



Alaska Department of Education & Early Development

FY2019 Governor's Budget Overview Senate Finance Committee

*Dr. Michael Johnson, Commissioner
Sana Efird, Deputy Commissioner
Heidi Teshner, Administrative Services Director*

February 15, 2018



Alaska State Constitution – Alaska Statutes

- Alaska Constitution Section 7.1 – Public Education

The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution.

- State Education Policy: AS 14.03.015

It is the policy of this state that the purpose of education is to help ensure that all students will succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them.

Department Mission: To ensure standards-based instruction to improve academic achievement for all students.

Key Functions: Fund, provide oversight and support, set standards, assess students towards standards.

Governing Statutes – Alaska Statutes Title 14

Alaska's Mission and Vision for Public Education

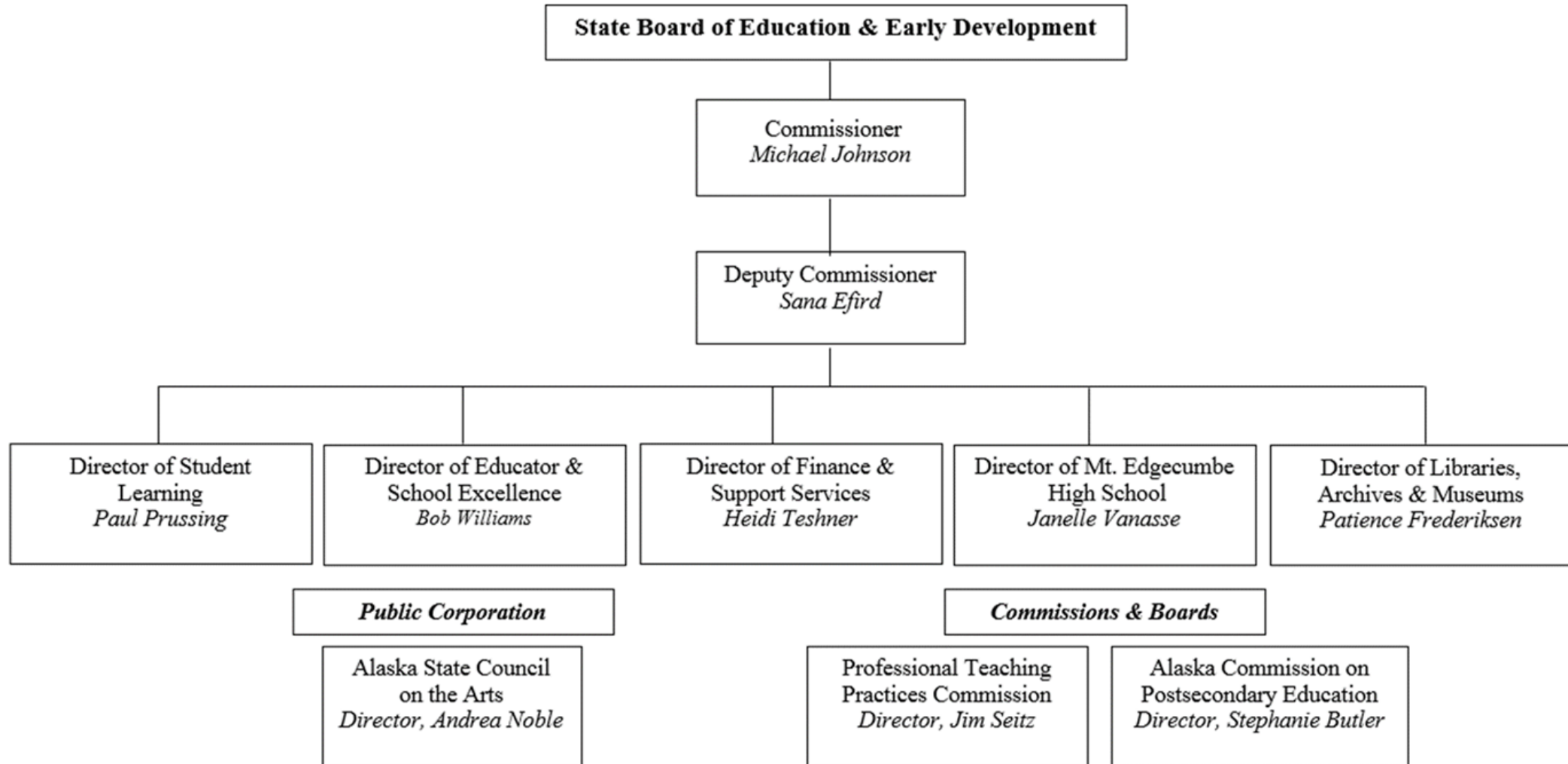
Mission Statement

An excellent education for every student every day.

Vision Statement

All students can succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them. *AS 14.03.015*

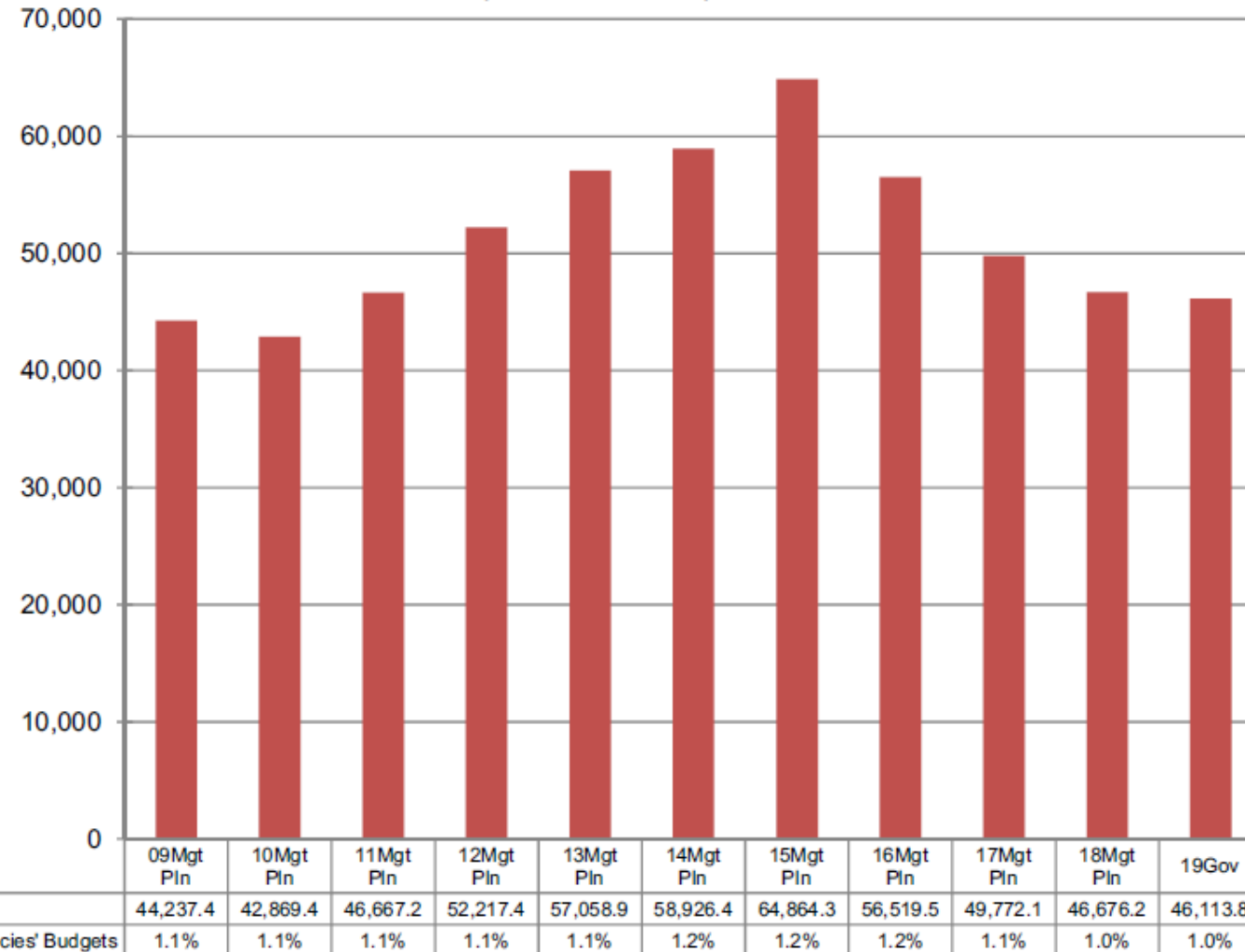
Organizational Chart



Education & Early Development Budget Compared to All Agencies Budgets (Non-Formula Only) (GF Only) (\$ Thousands)

The department's Non-Formula GF budget grew by \$1.9 million (4.2%) between FY09 and the FY19 Governor's Request - an average annual growth rate for that period of 0.4%.

