Senate Finance Subcommittee Binder

TABLE OF CONTENTS

Short Fiscal Summary - FY20/ FY21 Governor's Budget

	($ Millions) (Non-duplicated Funds)	FY20		FY21		Change in UGF		Change in All Funds	
		UGF	All Funds	UGF	All Funds				
1	**Revenue**	**5,158.9**	**10,734.3**	**5,059.0**	**10,778.0**	**(99.9)**	**-2%**	**43.7**	**0%**
2	UGF Revenue (Fall 2019 forecast)	2,116.3	2,116.3	1,967.5	1,967.5	(148.8)	-7%	(148.8)	-7%
3	POMV Draw	2,933.1	2,933.1	3,091.5	3,091.5	158.4	5%	158.4	5%
4	Misc/Adjust/Non-UGF Revenue	109.5	5,684.9	-	5,719.0	(109.5)		34.1	1%
5	**Appropriations**	**5,505.4**	**10,861.6**	**6,537.2**	**12,253.0**	**1,031.8**	**19%**	**1,391.5**	**13%**
6	**Operating Budget**	**4,218.5**	**8,650.4**	**4,396.5**	**8,864.4**	**178.0**	**4%**	**214.0**	**2%**
7	Agency Operations	3,739.1	7,874.5	3,897.5	8,141.5	158.5	4%	267.0	3%
8	Statewide Items	479.4	780.2	499.0	722.9	19.5	4%	(57.3)	-7%
9	Supplemental Appropriations	-	(4.4)	-	-				
10	**Capital Budget**	**146.8**	**1,142.3**	**135.6**	**1,315.6**	**(11.2)**	**-8%**	**173.3**	**15%**
11	Current Year Appropriations	144.3	1,137.9	135.6	1,315.6	(8.7)	-6%	177.8	16%
12	Supplemental Appropriations	2.5	4.4	-	-				
13	**Permanent Fund**	**1,140.2**	**1,068.9**	**2,005.1**	**2,073.0**	**864.9**	**76%**	**1,004.1**	**94%**
14	Permanent Fund Dividends	1,068.9	1,068.9	2,005.1	2,005.1	936.2	88%	936.2	88%
15	Inflation Proofing/Other Deposits	5,014.3	5,014.3	-	67.9				
16	**Pre-Transfer Surplus/(Deficit)**	**(346.5)**		**(1,478.2)**					
17	**Fund Transfers**	**(272.4)**	**(269.2)**	**69.2**	**72.4**				
18									
19	Post- Transfer Surplus/(Deficit)	(74.1)		(1,547.4)					

Reserve Balances (EOY)

	FY20	FY21
SBR	-	-
CBR	2,275.1	835.0
ERA	14,040.2	15,533.7

Projected Fund Balances -- FY20 and FY21

($ millions)

	FY20				FY21			
	BoY Balance	In	Out	EoY Balance	BoY Balance	In	Out	EoY Balance
Total Budget Reserves and Desginated Funds	**22,322.6**	**5,164.3**	**9,686.7**	**17,800.2**	**17,800.2**	**6,127.5**	**6,065.7**	**17,862.1**
Undesignated Reserves	**2,321.6**	**343.0**	**389.3**	**2,275.3**	**2,275.3**	**107.3**	**1,547.4**	**835.3**
Constitutional Budget Reserve Fund	2,149.0	343.0	216.9	2,275.1	2,275.1	107.3	1,547.4	835.0
Statutory Budget Reserve Fund	172.4	-	172.4	0.0	0.0	-	-	0.0
Alaska Housing Capital Corporation Fund	0.2	-	-	0.2	0.2	-	-	0.2
Select Designated Funds	**20,001.0**	**4,821.3**	**9,297.4**	**15,524.9**	**15,524.9**	**6,020.2**	**4,518.3**	**17,026.8**
Total Excluding Permanent Fund	**1,521.7**	**113.0**	**150.2**	**1,484.6**	**1,484.6**	**162.6**	**154.1**	**1,493.1**
Alaska Capital Income Fund	7.5	27.0	33.4	1.1	1.1	41.5	41.8	0.8
Alaska Higher Education Investment Fund	347.1	21.4	22.5	346.0	346.0	21.3	22.5	344.7
Community Assistance Fund	90.0	-	30.0	60.0	60.0	28.9	20.0	68.9
Power Cost Equalization Endowment	1,077.2	64.6	64.3	1,077.6	1,077.6	70.9	69.8	1,078.7
Permanent Fund Earnings Reserve Account	**18,479.2**	**3,465.4**	**7,904.3**	**14,040.2**	**14,040.2**	**4,614.7**	**3,121.2**	**15,533.7**
Unrestricted General Fund Appropriations				5,233.0				6,606.4
Reserves Ratio (Undesignated Reserves / Pre-Transfer Budget)				43%				13%
Pre-Transfer Deficit				(346.5)				(1,478.2)
Years of Deficit Coverage (Undesignated Reserves / Pre-Transfer Deficit)				6.57				0.57
Permanent Savings								
Permanent Fund Principal -- Market Value (no appropriations allowed)	**47,820.7**	**5,986.0**	**0.0**	**53,806.7**	**53,806.7**	**200.4**	**0.0**	**54,007.0**

State of Alaska Detailed Fiscal Summary--FY20 and FY21

($ millions)

#		FY20 Management Plan + Governor's Supplementals					FY21 Governor					Change in UGF	
		Unrestricted General Funds	Designated General Funds	Other State Funds	Federal Receipts	All Funds	Unrestricted General Funds	Designated General Funds	Other State Funds	Federal Receipts	All Funds	$	%
1	**REVENUE**	5,158.9	982.1	801.2	3,792.2	10,734.3	5,059.0	1,108.6	760.5	3,917.8	10,845.9	(99.9)	-1.9%
2	Unrestricted General Fund Revenue (Fall 19 Forecast) (1)	2,116.3	-	-	-	2,116.3	1,967.5	-	-	-	1,967.5		
3	Royalties Beyond 25% Constitutional Dedication (2)	71.3	-	-	-	71.3	-	67.9	-	-	-		
4	POMV Payout from ERA	2,933.1	-	-	-	2,933.1	3,091.5	-	-	-	3,091.5		
5	Carryforward, Repeals, and Reappropriations (3)	38.2	30.4	2.0	0.5	71.1	-	-	-	-	-		
6	Restricted Revenue (4)	-	951.7	799.2	3,791.6	5,542.5	-	1,040.7	760.5	3,917.8	5,719.0		
	APPROPRIATIONS												
7	**TOTAL OPERATING APPROPRIATIONS**	4,218.5	939.3	727.6	2,765.0	8,650.4	4,396.5	894.4	707.6	2,865.9	8,864.4	178.0	4.2%
8	**Agency Operations**	3,739.1	822.7	621.7	2,686.7	7,870.2	3,897.5	801.3	609.0	2,833.8	8,141.5	158.5	4.2%
9	Current Fiscal Year Appropriations	3,739.1	819.9	621.7	2,693.9	7,874.5	3,897.5	801.3	609.0	2,833.8	8,141.5	158.5	4.2%
10	Agency Operations (Non-Formula)	1,796.1	768.7	591.8	973.6	4,130.2	1,837.5	734.3	562.4	969.5	4,103.7	41.5	2.3%
11	K-12 Foundation and Pupil Transportation (Formula) (5)	1,279.8	-	22.0	20.8	1,322.6	1,260.5	-	30.3	20.8	1,311.6	(19.3)	-1.5%
12	Medicaid Services (Formula)	516.3	0.9	7.9	1,596.6	2,121.7	644.3	0.9	15.5	1,748.2	2,408.9	128.0	24.8%
13	Other Formula Programs	146.8	50.2	-	95.7	292.8	155.3	47.7	-	95.3	298.3	8.4	5.7%
14	Revised Programs Legislatively Approved (RPLs)	-	-	-	7.2	7.2	-	-	-	-	-	-	
15	Fiscal Notes (FY20 notes are included in MP)	-	-	-	-	-	(0.1)	18.3	0.8	-	19.1	(0.1)	
16	*Duplicated Authorization (non-additive) (6)*	-	-	*893.8*	-	*893.8*	-	-	*872.3*	-	*872.3*	-	
17	Supplemental Appropriations (Agency Operations)	-	2.8	-	(7.2)	(4.4)	-	-	-	-	-	-	
18	**Statewide Items**	479.4	116.6	105.9	78.3	780.2	499.0	93.1	98.6	32.2	722.9	19.5	4.1%
19	Current Fiscal Year Appropriations	479.4	116.6	105.9	78.3	780.2	499.0	93.1	98.6	32.2	722.9	19.5	4.1%
20	Debt Service	149.8	16.5	40.3	5.2	211.8	135.0	15.9	39.3	5.2	195.4	(14.8)	-9.9%
21	Fund Capitalizations	21.7	12.7	31.4	31.2	97.0	18.4	40.7	26.4	26.9	112.4	(3.3)	-15.3%
22	*Community Assistance*	-	-	-	-	-	-	*28.7*	-	-	*28.7*	-	
23	*REAA School Fund*	*19.7*	-	-	-	*19.7*	*18.4*	-	-	-	*18.4*	*(1.3)*	-6.7%
24	*Other Fund Capitalization*	*2.0*	*12.7*	*31.4*	*31.2*	*77.3*	*0.0*	*11.9*	*26.4*	*26.9*	*65.3*	*(2.0)*	-98.5%
25	State Payments to Retirement Systems	307.9	-	-	-	307.9	345.6	-	-	-	345.6	37.6	12.2%
26	Shared Taxes	-	33.9	34.2	-	68.1	-	36.6	32.9	-	69.5	-	
27	Alaska Comprehensive Insurance Program	-	53.5	-	*41.8*	95.4	-	-	-	-	-	-	
28	*Duplicated Authorization (non-additive) (6)*	-	-	*730.8*	-	*730.8*	-	-	*16.0*	-	*16.0*	-	
29	**TOTAL CAPITAL APPROPRIATIONS**	146.8	39.8	71.3	1,027.1	1,142.3	135.6	75.5	52.7	1,051.8	1,315.6	(11.2)	-7.6%
30	Current Fiscal Year Appropriations	144.3	37.9	71.3	1,027.1	1,137.9	135.6	75.5	52.7	1,051.8	1,315.6	(8.7)	-6.0%
31	Project Appropriations & RPLs	1.5	37.9	71.3	1,022.1	1,132.9	135.6	75.5	52.7	1,051.8	1,315.6	134.1	
32	Direct from the Constitutional Budget Reserve (7)	142.8	-	-	-	-	-	-	-	-	-	(142.8)	
33	Revised Programs Legislatively Approved (RPLs)	-	-	-	5.0	5.0	-	-	-	-	-	-	
34	*Duplicated Authorization (non-additive) (6)*	-	-	*21.5*	-	*21.5*	-	-	*27.1*	-	*27.1*	-	
35	Supplemental Appropriations (Capital)	2.5	1.9	-	-	4.4	-	-	-	-	-	(2.5)	
36	*Money on the Street (includes all fund sources) (8)*	*146.8*	*39.8*	*92.9*	*1,027.1*	*1,306.6*	*135.6*	*75.5*	*79.8*	*1,051.8*	*1,342.8*		
37	**Pre-Permanent Fund Authorization (unduplicated)**	4,365.3	979.1	798.9	3,792.2	9,935.5	4,532.1	969.9	760.3	3,917.8	10,180.0	166.8	3.8%
38	*Revenue less operating and capital appropriations*	793.6					526.9						
39	**Permanent Fund Appropriations**	1,140.2	-	-	-	1,140.2	2,005.1	67.9	-	-	2,073.0	864.9	75.9%
40	Permanent Fund Dividends from GF	896.5	-	-	-	896.5	2,005.1	-	-	-	2,005.1	1,108.6	123.7%
41	Permanent Fund Dividends from SBR	172.4	-	-	-	172.4	-	-	-	-	-		
42	Inflation Proofing Deposits to Principal	4,943.0	-	-	-	4,943.0	-	-	-	-	-		
43	Inflation Proofing Deposits from ERA	(4,943.0)	-	-	-	(4,943.0)	-	-	-	-	-		
44	Royalty Deposits over 25% (2)	71.3	-	-	-	71.3	-	67.9	-	-	67.9		
45	**Pre-Transfers Authorization (unduplicated)**	5,505.4	979.1	798.9	3,792.2	11,075.7	6,537.2	1,037.8	760.3	3,917.8	12,253.0	1,031.8	18.7%
46	*Pre-Transfer Balance to/(from) the CBR (9)*	(346.5)	Revenue =	93.7%	of Appropriations		(1,478.2)	Revenue =	77.4%	of Appropriations			

January 15, 2020

State of Alaska Detailed Fiscal Summary--FY20 and FY21

($ millions)

		FY20 Management Plan + Governor's Supplementals					FY21 Governor					Change in UGF	
		Unrestricted General Funds	Designated General Funds	Other State Funds	Federal Receipts	All Funds	Unrestricted General Funds	Designated General Funds	Other State Funds	Federal Receipts	All Funds	$	%
47	**Fund Transfers (9)**	(272.4)	2.9	0.2	-	(269.2)	69.2	2.9	0.2	-	72.4	341.6	
48	Current Fiscal Year Transfers	(272.4)	2.9	0.2	-	(269.2)	69.2	2.9	0.2	-	72.4	341.6	
49	Constitutional Budget Reserve Fund (7)	(142.8)	-	-	-	(142.8)	-	-	-	-	-	142.8	
50	Statutory Budget Reserve Fund	(172.4)	-	-	-	(172.4)	-	-	-	-	-	172.4	
51	AMHS Fund	-	-	-	-	-	16.1	-	-	-	16.1	16.1	
52	Alaska Capital Income Fund	27.0	-	-	-	27.0	41.8	-	-	-	41.8	14.8	54.8%
53	Oil & Hazardous Substance Fund	15.5	1.9	-	-	17.4	15.6	1.9	-	-	17.5	0.1	0.6%
54	Other Fund Transfers	0.3	1.0	0.2	-	1.6	(4.3)	1.0	0.2	-	(3.0)	(4.6)	
55	*Vetoes (non-additive)*	-	-	-	-	-	-	(0.5)	-	-	(0.5)		
56	**Post-Transfers Authorization (unduplicated)**	5,233.0	982.1	799.2	3,792.2	10,806.4	6,606.4	1,040.7	760.5	3,917.8	12,325.4	1,373.4	26.2%
57	*Post-Transfer Balance to/(from) the CBR (10)*	(74.1)	Revenue =	98.6%	of Appropriations		(1,547.4)	Revenue =	78.6%	of Appropriations			
58	**FISCAL YEAR SUMMARY**	5,233.0	982.1	799.2	3,792.2	10,863.6	6,606.4	1,040.7	760.5	3,917.8	12,325.4	1,373.4	26.2%
59	Agency Operations	3,739.1	822.7	621.7	2,686.7	7,870.2	3,897.5	801.3	609.0	2,833.8	8,141.5	158.5	4.2%
60	Statewide Items	479.4	116.6	105.9	78.3	780.2	499.0	93.1	98.6	32.2	722.9	19.5	4.1%
61	Permanent Fund Earnings Reserve	1,140.2	-	-	-	1,140.2	2,005.1	67.9	-	-	2,073.0	864.9	75.9%
62	Total Operating	5,358.6	939.3	727.6	2,765.0	9,790.5	6,401.6	962.3	707.6	2,865.9	10,937.4	1,042.9	19.5%
63	Capital	146.8	39.8	71.3	1,027.1	1,142.3	135.6	75.5	52.7	1,051.8	1,315.6	(11.2)	-7.6%
64	*Transfers*	*(272.4)*	*2.9*	*0.2*	-	*(269.2)*	*69.2*	*2.9*	*0.2*	-	*72.4*	*341.6*	

January 15, 2020

Notes:

(1) The Department of Revenue's Fall 2019 oil forecast for FY20 is 0.508 mbd at $63.54 per barrel; the FY21 forecast is 0.506 mbd at $59.00 per barrel.

