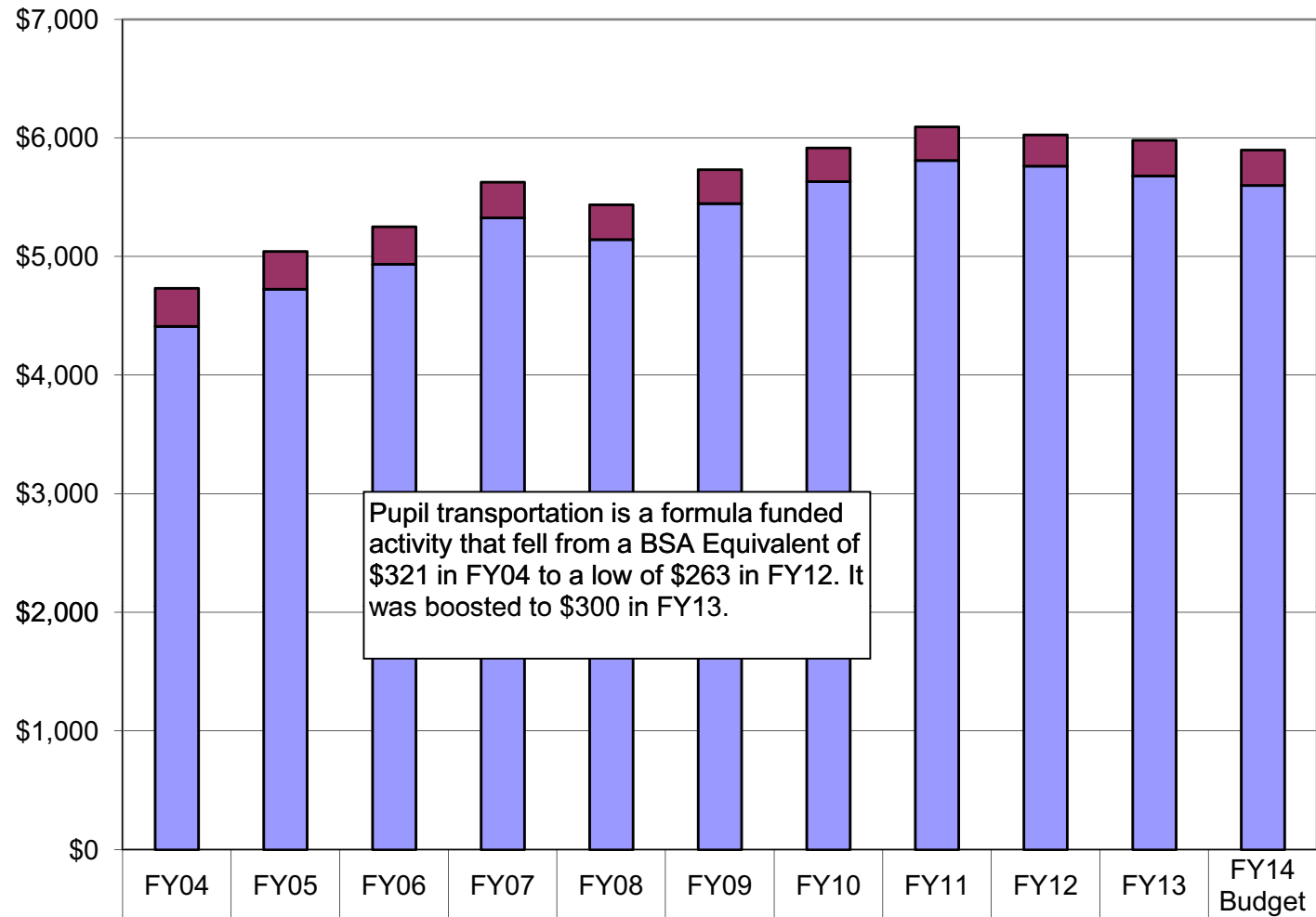
C3: BSA Adjusted for Factor Changes



C4: Adjusted BSA in FY13 Dollars



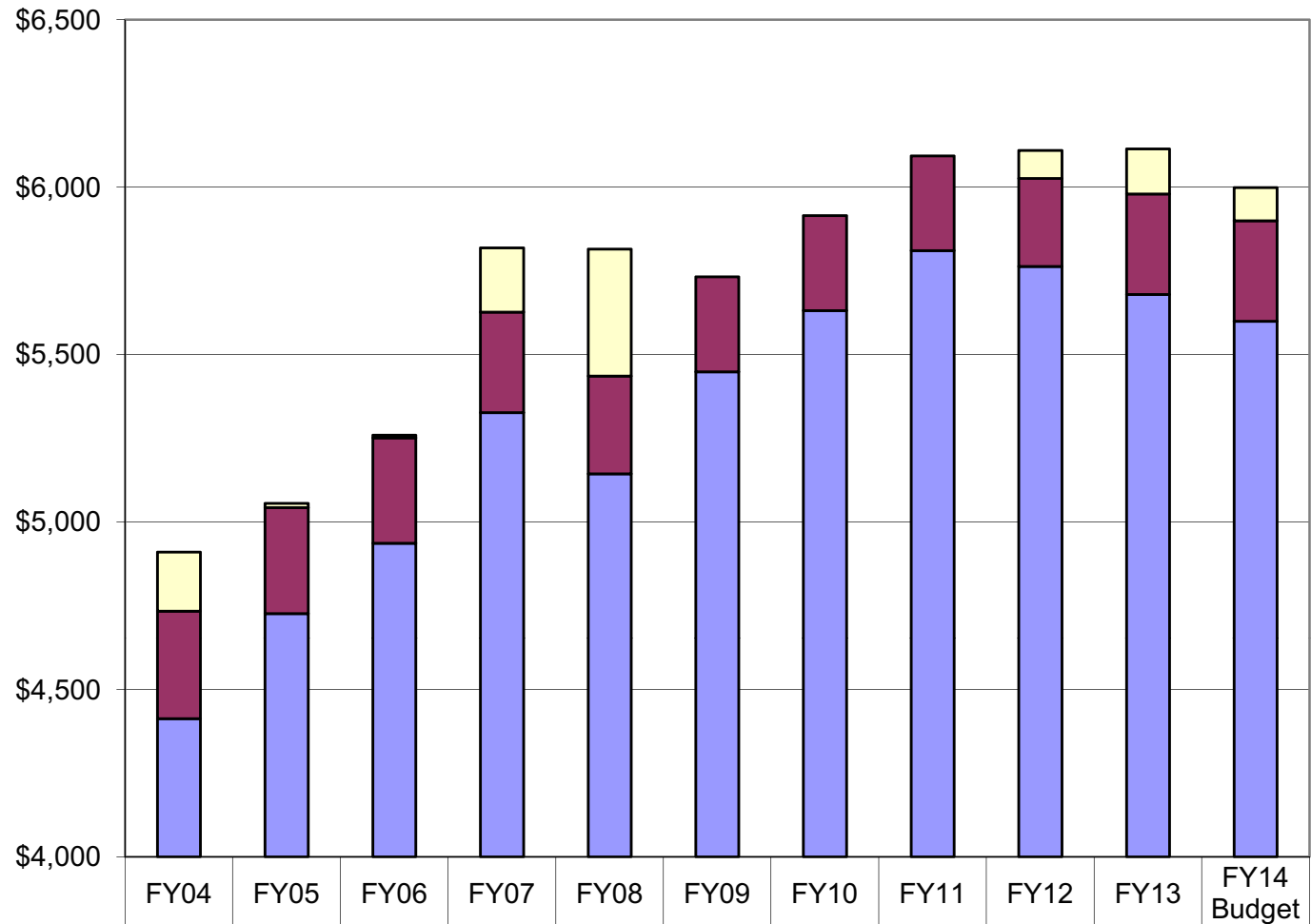
C5: K-12 Expenditures per AADM (in FY13 \$)



Pupil Transportation Funding	321	317	314	300	292	284	284	282	263	300	300
BSA Adjusted for Factor Changes	4,413	4,726	4,937	5,327	5,144	5,448	5,632	5,811	5,764	5,680	5,599

C6: K-12 Expenditures per AADM (in FY13 \$)

One-time funding
(distributed according to
the foundation formula)
has often been used as
an alternative to formula
increases.