The department's total Non-Formula FY19 GF budget equals \$139 per resident worker.*

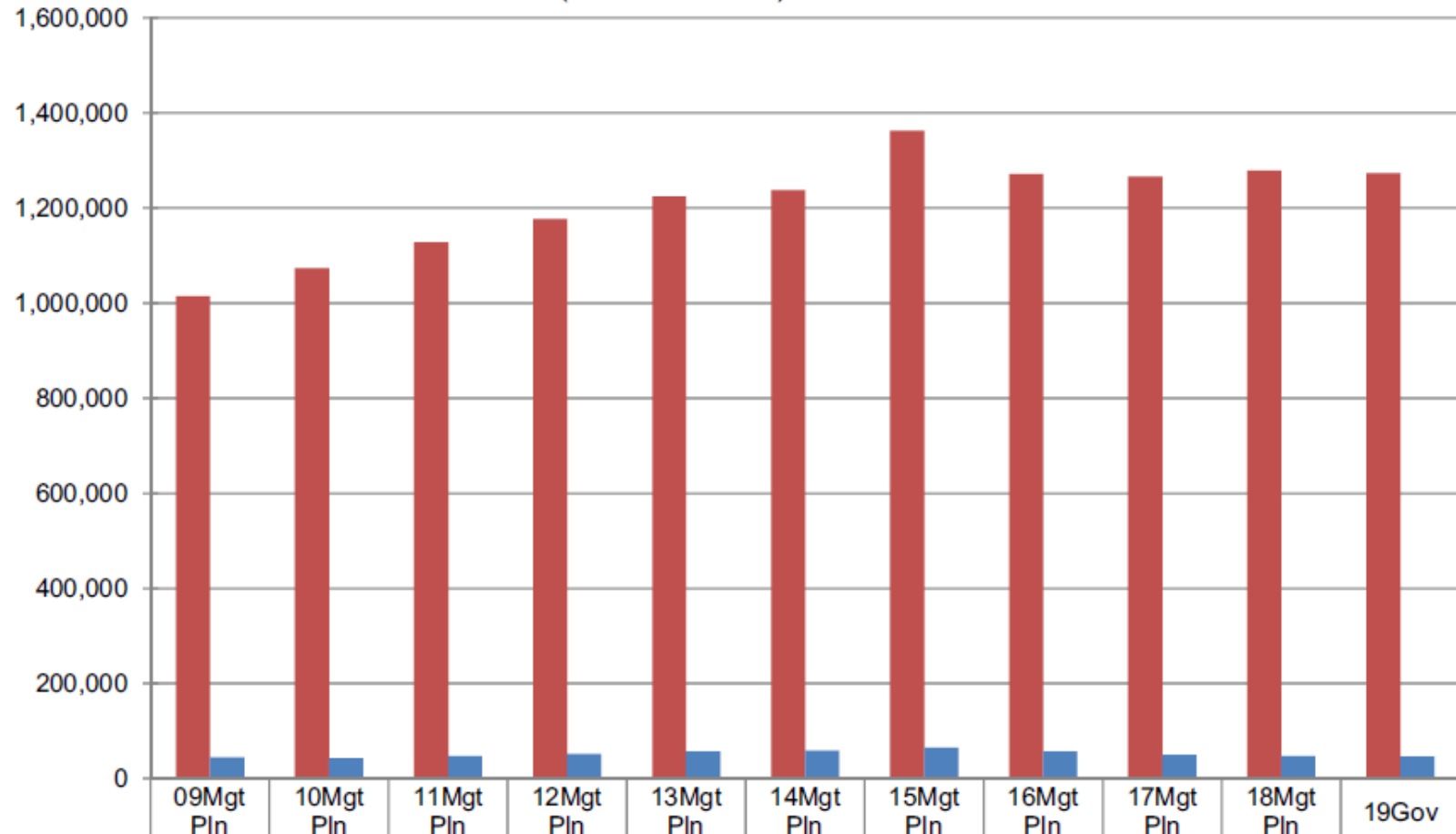


* According to the Department of Labor and Workforce Development, there were 332,583 resident workers in Alaska in 2015.

DEED Formula & Non-Formula Funding (Non-Retirement) (GF Only) (\$ Thousands)

The department's total GF budget grew over \$260 million (25%) between FY09 and the FY19 Governor's Request - an average annual growth rate for that period of 2.2%.

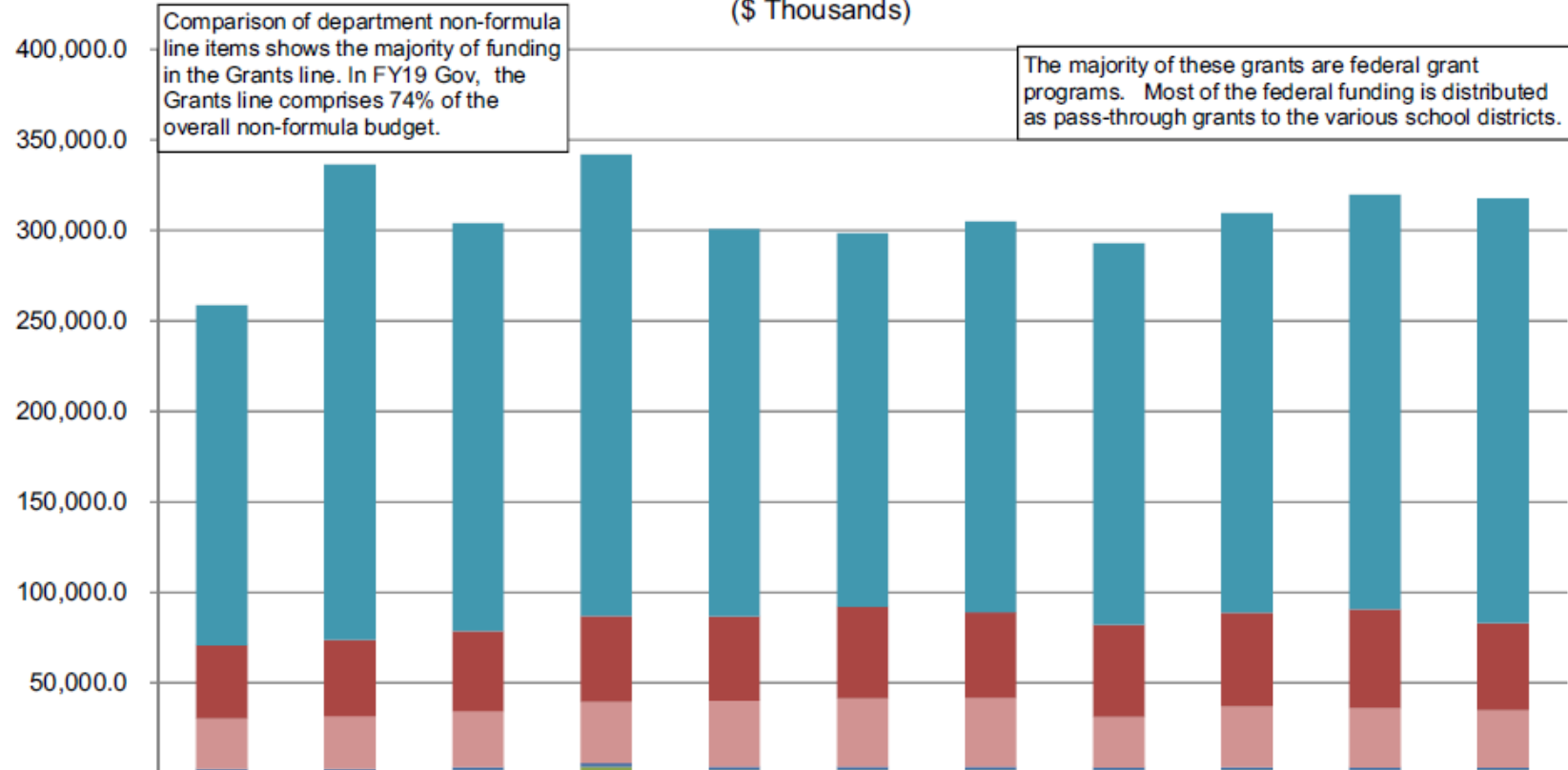
The department's total FY19 GF budget request for DEED formula and non-formula programs equals \$3,968 per resident worker.*



■ Formula GF	1,015,1	1,073,0	1,128,2	1,177,0	1,224,6	1,237,5	1,362,5	1,271,3	1,266,6	1,279,3	1,273,7
■ Non-Formula GF	44,237.	42,869.	46,667.	52,217.	57,058.	58,926.	64,864.	56,519.	49,772.	46,676.	46,113.
% of Agency Budget to Total Agencies' Budgets	26.3%	27.7%	27.1%	26.1%	25.6%	25.7%	27.4%	27.5%	28.1%	28.4%	28.1%

* According to the Department of Labor and Workforce Development, there were 332,583 resident workers in Alaska in 2015.

