

Department of Education and Early Development

FY26 - Summary of Significant Operating Budget Issues (\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	K-12 Aid to School Districts / Foundation Program	FY2026 Estimated Foundation Program Expenditures from Public Education Fund	Total: \$1,137,997.6 \$1,082,136.6 Gen Fund (UGF) \$20,791.0 Impact Aid (Fed) \$35,070.0 Pub School (Other) MisAdj	<p>AS 14.17.300(b) allows for funds to be expended from the Public Education Fund without further appropriation. In order to reflect the anticipated need in the Foundation Program, a Miscellaneous Adjustment is used to track anticipated spending. The FY26 Foundation Program estimate includes a Base Student Allocation (BSA) of \$5,960, unchanged from FY25.</p> <p>FY26 BSA state aid is projected to be \$28.6 million lower than FY25, due to the following factors: 1) Basic Need decreasing by \$21.5 million, primarily due to a lower projected non-correspondence student count. 2) Minimum required local effort increasing by \$14.0 million, which reduces the State's share of costs. 3) Deductible federal Impact Aid decreasing by \$8.3 million, which increases the State's share of costs. 4) Early education funding under Ch. 40, SLA 2022 decreasing by \$1.3 million.</p> <p>The FY26 estimates in the Governor's budget are based on draft counts and will change when the student counts are finalized. The student count period consists of the twenty school days ending the fourth Friday in October. The FY26 student counts are scheduled to be finalized by mid-January, 2026. By statute, payments to school districts for the first nine months of a fiscal year are based on the prior fiscal year foundation formula; the final three months of payments are re-calculated and payments are based on the final student counts for the current fiscal year.</p> <p>Fiscal Analyst Comment: The FY25 budget included one-time additional foundation funding equivalent to \$680 beyond the statutory BSA, estimated to be \$174,663.5. The Governor's FY26 proposal does not include any funding beyond the foundation formula.</p> <p>The Alaska Reads Act (Ch. 40, SLA 2022) allows approved early education programs to receive one-half of the Average Daily Membership (ADM) funding for enrolled students. The FY26 estimated appropriation includes \$7,693.6 UGF to fund this provision.</p>

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2	K-12 Aid to School Districts / Pupil Transportation	FY2026 Pupil Transportation Expenditures from Public Education Fund	\$67,812.3 Gen Fund (UGF) MisAdj	<p>AS 14.17.300(b) allows for funds to be expended from the Public Education Fund without further appropriation. In order to reflect the anticipated need in Pupil Transportation, a Miscellaneous Adjustment is used to track estimated appropriations. The anticipated need is based on projected ADM counts.</p> <p>Like the Foundation Program, expenditures will be based on the actual student count finalized in FY26. Correspondence students are not counted when calculating student numbers for Pupil Transportation grants.</p> <p>Fiscal Analyst Comment: The FY25 budget included \$7,305.9 of one-time additional pupil transportation funding. The Governor's FY26 proposal does not include any funding beyond the statutory formula, which was last adjusted in FY16.</p>
3	Education Support and Admin Services / Child Nutrition	Add Child and Adult Care Food Program On-Site Monitoring Grant (FY26-FY28)	\$120.0 Gen Fund (UGF) MultiYr	The federal Child and Adult Care Food Program (CACFP) reimburses child care centers for healthy meals and snacks provided to children. In order to be eligible for reimbursement, the child care center must work through a sponsoring organization. This item will provide grant funding to sponsoring organizations in order to travel to remote and rural child care centers. The intention is to enable sponsoring organizations to provide oversight to more child care centers, therefore making more child care centers eligible for CACFP reimbursement.
4	Education Support and Admin Services / Student and School Achievement	Move Technical and Vocational Education Program Appropriation to Language	\$884.6 VoTech Ed (DGF) Inc	<p>The Technical Vocational Education Program (TVPEP) was reauthorized under HB 148 (Ch. 4, SLA 24), and was moved to the numbers section in FY25 after having been part of the language section in FY24.</p> <p>The Governor's FY26 budget moves the TVPEP distribution of funding back to the language section, so there are corresponding Decrements removing the funding from the numbers section. Moving the TVPEP distribution to the language section allows for alignment with the best available revenue estimates and changes in the projections.</p> <p>The original distribution estimates were based on a projection from January 2024, while the \$884.6 amount for this item is based on actuarial analysis from July 2024. The FY26 Governor's Amended</p>