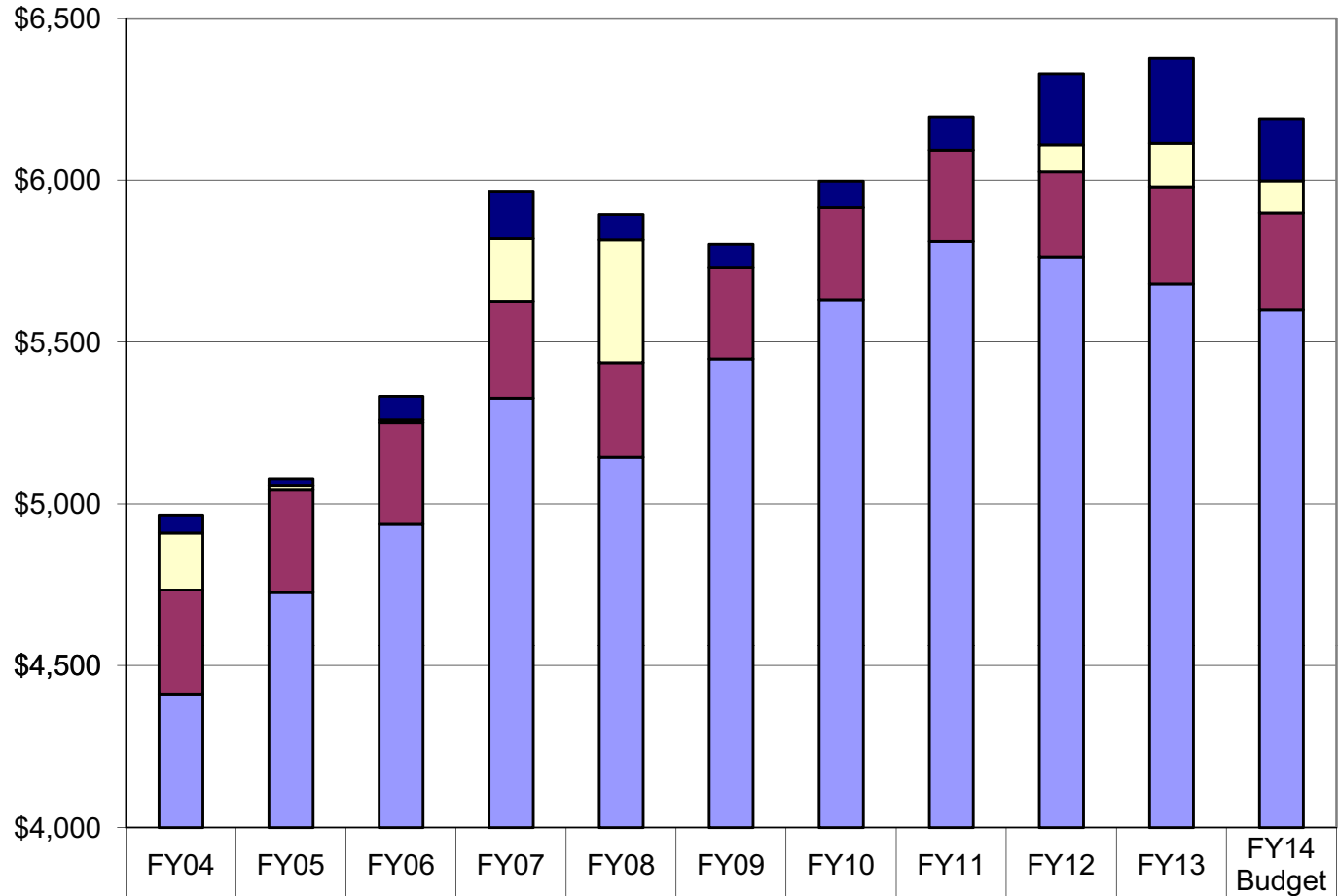
■ Total Distributed as One-time Items	177	12	8	192	379	-	-	-	84	135	99
■ Pupil Transportation Funding	321	317	314	300	292	284	284	282	263	300	300
■ BSA Adjusted for Factor Changes	4,413	4,726	4,937	5,327	5,144	5,448	5,632	5,811	5,764	5,680	5,599