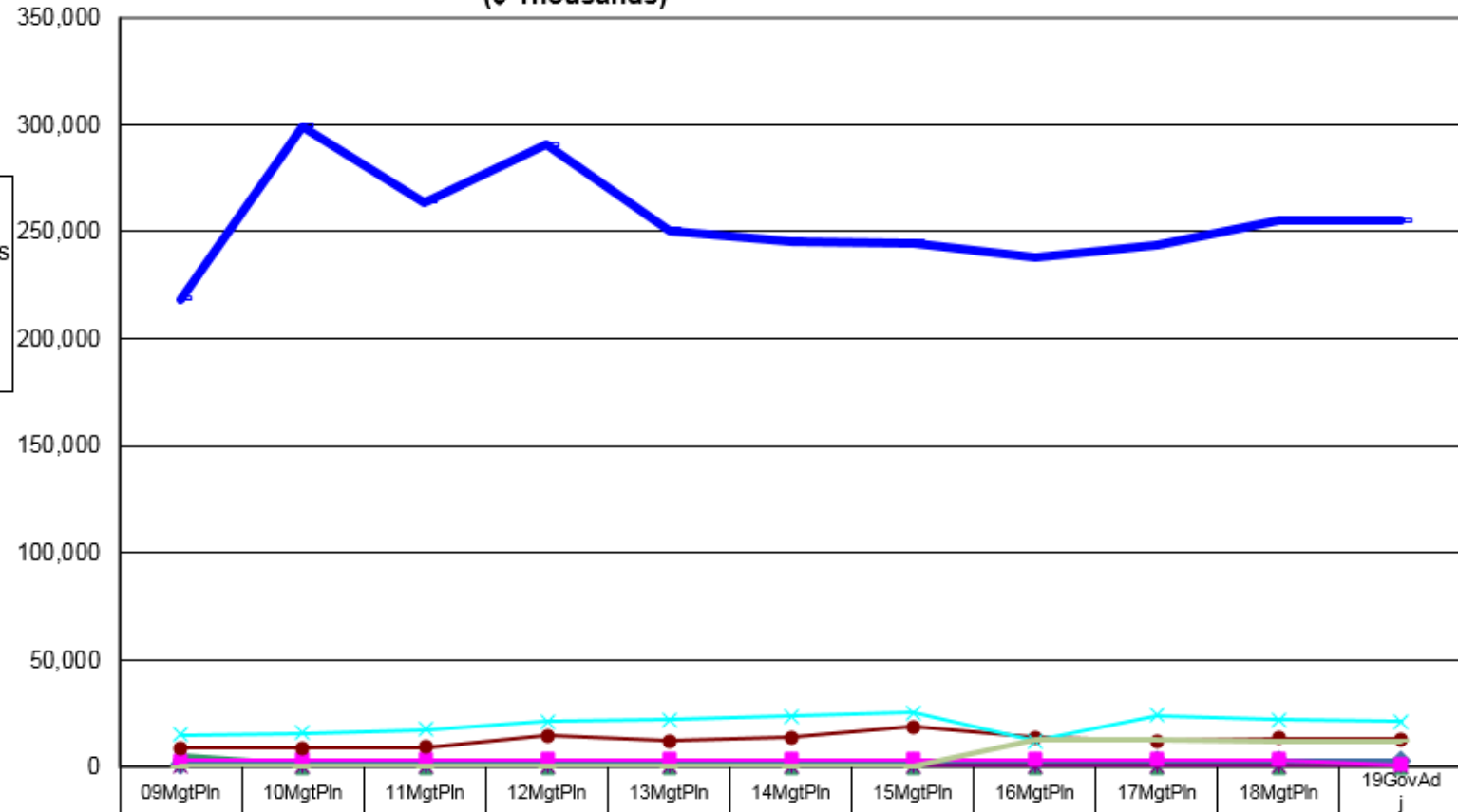
DEED Non-Formula Line Item Comparisons (All Funds) (\$ Thousands)



	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15Final	16MgtPln	17MgtPln	18MgtPln	19Gov
Grants, Benefits	188,012.2	262,521.8	225,367.2	254,873.7	214,232.3	206,494.5	215,713.5	210,669.4	220,590.7	229,132.1	234,542.5
Services	40,495.2	42,079.9	44,135.6	47,483.2	46,421.8	50,637.1	47,600.1	50,976.1	51,905.4	54,604.9	48,034.7
Personal Services	27,607.9	29,004.9	31,071.1	33,790.5	36,373.8	37,739.1	37,774.3	27,810.5	33,525.6	32,815.5	31,747.3
Travel	1,251.9	1,266.9	1,774.0	1,958.6	1,947.0	1,917.5	1,913.8	1,770.2	1,766.9	1,603.1	1,460.6
Commodities	1,281.0	1,274.0	1,539.3	2,864.3	1,767.9	1,618.2	1,662.4	1,439.6	1,585.0	1,512.0	1,643.0
Capital Outlay	105.0	90.3	100.3	915.7	111.8	104.6	104.6	104.6	104.6	124.6	109.5
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-

Department of Education & Early Development
Non-Formula Budget Comparisons (by Appropriations)
 (All Funds)
 (\$ Thousands)

The vast majority of non-formula funding in DEED is federal funding that goes out as grants to school districts from the Education Support and Admin Services appropriation.



K-12 Support	4,800.0	-	-	-	-	-	-	-	-	-	-
Education Support and Admin Services	218,255.4	298,887.6	263,282.2	290,826.9	250,464.7	245,096.1	244,430.4	237,692.5	243,733.5	254,962.4	254,985.5
Alaska State Council on the Arts	1,532.8	1,895.3	1,691.8	1,798.0	1,820.7	1,912.3	2,071.1	2,004.1	2,770.1	2,768.5	2,768.5
Commissions and Boards	267.7	275.0	282.3	290.0	295.8	299.7	299.8	303.9	300.1	303.0	258.8
State Facilities Rent	2,946.0	3,156.6	3,258.3	3,291.5	3,311.3	3,305.6	3,309.5	3,512.1	3,310.0	3,390.9	1,068.2
Alaska Library and Museums	8,656.6	8,842.7	9,060.6	14,366.2	12,574.4	13,606.3	18,563.6	13,958.5	12,367.1	13,326.2	13,102.6
ACPE	14,802.6	15,759.9	17,072.9	21,019.6	22,031.5	23,535.2	25,318.7	11,973.0	23,936.4	21,883.2	20,997.9
Alaska Student Loan Corporation	-	-	-	-	-	-	-	12,518.0	12,233.0	12,144.0	11,742.8

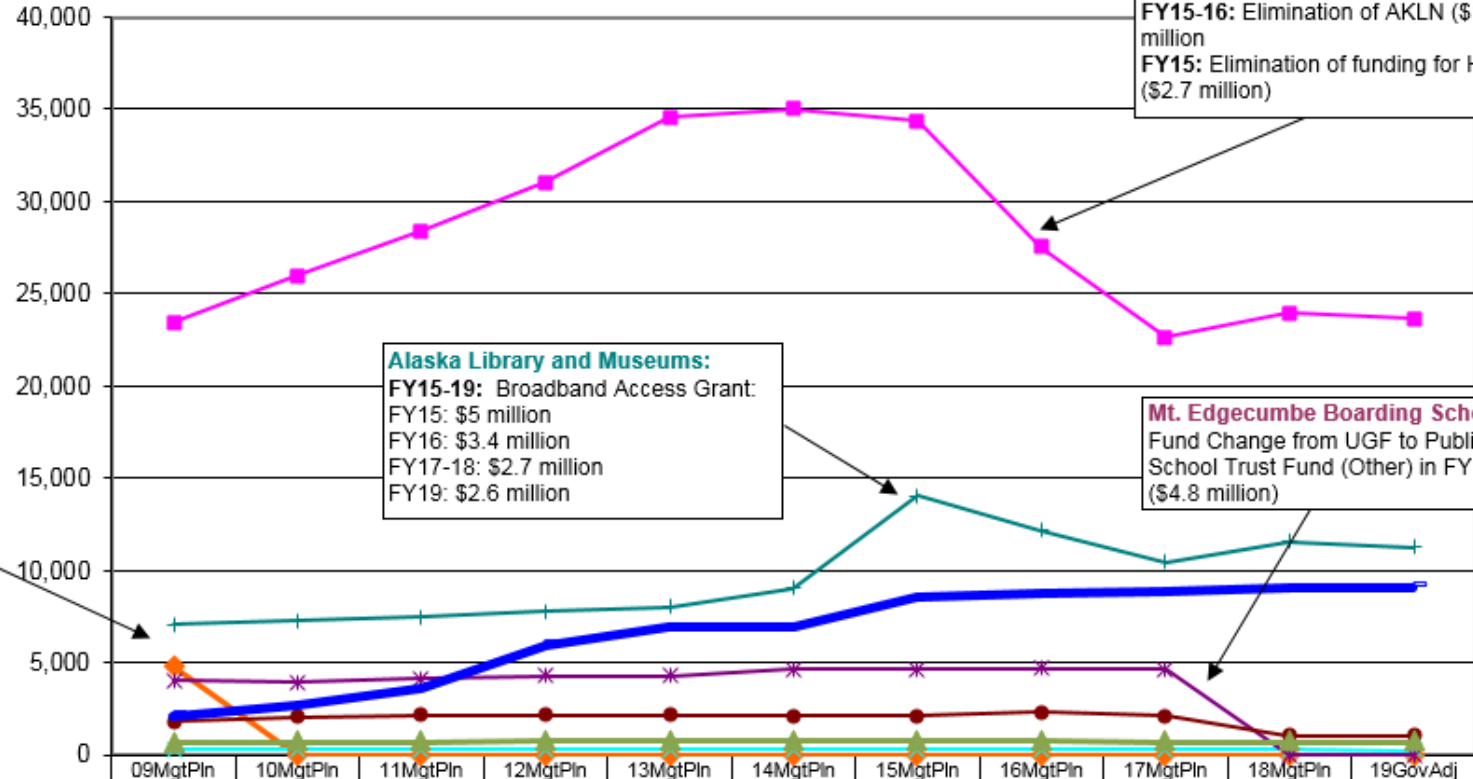
**Department of Education & Early Development
Non-Formula Budget Comparisons (by Appropriations)
(GF Only)
(\$ Thousands)**