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4	Education Support and Admin Services / Student and School Achievement	Move Technical and Vocational Education Program Appropriation to Language	\$884.6 VoTech Ed (DGF) Inc	(continued) budget will reflect any anticipated changes to the TVEP distribution amounts once projections are completed in January.
5	Education Support and Admin Services / Career and Technical Education	Add Funding for Career and Technical Education Initiatives	\$1,250.0 Gen Fund (UGF) Inc	<p>In FY24, the legislature funded a \$1,500.0 One-Time Increment for Career and Technical Education (CTE) initiatives. The Governor's FY25 request included \$1,500.0 in base funding. The legislature approved partial base funding of \$750.0.</p> <p>The FY26 proposed \$1,250.0 base Increment provides for the following:</p> <ol style="list-style-type: none"> 1. \$210.0 to provide \$35.0 in grant funding to six Career and Technical Student Organizations: Business Professionals of America, Educators Rising, Family Careers & Community Leaders of America, Future Farmers of America, Health Occupation Students of America, and Skills USA. 2. \$440.0 to continue funding for six existing career advisors housed in Department of Labor and Workforce Development Job Centers. 3. \$600.0 for the electrician and plumbing program. DEED will provide grants to school districts to support programs of study for electrical and plumbing, as well as other high demand or high wage careers. Priority will be given to districts partnering with industry, labor unions, and adult vocational education centers. <p>The FY26 proposed budget also includes a separate \$300.0 One-Time Increment for initial costs to establish the plumbing program and expand the electrician program. The one-time costs include \$275.0 for developing curriculum and guidance for programs of study, and \$25.0 for an awareness campaign.</p>
6	Education Support and Admin Services / Teacher Certification	Maintain Funding for Teacher Apprenticeship, Recruitment, and Retention	\$1,500.0 Gen Fund (UGF) IncM	<p>The FY24 and FY25 budgets each included \$1,500.0 One-Time Increments for teacher apprenticeships, recruitment, and retention. The Governor's FY26 request restores this funding as a base Increment. This will continue to fund recommendations from the Alaska Teacher Retention and Recruitment Working Group's August 2023 Playbook.</p> <p>The Department of Education and Early Development</p>

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6	Education Support and Admin Services / Teacher Certification	Maintain Funding for Teacher Apprenticeship, Recruitment, and Retention	\$1,500.0 Gen Fund (UGF) IncM	(continued) (DEED) was approved by the US Department of Labor as a Teacher Registered Apprenticeship Sponsor. DEED is planning a pilot apprenticeship program to allow paraprofessionals to earn a teaching certificate. In FY25, DEED hired a PFT Program Coordinator 2 position to manage the apprenticeship program. Ongoing programs include a longitudinal exit and stay survey for teachers, and grant funding for the University of Alaska's Statewide Mentor Project.
7	Various	Structure Changes to Adhere to AS 37.078.020(e)	Struct	In FY25, the legislature added intent language in the Governor's Office that read: "It is the intent of the legislature that the budget prepared under AS 37.07.020 for the succeeding fiscal year adhere to AS 37.07.020(e) and present separately for each agency the annual facility operations, annual maintenance, and periodic repair or replacement of components of public buildings and facilities." In DEED, the legislature renamed the "State Facilities Rent" appropriation and underlying allocation to "State Facilities Maintenance and Operations". The Governor's FY26 budget renames the appropriation to "Facility Maintenance and Operations" and the underlying allocation to "Facilities Rent State Owned". In the "Mt. Edgecumbe High School" appropriation, The Governor's FY26 budget renames the "Mt. Edgecumbe High School Facilities Maintenance" allocation to "Mt. Edgecumbe High School Facility Operations and Maintenance State Owned". In the "Alaska State Libraries, Archives and Museums" appropriation, The Governor's FY26 budget renames the "Andrew P. Kashevaroff Facilities Maintenance" allocation to "Andrew P. Kashevaroff Facility Operations and Maintenance State Owned".
8	Alaska Commission on Postsecondary Education / Program Administration & Operations	Shift Funding from ASLC I/A Rcpts to Higher Ed Investment Fund to Reflect True Costs of Administering Statutory Programs	Net Zero (\$170.0) I/A Rcpts (Other) \$170.0 High Ed (DGF) FndChg	The Alaska Commission on Postsecondary Education (ACPE) uses Interagency (I/A) receipt authority to bill the Alaska Student Loan Corporation (ASLC). ACPE uses the Higher Education Investment Fund (HEIF) for administrative costs for Alaska Performance Scholarship Awards, Alaska Education Grants, the WWAMI Medical Education program, and

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9	Alaska Student Loan Corporation / Loan Servicing	Add Authority to Support Alaska Student Loan Corporation	\$688.5 ASLC Rcpts (Other) Inc	Salary Adjustments made to ACPE include I/A, allowing ACPE to bill ASLC for its portion of expenses. However, the Salary Adjustments did not provide ASLC with additional funding. The additional ASLC Receipts will fund I/A added in ACPE. This includes Fiscal Note funding for provisions in Ch. 5, SLA 2024, and salary, health insurance, and retirement adjustments in ACPE's FY26 Adjusted Base.