(2) The Constitution mandates that 25% of mineral royalties be deposited in the Permanent Fund. These dedicated royalties are excluded from both revenue and expenditures. Non-mandatory deposits to the Permanent Fund may occur by appropriation. Prior to FY21, these were counted differently depending on whether they were appropriated to the Permanent Fund. Beginning in FY21, these are counted as designated general fund regardless of their disposition.

(3) Carryforward is money that was appropriated in a prior year that is made available for spending in a later year via multiyear appropriations. Repeals increase revenue by reducing prior year authorization. Total carryforward into FY21 will be unknown until the close of FY20. Reappropriations to operating budget funds are counted as UGF revenue.

(4) Restricted revenue equals spending for each category. Designated general funds include 1) program receipts that are restricted to the program that generates the receipts and 2) revenue that is statutorily designated for a specific purpose. Other funds have stricter restrictions on usage, and federal funds originate from the federal government and can be used only for a particular purpose.

(5) The figure for FY20 K-12 funding includes $30 million outside the formula that is subject to an ongoing lawsuit between the legislative and executive branches.

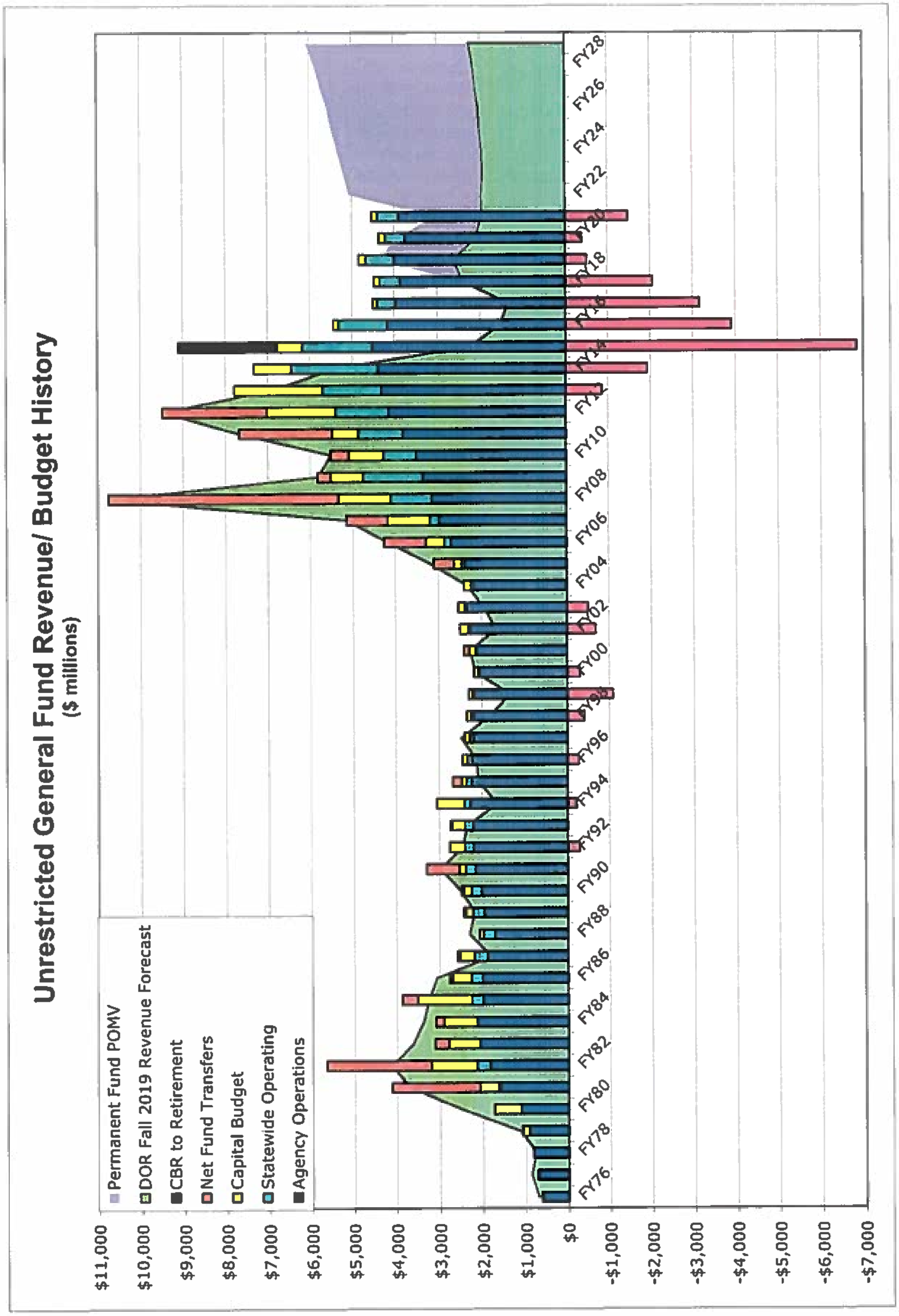
(6) Duplicated authorization is in the budget twice, such as when funds flow in and out of a holding account or one agency pays another for services provided. Duplicated authorization also includes the expenditure of bond proceeds when debt service on bonds will be reflected in future operating budgets.

(7) Direct appropriations from the Constitutional Budget Reserve (CBR) are classified as unrestricted general funds.

(8) Including duplicated fund sources in the amount of capital spending provides a valuable measure of "money on the street" because it includes projects funded with bond proceeds and other duplicated fund sources.

(9) "Fund Transfers" refer to appropriations that move money from one fund to another within the Treasury. Although transfers are not true expenditures, they reduce the amount of money available for other purposes so must be included in the calculation of the surplus/deficit. For reserve accounts, a positive number indicates a deposit and a negative number indicates a withdrawal. When money is withdrawn and spent, the expenditure is included in the operating or capital budget, as appropriate.

(10) Based on language in FY20's capital budget and the FY21 proposed Governor's operating budget, the post-transfer deficit for FY20 and FY21 will be drawn from the Constitutional Budget Reserve Fund.



Unrestricted General Fund Revenue/ Budget History
($ millions)
Permanent Fund POMV
DOR Fall 2019 Revenue Forecast
CBR to Retirement
Net Fund Transfers
Capital Budget
Statewide Operating
Agency Operations
$11,000
$10,000
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
-$1,000
-$2,000
-$3,000
-$4,000
-$5,000
-$6,000
-$7,000
FY76
FY78
FY80
FY82
FY84
FY86
FY88
FY90
FY92
FY94
FY96
FY98
FY00
FY02
FY04
FY06
FY08
FY10
FY12
FY14
FY16
FY18
FY20
FY22
FY24
FY26
FY28

Executive Summary

As required by law, the Governor released his FY21 budget proposal to the public and the legislature by December 15th, 2019. The Legislative Finance Division prepared this overview of the Governor's proposal and "Subcommittee Books" for each agency in accordance with AS 24.20.231. The overview provides a starting point for legislative debate over the state budget and provides a general framework of the fiscal situation in Alaska.

As is typical in most states, the focus of debate in Alaska has been on the level of general fund revenue and appropriations and specifically for Alaska - **Unrestricted General Funds (UGF)**. As the naming indicates, UGF is not restricted in any manner. There are no statutory designations or other contractual or federal requirements for how the revenue can be appropriated. Other state revenue sources, including Designated General Funds (DGF), are of less debate primarily because there are fewer annual decisions to make in their regard. **For all practical purposes, these non-UGF funding sources are less likely to get out of balance since the expenditures are controlled by available receipts or existing fund balances.**

While DGF is general funds from a constitutional perspective (meaning the legislature could appropriate them for any purpose), they have been designated or "ringfenced" for specific uses in statute. On the fiscal summary, DGF, Other State Funds and Federal Funds appropriations equate to revenue and do not factor into balancing the budget.

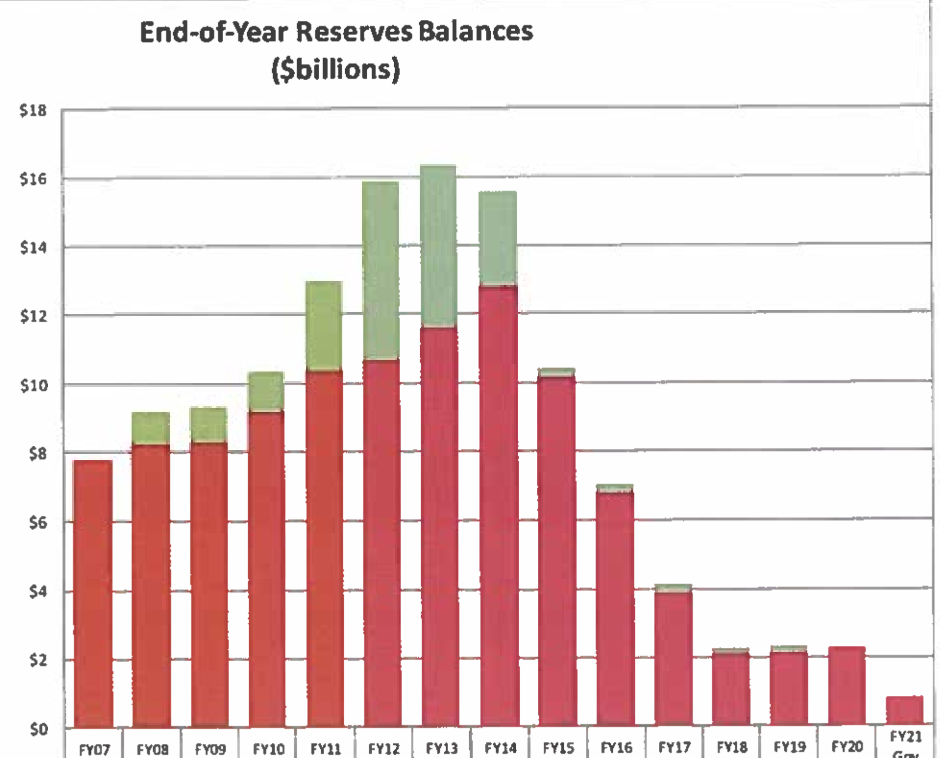
Where have we been?

As can be seen in the Budget History Graph, multiple legislatures and governors have been dealing with a monumentally difficult fiscal climate that has been evolving since oil prices and UGF revenue began declining in FY13 and had plummeted by FY15. Traditional UGF revenue (revenue prior to the addition of the Percent of Market Value (POMV) distribution from the Permanent Fund Earnings Reserve Account (ERA)) has dropped from $9.5 billion in FY12 to $1.5 billion in FY16 (FY20 is expected to be $1.97 billion). During that span, excluding appropriations for Permanent Fund Dividends, the UGF budget has declined from nearly $7.8 billion in FY13 to $4.4 billion in FY20 – a decrease of 44%. Budget deficits have averaged approximately $2.6 billion, or nearly half (44%) of the UGF budget each year.

Those budget deficits have been filled using our budget reserve funds (Constitutional Budget Reserve Fund – CBR; and Statutory Budget Reserve Fund – SBR), which have declined from a peak of $16.3 billion in FY13 to a projected $2.2 billion by the end of FY20 (prior to supplemental appropriations). See table on next page.

Last Session

The Governor proposed an FY20 operating budget (Agency Operations and Statewide Items) that was approximately $980 million UGF lower than the FY19 Management Plan level of funding. This proposal included a directly offsetting increase to the Permanent Fund Dividend (funding it to the statutory formula level) which required an additional $992 million and reduced the amount of the POMV payout available to the general fund.



	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 Gov
Statutory Budget Reserve Fund (SBR)	-	1.00	1.00	1.20	2.63	5.24	4.71	2.79	0.29	0.29	0.27	0.17	0.17	-	-
Constitutional Budget Reserve Fund (CBR)	7.8	8.2	8.3	9.2	10.3	10.6	11.6	12.8	10.2	6.8	3.9	2.1	2.1	2.3	0.8

At the conclusion of legislative work, Agency Operations and Statewide Items had been reduced by $146 million UGF. In other words, of the proposed $980 million in UGF reductions, the legislature accepted $146 million from FY19. The Governor then proceeded to veto an additional $205 million UGF from what the legislature had passed. This resulted in an FY20 UGF operating budget that was $351 million below FY19. The major UGF reductions included:

- Health and Social Services - $176 million UGF (Medicaid accounts for $145 million)
- Alaska Marine Highway System - $38 million
- University of Alaska - $25 million (per compact agreement)
- School Debt Reimbursement - $49 million (reduced 50%)
- REAA Fund Cap - $20 million (reduced 50% to correspond with School Debt)
- Oil and Gas Tax Credits - $100 million (one-time item in FY19 and excluded from FY20)

Where are we now?

In short, our traditional budget reserves are nearly depleted, and the budget plan proposed by the Governor provides a deficit consuming $1.5 billion (65%) of the remaining CBR with no revenue measures or significant budget reductions. If this plan were implemented, the CBR would have a projected ending FY21 balance of $835 million (before any FY20 supplementals) and would not be repeatable in FY22 without ad hoc draws from the ERA.

The proposed UGF operating budget is $178 million greater than the FY20 Management Plan. A significant portion of the increase is $128 million partially restoring the reductions made to Medicaid Services in FY20 (a $120 million FY20 Supplemental has also been identified). In addition, other major changes and potential items of interest are outlined in the following table.