**K-12 Support (non-formula) -
- School Performance
Incentives**
FY07 \$5.8 million
FY08 \$2.5 million
FY09 \$4.8 million
These grants sunset after
FY09.

Education Support Services
FY16-17: Elimination of Statewide
Mentoring (\$2.3 million)
FY16-17: Elimination of ANSEP Grant
(\$4 million)
FY15-16: Elimination of AKLN (\$1.1
million)
FY15: Elimination of funding for HSQE
(\$2.7 million)

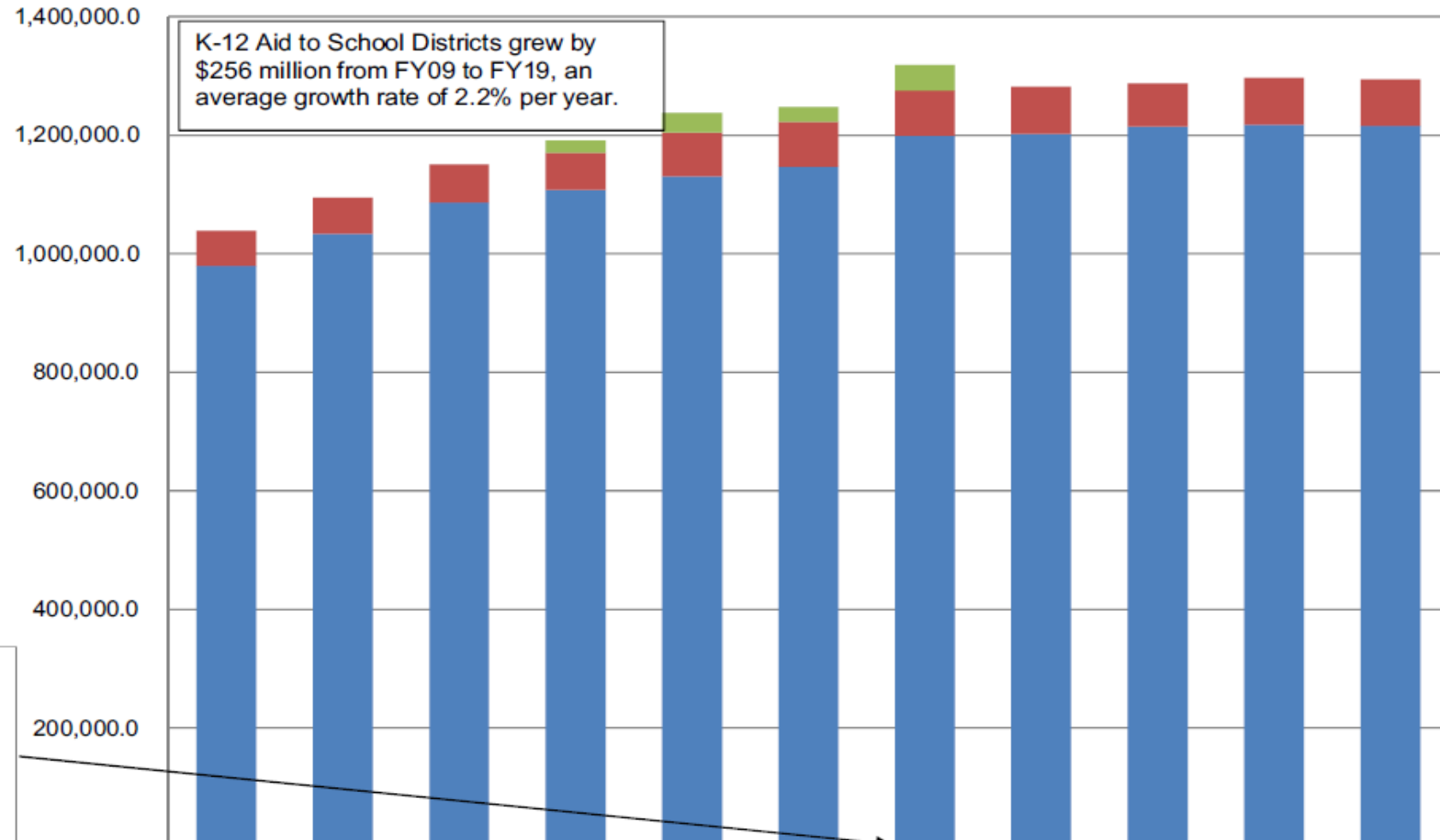
Alaska Library and Museums:
FY15-19: Broadband Access Grant:
FY15: \$5 million
FY16: \$3.4 million
FY17-18: \$2.7 million
FY19: \$2.6 million

Mt. Edgecumbe Boarding School
Fund Change from UGF to Public
School Trust Fund (Other) in FY18
(\$4.8 million)



	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16MgtPln	17MgtPln	18MgtPln	19GovAdj
K-12 Support	4,800.0	-	-	-	-	-	-	-	-	-	-
Education Support and Admin Services	23,430.2	25,992.5	28,379.8	31,004.0	34,576.4	35,034.3	34,392.8	27,527.4	22,665.9	24,013.4	23,637.7
Commissions and Boards	267.7	275.0	282.3	290.0	295.8	299.7	299.8	303.9	300.1	303.0	258.8
Mt. Edgecumbe Boarding School	4,032.1	3,960.6	4,112.3	4,293.1	4,278.4	4,671.5	4,680.1	4,712.2	4,705.3	57.4	57.4
State Facilities Rent	1,835.2	2,045.8	2,115.8	2,115.8	2,115.8	2,098.2	2,098.2	2,298.2	2,098.2	1,068.2	1,068.2
Alaska Library and Museums	7,062.8	7,245.4	7,458.5	7,748.4	8,018.7	9,042.9	14,031.8	12,139.7	10,448.4	11,507.0	11,282.9
ACPE	2,130.1	2,654.8	3,614.8	5,964.8	6,964.8	6,964.8	8,547.6	8,797.6	8,847.6	9,023.5	9,105.1
Alaska State Council on the Arts	679.3	695.3	703.7	801.3	809.0	815.0	814.0	740.5	706.6	703.7	703.7

