

Department of Education and Early Development

**FY2021 Budget Overview
House Finance Committee**

**Dr. Michael Johnson, Commissioner
Heidi Teshner, Director of Finance and Support Services**

February 4, 2020



OUR MISSION

**An excellent education
for every student
every day.**

OUR VISION

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.

Alaska Statute 14.03.015

Photo courtesy of Anchorage School District. Used with permission.



Purpose

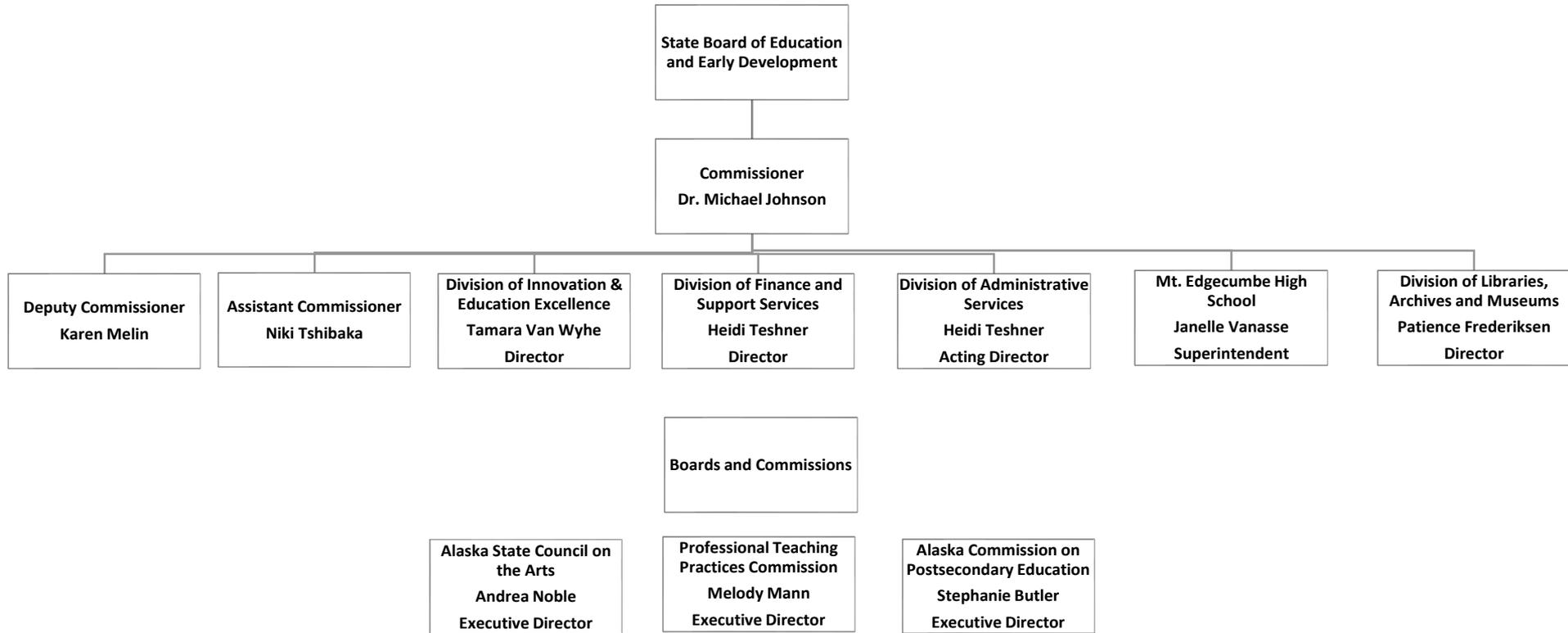
DEED exists to provide **information, resources, and leadership** to support an excellent education for every student every day.