Major UGF Changes FY20 Management Plan to FY21 Governor

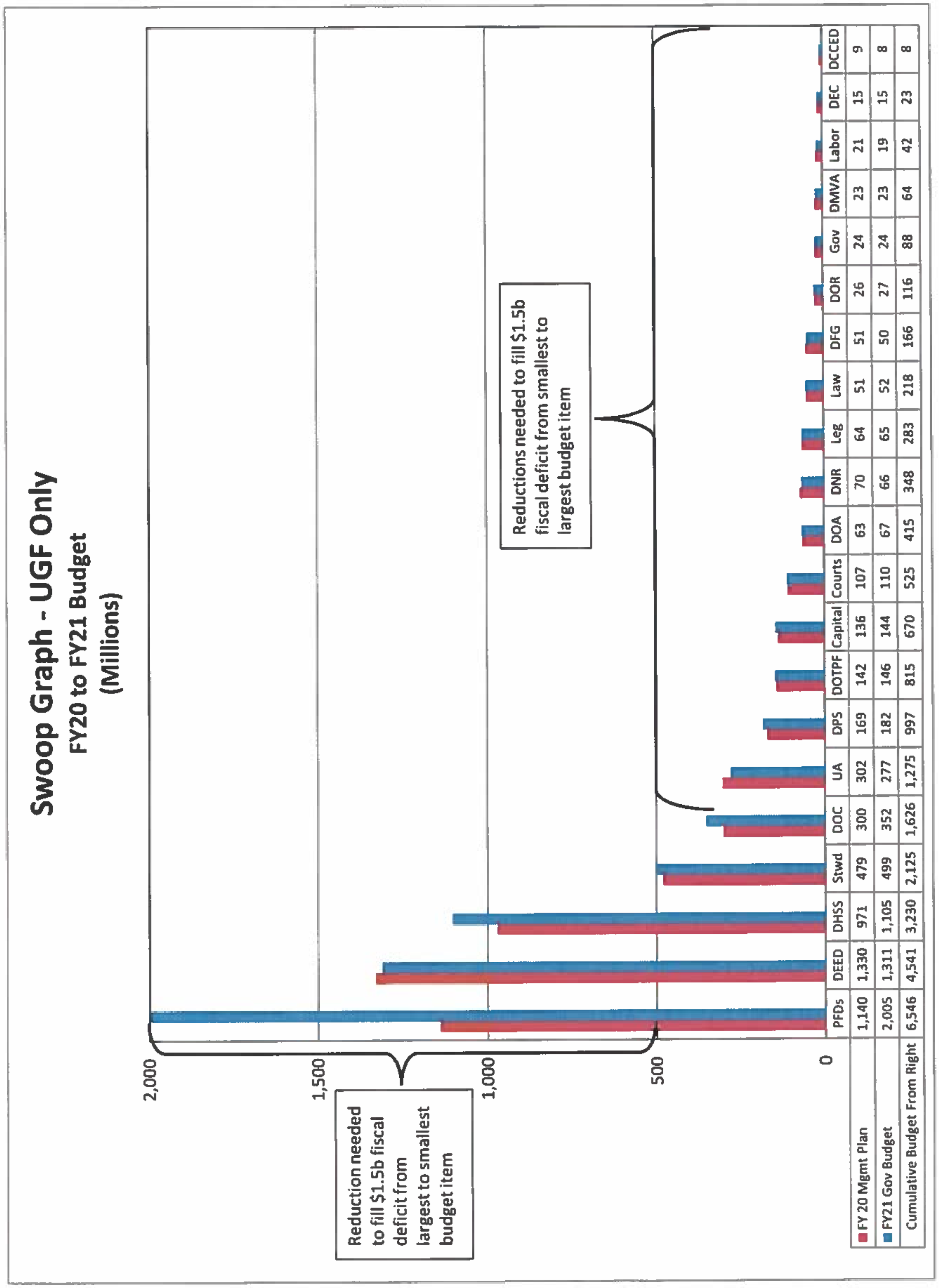
UGF (thousands)	20MgtPln	21Gov	$Diff	%Diff	Notes
DOA	63,286.4	66,528.0	3,241.6	5%	Increments in OPA, fund changes for HB49 fiscal notes
DCCED	8,522.5	7,916.3	(606.2)	-7%	Economic Development replaced with AK Development Team
DOC	299,636.7	351,633.9	51,997.2	17%	HB49 second year costs and out-of-state contractual services
DEED	1,330,427.9	1,310,833.4	(19,594.5)	-1%	K-12 formula costs up, $30 million one-time funding removed
DEC	15,397.2	15,080.6	(316.6)	-2%	
DFG	51,351.3	50,159.5	(1,191.8)	-2%	
Gov	24,020.5	23,816.1	(204.4)	-1%	
DHSS	971,106.4	1,104,853.4	133,747.0	14%	Restores bulk of FY20 cuts, offset w/ $11.4m fund change to DGF
DLWD	20,846.6	18,606.0	(2,240.6)	-11%	$1.4m fund change to GF/PR and efficiency decrements
LAW	51,228.8	52,475.6	1,246.8	2%	
DMVA	23,341.9	22,761.6	(580.3)	-2%	
DNR	69,821.0	65,595.0	(4,226.0)	-6%	ASTAR multi-year ends in FY20
DPS	169,223.0	182,019.3	12,796.3	8%	Alaska State Troopers, Crime Lab Staff, Anchorage Emergency Ctr
DOR	25,514.5	27,382.6	1,868.1	7%	$2.2 million increment for Tax Revenue Mgmt. System
DOTPF	141,949.7	145,899.9	3,950.2	3%	AMHS weeks of service increased
UA	302,033.5	277,033.5	(25,000.0)	-8%	Year two of multi-year compact agreement reduction
Courts	107,213.7	110,371.8	3,158.1	3%	
LEG	64,129.2	64,577.4	448.2	1%	
Statewide	479,413.9	498,953.9	19,540.0	4%	State Assistance to Retirement increase offset by other reductions
Total Operating	4,218,464.7	4,396,497.8	178,033.1	4%	
Capital Budget	135,639.2	144,298.8	8,659.6	6%	
Dividends	1,139,970.0	2,005,100.0	865,130.0	76%	PFDs increased to full statutory level
Total Budget	5,494,073.9	6,545,896.6	1,051,822.7	19%	

Swoop Graph

On the following page is what is commonly known as the "Swoop Graph." This version compares the Governor's FY21 proposed UGF appropriations by state agency and category to the FY20 enacted budget, and sorts them from largest to smallest. The Permanent Fund Dividend program is the largest by a significant degree. Changes outlined in the previous table are also evident – the large add back for Medicaid and the increases to the Departments of Corrections and Public Safety.

To demonstrate the magnitude of the $1.5 billion fiscal deficit built into the Governor's FY21 budget, the graph includes two sets of brackets showing how much of the budget would need to be reduced to balance with projected revenue and eliminate the fiscal deficit. Starting from the smallest budget component to the largest, sixteen agencies would need to be eliminated from DCCED to the University (and a portion of Corrections). Starting from the largest budget component to the smallest, the reduction would exclusively impact the PFD program, leaving approximately $500 million for distribution.

Line 37 of the Fiscal Summary (page 4) denotes total authorization for what has customarily been considered the state budget (total operating, capital and statewide appropriations before appropriations for PFDs). The summary is displayed in this manner for informational purposes only as it has been a common question from legislators: What is the fiscal surplus/(deficit) before payment of PFDs? As demonstrated on line 38, prior to appropriations for PFDs there would be a projected surplus of $527 million – for a dividend of approximately $766 per Alaskan.



	PFDs	DEED	DHSS	Stwd	DOC	UA	DPS	DOTPF	Capital	Courts	DOA	DNR	Leg	Law	DFG	DOR	Gov	DMVA	Labor	DEC	DCCED
FY 20 Mgmt Plan	1,140	1,330	971	479	300	302	169	142	136	107	63	70	64	51	51	26	24	23	21	15	9
FY21 Gov Budget	2,005	1,311	1,105	499	352	277	182	146	144	110	67	66	65	52	50	27	24	23	19	15	8
Cumulative Budget From Right	6,546	4,541	3,230	2,125	1,626	1,275	997	815	670	525	415	348	283	218	166	116	88	64	42	23	8

Progression - FY19 Management Plan to FY21 Governor's Request

Included on the following two pages is an Agency Summary Report which outlines the progression of the UGF operating budget from FY19 to the FY21 Governor's budget. The report may appear overwhelming at first glance, but a brief definition of each column and comparison will provide clarity.

Column 1 – is the FY19 budget, the starting place prior to this administration and any actions from last session.

Column 2 – is the Governor's proposed FY20 budget.

Column 3 – compares FY19 to the Governor's proposed FY20 budget.

Column 4 – is the FY20 budget passed by the legislature before final vetoes.

Column 5 – compares FY19 to what the legislature appropriated – this shows acceptance of $146 million of the Governor's proposed FY20 operating budget reductions.

Column 6 – identifies the final FY20 vetoes.

Column 7 – is the FY20 budget.

Column 8 – compares FY19 to FY20 showing the total reduction of $351 million.

Column 9 – is the Governor's proposed FY21 budget.

Column 10 – compares the FY20 budget to the Governor's FY21 budget showing an increase of $178 million over FY20.

Multi-year Agency Summary - Operating Budget - FY 2021 Governor Structure

Progression - FY19 Management Plan to FY21 Governor's Request

Numbers and Language
Fund Groups: Unrestricted General

Agency ID=> Session=> Column=>	[1] 2019 19MgtPln	[2] 2019 20GovAmd+	[2] - [1] 2019 19MgtPln to 2019 20GovAmd+		[4] 2020 Approp	[5] LegCuts	[6] 2020 20Vetos	[7] 2020 20MgtPln	[7] - [1] 2019 19MgtPln to 2020 20MgtPln		[9] 2020 21Gov	[9] - [7] 2020 20MgtPln to 2020 21Gov	
Agency Operations													
Administration	65,632.7	61,431.6	-4,201.1	-6.4 %	66,672.5	1,039.8	-3,386.1	63,286.4	-2,346.3	-3.6 %	66,528.0	3,241.6	5.1 %
Commerce, Community & Econ Dev	10,101.6	40,093.9	29,992.3	296.9 %	8,522.5	-1,579.1	0.0	8,522.5	-1,579.1	-15.6 %	7,916.3	-606.2	-7.1 %
Corrections	291,108.0	272,995.1	-18,112.9	-6.2 %	299,636.7	8,528.7	0.0	299,636.7	8,528.7	2.9 %	351,633.9	51,997.2	17.4 %
Education & Early Dev	1,322,008.9	1,013,433.3	-308,575.6	-23.3 %	1,330,475.2	8,466.3	-47.3	1,330,427.9	8,419.0	0.6 %	1,310,833.4	-19,594.5	-1.5 %
Environmental Conservation	15,391.8	15,019.7	-372.1	-2.4 %	15,433.5	41.7	-36.3	15,397.2	5.4		15,080.6	-316.6	-2.1 %
Fish and Game	51,583.3	50,410.2	-1,173.1	-2.3 %	52,888.3	1,305.0	-1,537.0	51,351.3	-232.0	-0.4 %	50,159.5	-1,191.8	-2.3 %
Governor	27,683.2	24,654.3	-3,028.9	-10.9 %	24,020.5	-3,662.7	0.0	24,020.5	-3,662.7	-13.2 %	23,816.1	-204.4	-0.9 %
Health & Social Services	1,146,733.1	837,703.2	-309,029.9	-26.9 %	1,039,011.0	-107,722.1	-67,904.6	971,106.4	-175,626.7	-15.3 %	1,104,853.4	133,747.0	13.8 %
Labor & Workforce Dev	20,697.2	20,402.7	-294.5	-1.4 %	20,853.4	156.2	-6.8	20,846.6	149.4	0.7 %	18,606.0	-2,240.6	-10.7 %
Law	51,589.8	49,826.2	-1,763.6	-3.4 %	51,753.6	163.8	-524.8	51,228.8	-361.0	-0.7 %	52,475.6	1,246.8	2.4 %
Military & Veterans' Affairs	23,854.9	22,956.5	-898.4	-3.8 %	23,566.9	-288.0	-225.0	23,341.9	-513.0	-2.2 %	22,761.6	-580.3	-2.5 %
Natural Resources	65,154.5	66,748.6	1,594.1	2.4 %	70,021.0	4,866.5	-200.0	69,821.0	4,666.5	7.2 %	65,595.0	-4,226.0	-6.1 %
Public Safety	161,708.4	158,446.2	-3,262.2	-2.0 %	172,723.0	11,014.6	-3,500.0	169,223.0	7,514.6	4.6 %	182,019.3	12,796.3	7.6 %
Revenue	25,287.4	25,349.0	61.6	0.2 %	25,518.7	231.3	-4.2	25,514.5	227.1	0.9 %	27,382.6	1,868.1	7.3 %
Transportation	179,988.8	122,788.0	-57,200.8	-31.8 %	147,231.6	-32,757.2	-5,281.9	141,949.7	-38,039.1	-21.1 %	145,899.9	3,950.2	2.8 %
University of Alaska	327,033.5	193,105.0	-133,928.5	-41.0 %	322,033.5	-5,000.0	-20,000.0	302,033.5	-25,000.0	-7.6 %	277,033.5	-25,000.0	-8.3 %
Executive Branch-wide Approps	0.0	30,914.6	30,914.6	>999 %	0.0	0.0	0.0	0.0	0.0		0.0	0.0	
Judiciary	105,444.9	108,936.7	3,491.8	3.3 %	107,672.4	2,227.5	-458.7	107,213.7	1,768.8	1.7 %	110,371.8	3,158.1	2.9 %
Legislature	64,132.4	64,779.2	646.8	1.0 %	64,129.2	-3.2	0.0	64,129.2	-3.2		64,577.4	448.2	0.7 %
Total	**3,955,134.4**	**3,179,994.0**	**-775,140.4**	**-19.6 %**	**3,842,163.5**	**-112,970.9**	**-103,112.7**	**3,739,050.8**	**-216,083.6**	**-5.5 %**	**3,897,543.9**	**158,493.1**	**4.2 %**
Statewide Items													
Debt Service	199,995.4	100,692.6	-99,302.8	-49.7 %	201,962.0	1,966.6	-52,208.7	149,753.3	-50,242.1	-25.1 %	134,987.0	-14,766.3	-9.9 %
State Retirement Payments	271,101.1	307,936.1	36,835.0	13.6 %	307,936.1	36,835.0	0.0	307,936.1	36,835.0	13.6 %	345,567.4	37,631.3	12.2 %
Fund Capitalization	143,709.0	2,030.0	-141,679.0	-98.6 %	71,419.0	-72,290.0	-49,694.5	21,724.5	-121,984.5	-84.9 %	18,399.5	-3,325.0	-15.3 %
Total	**614,805.5**	**410,658.7**	**-204,146.8**	**-33.2 %**	**581,317.1**	**-33,488.4**	**-101,903.2**	**479,413.9**	**-135,391.6**	**-22.0 %**	**498,953.9**	**19,540.0**	**4.1 %**
Total Agency and Statewide Operations	**4,569,939.9**	**3,590,652.7**	**-979,287.2**	**-21.4 %**	**4,423,480.6**	**-146,459.3**	**-205,015.9**	**4,218,464.7**	**-351,475.2**	**-7.7 %**	**4,396,497.8**	**178,033.1**	**4.2 %**

Computed Column Definitions: [5]=[4]-[1]

Multi-year Agency Summary - Operating Budget - FY 2021 Governor Structure

Progression - FY19 Management Plan to FY21 Governor's Request

Numbers and Language
Fund Groups: Unrestricted General

Agency	ID=> Session=> Column=>	[1] 2019 19MgtPln	[2] 2019 20GovAmd+	2019 19MgtPln to	[2] - [1] 2019 20GovAmd+	[4] 2020 Approp	[5] LegCuts	[6] 2020 20Vetos	[7] 2020 20MgtPln	2019 19MgtPln to	[7] - [1] 2020 20MgtPln	[9] 2020 21Gov	2020 20MgtPln to	[9] - [7] 2020 21Gov
Permanent Fund														
Permanent Fund		1,023,487.2	2,015,300.0	991,812.8	96.9 %	1,139,970.0	116,482.8	0.0	1,139,970.0	116,482.8	11.4 %	2,005,100.0	865,130.0	75.9 %
Total		**1,023,487.2**	**2,015,300.0**	**991,812.8**	**96.9 %**	**1,139,970.0**	**116,482.8**	**0.0**	**1,139,970.0**	**116,482.8**	**11.4 %**	**2,005,100.0**	**865,130.0**	**75.9 %**
Statewide Total		**5,593,427.1**	**5,605,952.7**	**12,525.6**	**0.2 %**	**5,563,450.6**	**-29,976.5**	**-205,015.9**	**5,358,434.7**	**-234,992.4**	**-4.2 %**	**6,401,597.8**	**1,043,163.1**	**19.5 %**
Funding Summary														
Unrestricted General (UGF)		5,593,427.1	5,605,952.7	12,525.6	0.2 %	5,563,450.6	-29,976.5	-205,015.9	5,358,434.7	-234,992.4	-4.2 %	6,401,597.8	1,043,163.1	19.5 %
Non-Additive Items														
Fund Transfers		31,210.0	-6,737.5	-37,947.5	-121.6 %	-272,427.2	-303,637.2	0.0	-272,427.2	-303,637.2	-972.9 %	69,175.0	341,602.2	-125.4 %
Total		**31,210.0**	**-6,737.5**	**-37,947.5**	**-121.6 %**	**-272,427.2**	**-303,637.2**	**0.0**	**-272,427.2**	**-303,637.2**	**-972.9 %**	**69,175.0**	**341,602.2**	**-125.4 %**

Computed Column Definitions: [5]=[4]-[1]

LFD Fiscal Model and Status Quo

The Legislative Finance Division's (LFD) fiscal model provides legislators with a projection tool that is designed to show the impact of policy changes on the State's fiscal situation. By default, it uses the Department of Revenue's revenue forecast, inflation and investment earnings rates from Callan (the State's investment consultant), and assumptions based on the current budget.