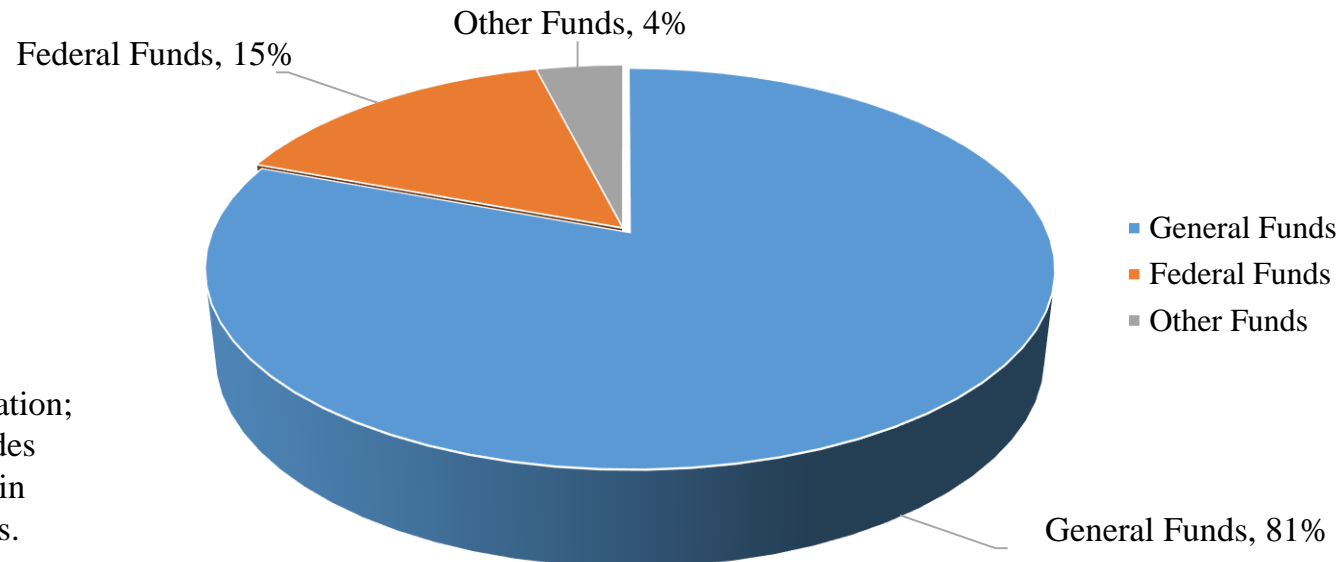
K-12 Aid to School Districts (Formula, All Funds) (\$ Thousands)



FY2019 Governor's Budget

	Designated		Unrestricted		Federal		Other		Total	
	General Funds	%	General Funds	%	Funds	%	Funds	%		%
<i>K-12 Formula Programs*</i>	0.0	0%	1,261,973.4	98%	20,791.0	8%	23,337.4	36%	1,306,101.8	80%
<i>Agency and Program Operations</i>	25,827.1	100%	32,036.7	2%	230,299.2	92%	41,124.6	64%	329,287.6	20%
Total	25,827.1	2%	1,294,010.1	79%	251,090.2	15%	64,462.0	4%	1,635,389.4	

By Fund Source



* Foundation; Pupil Transportation; Boarding Home Grants (includes Statewide Residential); Youth in Detention; and Special Schools.

FY2019 Governor's Budget

	Designated General Funds	Unrestricted General Funds	Federal Funds	Other Funds	Total
K-12 Formula Programs:					
K-12 Aid to School Districts					
Foundation Program	-	1,171,677.4	20,791.0	23,337.4	1,215,805.8
Pupil Transportation	-	78,184.6	-	-	78,184.6
K-12 Support					
Boarding Home Grants	-	7,453.2	-	-	7,453.2
Youth in Detention	-	1,100.0	-	-	1,100.0
Special Schools	-	3,558.2	-	-	3,558.2
Subtotal K- 12 Formula Programs	-	1,261,973.4	20,791.0	23,337.4	1,306,101.8

FY2019 Governor's Budget

Agency and Program Operations	Designated General Funds	Unrestricted General Funds	Federal Funds	Other Funds	Total
Education Support and Administrative Services (ESAS)					
Executive Administration	-	865.9	-	22.4	888.3
Administrative Services	-	916.6	145.0	684.9	1,746.5
Information Services	-	375.5	-	652.5	1,028.0
School Finance & Facilities	-	1,309.1	-	898.4	2,207.5
Child Nutrition	-	86.7	76,886.1	-	76,972.8
Student and School Achievement	437.9	5,442.8	150,685.9	1,247.5	157,814.1
State System of Support	-	1,798.7	-	-	1,798.7
Teacher Certification	918.3	-	-	-	918.3
Early Learning Coordination	-	9,486.2	125.1	-	9,611.3
Pre-Kindergarten Grants	-	2,000.0	-	-	2,000.0

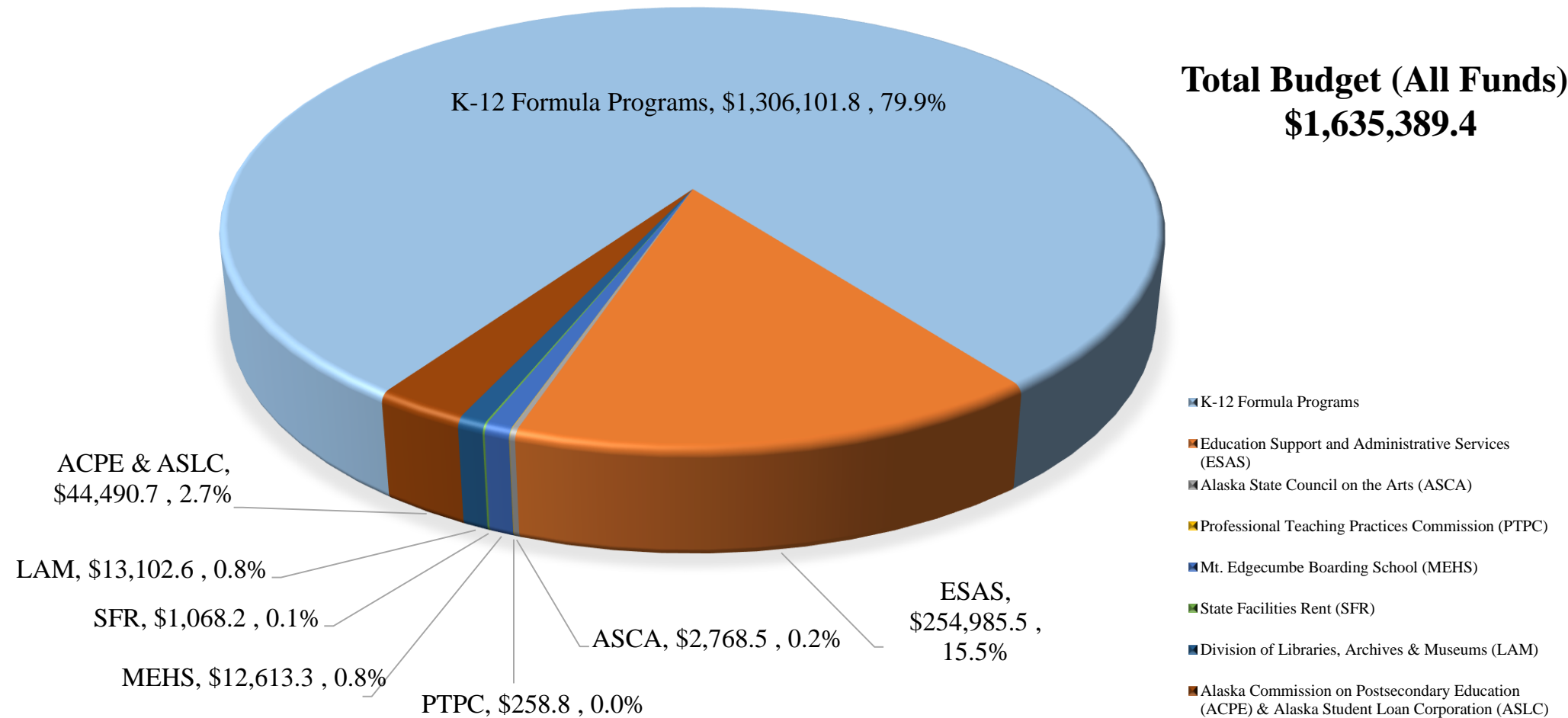
FY2019 Governor's Budget

Agency and Program Operations (con't)	Designated General Funds	Unrestricted General Funds	Federal Funds	Other Funds	Total
Alaska State Council on the Arts					
Alaska State Council on the Arts	10.9	692.8	806.3	1,258.5	2,768.5
Commissions and Boards					
Professional Teaching Practices Commission	258.8	-	-	-	258.8
Mt. Edgecumbe Boarding School					
Mt. Edgecumbe Boarding School	57.4	-	250.0	11,113.2	11,420.6
Mt. Edgecumbe Boarding School Facilities Maint.	-	-	-	1,192.7	1,192.7
State Facilities Rent					
EED State Facilities Rent	-	1,068.2	-	-	1,068.2
Alaska State Libraries, Archives and Museums (LAM)					
Library Operations	2,644.4	4,196.3	1,300.8	258.3	8,399.8
Archives	-	1,064.1	40.0	160.6	1,264.7
Museum Operations	506.1	1,042.0	60.0	-	1,608.1
Online With Libraries (OWL)	-	661.8	-	-	661.8
Live Homework Help	138.2	-	-	-	138.2
Andrew P. Kashevaroff Facilities Maintenance	-	1,030.0	-	-	1,030.0