C7: K-12 Expenditures per AADM (in FY13 \$)

Capital Budget grants are grants for items that would normally be expected to be paid for with formula funds.

They have increased substantially in recent years, as they typically do when other funding is relatively flat.

The FY14 budget contains \$21 million for capital projects associated with student safety and security enhancements or for fixed costs and energy relief to smaller schools.

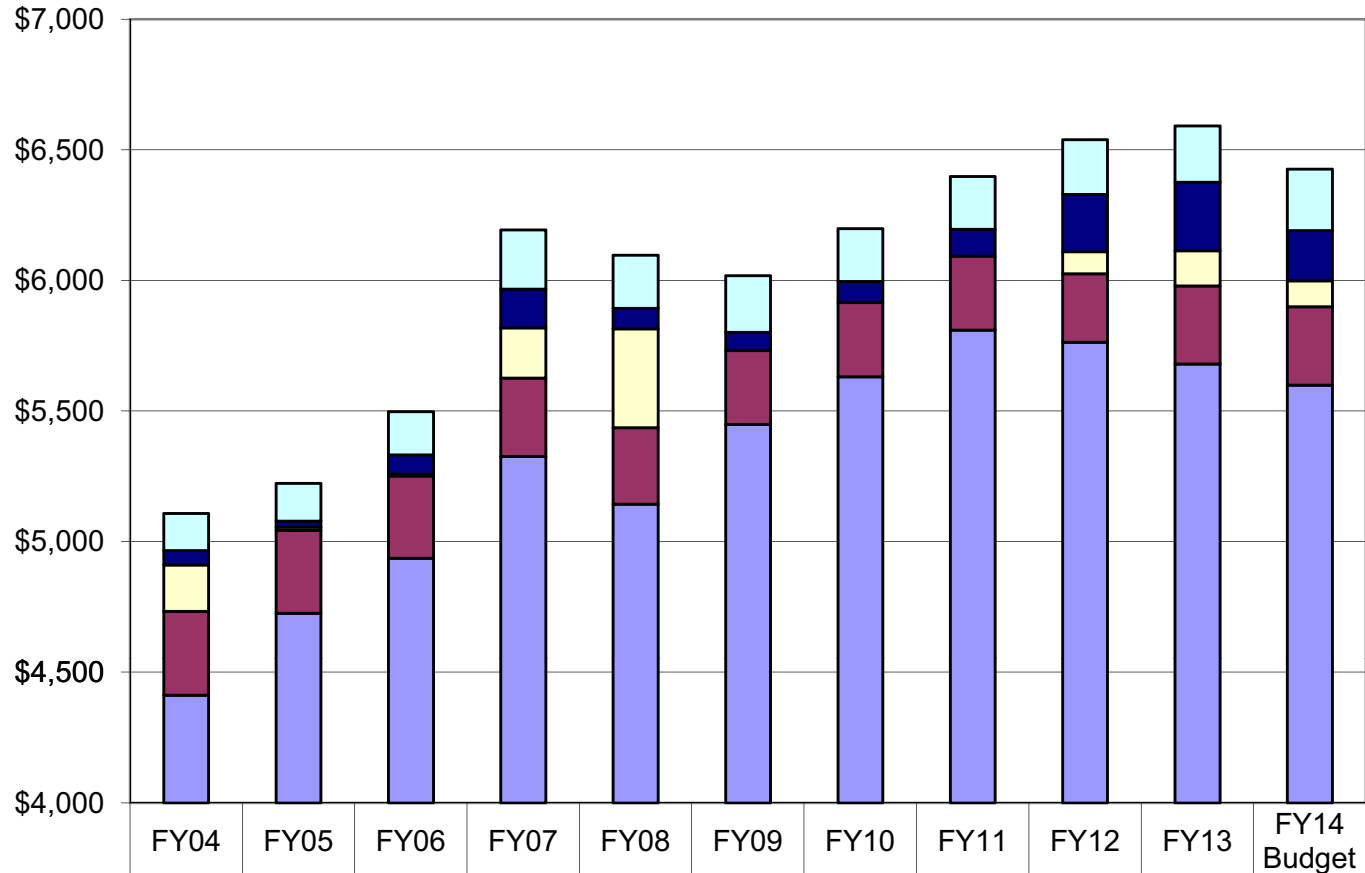


	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Budget
Capital Budget Grants to Districts	55	23	73	148	78	70	82	104	219	262	192
Total Distributed as One-time Items	177	12	8	192	379	-	-	-	84	135	99
Pupil Transportation Funding	321	317	314	300	292	284	284	282	263	300	300
BSA Adjusted for Factor Changes	4,413	4,726	4,937	5,327	5,144	5,448	5,632	5,811	5,764	5,680	5,599

C8: K-12 Expenditures per AADM (in FY13 \$)

DEED operating expenses for K-12 include state funds that are awarded as grants to school districts.

This source of funding for school districts is expected to increase because targeted grants provide a way to achieve specific goals at a lower cost and with greater certainty than increasing the BSA. Money allocated via formula cannot be targeted to achieve specific objectives.