The scenario included on the following page provides projections of what would happen given model input assumptions and the Governor's FY21 budget adopted as-is with no additional budget cuts or revenue. **This scenario is presented to show the magnitude of the fiscal problem that needs to be addressed, based on current forecasts.** LFD is policy neutral regarding the method of addressing the issue and therefore leaves any possible scenarios for fiscal improvement at the request of legislative committees or individual legislators.

Under these fiscal conditions, the Constitutional Budget Reserve would be empty in FY22, requiring additional draws from the Earnings Reserve Account (ERA) to balance the budget. As a result, the ERA's balance would quickly erode, leaving the State without any reserves by FY30.

The FY21 budget deficit is projected to be $1.6 billion (including $50 million for supplementals). Statute dictates that the Percent of Market Value (POMV) draw will decline from 5.25% to 5% in FY22. This will reduce the POMV by approximately $200 million, resulting in larger projected out-year deficits ranging from $1.8 to $2 billion. **Over the model time span, fiscal deficits total over $17 billion**. That is the size of the issue that must be addressed through further budget reductions or revenue measures.

The Governor did provide six potential alternate fiscal scenarios in the statutorily required 10-year plan (though none were endorsed). With nearly identical inputs, the LFD model results are similar to the output provided in the Governor's six scenarios. The LFD model has slightly higher baseline spending assumptions, which is due to two items: future supplemental appropriations (LFD assumes $50 million per year) and payment of tax credit bond debt (LFD assumes $70 million per year).

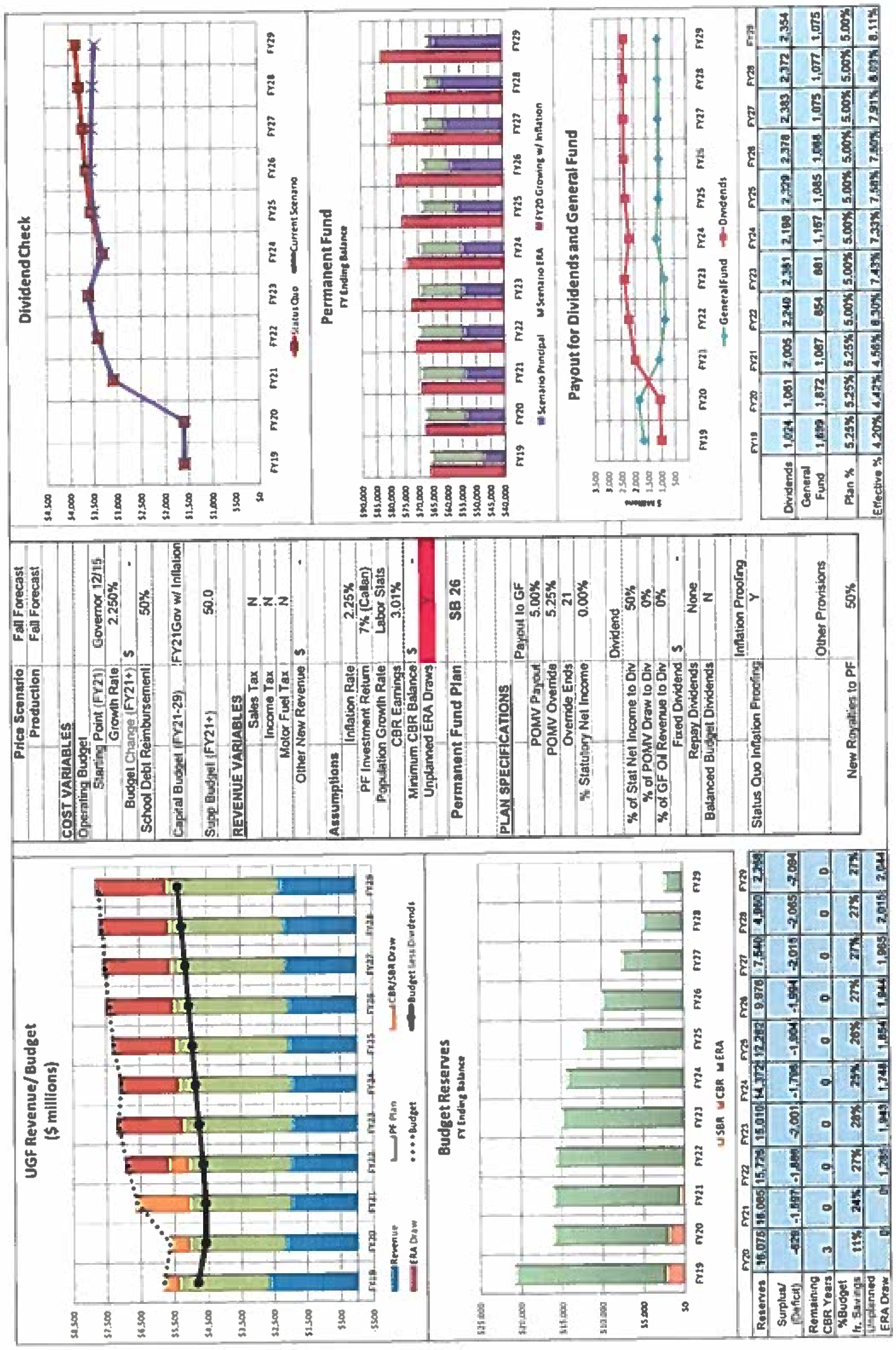
The next section of this document provides further discussion of the revenue requirements of the State and potential options for revenue measures.

Guide to LFD Fiscal Model Output

The middle columns show variables and assumptions that can be modified in the model. The inputs included in the example use LFD's default assumptions as outlined above.

Left side: the top graph shows UGF revenue compared to the UGF budget, and which fund sources would be used to fill deficits. The next graph shows budget reserve balances, including the CBR, SBR, and ERA. The table on the bottom provides data on the total reserve balances, the size of the deficits, and how much of the deficit is being filled by the ERA.

Right side: the top graph shows a comparison of the Permanent Fund Dividend per recipient under model assumptions vs. the statutory calculation. The middle graph compares the Permanent Fund's balance in the scenario to the end-of-FY20 balance, growing with inflation. The final graph shows the payouts from the ERA for dividends and the general fund. The bottom table summarizes the draws from the ERA.


UGF Revenue/Budget
($ millions)
Budget Reserves
FY Ending Balance
Dividend Check
Permanent Fund
FY Ending Balance
Payout for Dividends and General Fund

Revenue Requirements

AS 24.20.231(2) provides that the Legislative Finance Division analyze the revenue requirements of the State. The following provides a brief analysis along with potential revenue sources and any issues therein.

To quickly summarize, the revenue requirements for the Governor's proposed budget are insufficient. Unrestricted General Fund revenue is approximately $1.5 billion less than what is needed to balance proposed appropriations with projected revenue. AS 37.07.020(c) Responsibilities of the Governor, states that "proposed expenditures may not exceed estimated revenue for the succeeding fiscal year." **This statute implies that the Governor's proposed December 15th budget must be balanced with sufficient revenue to meet appropriations.**

New Revenue Options

To raise additional revenue, the State could increase existing taxes or impose new ones. Alaska is the only state without a statewide broad-based tax, so existing taxes are primarily resource-based taxes or excise taxes on certain consumer items such as motor fuels, alcohol, and tobacco. Increasing existing taxes may cause Alaska to have higher rates than other states, but increases could bring in revenue quickly with minimal administrative costs. New taxes would take longer to set up and would require additional administrative costs. However, significant revenue could be generated with new broad-based taxes.

The items below are presented to give legislators an idea of what options are available. Equity, economic impacts, efficiency, and other considerations are not presented here but should be addressed if the legislature explores revenue options.

Modify Existing Taxes

Oil and Gas Production Tax: Alaska's oil and gas production tax is projected to bring in $328.1 million in FY21. Past proposals to increase this tax have included raising the tax "floor" from 4% of gross revenue to 5% or higher; capping the per-taxable barrel credit at $5; or more complex changes proposed in the House version of Chapter 3, SSLA 17 (HB 111) or the proposed Alaska North Slope Oil and Gas Production Tax Increase Initiative. At the high end, the proposed initiative is estimated to bring in up to $1.2 billion in revenue per year, assuming no changes in production.

Corporate Income Tax: The petroleum and non-petroleum corporate income taxes are projected to bring in a combined $340 million in FY21. Alaska's 9.4% top marginal rate is the fourth highest in the US.[1] Alaska is one of two states with a corporate income tax but no individual income tax (along with Florida), which results in C corporations paying taxes but S corporations not paying taxes (as their income flows through to the owners and personal income is not taxed). The Department of Revenue does not have the data to accurately assess the impact of taxing S corporations, but the Legislative Finance Division estimates it would be at least $30 million.

Other Resource Taxes: Alaska's Mining License Tax is estimated to bring in $50.0 million in FY21. The Fisheries Business and Fishery Resource Landing taxes are estimated to bring in $27.1 million in UGF revenue and an additional $31.4 million that is shared with municipal governments. National comparisons for these taxes are difficult.

---

[1] All national comparisons in this document are according to the Federation of Tax Administrators data for tax year 2019.

Excise Taxes: Alaska imposes excise taxes on several consumer goods. The largest of these are:

- Tobacco taxes (estimated FY21 revenue is $58.0 million, of which $39.9 million is UGF and $18.1 million is DGF): Alaska's cigarette tax of $2 per pack ranks 16th nationwide. The tax on other tobacco products is 75% of wholesale price, which ranks 8th nationwide.
- Alcoholic beverage tax ($42.0 million, split equally between UGF and DGF): Alaska's tax is designed to tax all alcoholic beverages equally on a per-drink basis. The $12.50 per gallon tax on liquor and $2.50 per gallon tax on wine are the highest in the country, and the $1.07 per gallon tax on beer is second highest.
- Motor fuel tax ($33.8 million, all DGF) - Alaska's $0.08 per gallon tax ranks 50th nationwide. Tripling Alaska's tax to the national median of $0.24 would bring in an additional $67.6 million.
- Marijuana taxes ($27.1 million, of which $6.8 million is UGF and $20.3 million is DGF): Alaska taxes $50/ounce for flowers, $15/ounce for stems and leaves, and $25/ounce for immature flowers/buds. National comparisons are challenging because many states have a mix of per-ounce and excise taxes. Ten states currently permit and tax retail marijuana sales.

New Taxes

Income Tax

40 states have income taxes (plus two states tax dividends and interest only). Alaska had an income tax from statehood until 1980, when it was repealed. Thirty-one of those 40 states have progressive income taxes, and the remaining nine have flat taxes. At the time of its repeal, Alaska's income tax brackets ranged from 3% to 14.5% and brought in $117 million in FY79. Adjusted for inflation and population, that is equivalent to about $600 million in 2019.

The most recent income tax bill considered in Alaska, HB 115 (introduced in the 2017 session), had a progressive tax rate ranging from 2.5% to 7% and was estimated to bring in about $700 million per year. HB 115 called for implementation in the following January, so the first fiscal year would only see half a year of revenue.

Sales Tax

45 states have statewide sales taxes, four states have no sales tax at all, and Alaska is the only state that has no statewide sales tax but allows municipal sales taxes. Of the 45 states with a statewide sales tax, 37 have additional municipal sales taxes. In Alaska, sales taxes may be levied at the city or borough level. As of 2018, 103 of Alaska's 129 taxing municipalities imposed sales taxes, at rates ranging from 1.5% to 7.5%.

The most recent statewide sales tax proposed in Alaska was HB/SB 5004 (introduced in 2016), which would have imposed a 3% sales tax with exemptions for groceries. It was projected to bring in $500 million per year. Like an income tax, a sales tax would likely take at least six months to implement.

Property Tax

All 50 states have property taxes that are applied by either local or municipal governments. Alaska has a statewide property tax for oil and gas property, but other property is taxed only at the municipal level. Fifteen of Alaska's nineteen boroughs levy personal property taxes, plus 21 cities (some of which are within boroughs). Some boroughs rely very heavily on property tax revenue, and Alaska's average property tax burden ranks 23rd nationwide despite not being universally applied.

Alaska could impose a statewide property tax on non-oil and gas property. Implementing such a tax would be administratively challenging because property values would have to be determined in any area of the state that does not already have a property tax. Unlike most states, Alaska does not require that real estate sale prices be reported publicly to ensure accurate assessments.

Payroll Tax or Head Tax

Alaska had a $10 per worker "head tax" to pay for a portion of the education budget until 1980. Such taxes are a flat amount per person rather than a percentage of income. No other state currently imposes a head tax.

Several pieces of legislation have proposed graduated head taxes or other payroll taxes. Such taxes could build on the existing payroll tax administered for worker's compensation so they could be implemented with fewer additional resources. However, these taxes would have a narrower base than an income tax because they exclude dividend and investment income, so their revenue-raising potential is more limited.

FY20 Budget and Vetoes Discussion

The FY20 budget process was unusually convoluted, involving multiple operating and capital appropriation bills and multiple rounds of vetoes. Initially, the legislature passed the operating budget in HB 39 and the Mental Health budget in HB 40. The capital budget, SB 19, funded UGF appropriations directly from the CBR, but the required 3/4 CBR vote failed so the legislature passed a capital budget devoid of UGF. The Governor then vetoed $416 million from all three bills. The legislature then passed additional operating items (veto restorations plus the Permanent Fund Dividend) in HB 2001 and capital items (with a successful CBR vote) in SB 2002. The Governor's final vetoes from all bills (net of duplicates) totals $270.6 million. The following tables summarize this process (all numbers in millions of dollars).

	UGF	Agency Operations	Statewide Items	Capital Budget	Total
Round 1	Legislature HB 39/40 (op), SB 19 (cap)	3,826.0	554.3	13.2	4,393.5
	Vetoes	(264.7)	(103.1)	(11.7)	(379.5)
	Enacted HB 39/40 (op), SB 19 (cap)	3,561.4	451.2	1.5	4,014.0
Round 2	Legislature HB 2001 (op), SB 2002 (cap)	187.3	103.1	173.1	463.5
	Vetoes	(82.4)	(101.9)	(30.3)	(214.7)
	Enacted HB 2001 (op), SB 2002 (cap)	104.9	1.2	142.8	248.9
Total	Enacted	3,727.9	452.4	144.3	4,324.6
	Non-duplicated, non-reversed vetoes	(103.1)	(101.9)	(34.9)	(239.9)

	All funds	Agency Operations	Statewide Items	Capital Budget	Total
Round 1	Legislature HB 39/40 (op), SB 19 (cap)	8,841.5	1,453.0	1,173.9	11,468.4
	Vetoes	(290.6)	(103.1)	(22.5)	(416.2)
	Enacted HB 39/40 (op), SB 19 (cap)	8,551.0	1,349.8	1,151.4	11,052.2
Round 2	Legislature HB 2001 (op), SB 2002 (cap)	291.3	140.6	179.7	611.6
	Vetoes	(99.6)	(101.9)	(34.9)	(236.4)
	Enacted HB 2001 (op), SB 2002 (cap)	191.8	38.7	144.8	375.3
Total	Enacted	8,742.8	1,388.6	1,296.2	11,427.5
	Non-duplicated, non-reversed vetoes	(122.9)	(101.9)	(45.8)	(270.6)

Vetoes made in the first round were not overridden within the constitutional timeframe. Vetoes from the second round could be overridden in the first five days of the 2020 legislative session. Those vetoes total $236.4 million. For the most part, vetoes from the first round were either restored in HB 2001/SB 2002 or were vetoed again. The major exception is the University of Alaska – HB 2001 only restored $110 million of the initial $130 million veto, and the Governor did not veto the University of Alaska funding a second time.