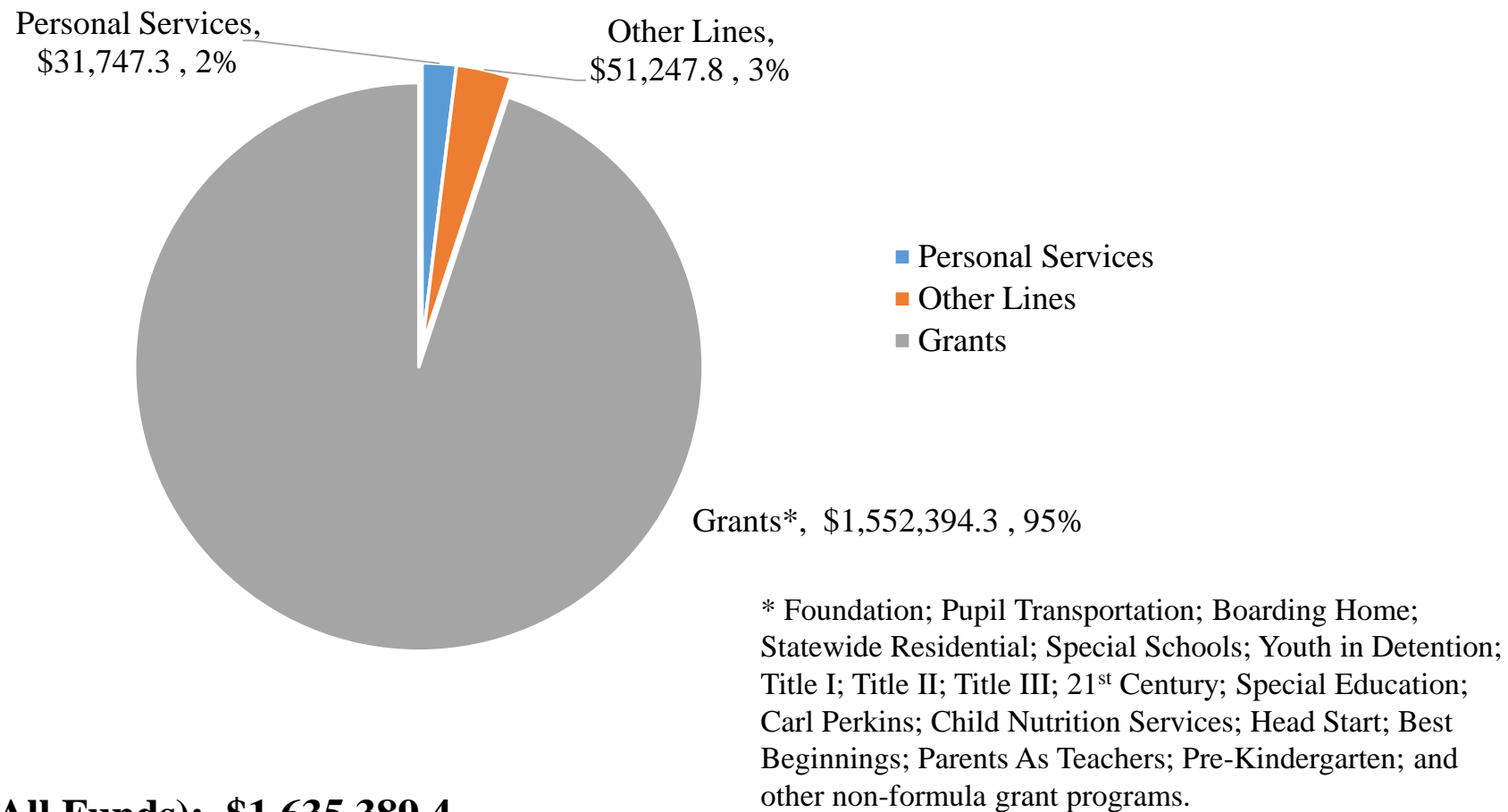
FY2019 Governor's Budget

	Designated General Funds	Unrestricted General Funds	Federal Funds	Other Funds	Total
Agency and Program Operations: (con't)					
Alaska Postsecondary Education Commission					
Program Administration & Operations	6,008.7	-	-	11,892.8	17,901.5
WWAMI Medical Education	3,096.4	-	-	-	3,096.4
Alaska Performance Scholarship Awards					
Alaska Performance Scholarship Awards	11,750.0	-	-	-	11,750.0
Alaska Student Loan Corporation					
Loan Servicing	-	-	-	11,742.8	11,742.8
Subtotal Agency and Program Operations	25,827.1	32,036.7	230,299.2	41,124.6	329,287.6
		-			
Total	25,827.1	1,294,010.1	251,090.2	64,462.0	1,635,389.4