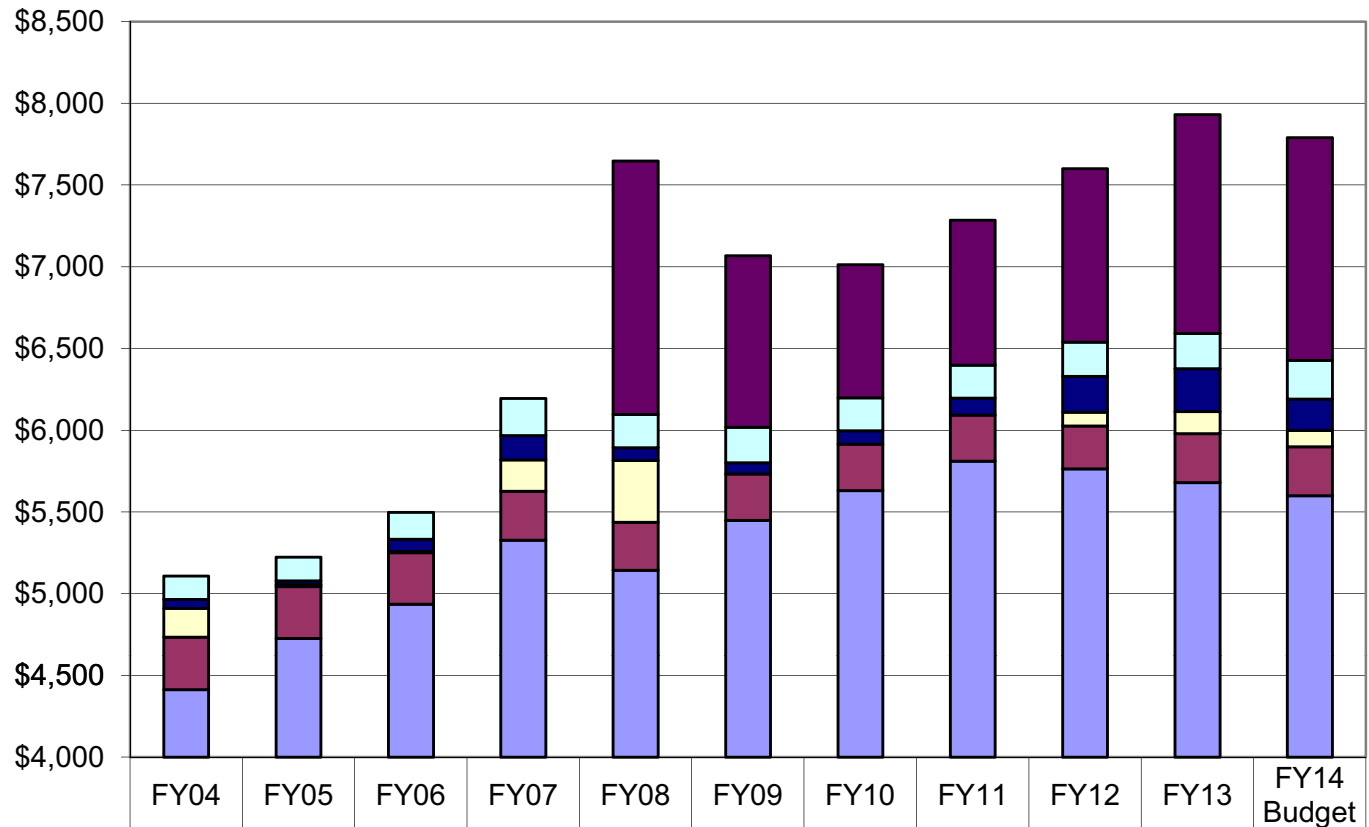


	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Budget
DEED Operating Expenses for K-12	143	145	165	227	203	217	202	202	210	215	236
Capital Budget Grants to Districts	55	23	73	148	78	70	82	104	219	262	192
Total Distributed as One-time Items	177	12	8	192	379	-	-	-	84	135	99
Pupil Transportation Funding	321	317	314	300	292	284	284	282	263	300	300
BSA Adjusted for Factor Changes	4,413	4,726	4,937	5,327	5,144	5,448	5,632	5,811	5,764	5,680	5,599

C9: K-12 Expenditures per AADM (in FY13 \$)

The state deposits money in retirement trust accounts on behalf of school districts.

Although the money does not benefit employees directly and cannot be used for other purposes, retirement assistance is a cost of providing K-12 education.