In addition to the veto totals listed above, the Governor vetoed forward-funding of the K-12 Foundation Program and K-12 Pupil Transportation Formula programs for FY21. This veto can also be overridden in the first five days of the 2020 legislative session, but does not appear on FY20 budget reports.

FY20 Supplementals and CBR Headroom

What is the CBR "Headroom"?

Most state budgets are balanced by anticipated revenues meeting the planned expenditures. Alaska is unique in that the legislature has typically filled any anticipated revenue shortfall with available budget reserves (savings). In previous years, Constitutional Budget Reserve (CBR) access was provided for any appropriations in a fiscal year. In recent years, however, access to the CBR (for deficit filling) has been limited to the appropriation bills passed during the legislative session where CBR access was authorized. This was essentially done to prevent unlimited supplemental appropriations in the following session that could be funded from the CBR.

As a compromise to allow room for supplemental appropriations of some amount the following session, the "CBR Headroom" was implemented. During the prior session when the CBR access vote occurred (requiring super majority vote), an additional provision was included, which allowed an additional amount be drawn for any other appropriations in that fiscal year (supplemental appropriations) up to a capped limit. For example, the CBR access appropriation for FY20 (Section 17, Chapter 1, SSSLA 2019) included deficit filling language for the bills passed in the 2019 regular and special sessions (Section 17(b)) and language for any additional FY20 effective appropriations (Section 17(c)) up to a limit of $250 million. This additional limited access is referred to commonly as the CBR "headroom" as it describes the additional amount of appropriations that can be made without new CBR access authorization.

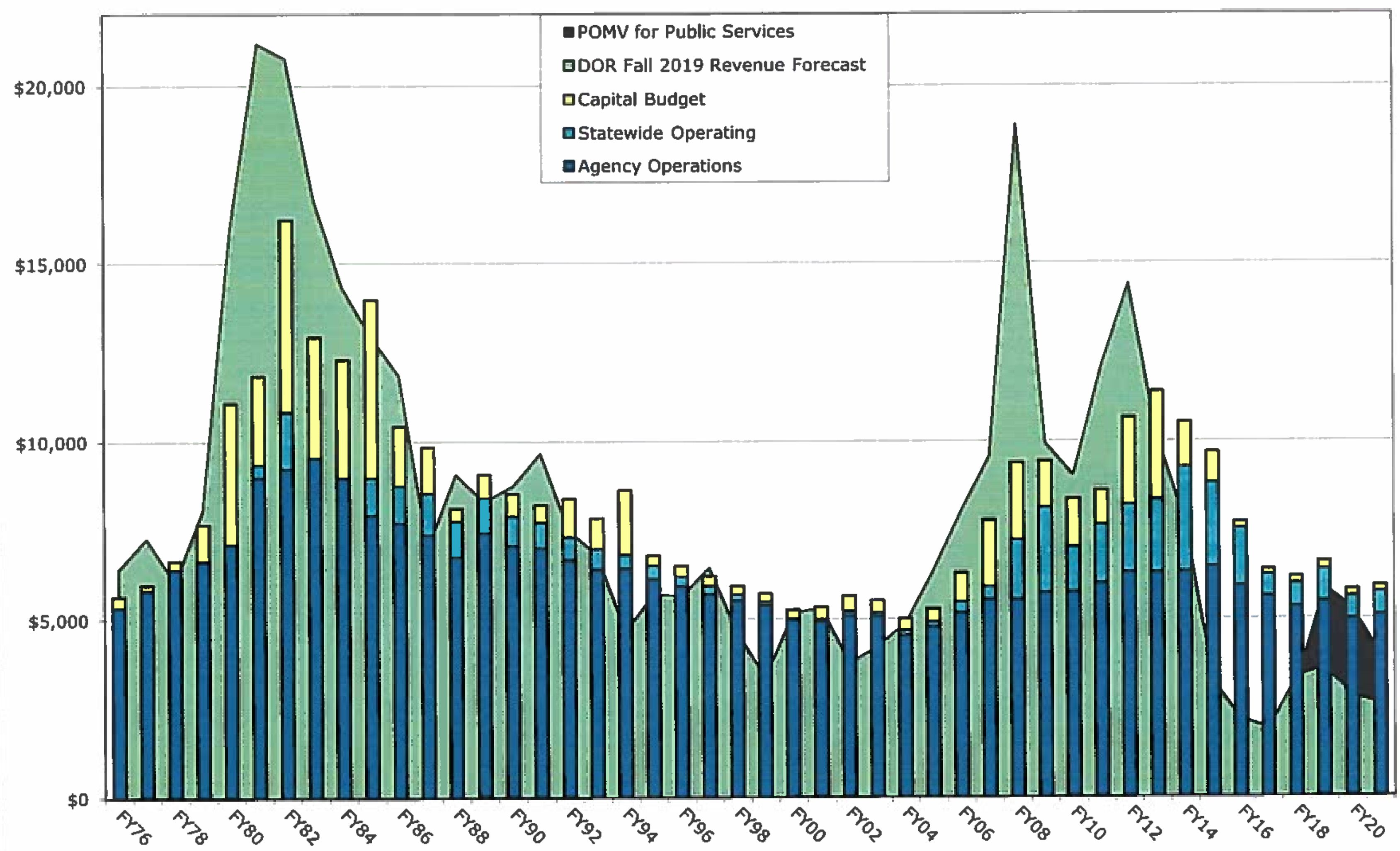
FY20 "Likely" and Other Expected Supplementals

The Governor's December budget release included a single operating supplemental and two capital supplementals totaling $7.3 million ($2.5 million UGF and $4.8 million DGF). It also included placeholders for what were termed "likely" supplementals. These totaled $225.5 million: Medicaid - $120 million; Fire Suppression - $94.5 million; Alaska Psychiatric Institute (API) - $6 million; and, Pioneers Homes - $5 million. These alone consume nearly all of the available CBR Headroom for FY20.

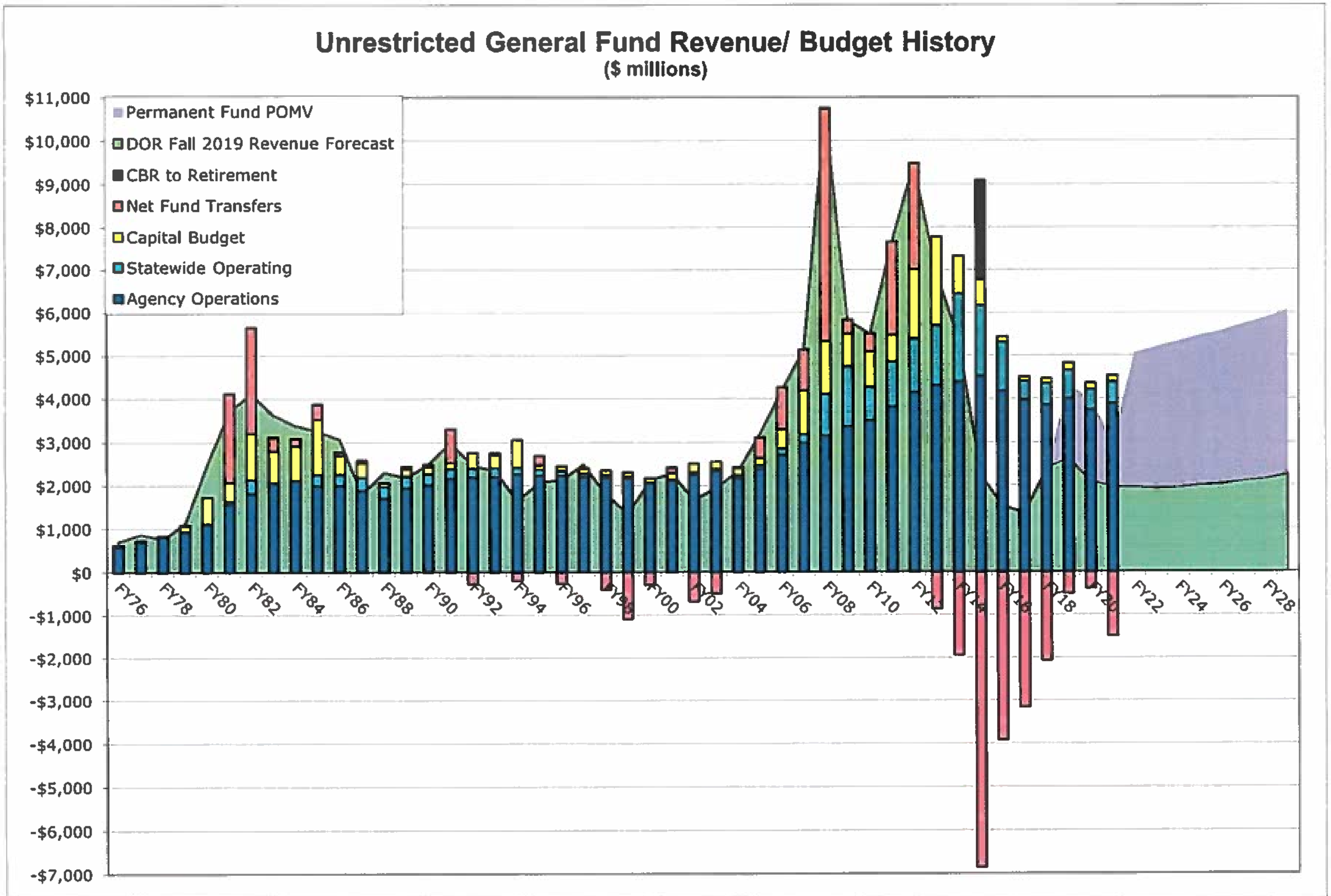
Other potential supplementals include an amount of at least $6 million for the Alaska Marine Highway System (AMHS) (an RPL for $6 million was sent to the LB&A Committee in December 2019 only to be withdrawn after LFD identified technical issues); $30 million for Community Assistance; potentially another $8 million for spring fire suppression; and, possibly some amount for Oil & Gas Tax Credits. Just the addition of the $36 million for AMHS and Community Assistance alone pushes through the $250 million headroom to $261.5 million. This excludes other unknowns, but likely supplemental budget requests could conceivably necessitate an additional CBR access vote.

Real Per Capita Unrestricted General Fund Revenue/ Budget History

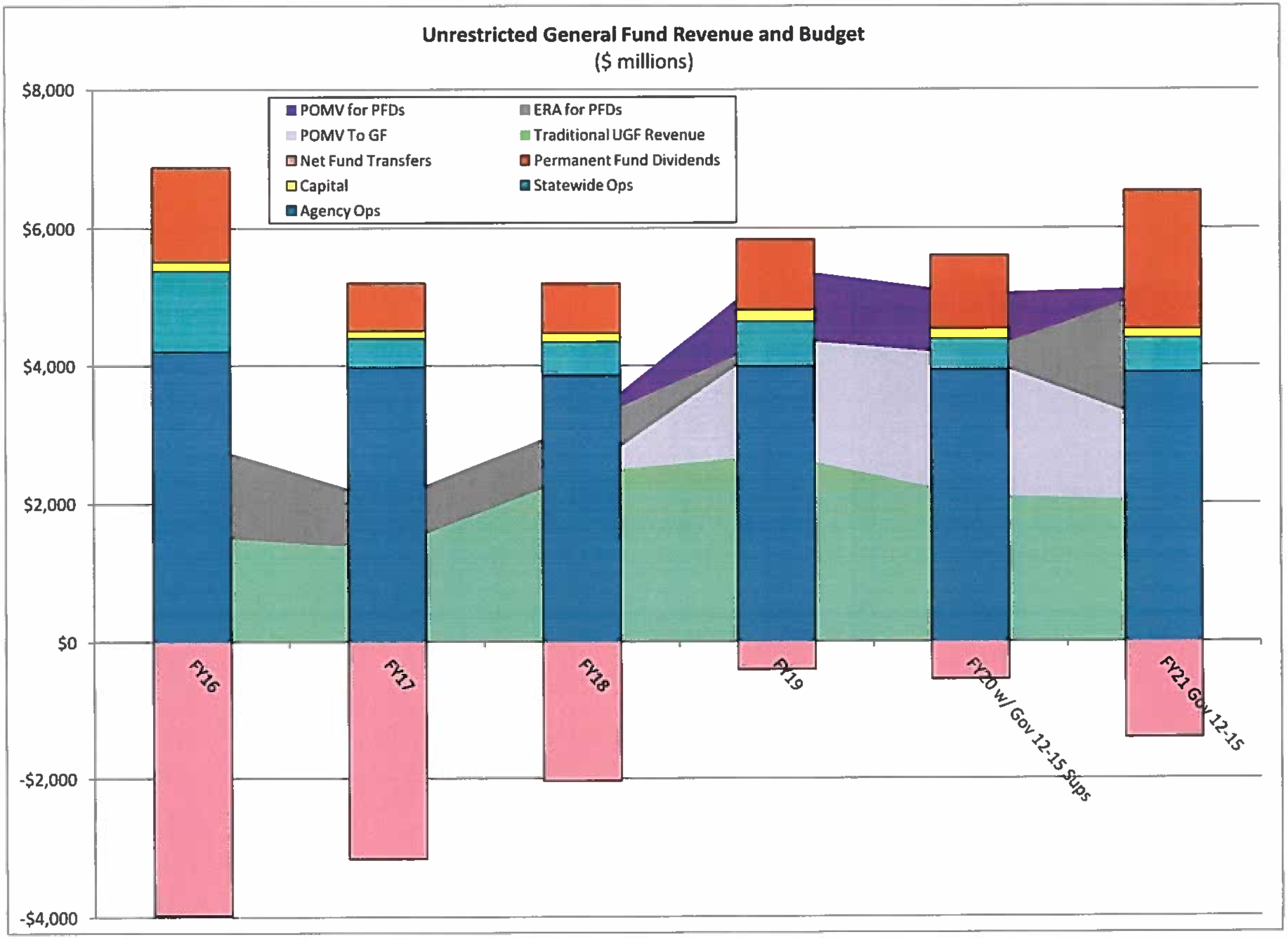
(2019 dollars Per Person)



Legislative Finance Division



Unrestricted General Fund Revenue/ Budget History
($ millions)
$11,000
$10,000
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
-$1,000
-$2,000
-$3,000
-$4,000
-$5,000
-$6,000
-$7,000
Permanent Fund POMV
DOR Fall 2019 Revenue Forecast
CBR to Retirement
Net Fund Transfers
Capital Budget
Statewide Operating
Agency Operations
FY76
FY78
FY80
FY82
FY84
FY86
FY88
FY90
FY92
FY94
FY96
FY00
FY04
FY06
FY08
FY10
FY22
FY24
FY26
FY28


Unrestricted General Fund Revenue and Budget
($ millions)
POMV for PFDs
ERA for PFDs
POMV To GF
Traditional UGF Revenue
Net Fund Transfers
Permanent Fund Dividends
Capital
Statewide Ops
Agency Ops
$8,000
$6,000
$4,000
$2,000
$0
-$2,000
-$4,000
FY16
FY17
FY18
FY19
FY20 w/ Gov 12-15 Sups
FY21 Gov 12-15