FY2019 Governor's Budget by Structure

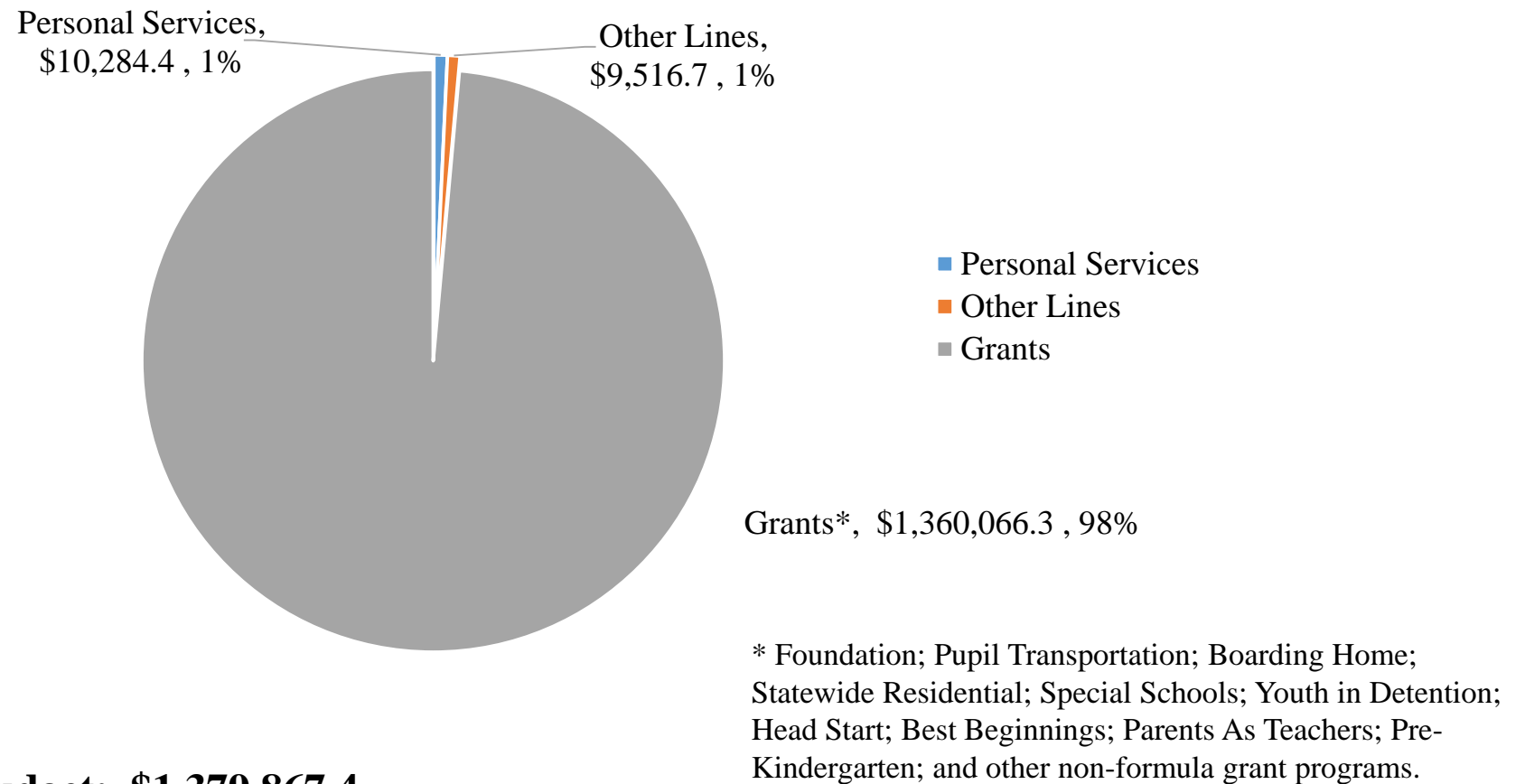


FY2019 Governor's Budget by Line Item



Total Budget (All Funds): \$1,635,389.4

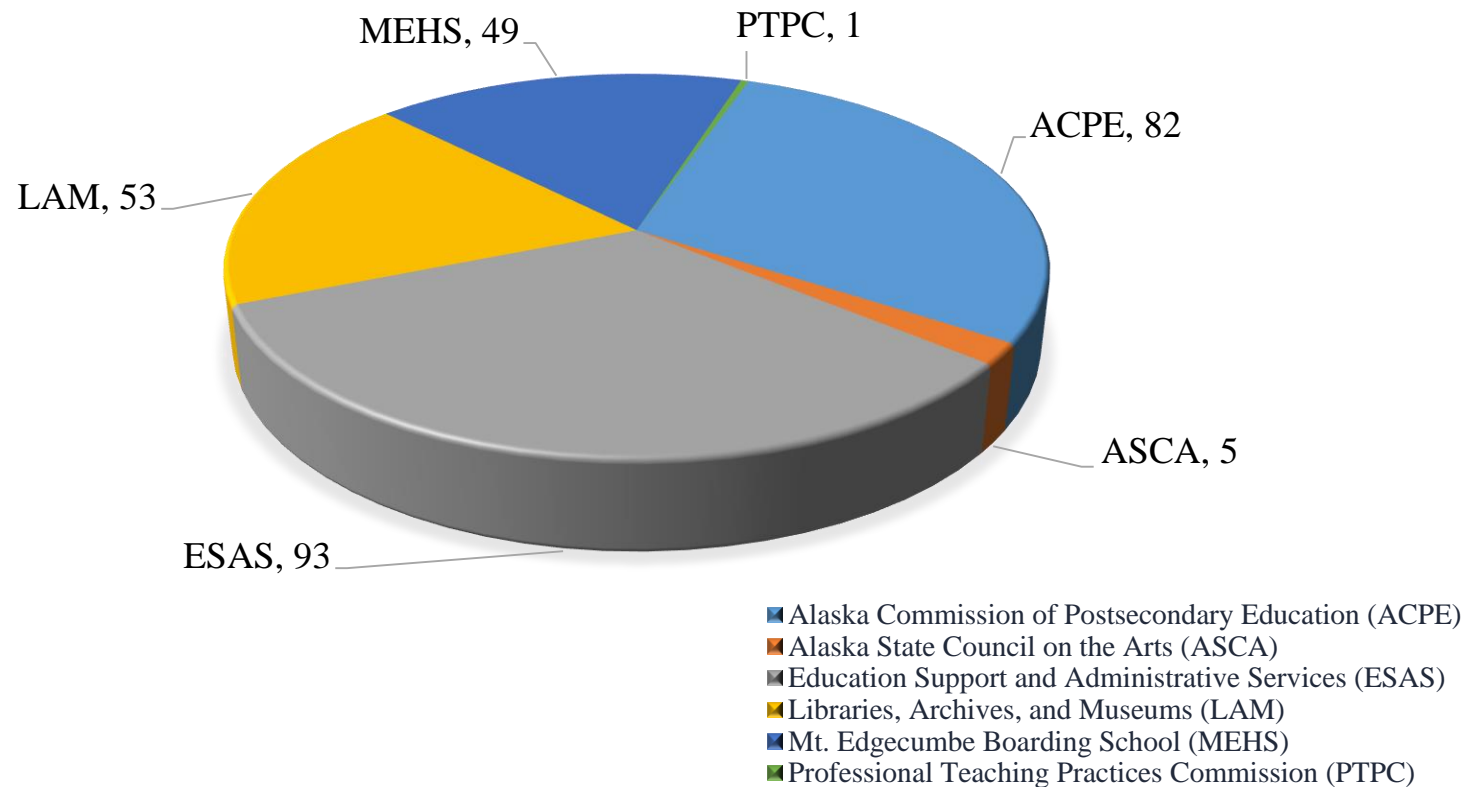
FY2019 Governor's Budget by Line Item (UGF Only)



Total UGF Budget: \$1,379,867.4

FY2019 Governor's Budget - Positions

DEED will employ 283 Alaskans in full-time, part-time, and non-perm positions in 3 locations: Juneau, Anchorage, and Sitka.



FY2019 Governor's Budget Highlights

- Foundation –
 - Fully funded at the statutory Base Student Allocation (BSA) of \$5,930; Total: \$1,215,805.8
- Pupil Transportation –
 - Fully funded based on statutory formula; Total: \$78,184.6
- Special Schools –
 - (\$5.7) UGF decrement for the Special Education Service Agency (SESA) based on statutory formula
- Information Services –
 - Transfer 3 PFT positions to Department of Administration for Centralized Office of Information Technology Implementation
- Student and School Achievement –
 - \$100.0 UGF one-time increment for developing, updating, and adopting new science standards
- Early Learning Coordination –
 - \$1,200.0 UGF base-budget increment to restore funding for additional early learning program support

FY2019 Governor's Budget Highlights

- Mt. Edgecumbe Boarding School Facilities Maintenance –
 - New component (was part of State Facilities Maintenance)
 - Transfer 7 PFT positions to Department of Transportation & Public Facilities, Division of Facilities Services for centralized facility services
- Library Operations –
 - (\$135.9) DGF decrement to reduce the School Broadband Access Grants (School BAG) program to align budget with anticipated expenditures
- Museum Operations –
 - (\$105.6) UGF reduction as a result of elimination of the Museum Grant-In-Aid Program
- Andrew P. Kashevaroff Facilities Maintenance –
 - New component (was part of Library Operations)
- WWAMI Medical Education –
 - \$81.6 DGF increment request for projected increase in the WWAMI contractual obligation

FY2018 Supplemental Items

- Mt. Edgecumbe Boarding School
 - \$400.0 DGF (municipal capital project matching grant fund) – support for the operations and maintenance costs of the Mt. Edgecumbe High School Aquatic Center from the opening in FY2018 through FY2019.
- Executive Administration
 - Extend the multi-year appropriation to support the implementation of the Every Student Succeeds Act (ESSA) funding into FY2019. Current funding is scheduled to terminate at the end of FY2018, however the department is still awaiting ESSA revisions from the federal government and is still in the implementation phase.

Budget Changes (FY2015 – FY2019)

FY2015 - FY2019 Governor's Budget Review Summary

	FY2015 Management Plan	FY2018 Management Plan	FY2019 Governor's	FY2018 Management Plan vs FY2019 Governor's		FY2015 Management Plan vs FY2019 Governor's	
ALL FUNDS							
Formula	1,393,293.2	1,320,154.3	1,317,851.8	(2,302.5)	-0.2%	(75,441.4)	-5.4%
Non-Formula	304,768.7	319,792.2	317,537.6	(2,254.6)	-0.7%	12,768.9	4.2%
Total	1,698,061.9	1,639,946.5	1,635,389.4	(4,557.1)	-0.3%	(62,672.5)	-3.7%
Unrestricted General Funds (UGF)							
	FY2015 Management Plan	FY2018 Management Plan	FY2019 Governor's	FY2018 Management Plan vs FY2019 Governor's		FY2015 Management Plan vs FY2019 Governor's	
Formula	1,351,502.2	1,267,613.3	1,261,973.4	(5,639.9)	-0.4%	(89,528.8)	-6.6%
Non-Formula	57,419.6	32,463.5	32,036.7	(426.8)	-1.3%	(25,382.9)	-44.2%
Total	1,408,921.8	1,300,076.8	1,294,010.1	(6,066.7)	-0.5%	(114,911.7)	-8.2%

