



30<sup>th</sup> Alaska State Legislature  
Senate Finance Budget Subcommittee  
Department of Education and Early Development  
FY18 Operating Budget

**Chairman:**

Sen. Mike Dunleavy  
Capitol Room 11  
465-6600

**Members:**

Sen. Shelley Hughes  
Capitol Room 125  
465-3743

Sen. Tom Begich  
Capitol Room 419  
465-3704

**Committee Aide:**

Daniel George  
465-5078

**DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT  
FY2018 SENATE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT  
March 13, 2017**

**RECOMMENDATIONS:**

The following recommendations are driven by the continued unprecedented downturn of revenues resulting from the precipitous drop in oil prices. This Subcommittee recognizes and acknowledges that some very worthwhile programs may go unfunded or underfunded, but its choices are very limited given the financial circumstances the State of Alaska finds itself in.

The Senate Finance Budget Subcommittee for the Department of Education and Early Development submits a recommended operating budget (numbers only) for FY2018 to the Senate Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 40,111.2
Designated General Funds (DGF)	\$ 25,437.7
Other Funds	\$ 62,576.9
Federal Funds	\$ 251,330.1
<b>TOTAL</b>	<b>\$ 379,455.9</b>

**Positions:**

Permanent Full-Time	279
Permanent Part-Time	15
Temporary	4
<b>Total</b>	<b>298</b>

The Unrestricted General Fund difference from the FY17 Management Plan to the Senate Subcommittee budget recommendation is a reduction of \$3,786.3, an 8.6% reduction.

The Unrestricted General Fund difference from the FY18 Governor's Amended budget to the Senate Subcommittee recommendation is a reduction of \$7,928.8, a 16.5% reduction

## **BUDGET ACTION:**

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The Senate Finance Budget Subcommittee for the Department of Education and Early Development held three meetings with the Department, on February 21<sup>st</sup>, March 7<sup>th</sup>, and March 9<sup>th</sup>. The Subcommittee reviewed and accepted the FY18 Governor's amended budget request, with four exceptions.

- Deny the Governor's increment of \$250.0 UGF for Innovative Best Practices Initiative.
- Deny the Governor's increment of \$100.0 UGF for Mt. Edgecumbe Aquatic Center Warm Storage & Maintenance Costs. The subcommittee recommends reinserting this amount as a \$100.0 one-time increment using Public School Trust Fund (Other).
- Deny the Governor's increment of \$250.0 DGF in Alaska Performance Scholarships and \$125.0 DGF in Alaska Education Grants.
- Deny the Governor's increment for \$106.0 in Higher Education Investment Funds (DGF) for the WWAMI Program.

In addition to the acceptance of the Governor's amended FY18 budget, along with supplemental FY17 request, with the noted exceptions, following are highlights of the Subcommittee recommendations:

- Reduce UGF in the amount of \$100.0 for the Boarding Home Grant Stipend, to align with historic actual usage.
- Reduce UGF in the amount of \$2,000.0 for Pre-Kindergarten grants.
- Reduce UGF in the amount of \$320.0 for Best Beginnings grants.
- Reduce UGF in the amount of \$500.0 for Parents as Teachers grants.
- Reduce UGF in the amount of \$4,658.8 for Mount Edgecumbe Boarding School, and replace with \$4,658.8 from the Income Fund of the Public School Trust Fund (Other).
- Reduce excess General Fund / Program Receipt authority in the amount of \$100.0 in the Teacher Certification Program.

## **The Subcommittee recommends the following wordage language be adopted:**

- It is the intent of the legislature that the department identify a source of funding other than general funds for the operating cost of the Mount Edgecumbe High School Aquatics Facility.
- The amount allocated for Teacher Certification includes the unexpended and unobligated balance on June 30, 2017, of the Department of Education and Early Development receipts from teacher certification fees under AS 14.20.020(c).

- A school district may not receive state education aid for K-12 support appropriated under Section 1 of the Act and distributed by the Department of Education and Early Development under AS 14.17 if the school district (1) has a policy refusing to allow recruiters for any branch of the United States Military, Reserve Officers' Training Corps, Central Intelligence Agency or Federal Bureau of Investigation to contact students on a school campus if the school district allows college, vocational school, or other job recruiters on campus to contact students; (2) refuses to allow the Boy Scouts of America to use school facilities for meetings or contact with students if the school makes the facility available to other non-school groups in the community; or (3) has a policy of refusing to have an in-school Reserve Officers' Training program or a Junior Reserve Officers' Training Corps program.

**The Subcommittee makes the following statutory recommendations:**

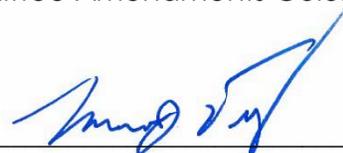
- 1) The Senate Finance Subcommittee recommends that the legislature further examine conversion of the Alaska State Council on the Arts into a corporation of the state. The Council is budgeted to receive \$692.8 UGF in the Governor's FY18 request. Senate Bill 66 by the Senate Education Committee has been introduced in this regard.
- 2) The Senate Finance Subcommittee concurs with the House Finance Subcommittee regarding the statutory recommendation that the Public School Trust Fund be examined for possible restructure with the goal to increase revenues available to support public education in Alaska. These increased revenues toward education should be used to supplant existing Unrestricted General Funds (UGF) in the Education budget.
- 3) The Senate Finance Subcommittee recommends that the 2016 Performance Review of the Department of Education and Early Development's finding related to objective #9 in that report, be pursued. That recommendation suggests consolidating the work of the Professional Teaching Practices Commission into the work of the Office of Teacher Certification. "...DEED could consolidate offices for cost reductions: The review team recommends that DEED eliminate duplication of work processes between the PTPC, university teacher preparation programs, and DEED, and that the legislature amend AS Title 14, Chapter 20, Article 5. Professional Teaching Practices Act to consolidate the PTPC's work into the Teacher Certification Office's work."

**ATTACHED REPORTS**

The Senate Finance Budget Subcommittee for the Department of Education and Early Development adopts the attached reports:

**Legislative Finance Division Reports – Senate Structure (Numbers Only)**

1. Multi-Year Allocation Summary – Senate Structure
2. Transaction Detail – Senate Structure: Senate Subcommittee Amendments Column



**Senator Mike Dunleavy, Chair**

Senate Finance Budget Subcommittee for the  
Department of Education & Early Development  
March 13, 2017