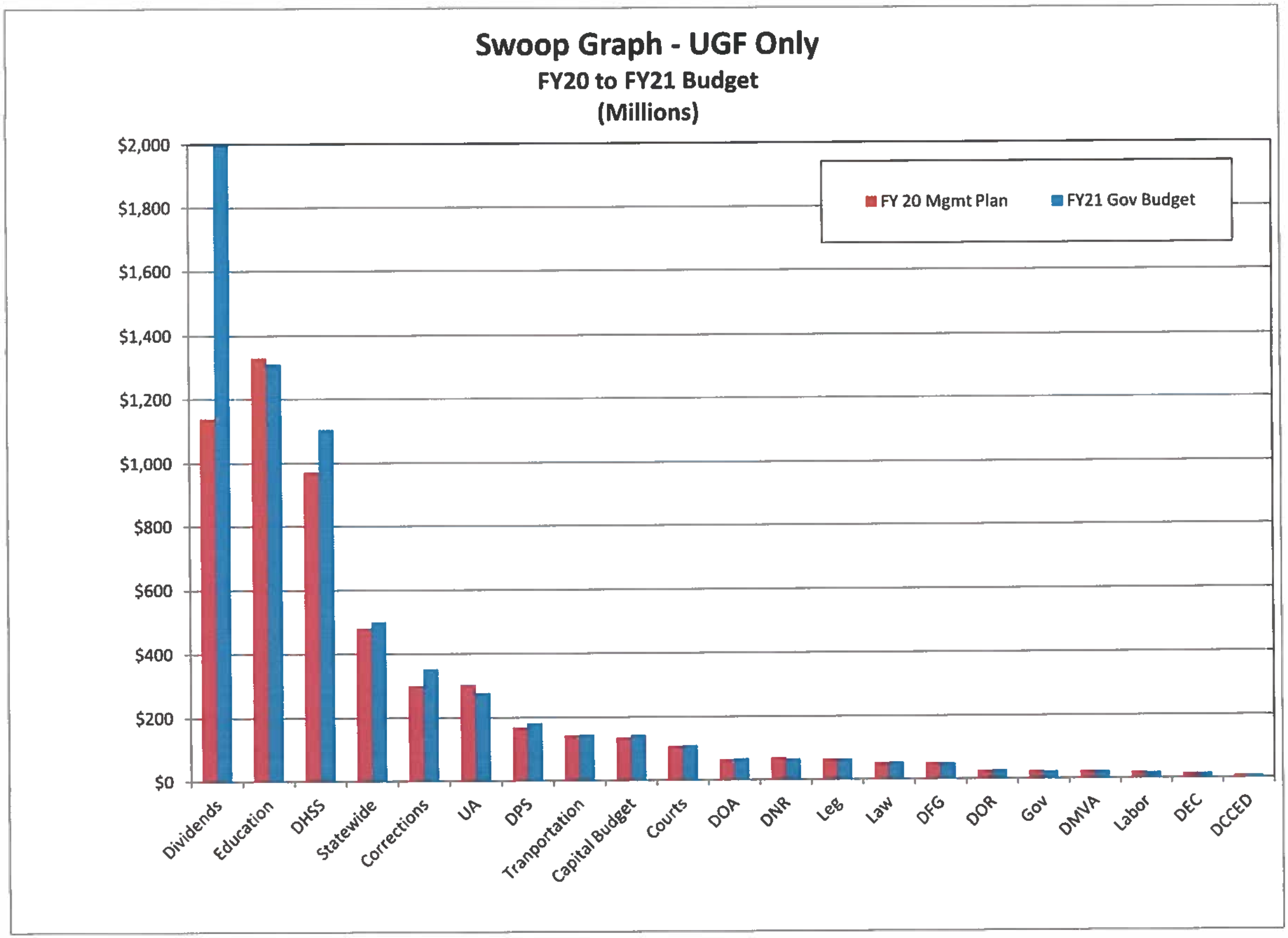
Projected Fund Balances -- FY20 and FY21

($ millions)

	FY20				FY21			
	BoY Balance	In	Out	EoY Balance	BoY Balance	In	Out	EoY Balance
Total Budget Reserves and Desginated Funds	**22,322.6**	**5,164.3**	**9,686.7**	**17,800.2**	**17,800.2**	**6,127.5**	**6,065.7**	**17,862.1**
Undesignated Reserves	**2,321.6**	**343.0**	**389.3**	**2,275.3**	**2,275.3**	**107.3**	**1,547.4**	**835.3**
Constitutional Budget Reserve Fund	2,149.0	343.0	216.9	2,275.1	2,275.1	107.3	1,547.4	835.0
Statutory Budget Reserve Fund	172.4	-	172.4	0.0	0.0	-	-	0.0
Alaska Housing Capital Corporation Fund	0.2	-	-	0.2	0.2	-	-	0.2
Select Designated Funds	**20,001.0**	**4,821.3**	**9,297.4**	**15,524.9**	**15,524.9**	**6,020.2**	**4,518.3**	**17,026.8**
Total Excluding Permanent Fund	**1,521.7**	**113.0**	**150.2**	**1,484.6**	**1,484.6**	**162.6**	**154.1**	**1,493.1**
Alaska Capital Income Fund	7.5	27.0	33.4	1.1	1.1	41.5	41.8	0.8
Alaska Higher Education Investment Fund	347.1	21.4	22.5	346.0	346.0	21.3	22.5	344.7
Community Assistance Fund	90.0	-	30.0	60.0	60.0	28.9	20.0	68.9
Power Cost Equalization Endowment	1,077.2	64.6	64.3	1,077.6	1,077.6	70.9	69.8	1,078.7
Permanent Fund Earnings Reserve Account	**18,479.2**	**3,465.4**	**7,904.3**	**14,040.2**	**14,040.2**	**4,614.7**	**3,121.2**	**15,533.7**
Unrestricted General Fund Appropriations				5,233.0				6,606.4
Reserves Ratio (Undesignated Reserves / Pre-Transfer Budget)				43%				13%
Pre-Transfer Deficit				(346.5)				(1,478.2)
Years of Deficit Coverage (Undesignated Reserves / Pre-Transfer Deficit)				6.57				0.57

Permanent Savings

Permanent Fund Principal -- Market Value (no appropriations allowed)	**47,820.7**	**5,986.0**	**0.0**	**53,806.7**	**53,806.7**	**200.4**	**0.0**	**54,007.0**



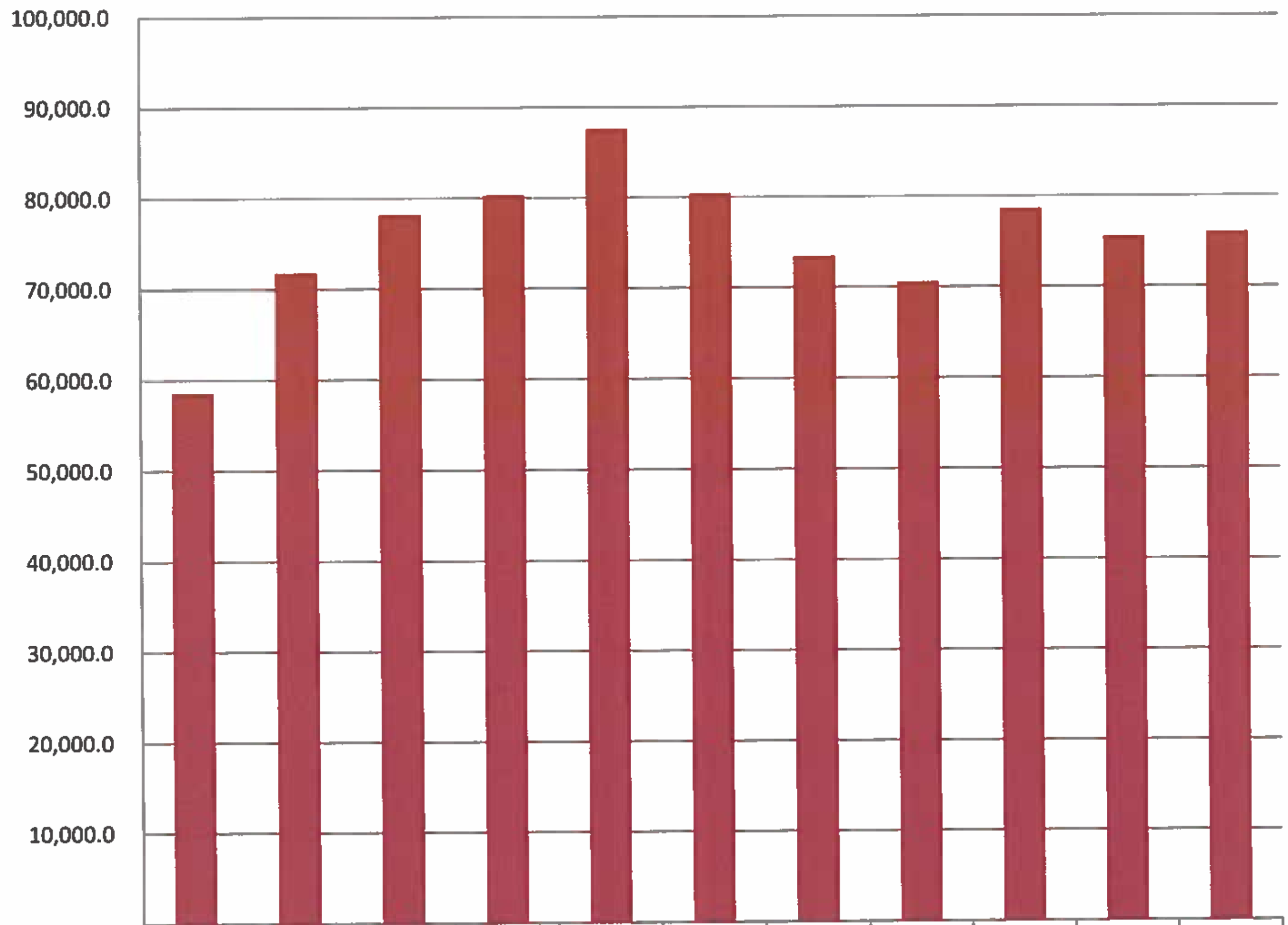
Swoop Graph - UGF Only
FY20 to FY21 Budget
(Millions)
FY 20 Mgmt Plan
FY21 Gov Budget
$2,000
$1,800
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
Dividends
Education
DHSS
Statewide
Corrections
UA
DPS
Tranportation
Capital Budget
Courts
DOA
DNR
Leg
Law
DFG
DOR
Gov
DMVA
Labor
DEC
DCCED

Department of Education and Early Development Share of Total Agency Operations

(GF Only, excluding K-12 Formula)

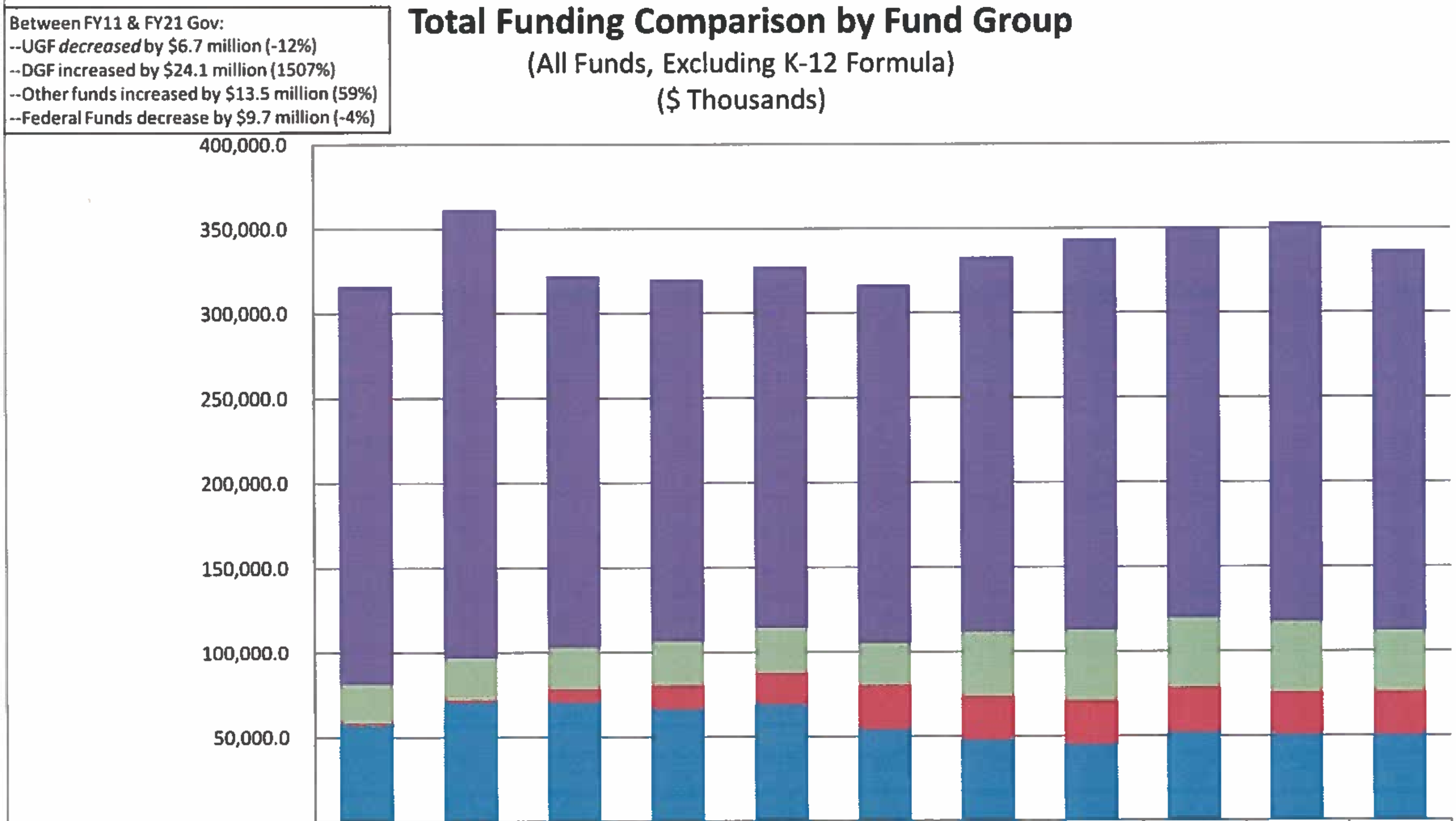
($ Thousands)

DEED's GF budget increased by $17.4 million between FY11 and FY21 Governor - an average annual growth rate of 2.65%.
The FY21 GF budget equates to **$344 per resident worker** (based on 322,134 Alaskan workers).