Alaska's Education Challenge

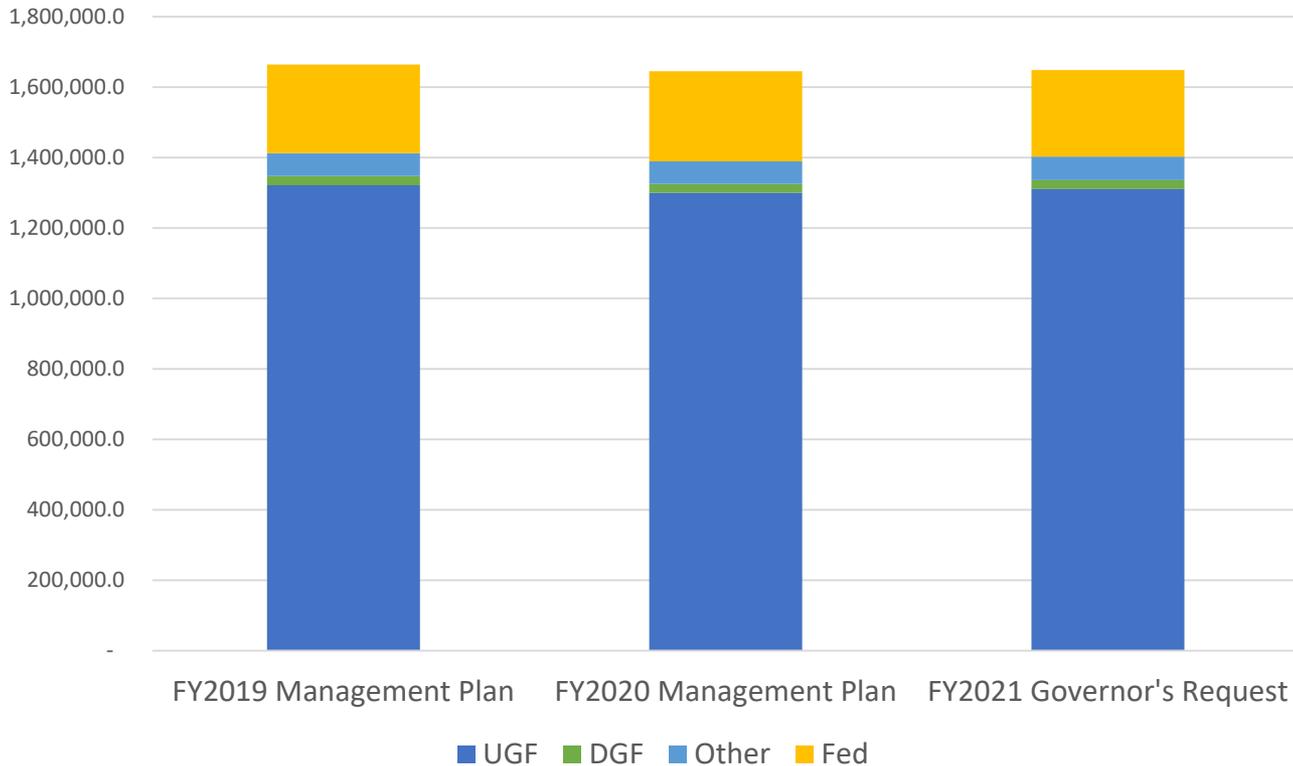


DEED FY2021 Operating Budget: Leadership



Department of Education and Early Development

FY2021 Operating Budget Comparison



Significant Items

- Foundation Formula Fully Funded at BSA of \$5,930
- Additional Federal Authority for Comprehensive Literacy State Development Grant
- Residential Schools Program Added Two New Schools
- Discontinue OWL Video Conference Network
- Outsource FFELP Loans

| | FY2019 Management Plan | FY2020 Management Plan | FY2021 Governor's Request | Difference FY19 and FY21 | % Difference Between FY19 and FY21 |
|----------------|------------------------|------------------------|---------------------------|--------------------------|------------------------------------|
| UGF | 1,321,622.6 | 1,300,427.9 | 1,310,833.4 | (10,789.2) | -0.8% |
| DGF | 26,491.2 | 24,889.0 | 25,669.6 | (821.6) | -3.1% |
| Other | 64,823.7 | 64,233.0 | 66,687.4 | 1,863.7 | 2.9% |
| Federal | 251,133.1 | 256,226.5 | 245,512.1 | (5,621.0) | -2.2% |
| Total | 1,664,070.6 | 1,645,776.4 | 1,648,702.5 | (15,368.1) | -0.9% |