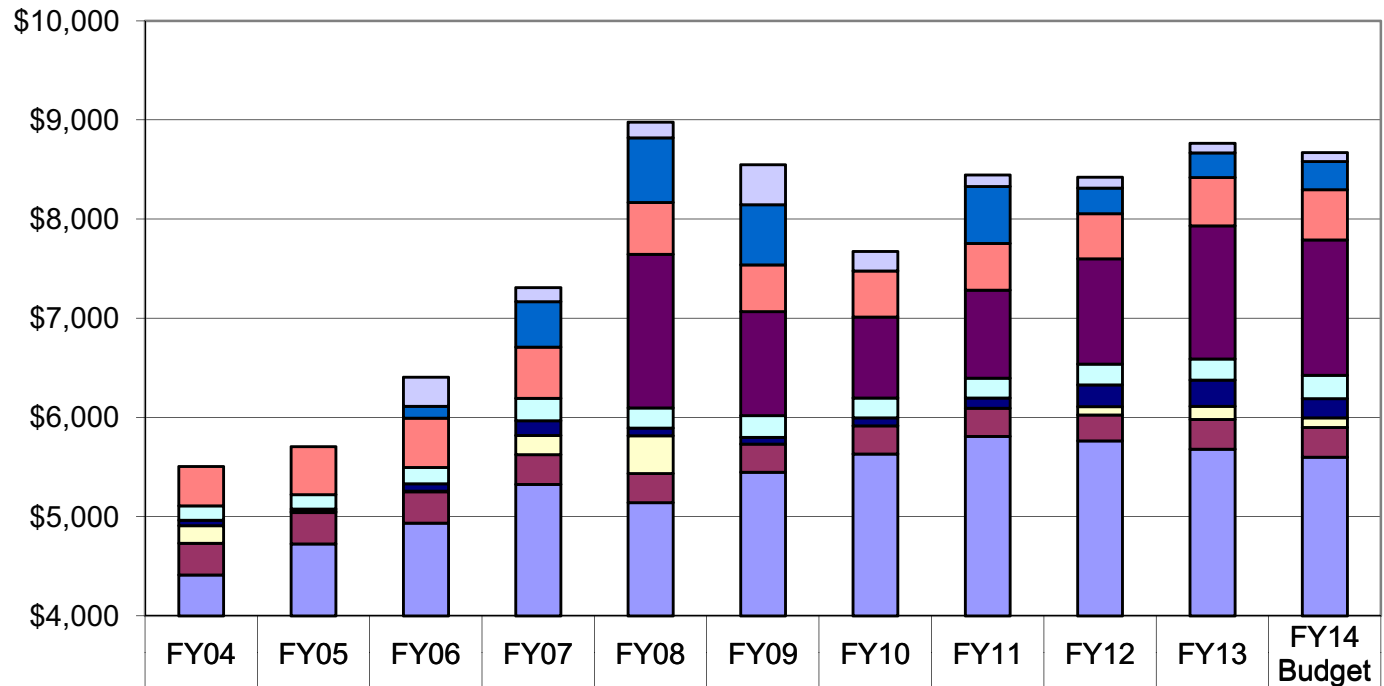


■ Total School District PERS & TRS	-	-	-	-	1,550	1,050	815	888	1,062	1,340	1,363
□ DEED Operating Expenses for K-12	143	145	165	227	203	217	202	202	210	215	236
■ Capital Budget Grants to Districts	55	23	73	148	78	70	82	104	219	262	192
■ Total Distributed as One-time Items	177	12	8	192	379	-	-	-	84	135	99