	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16MgtPln	17MgtPln	18MgtPln	19MgtPln	20MgtPln	21Gov
Total Agency Budget (GF Only)	58,587.8	71,793.4	78,160.8	80,259.0	87,617.9	80,398.3	73,457.7	70,543.3	78,603.1	75,498.4	76,001.1
% of Agency Budget to Total Agencies Budgets	1.35%	1.52%	1.56%	1.59%	1.68%	1.66%	1.57%	1.54%	1.66%	1.66%	1.62%

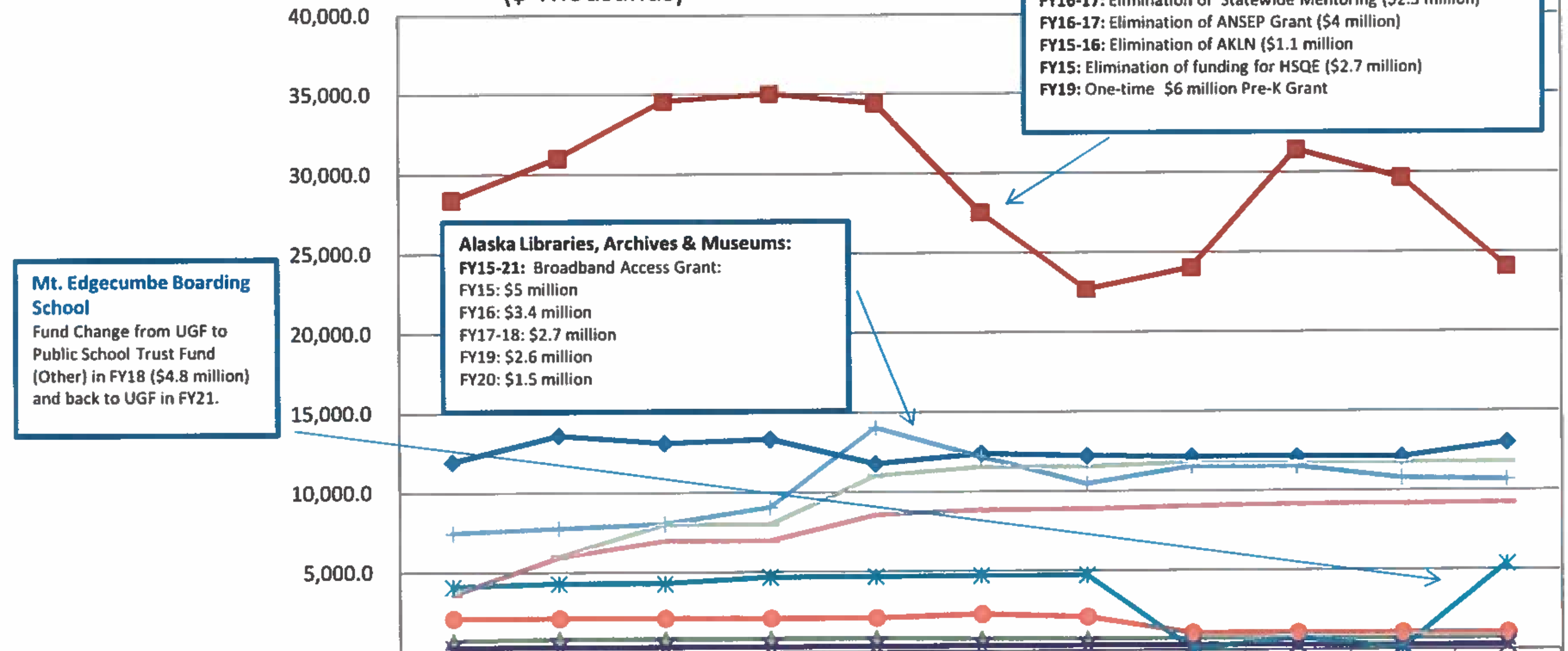
Department of Education and Early Development
Total Funding Comparison by Fund Group
(All Funds, Excluding K-12 Formula)
($ Thousands)



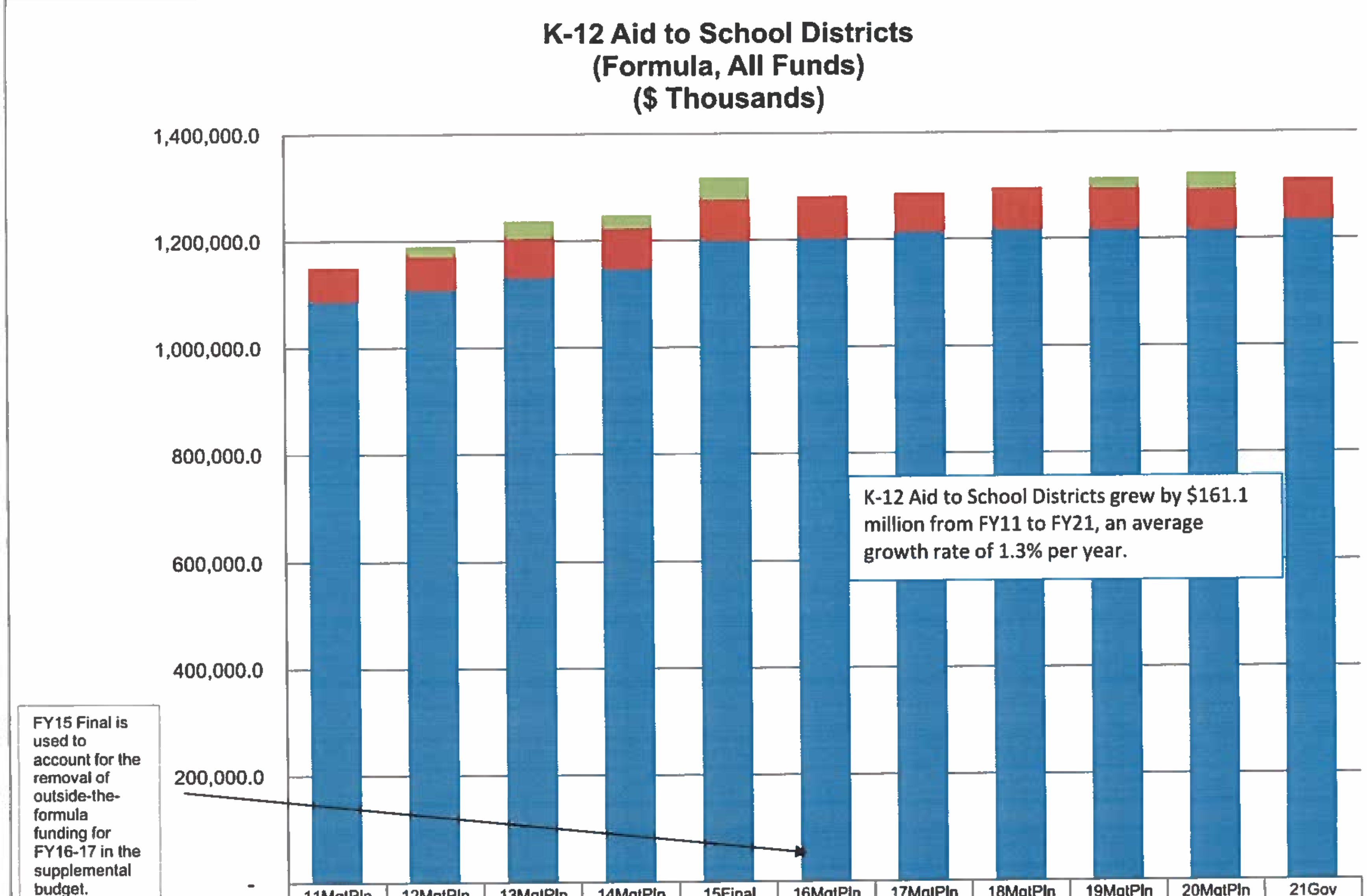
	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16MgtPln	17MgtPln	18MgtPln	19MgtPln	20MgtPln	21Gov
Federal Receipts (Fed)	234,423.1	264,609.9	218,617.4	213,151.5	213,099.6	211,212.7	221,134.9	230,539.1	230,342.1	235,435.5	224,721.1
Other State Funds (Other)	22,897.2	25,058.7	25,178.3	26,433.1	26,804.8	25,038.2	38,571.2	42,576.9	41,135.0	42,207.4	36,425.0
Designated General (DGF)	1,597.1	1,608.4	7,714.3	13,829.3	18,444.7	26,231.0	25,578.4	25,962.7	26,491.2	24,889.0	25,669.6
Unrestricted General (UGF)	56,990.7	70,185.0	70,446.5	66,429.7	69,173.2	54,167.3	47,879.3	44,580.6	52,111.9	50,609.4	50,331.5

Appropriations within the Department of Education and Early Development

(GF Only, Excluding K-12 Formula)
($ Thousands)



	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16MgtPln	17MgtPln	18MgtPln	19MgtPln	20MgtPln	21Gov
K-12 Support	11,920.6	13,576.0	13,101.9	13,332.6	11,753.6	12,378.8	12,185.6	12,117.1	12,111.4	12,094.1	12,991.3
Education Support and Admin	28,379.8	31,004.0	34,576.4	35,034.3	34,392.8	27,527.4	22,665.9	24,013.4	31,403.6	29,651.6	24,046.3
AK State Council on the Arts	703.7	801.3	809.0	815.0	814.0	740.5	706.6	703.7	703.7	704.4	697.1
Commissions and Boards	282.3	290.0	295.8	299.7	299.8	303.9	300.1	303.0	258.8	253.4	253.5
Mt. Edgecumbe Boarding School	4,112.3	4,293.1	4,278.4	4,671.5	4,680.1	4,712.2	4,705.3	57.4	709.7	86.6	5,347.5
State Facilities Rent	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	1,068.2	1,068.2
Libraries, Archives & Museums	7,458.5	7,748.4	8,018.7	9,042.9	14,031.8	12,139.7	10,448.4	11,507.0	11,492.6	10,740.9	10,647.2
Alaska Postsecondary Education	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	9,149.2	9,200.0
AK Performance Scholarship Awd		6,000.0	8,000.0	8,000.0	11,000.0	11,500.0	11,500.0	11,750.0	11,750.0	11,750.0	11,750.0



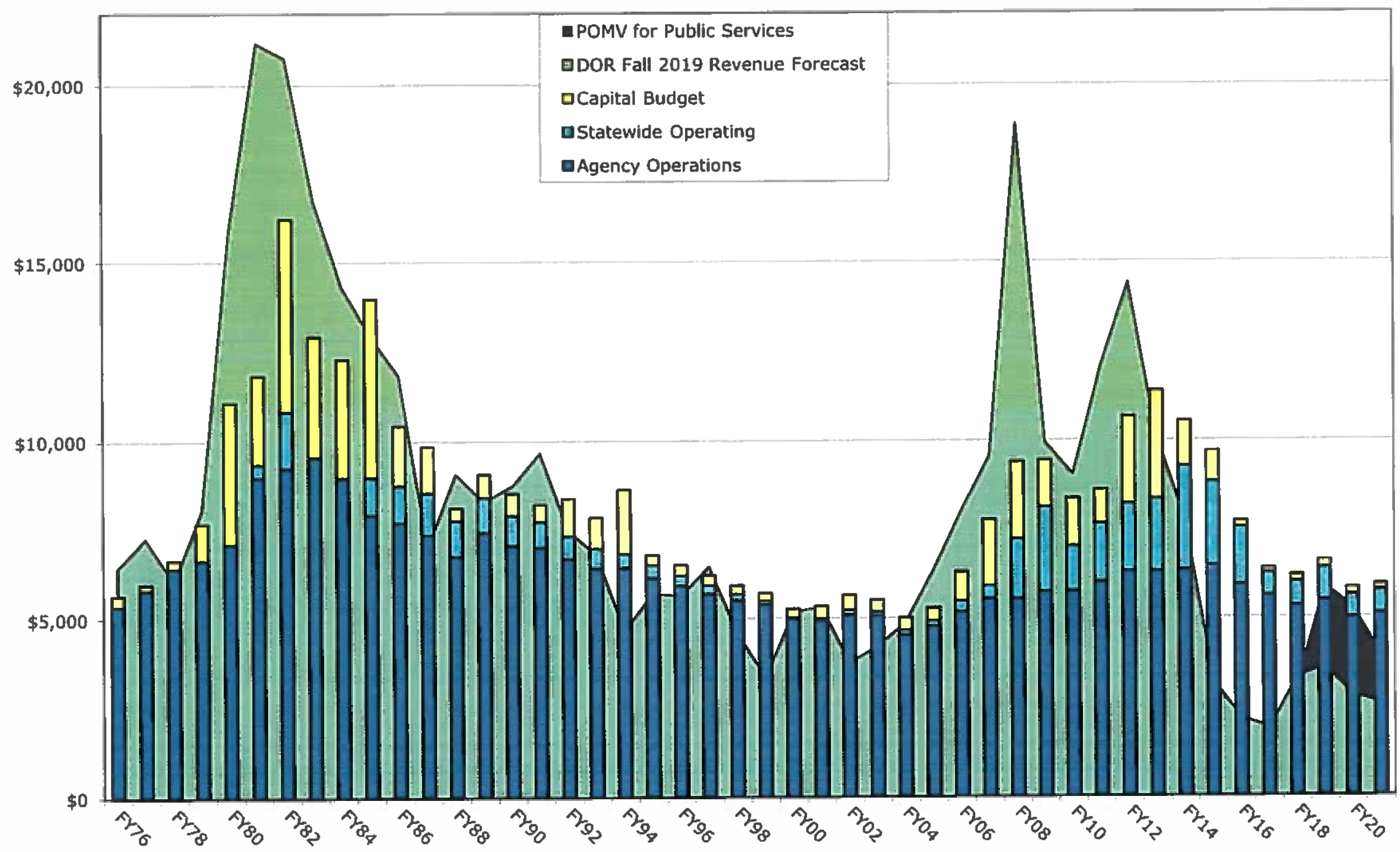
	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15Final	16MgtPln	17MgtPln	18MgtPln	19MgtPln	20MgtPln	21Gov
Additional Foundation Funding	-	20,000.0	33,130.2	25,000.0	42,953.5	-	-	-	20,000.0	30,488.2	488.2
Pupil Transportation	63,839.2	62,665.8	73,795.9	75,466.0	76,773.9	79,240.3	72,619.8	79,029.6	78,184.6	77,214.6	76,997.7
Foundation Program	1,086,638.4	1,107,981.1	1,130,631.8	1,147,039.0	1,198,664.3	1,202,030.5	1,214,775.5	1,217,257.6	1,216,192.1	1,214,932.3	1,234,069.4

Multi-year Position Summary - Operating Budget - FY 2021 Governor Structure

Numbers and Language
Agencies: Educ

ID=>	[1]	[2]	[3]	[3] - [1]		[3] - [2]	
Session=>	2019	2020	2020	2019	2020	2020	2020
Column=>	19MgtPln	20MgtPln	21Gov	19MgtPln to 21Gov		20MgtPln to 21Gov	
Department of Education and Early Development							
Perm Full Time	273	273	269	-4	-1.5 %	-4	-1.5 %
Perm Part Time	14	14	14	0		0	
Temporary	2	2	2	0		0	
Total - All Agencies							
Perm Full Time	273	273	269	-4	-1.5 %	-4	-1.5 %
Perm Part Time	14	14	14	0		0	
Temporary	2	2	2	0		0	

Real Per Capita Unrestricted General Fund Revenue/ Budget History
(2019 dollars Per Person)



House Finance Subcommittee FY20/FY21 Key Issues

Department of Education and Early Development

1. **Pre-K**
   a. What is the status of ongoing FY19-FY20 multi-year grants?

   b. What happens when the multi-year grants end?

2. **Alaska State Council on the Arts**
   a. What was the impact of the temporary shutdown in July?

3. **Mt. Edgecumbe Aquatic Center**
   a. What was the impact of the Governor's FY20 veto of Gf/PR authority?

   b. What is the status of the pool and how will it operate going forward?

4. **Public School Trust Fund**
   a. How has the use of this fund at Mt. Edgecumbe High School impacted the department?

   b. How would moving the use of the fund to the language section affect DEED, or management of the fund at Department of Revenue?

5. **Transferring Parents as Teachers**
   a. How is the program currently being administered?

   b. What would change with the proposed movement to Dept. of Health and Social Services?

6. **Management of Federal Grant Authority**
   a. Why does the current budget structure require so much excess Federal authority?

   b. How would moving that authority to the language section help?

7. **State Board of Education**
   a. Why does the board want to move to a monthly meeting schedule?

8. **Residential Schools**
   a. What does the program do and why is more funding being requested?