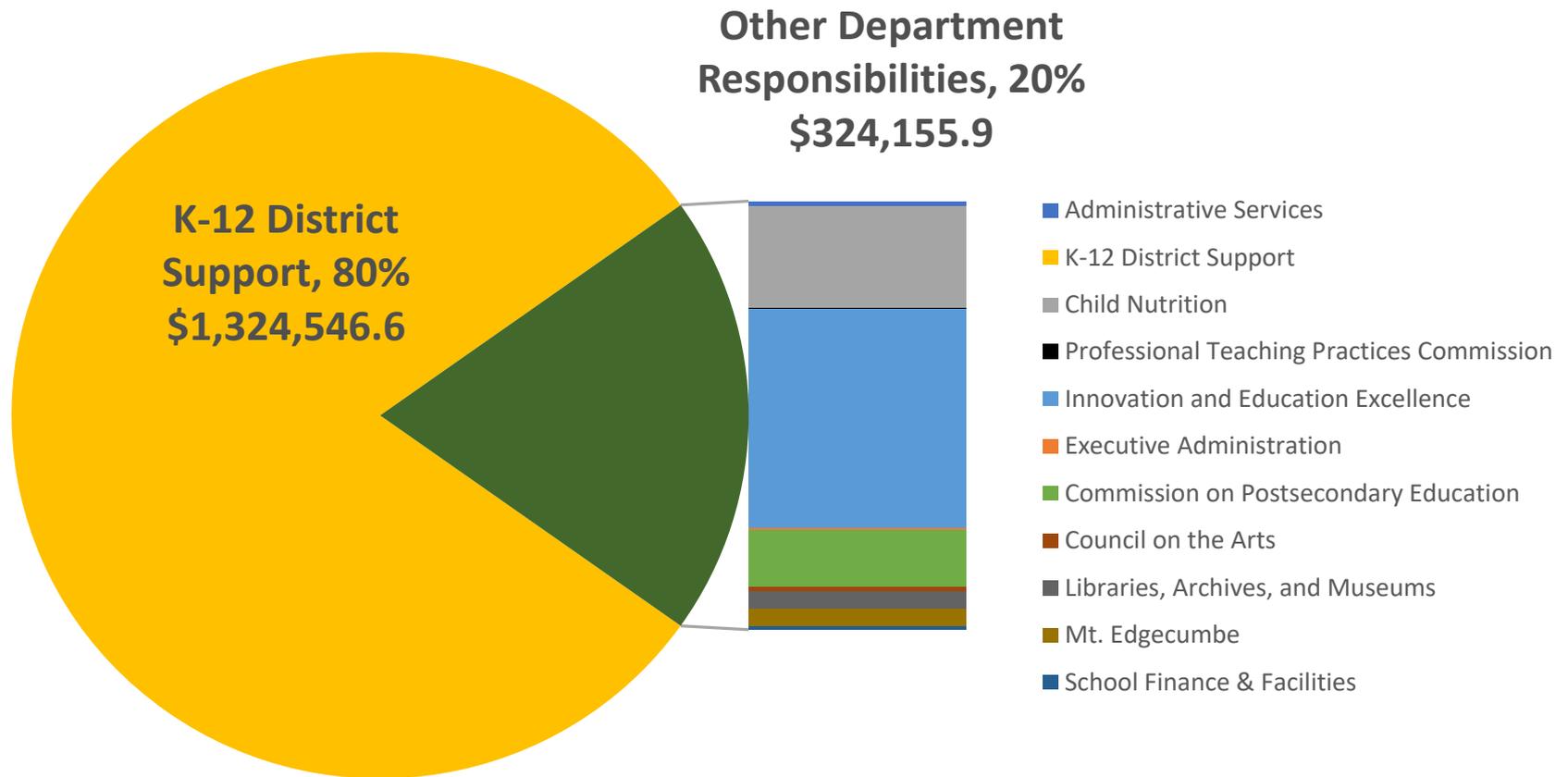
Department of Education and Early Development FY2021 Fund Source Breakdown by Fund Category

| Agency Operating | UGF | DGF | GF Sub Total | Other | Fed | Total | PFT |
|----------------------|--------------------|-----------------|--------------------|-----------------|------------------|--------------------|-----|
| Formula | 1,273,493.2 | 11,750.0 | 1,285,243.2 | 30,262.4 | 20,791.0 | 1,336,296.6 | |
| Non-Formula | 37,340.2 | 16,919.6 | 54,259.8 | 36,425.0 | 224,721.1 | 315,405.9 | 269 |
| *Duplicate | | | | (22,521.3) | | (25,624.5) | |
| Non-Duplicate | 1,310,833.4 | 28,669.6 | 1,339,503.0 | 44,166.1 | 245,512.1 | 1,629,181.2 | |