■ Pupil Transportation Funding	321	317	314	300	292	284	284	282	263	300	300
■ BSA Adjusted for Factor Changes	4,413	4,726	4,937	5,327	5,144	5,448	5,632	5,811	5,764	5,680	5,599

C10: K-12 Expenditures per AADM (in FY13 \$)

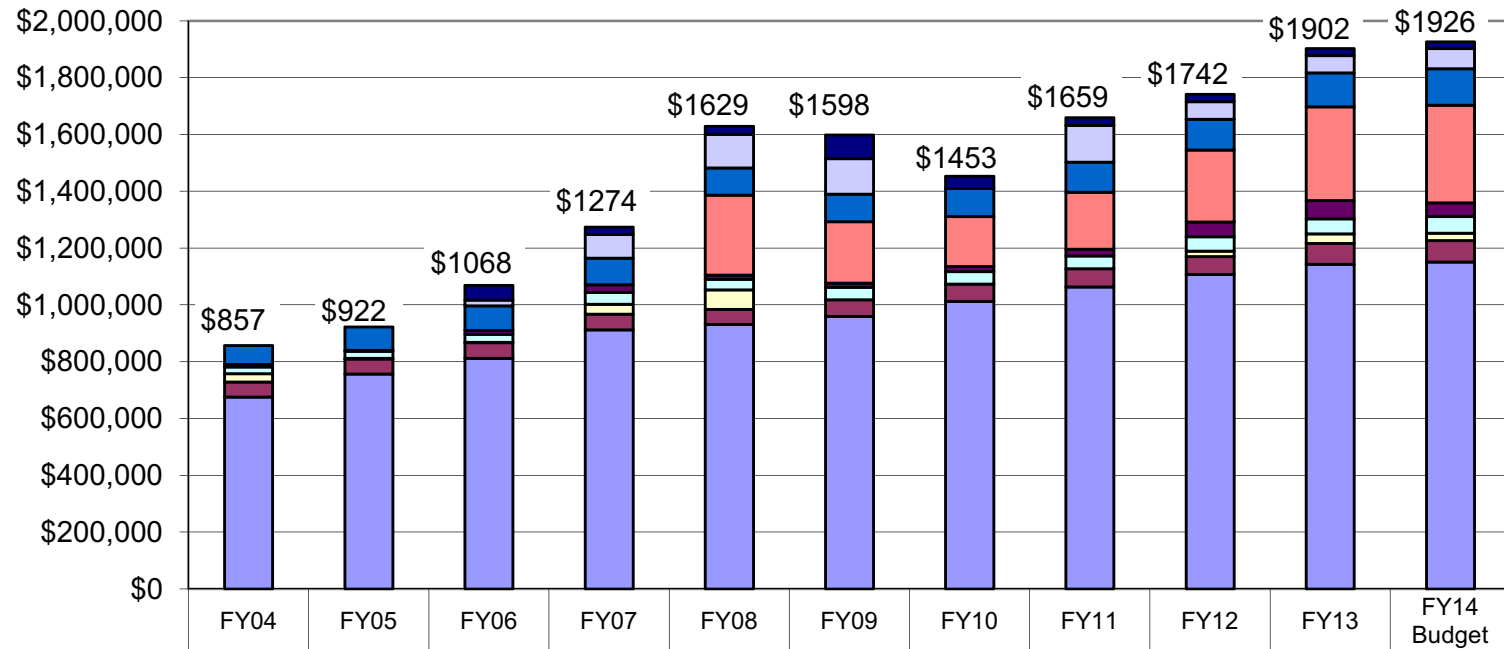
The state pays a large portion of school construction and major maintenance costs.

