



34th Alaska State Legislature

FY27 Operating Budget

House Finance Budget Department of Education and Early Development

March 9, 2025
 Department of Education and Early Development
 Budget Narrative Report

Chair:

Rep. Alyse Galvin
 Capitol Room 502
 465-1463

Members:

Rep. Rebecca Himschoot
 Capitol Room 411
 465-3732

Rep. Andi Story
 Capitol Room 403
 465-3744

Rep. Maxine Dibert
 Capitol Room 126
 465-2138

Rep. Ted Eischeid
 Capitol Room 412
 465-2095

Rep. Jubilee Underwood
 Capitol Room 112
 465-2186

Rep. Rebecca Schwanke
 Capitol Room 409
 465-2327

Rep. Bill Elam
 Capitol Room 422
 465-3779

**HFin Minority Member
 (Invited)**

Rep. Elexie Moore
 Capitol Room 432
 465-4833

Committee Aide:

David Jiang
 465-6443

The House Finance Budget Subcommittee for the Department of Education and Early Development (DEED) held a total of seven meetings and received eight presentations on department and division budgets, including the Governor’s proposed and amended budget actions. Based on that information and related discussions, the Subcommittee accepted all Governor operating budget actions and added seven items. The Subcommittee submits the following recommended FY 27 operating budget to the House Finance Committee.

RECOMMENDATIONS

Fund Source: (dollars are in thousands)	
Unrestricted General Funds (UGF)	\$105,018.7
Designated General Funds (DGF)	\$38,364.6
Other Funds	\$38,416.3
Federal Funds	\$267,354.3
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Total	\$449,153.9

Compared to the FY27 governor’s amended budget proposal, subcommittee recommendations represent an increase of \$4,900.1 (+4.9%) in UGF.

Importantly, the amounts above are for the Department of Education & Early Development and do not include public education funds that go directly to districts based on formula funding, base student allocation (BSA) or Pupil Transportation, which accounts for \$1,233,953.1 and \$72,826.1 UGF respectively, since these are considered language items not in the purview of the subcommittee. Should these items be included, the increment of \$4,900.1 UGF discussed would account for a 0.35 percent increase.

<u>Positions:</u>	
Permanent Full-time	280
Permanent Part-time	10
Temporary	16
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Total	306

BUDGET ACTIONS

The Chair's recommendations to the Subcommittee accepted all 15 of the Governor actions. Three of the most significant UGF items of note from the Governor are highlighted below:

- An increment of \$771.2 UGF to add statutory funding for the new Lake and Peninsula School District Residential Program.
- An increment of \$3,293.8 UGF to add funding for projected Alaska Performance Scholarship (APS) Disbursement increases beyond Ch4 SLA2024 Fiscal Note Funding and House Bill 148 Intent Language.
- An increment of \$1,646.9 UGF to add funding for Alaska Education Grant (AEG), which, in statute, is to be 50%, or half of the amount allotted to APS. As such, APS funding would take 2/3 of the total funding and AEG funding would take 1/3 of the total funding.

Other Governor actions include technical adjustments to reflect formula calculations, implementation of administrative actions, and the implementation of the IT Classification Study among the different divisions of the department. Details for all actions can be found in the attached Budget Action report.

The House Finance Budget Subcommittee for Department of Education and Early Development reviewed the FY27 budget request and added the following changes:

- A decrement of \$450.0 from UGF to Student Information System and Predictive Data Dashboard (Item 6). The original allocation for this item was \$900.0 in the base, added to the FY 24 budget. To date, \$2.7 million has already been spent on this dashboard, which, according to DEED, is focused on establishing "foundational architecture for the project". The Department has stated that this portion of the work did not produce a traditional stand-alone deliverable. In the absence of a demonstrated deliverable, this decrement would still allow for further development of the dashboard as well as a recalibration of its necessary funds to move this project to completion.
- An increment of \$450.0 in UGF for Teacher Incentive Payments and Reimbursements for National Board Certification under AS 14.20.225 (Item 8). This item was passed into law as HB 230 in 2024 as a recommendation from the 2021 Teacher Retention and Recruitment Action Plan, a product of the Alaska Governor's Working Group on teacher retention and recruitment in 2020. However, when passed, the FY25 or 26 budget included no funding and without appropriation, districts were unable to support this obligation to teachers.
- An increment of \$490.0 in UGF for Alaska Council of School Administrators contract for Alaska Educator Retention and Recruitment Center (Item 9). AERRC serves as the statewide Educator retention and recruitment hub and supports school districts in marketing positions and hiring educators, including the 573 international teachers on J-1 and H-1B visas. This work is a result of a recommendation from the 2021 Teacher Retention and Recruitment Action Plan. Furthermore, these funds support the Alaska School Leadership Academy

(ASLA), the only program that supports early career educational leaders and pairs them with trained, experienced mentors.

- An increment of \$80.0 in UGF for Best Beginnings Imagination Library (Item 10). This program sends a children’s book every month to families across the state to improve learning and fosters stronger bonds with parents and caregivers. As of 2025, this program serves just under 16,000 children under the age of five in 138 Alaskan communities. This increment accounts for the increased costs of books and postage while maintaining the current service level of 28 percent of children in the state eligible for the program.
- An increment of \$355.8 in UGF for the Parents as Teachers (PAT) program. This program delivers home visiting services to families from the prenatal period through early childhood. The current level of funding for this program is \$474.4. An increment of \$355.8 would dramatically increase the impact of the program serving an additional 115 children across the state (with 274 children currently being served). National research, including findings from the Mother and Infant Home Visiting Program Evaluation (MIHOPE, 2023), demonstrates that Parents as Teachers improves parenting practices, strengthens school readiness’, and supports positive child development outcomes. Furthermore, in Alaska, PAT’s health reviews perform crucial screenings early on for potential developmental, socio-emotional, and health related delays, reducing potential costly educational interventions and health repercussions. Investing in PAT is a prevention-focused strategy that strengthens families and reduces the likelihood of more costly interventions later in a child’s life.
- An increment of \$3,756.8 in UGF for Head Start Grants, which would satisfy the non-state federal match. The amount allocated from the federal government is \$67,181.3, with a 75 percent federal to 25 percent state match. For Alaska to obtain the full federal match, the State of Alaska match would need to be \$3,756.8 given the current funding level of \$13,038.5, for a total state match of \$16,795.3.
 - Historically, the federal government has supported the \$67,181.3, however it is uncertain how long the federal government will continue to support the match if the State of Alaska does not uphold theirs. This increment will ensure that the federal match of \$67,181.3 is in place for Head Start programs throughout the state.
 - Language from AS 14.38.010(b) states that the Department of Education & Early Development “shall make a grant to each eligible head start agency operating a head start program in the state under equal to the amount of the head start program's nonfederal contributions required under 42 U.S.C. 9835.”
 - Head Start promotes school readiness of children from birth to five from low-income families by providing comprehensive services in health, nutrition, and parental involvement. In Alaska, there are 17 Head Start and Early Head Start programs serving over 3,000 children across the state. With this increment, at least 140 more children will be able to be served by this program and removes the risk that the federal government will lower the amount of its match.
- An increment of \$217.5 in UGF for Statewide Library Electronic Doorway (SLED). This item provides internet access to millions of journal articles, newspapers, and ebooks, which include educational resources for reading and early literacy, as well as support for online learning and homeschooling. This increment would sustain current levels of operation without restoring any programs that were cut.

SUBCOMMITTEE AMENDMENTS

The chair set an amendment deadline and welcomed amendments from all members. The subcommittee received five amendments. One amendment was withdrawn and four amendments failed.

ATTACHED REPORT

The House Finance Budget Subcommittee for the Department of Education and Early Development adopted the attached Budget action report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alyse Galvin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Representative Alyse Galvin
Chair, House Finance Budget Subcommittee for the Department of Education and Early Development