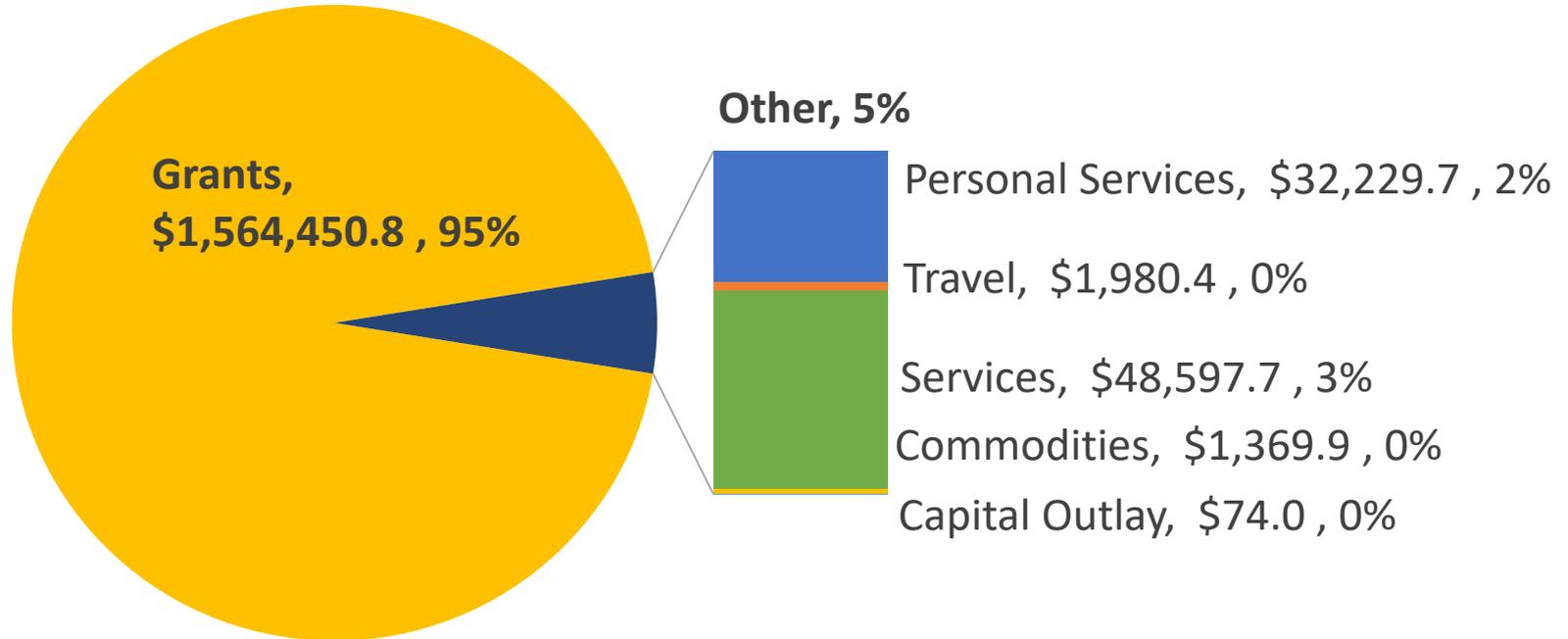
| | | |
|-------|-----------------------------------------------------|-------------|
| UGF | 1003 General Fund Match | 1,037.1 |
| | 1004 General Fund Receipts | 1,309,418.5 |
| | 1037 General Fund / Mental Health | 377.8 |
| DGF | 1005 General Fund/Program Receipts | 2,645.3 |
| | 1151 Technical Vocational Education Program Account | 499.5 |
| | 1226 Alaska Higher Education Investment Fund | 22,524.8 |
| Other | 1007 Interagency Receipts (Duplicated) | 22,491.3 |
| | 1066 Public School Trust Fund | 29,774.2 |