Although some argue that capital costs do not appear "in the classroom", the costs are incurred by the state as a necessary part of providing K-12 education.



■ School Major Maintenance	-	-	294	142	156	402	197	116	108	97	91
■ School Construction	-	-	120	459	653	607	-	573	260	248	282
■ Debt Service Reimbursement	399	485	495	516	522	471	464	470	453	489	509
■ Total School District PERS & TRS	-	-	-	-	1,550	1,050	815	888	1,062	1,340	1,363
■ DEED Operating Expenses for K-12	143	145	165	227	203	217	202	202	210	215	236
■ Capital Budget Grants to Districts	55	23	73	148	78	70	82	104	219	262	192
■ Total Distributed as One-time Items	177	12	8	192	379	-	-	-	84	135	99
■ Pupil Transportation Funding	321	317	314	300	292	284	284	282	263	300	300
■ BSA Adjusted for Factor Changes	4,413	4,726	4,937	5,327	5,144	5,448	5,632	5,811	5,764	5,680	5,599

General Fund Appropriations for K-12 Education



	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Budget
■ School Major Maintenance	-	-	51,322	25,829	28,371	82,885	42,444	26,318	25,855	23,974	22,991
□ School Construction	-	-	20,978	83,601	118,888	125,110	-	129,583	61,911	60,974	71,181
■ Debt Service Reimbursement	66,024	81,870	86,464	93,935	94,997	97,021	100,045	106,259	108,146	120,386	128,263
■ Total School District PERS & TRS	-	-	-	-	282,279	216,400	175,720	200,635	253,437	329,569	343,532
■ Capital Budget Grants to Districts	9,178	3,871	12,798	26,933	14,288	14,351	17,627	23,399	52,322	64,495	48,484
□ DEED Operating Expenses for K-12	23,620	24,433	28,911	41,372	36,905	44,665	43,452	45,593	50,013	52,989	59,455
□ Total Distributed as One-time Items	29,202	2,063	1,454	35,000	69,101	-	-	-	20,000	33,103	25,000
■ Pupil Transportation Funding	53,145	53,557	54,969	54,707	53,250	58,517	61,150	63,839	62,666	73,796	75,639
■ Foundation Program Funding	675,503	756,061	811,554	912,608	931,151	959,076	1,012,509	1,063,183	1,107,190	1,142,971	1,151,248