



29th Alaska State Legislature
House Finance Budget Subcommittee
Department of Education & Early Development
FY16 Operating Budget

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**DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT
FY2016 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT
February 24, 2015**

RECOMMENDATIONS:

The House Finance Budget Subcommittee for the Department of Education & Early Development submits a recommended operating budget for FY2016 to the House Finance Committee as follows:

Fund Source: (dollars are in thousands)

Unrestricted General Funds (UGF)	\$55,469.2
Designated General Funds (DGF)	\$34,028.0
Other Funds	\$25,963.2
Federal Funds	\$232,033.7
Total	\$347,464.1

The Unrestricted General Fund difference from FY15 Management Plan to the House Subcommittee budget recommendation is a reduction of \$12,704.0, which is a 18.6 percent reduction, and 16.1 percent more than the purposed Governors reduction.

Positions:

Permanent Full-time	329
Permanent Part-time	15
Temporary	<u>15</u>
Total	359

This is two fewer positions than the FY15 Management Plan.

BUDGET ACTION:

The House Finance Budget Subcommittee for the Department of Education & Early Development held 5 meetings with the Department. The Subcommittee reviewed the FY2016 budget request and took the following actions:

Accepted several of the Governor's amended proposals, which include these highlights:

- Increase \$3,000 Designated General Funds to the Public School Trust Fund.
 - *Rationale: Revenues were higher than projected in Public School Trust Fund, this amount reduces the draw from the Public Education fund which funds the Public School Trust Fund.*
- Increase \$736.1 of General Funds to expand residential school programs in the Lower Kuskokwim and Nenana.
 - *Rationale: Supporting boarding schools in regional hubs provides opportunities to students that do not have these opportunities in their home communities.*
- Decrease \$300.0 of General Funds for the Alaska Native Science & Engineering program.
 - *Rationale: To reduce overall Department footprint. This is roughly a 10% reduction of past increments.*
- Decrease \$303.9 of General Funds to the Professional Teaching Practices Commission.
 - *Rationale: Following Legislative intent to make the Commission self-sustaining, by having teachers' pay for certifications.*
- One-Time Increase \$200.0 of General Funds to State Facilities Rent for dual occupancy of the State Libraries, Archives and Museums facility.
 - *Rationale: While the Department consolidates into the new building, rent will be paid on several facilities, this is one-time funding until the move is complete.*
- Increase a total of \$750.0 of Higher Education Funds for Merit & Needs based scholarships.
 - *Rationale: Additional funding is needed for scholarships, this amount is within statutory authority for scholarship appropriations. No General Fund impact.*

In addition to reviewing the Governor's proposals, the Subcommittee also recommends the following actions:

- Decrease \$150.0 of General Funds for Statewide Literacy Program, eliminating the program.
 - *Rationale: The project has failed to produce quantifiable data to support effectiveness. No direct causation is linked to student achievement.*
- Decrease \$320.0 of General Funds for the K-3 Literacy Project, eliminating the testing program.
 - *Rationale: Testing every student regardless of need places a mandate on teachers that detracts from educational opportunities in the classroom.*
- Repealing final year funding for STEM program expansion for a total reduction of \$1000.0 of General Funds.
 - *Rationale: There is no qualitative data demonstrating student success for the SERRC STEM program. Additionally, there is no plan to sustain the program after the grant runs out.*
- Deny the Governor's request to restore one-time funding in FY15 of \$850.0 of General Funds for the Alaska Learning Network
 - *Rationale: This is a failed program to offer students choice. There is no measurement of student success, or calculation on the return on investment.*
- Reduce \$3,000 of General Funds in addition to the Governor's proposed reduction of \$2,000 for a total reduction of \$5,000 for Broadband Program Funding.
 - *Rationale: Funding has only been available for one year, school districts have not become reliant on the funding to subsidize broadband cost. Many districts made the decision to fund the increased speed on a local level prior to State funding becoming available.*
- Deny the Governor's request of \$359.0 of ACPE Receipts to support the ANSWERS program.
 - *Rationale: The ANSWERS program should be completely eliminated, this decrement prevents State operating funds going to an unnecessary federal program.*
- Reduce \$750.0 of General Funds for Statewide Mentoring Program.
 - *Rationale: As teacher, principal, and superintendent retention rates increase the mentoring need decreases. The program has begun to achieve higher retention rates, therefore reducing funding need.*

- Reduce \$937.5 of General Funds for Best Beginnings, eliminating State support for the program.
 - *Rationale: The program has increased roughly \$800.0 since 2007, with no measurable student performance data from the programs offered. Additionally, there is no oversight and accountability of the sub-grantees. The program has administrative expenses of \$434.4, or roughly one third of the total budget. Efforts should be made to become self-sustaining without state funding.*

- Reduce \$307.5 of General Funds for Parents as Teachers, eliminating State support for the program.
 - *Rationale: Measureable outcomes not available for the program, efforts should be made to become self-sustaining without State funding.*

- Reduce \$2,000 of General Funds for Pre-K Grants, eliminating the program.
 - *Rationale: Funding supports 316 students statewide, or \$6,330 per student. The funding was initially meant to develop a pilot project, with the current fiscal climate it is unlikely the program will receive full funding and generate a positive return on investment.*

- Reduce \$761.8 of General Funds for the Online with Libraries Program, eliminating State funding for the program.
 - *Rationale: Removes funding from FY14 that has generated no measureable outcomes. The program does not meet the mission of the Department. Local communities can prioritize internet accessibility and fund on a local level.*

- Reduce \$138.2 of General Funds for Live Homework Help, eliminating the program.
 - *Rationale: Student experience and success with the program not measured or quantifiable. Contractors are not familiar with local curriculums and customs which reduce effectiveness. Charges are per call, not based on student performance, there is no incentive for the contractor to ensure student comprehension.*

- Replace \$1,482.4 of General Funds with Higher Education Funds for the WWAMI program.
 - *Rationale: Using unappropriated funds from the higher education fund for similar scholarship purposes reduces general fund demands for the program.*

- Unallocated reduction totaling \$291.6 of General Funds, which is equivalent to the 2.5% salary increases for the Department.
 - *Rationale: In a time of budget reductions no State employee should be receiving a raise.*

ATTACHED REPORTS:

The House Finance Budget Subcommittee for the Department of Education & Early Development adopts the attached reports:

2015 Legislative Finance Division Reports – House Structure

1. Agency Totals – FY2016 Operating Budget
2. Allocation Summary (All Funds)
3. Allocation Summary (GF Only)
4. Transaction Compare between Adjusted Base and House Subcommittee
5. Transaction Compare between Governor Amended and House Subcommittee
6. Wordage Report – FY2016 Operating Budget

The Budget Action Worksheet is attached for informational purposes.

Respectfully submitted,

Representative Lynn Gattis, Chair
House Finance Budget Subcommittee for the Department of Education & Early Development