| | | |
|-------|--------------------------------------------------------|-----------|
| Other | 1092 Mental Health Trust Authority Authorized Receipts | 50.0 |
| | 1106 Alaska Student Loan Corporation Receipts | 11,062.1 |
| | 1108 Statutory Designated Program Receipts | 3,279.8 |
| | 1145 Art in Public Places Fund (Duplicated) | 30.0 |
| Fed | 1002 Federal Receipts | 224,230.7 |
| | 1014 Donated Commodity/Handling Fee Account | 490.4 |
| | 1043 Impact Aid for K-12 Schools | 20,791.0 |

Department of Education and Early Development Budget



Department of Education and Early Development Budget



- For every dollar in operational costs about \$18.50 goes out to grantees.
- Average distribution of \$5.8m in grants per DEED employee.

FY2021 Budget – Notable Items

K-12 Aid to School Districts

- Foundation Program Fully Funded
 - BSA \$5,930
- Public School Trust Fund (PSTF) Appropriation Structural Change
 - Percent of Market Value (POMV) draw from the PSTF is now directly deposited into the Public Education Fund.
 - This provides more predictability for investment management and potentially greater returns.
 - Appears as a \$21.5M decrement but is matched by an appropriation in the language section of the bill. No change to the funding level.



FY2021 Budget – Notable Items

K-12 Support

- Residential Schools Program Component Name Change
 - Better reflects the activities performed in this component.
- \$900.2 UGF – Addition of Two New Residential Programs
 - \$330.2, 20-bed program in the North Slope Borough School District approved by Department in Dec 2016.
 - \$570.0, 50-bed program in the Lower Yukon School District approved by Department in Sept 2019.



FY2021 Budget – Notable Items

Division of Innovation and Education Excellence

- Early Learning Programs Fully Funded
 - Parents as Teachers has been transferred to the Department of Health and Social Services
- \$3,945.9 Fed – Comprehensive Literacy State Development Grant (FY21-25)
- \$(14,700.0) Fed – Federal Programs Grant Carry Forward
 - Matched by an appropriation in language section of the bill.
 - No reduction in federal programs or award.
 - Solves an issue causing difficulty in program execution and grant disbursement.



FY2021 Budget – Notable Items

Mt. Edgecumbe High School (MEHS)

- \$650.0 DGF – Operational Cost of Mt. Edgecumbe Aquatic Center
 - Program receipt authority to support operations of the pool will be collected through public swims and contracts with outside entities.
- \$4,639.1 fund change from Public School Trust Fund (PSTF) to UGF
 - Transfers state support for MEHS to UGF rather than making expenditures direct from the PSTF.
 - Managing fund for daily expenditures is onerous for investment management. A structural change to the appropriation increases predictability and potentially increases returns.
 - Increased UGF appropriation to MEHS offset by transfer to Foundation Program.

FY2021 Budget – Notable Items

Libraries, Archives, and Museums

- \$100.0 DGF – Increase entry fee to State Museums to Support Operational Costs
 - \$2 per ticket increase. Discounts for students and seniors will be retained.
- \$(232.9) UGF – Discontinue OWL Video Conferencing System
 - System is underutilized despite promotional efforts. 271 conferences occurred in FY2019 at a cost of approximately \$860.00 per call.
 - System hardware is at end of life and requires costly replacement.



FY2021 Budget – Notable Items

Alaska Commission on Postsecondary Education

- \$(586.3) Other – Outsource Servicing of Some Student Loans
 - The Alaska Student Loan Corporation's Federal Family Education Loan Program loans will be outsourced to a new servicer - the Pennsylvania Higher Education Assistance Agency.
- \$50.8 DGF – WWAMI Medical Program Obligation
 - Increase in the contractual obligation to participate in the WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) medical program.





Contact Information

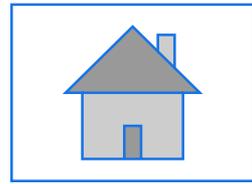
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