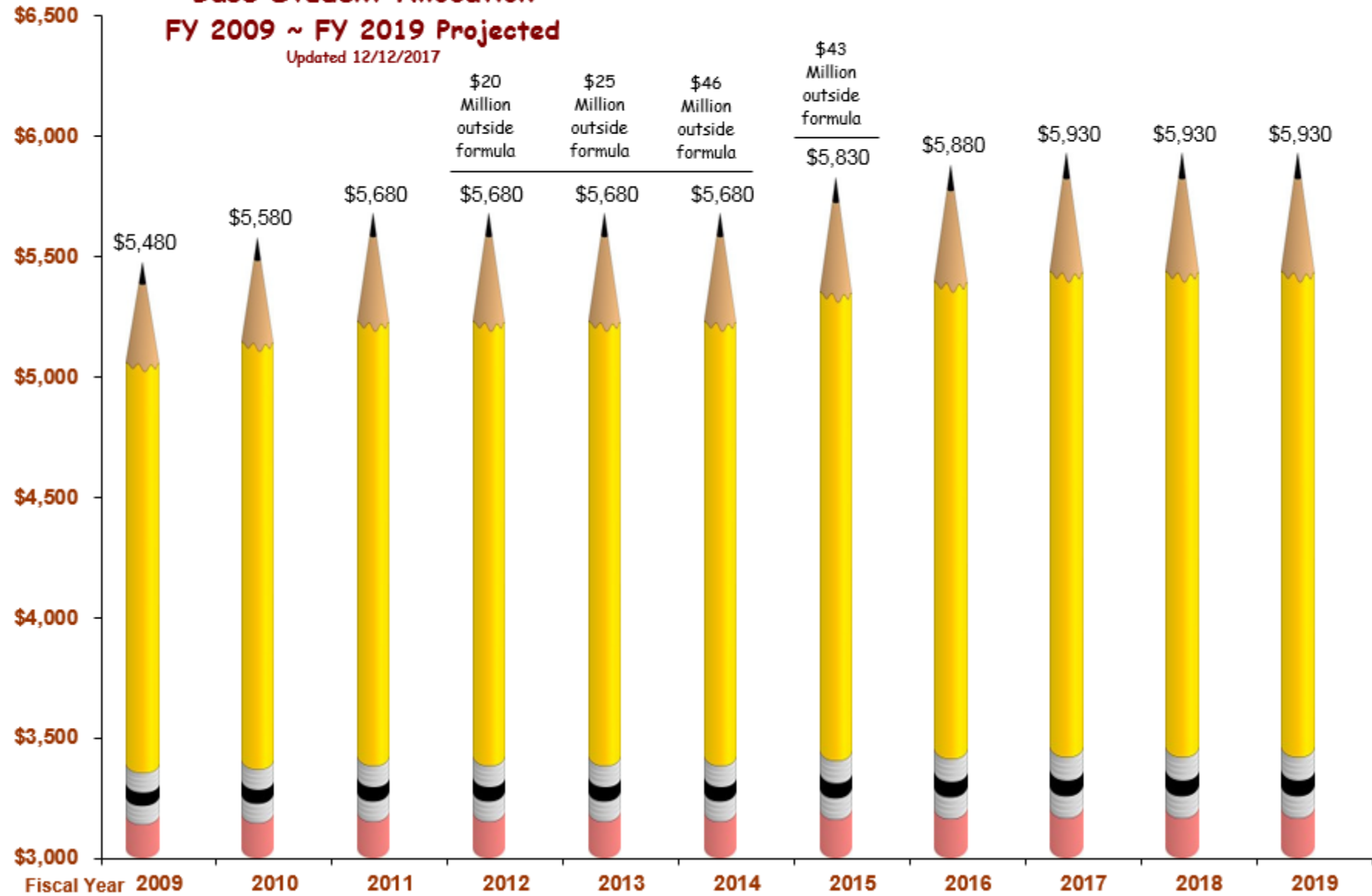
Position Changes (FY2015 – FY2019)

	Full Time (PFT)	Part Time (PPT)	Non Perm (NP)	Total	
FY2015 Management Plan	331	15	18	364	% Change from FY2015
FY2016 Management Plan	326	15	15	356	-2.2%
FY2017 Management Plan	294	14	7	315	-13.5%
FY2018 Management Plan	275	14	4	293	-19.5%
FY2019 Governor's	266	13	4	283	-22.3%

Alaska K-12 Funding

Base Student Allocation
FY 2009 ~ FY 2019 Projected

Updated 12/12/2017



Average Daily Membership (ADM) History

Fiscal Year	Regular ADM	Correspondence ADM	Total ADM
2009	118,083.96	10,296.79	128,380.75
2010	118,914.31	10,314.36	129,228.67
2011	118,544.55	10,502.16	129,046.71
2012	118,296.64	10,589.20	128,885.84
2013	118,129.33	10,836.18	128,965.51
2014	117,321.21	11,114.00	128,435.21
2015	117,185.43	11,394.75	128,580.18
2016	118,066.52	11,631.32	129,697.84
2017	118,052.91	12,242.42	130,295.33
2018	117,014.01	12,939.98	129,953.99
2019	116,814.00	12,805.75	129,619.75

* *FY2018 - preliminary counts*

* *FY2019 - projected counts*

ALASKA'S *Education* CHALLENGE

- State Board of Education Strategic Plan
- Governor's State of the State
- Survey of Alaskans (separate attachment)
- Development of committees around strategic priorities
- Process
- Report and Recommendations



Mt. Edgecumbe Aquatic Center

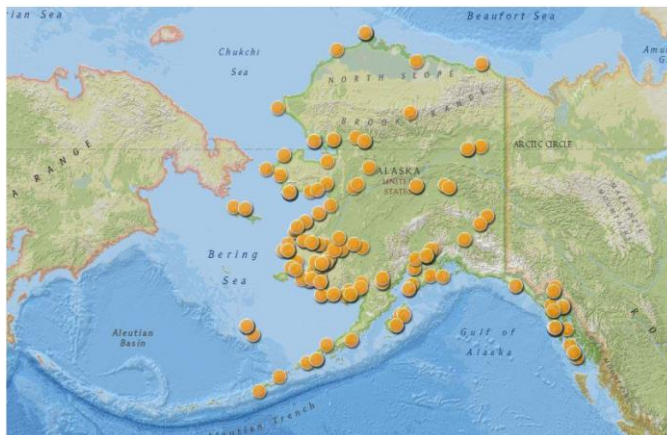
- Operations and Maintenance costs – estimated at \$583.1 (as provided by DOT&PF)

Operations	
Heating and Electric	\$173.0
Water and Sewer	16.3
Waste Disposal and Recycling	3.0
Janitorial	25.0
Chemicals/Filtration	45.9
Fire panel, Sprinklers, etc.	5.0
Maintenance & Operations, Supplies	32.5
Contingency Reserves	30.1
Risk Management	40.0
Total Operations	\$370.8

Staffing	
Pool Manager	\$ 75.0
Life Guards	137.3
Total Staffing	\$212.3

Mt. Edgecumbe Boarding School

- Students
 - 422 students – October 2015
 - 403 as of January 2018 – 95% retention
 - 113 different home communities
 - 58% Female
 - 90% Alaska Native
 - 73% Free/Reduced Lunch
 - 11% Limited English Proficient



- Enrollment

School Year	October Enrollment	End of Year Enrollment
2009-2010	396	337
2010-2011	400	345
2011-2012	396	350
2012-2013	400	360
2013-2014	405	359
2014-2015	421	375
2015-2016	426	380
2016-2017	432	400
2017-2018	422	403 to date

Mt. Edgecumbe Boarding School

- Performance
 - 2016-2017 School Year – 100 graduates
 - 48% qualified for the Alaska Performance Scholarship (28% Collegiate and 20% Vocational)
 - 2016-2017 Four-Year Graduation Rate: 97.09% (Graduate: 100 / Cohort: 103)
 - 2016-2017 Five-Year Graduation Rate: 100.00% (Graduate: 84 / Cohort: 84)
 - State of Alaska Report Card to the Public 2016-2017 for Mt. Edgecumbe – separate attachment
- Teacher Retention
 - 23 teachers employed as of October 2015 – of these, one was new (4.3% turnover)
 - 25 teachers employed as of October 2016 – of these, two were new (8.0% turnover)
 - 27 teachers employed as of October 2017 – of these, four were new (14.8% turnover)

Major Maintenance

- Capital Improvement Project (CIP) Grant Application
 - Due from School Districts on or before September 1 (annually)
 - CIP Application materials are posted on our website (<https://education.alaska.gov/facilities/facilitiescip>)
- Project Ranking
 - Ranked in accordance with criteria in AS 14.11 and 4 AAC 31
- Eligibility
 - Districts must have a six-year plan, a fixed asset inventory system, adequate property loss insurance, and a preventive maintenance and facility management program certified by the department
- CIP Priority lists
 - Initial lists are released on November 5
 - Final lists are released after any appeals for reconsideration are finalized
- FY2019 Major Maintenance List – separate attachment
 - https://education.alaska.gov/facilities/final/FY19_MaintenanceFinalList.pdf

Preventive Maintenance & Facility Management

- Encourage good stewardship of school facilities constructed with state aid, part of a school board's duties per AS 14.14.090(10), and provide for the development and implementation of a preventive maintenance and facility management program for school facilities.
- Preventive maintenance (PM) is defined as “scheduled maintenance actions that prevent the premature failure or extend the useful life of a facility, or a facility's systems and components, and that are cost-effective on a life-cycle basis.”
- AS 14.11.011(b)(4) and AS 14.11.100(j)(5) establish the elements required in a district's PM plan in order for a district to be eligible for state aid under AS 14.11. Minimum requirements in the five elements (reports), listed below, are implemented by 4 AAC 31.013.
- Reports: Maintenance Management Program; Energy Management Plan; Custodial Program; Maintenance Training Program; and Renewal and Replacement Schedule (R&R)
- Certification occurs annually; on-site certification assessments are made every five years.
- Additional resources available on DEED's website: <https://education.alaska.gov/facilities/PM>

Thank You

Please find our contact information below:

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