2020 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between 21Adj Base and 21Gov

Numbers and Language Differences
Agencies: Educ

Agency: Department of Education and Early Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
K-12 Aid to School Districts													
Foundation Program													
Transition Public School Trust Fund to Language Section to Maximize Investment Returns 1066 Pub School (Other) -21,537.4	21Gov	Dec	-21,537.4	0.0	0.0	0.0	0.0	0.0	-21,537.4	0.0	0	0	0
L Reverse Tracking FY2020 Draw for Foundation Expenditures from Public Education Fund 1004 Gen Fund (UGF) -1,172,603.9	21Gov	OTI	-1,172,603.9	0.0	0.0	0.0	0.0	0.0	-1,172,603.9	0.0	0	0	0
L Foundation Program Expenditures from Public Education Fund 1004 Gen Fund (UGF) 1,183,504.2 1066 Pub School (Other) 29,774.2	21Gov	MisAdj	1,213,278.4	0.0	0.0	0.0	0.0	0.0	1,213,278.4	0.0	0	0	0
* Allocation Difference *			19,137.1	0.0	0.0	0.0	0.0	0.0	19,137.1	0.0	0	0	0
Pupil Transportation													
L Reverse Tracking FY2020 Estimated Draw for Pupil Transportation Expenditures from the Public Education Fund 1004 Gen Fund (UGF) -77,214.6	21Gov	OTI	-77,214.6	0.0	0.0	0.0	0.0	0.0	-77,214.6	0.0	0	0	0
L Pupil Transportation Expenditures from Public Education Fund 1004 Gen Fund (UGF) 76,997.7	21Gov	MisAdj	76,997.7	0.0	0.0	0.0	0.0	0.0	76,997.7	0.0	0	0	0
* Allocation Difference *			-216.9	0.0	0.0	0.0	0.0	0.0	-216.9	0.0	0	0	0
Additional Foundation Funding													
L Reverse FY2020 Additional Foundation Funding Sec22 Ch1 FSSLA2019 P67 L28 (HB39) 1108 Stat Desig (Other) -488.2	21Gov	OTI	-488.2	0.0	0.0	0.0	0.0	0.0	-488.2	0.0	0	0	0
L Additional Foundation Funding from Dividend Donations to the Dividend Raffle Fund 1108 Stat Desig (Other) 488.2	21Gov	IncM	488.2	0.0	0.0	0.0	0.0	0.0	488.2	0.0	0	0	0
* Allocation Difference *			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
* * Appropriation Difference * *			18,920.2	0.0	0.0	0.0	0.0	0.0	18,920.2	0.0	0	0	0
K-12 Support													
Residential Schools Program													
Add Residential Programs for North Slope Borough School District and Lower Yukon School District 1004 Gen Fund (UGF) 900.2	21Gov	Inc	900.2	0.0	0.0	0.0	0.0	0.0	900.2	0.0	0	0	0
* Allocation Difference *			900.2	0.0	0.0	0.0	0.0	0.0	900.2	0.0	0	0	0

Numbers and Language Differences
Agencies: Educ

Agency: Department of Education and Early Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
K-12 Support (continued)													
Special Schools													
Reduce Authority to Reflect Special Education Service Agency Calculation 1004 Gen Fund (UGF) -3.0	21Gov	Dec	-3.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0	0	0
* Allocation Difference *			-3.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0	0	0
* * Appropriation Difference * *			897.2	0.0	0.0	0.0	0.0	0.0	897.2	0.0	0	0	0
Education Support and Administrative Services													
Executive Administration													
Add Authority for State Board of Education In-Person Meetings and Related Support 1004 Gen Fund (UGF) 137.0	21Gov	Inc	137.0	72.6	46.9	17.5	0.0	0.0	0.0	0.0	1	0	0
* Allocation Difference *			137.0	72.6	46.9	17.5	0.0	0.0	0.0	0.0	1	0	0
Student and School Achievement													
Comprehensive Literacy State Development Federal Grant (FY21-FY25) 1002 Fed Rcpts (Fed) 3,945.9	21Gov	IncT	3,945.9	124.5	0.0	0.0	0.0	0.0	3,821.4	0.0	1	0	0
Reduce Excess Federal Authority to Better Reflect Multi-Year Federal Grants Cycle 1002 Fed Rcpts (Fed) -14,700.0	21Gov	Dec	-14,700.0	0.0	0.0	0.0	0.0	0.0	-14,700.0	0.0	0	0	0
L Reflect US Department of Education Multi-Year Federal Grant Authority as a Language appropriation	21Gov	Lang	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
* Allocation Difference *			-10,754.1	124.5	0.0	0.0	0.0	0.0	-10,878.6	0.0	1	0	0
Early Learning Coordination													
Transfer the Parents as Teachers Program to the Department of Health and Social Services for Better Alignment 1004 Gen Fund (UGF) -474.7	21Gov	ATrOut	-474.7	0.0	0.0	0.0	0.0	0.0	-474.7	0.0	0	0	0
* Allocation Difference *			-474.7	0.0	0.0	0.0	0.0	0.0	-474.7	0.0	0	0	0
* * Appropriation Difference * *			-11,091.8	197.1	46.9	17.5	0.0	0.0	-11,353.3	0.0	2	0	0
Alaska State Council on the Arts													
Alaska State Council on the Arts													
Align Authority with Federal Match Requirements 1003 GF/Match (UGF) -7.3	21Gov	Dec	-7.3	0.0	0.0	0.0	0.0	0.0	-7.3	0.0	0	0	0
* Allocation Difference *			-7.3	0.0	0.0	0.0	0.0	0.0	-7.3	0.0	0	0	0
* * Appropriation Difference * *			-7.3	0.0	0.0	0.0	0.0	0.0	-7.3	0.0	0	0	0

Numbers and Language Differences
Agencies: Educ

Agency: Department of Education and Early Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Mt. Edgecumbe Boarding School													
Mt. Edgecumbe Boarding School													
Replace Funding Source to Maximize Investment Earnings	21Gov	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 4,639.1													
1066 Pub School (Other) -4,639.1													
*** Allocation Difference ***			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Mt. Edgecumbe Boarding School Facilities Maintenance													
Add Authority to Maintain Mt. Edgecumbe High School Aquatic Center Operations and Maintenance	21Gov	Inc	**650.0**	0.0	0.0	650.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 650.0													
*** Allocation Difference ***			**650.0**	0.0	0.0	650.0	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Difference * ***			**650.0**	0.0	0.0	650.0	0.0	0.0	0.0	0.0	0	0	0
Alaska State Libraries, Archives and Museums													
Archives													
Replace UGF With Increased Microfilm Duplication Fees to Other State Agencies	21Gov	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -20.0													
1007 I/A Rcpts (Other) 20.0													
*** Allocation Difference ***			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Museum Operations													
Carryforward wordage added for Program Receipts from Museum Gate Receipts	21Gov	Wordage	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
*** Allocation Difference ***			**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Online with Libraries (OWL)													
Eliminate Online with Libraries Video Conference System	21Gov	Dec	**-232.9**	0.0	0.0	-232.9	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -232.9													
*** Allocation Difference ***			**-232.9**	0.0	0.0	-232.9	0.0	0.0	0.0	0.0	0	0	0
Andrew P. Kashevaroff Facilities Maintenance													
Add Authority for Andrew P. Kashevaroff Utility and Maintenance Costs	21Gov	Inc	**100.0**	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 100.0													
Increased Maintenance Costs	21Gov	Inc	**20.0**	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 20.0													
*** Allocation Difference ***			**120.0**	0.0	0.0	120.0	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Difference * ***			**-112.9**	0.0	0.0	-112.9	0.0	0.0	0.0	0.0	0	0	0

Agency: Department of Education and Early Development

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Alaska Commission on Postsecondary Education													
Program Administration & Operations													
Outsource Federal Family Education Loan Program Servicing	21Gov	Dec	-586.3	-586.3	0.0	0.0	0.0	0.0	0.0	0.0	-6	0	0
1007 I/A Rcpts (Other) -586.3													
* Allocation Difference *			-586.3	-586.3	0.0	0.0	0.0	0.0	0.0	0.0	-6	0	0
WWAMI Medical Education													
Increase to Support WWAMI Contractual Obligation	21Gov	Inc	50.8	0.0	0.0	50.8	0.0	0.0	0.0	0.0	0	0	0
1226 High Ed (DGF) 50.8													
* Allocation Difference *			50.8	0.0	0.0	50.8	0.0	0.0	0.0	0.0	0	0	0
* * Appropriation Difference * *			-535.5	-586.3	0.0	50.8	0.0	0.0	0.0	0.0	-6	0	0
Alaska Student Loan Corporation													
Loan Servicing													
Outsource Federal Family Education Loan Program Servicing	21Gov	Dec	-586.3	0.0	0.0	-586.3	0.0	0.0	0.0	0.0	0	0	0
1106 ASLC Rcpts (Other) -586.3													
Reduce Authority to Reflect Reduction in Program Administration and Operations	21Gov	Dec	-94.4	0.0	0.0	-94.4	0.0	0.0	0.0	0.0	0	0	0
1106 ASLC Rcpts (Other) -94.4													
* Allocation Difference *			-680.7	0.0	0.0	-680.7	0.0	0.0	0.0	0.0	0	0	0
* * Appropriation Difference * *			-680.7	0.0	0.0	-680.7	0.0	0.0	0.0	0.0	0	0	0
* * * Agency Difference * * *			8,039.2	-389.2	46.9	-75.3	0.0	0.0	8,456.8	0.0	-4	0	0
* * * * All Agencies Difference * * * *			8,039.2	-389.2	46.9	-75.3	0.0	0.0	8,456.8	0.0	-4	0	0

Alaska Department of Education & Early Development
Department Program Summary
January 24, 2019

Allocation and/or Program	# of Alaskans Served	Rating of Importance to Mission	Assessment of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Foundation Program	150,000 + (students, teachers, district staff)	Critical	A	Yes	Yes	Yes: AS 14.17
Pupil Transportation	114,611	Critical	A	No	Yes	Yes: AS 14.09
Additional Foundation Funding	150,000 + (students, teachers, district staff)	Critical	A	Yes	Yes	Yes: AS 14.17
Boarding Home Grants	447	Critical	A	Yes	Yes	Yes: AS 14.16.200; 14.07.030(a)
Youth in Detention	360	Critical	A	Yes	Yes	Yes: AS 14.07.020
Special Schools	~720	Critical	A	Yes	Yes	Yes: AS 14.30.600-660
Executive Administration	150,000 + (students, teachers, district staff)	Critical	A	Yes	No	Yes: AS 14.07.145; 44.27.010-020
Administrative Services	150,000 + (students, teachers, district staff)	Important	A	No	No	Yes: AS 14; 23; 37; 39; 28.05.104
Information Services	150,000 + (students, teachers, district staff)	Important	A	No	No	Yes: AS 14.07.010-030
School Finance and Facilities	150,000 + (students, teachers, district staff)	Important	A	No	No	Yes: AS 14.03.140-150; 14.07; 14.08; 14.11; 14.17; 14.50; 37.15.011; 43.50.140
Child Nutrition Services	88,095	Critical	A	No	Yes	Yes: AS 14.50.010-080
Student and School Achievement	150,000 + (students, teachers, district staff)	Critical	B	Yes	Yes	Yes: AS 14.30; 14.35.010-030; 14.50.080
State System of Support	1,144	Critical	B	No	No	Yes: AS 14.03.015; 14.03.123; 14.07.020

Allocation and/or Program	# of Alaskans Served	Rating of Importance to Mission	Assessment of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Teacher Certification	16,653	Critical	A	Yes	No	Yes: AS 12.62.160; 14.20.010-040
Early Learning Coordination	22,736	Critical	A	No	Yes	Yes: AS 14.50.010-080; 14.38.010; 14.07.020
Pre-Kindergarten Grants	351	Critical	B	No	No	Yes: AS 14.07.020(8)
Alaska State Council on the Arts	Between 500,000 and 715,000	Beneficial	A	No	Yes	Yes: AS 44.27.040-060; 35.27.010-030; 45.65.010-070
Professional Teaching Practices Commission	~8,000 employed certified educators in Alaska ~16,000 certificate holders, over whom PTPC has jurisdiction	Critical	B	No	No	Yes: AS 14.20.030; 14.20.370-510; 44.62
Mt. Edgecumbe Boarding School	~425	Critical	A	Yes	Yes	Yes: AS 14.16.010-080; 14.17.440
Mt. Edgecumbe Boarding School Facilities Maintenance	~425	Important	A	No	No	Yes: AS 14.07.020; 44.27.020; 37.07.020
EED State Facilities Rent	0	Important	A	No	No	Yes: AS 37.05.570
Library Operations	634,110	Important	B	No	No	Yes:
Archives	81,597	Important	A	No	No	Yes: AS 40.21
Museum Operations	131,892	Important	B	No	No	Yes: AS 14.57
Online With Libraries	38,036	Beneficial	A	No	No	No
Live Homework Help	16,377	Beneficial	A	No	No	No
Andrew P. Kashevaroff Facilities Maintenance	12,037	Important	A	No	No	Yes: AS 37.05.570
Program Administration and Operations	All Alaska high school and post-secondary students (varies by program)	Important	A	No	Institutional Authorization	Yes: AS 14.42; 14.43; 14.44; 14.48

Allocation and/or Program	# of Alaskans Served	Rating of Importance to Mission	Assessment of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
WWAMI Medical Education	319 (since 2000)	Important	A	No	No	Yes: AS 14.43.033
Alaska Performance Scholarship Awards	18,091	Important	A	No	No	Yes: AS 14.43.810
Loan Servicing	15,800 (est borrowers)	Critical	A	No	No	Yes: AS 14.42; 14.43

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
FY20 - Summary of Significant Budget Issues

Governor's Budget Items Approved as Requested

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
1	Education Support and Administrative Services/ Child Nutrition	Additional Federal Receipts for Donated Commodity Fee Fund	$100.0 Donate Comm Fund (Fed)	The legislature accepted the Governor's proposed increase of Federal Receipt authority. Additional funding was needed to pay for increased administrative costs associated with shipments of food to Alaska school districts from the U.S. Trade Mitigation Program. These administrative costs are covered using the donated commodity fee fund. This fund was created specifically to collect and track receipts from school districts for administrative costs for federal child nutrition programs.
2	Education Support and Administrative Services/ Student and School Achievement	Additional Federal Receipts for U.S. Department of Education Grants	$5,000.0 Fed	The legislature accepted the Governor's proposed increase to Federal Receipt Authority. Each year the Department of Education and Early Development administers grant funds awarded from the federal government to school districts and non-profit organizations. These grants include Title I and School Improvement Grants from the U.S. Department of Education.
3	Libraries, Archives & Museums/ Andrew P. Kashevaroff Facilities Maintenance	Father Andrew P. Kashevaroff Facilities operations and maintenance support	$215.1 UGF	The legislature accepted the Governor's proposed increase in operations funding for the Father Andrew P. Kashevaroff (APK) facility. The facilities operations budget was based on projections made while the facility was still under construction. However, since APK's opening in 2016, facility operations expenses have significantly increased, causing the Division of Libraries, Archives, and Museums to absorb those costs over the years. Remaining funding from the original capital project has helped offset unanticipated costs, but has now run out. Now that the department has been running the facility, actual operation costs are better known.

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
FY20 - Summary of Significant Budget Issues

Governor's Budget Items Approved with Modifications

Item #	Approp/Allocation	Description	Amount/Fund Source Requested	Amount Enacted	Comment
4	Multiple appropriations	Executive Branch 50% Travel Reduction	**Total: ($353.0)** ($134.7) Fed ($126.4) UGF ($20.2) DGF ($71.7) Other	**Total: ($353.0)** ($134.7) Fed ($94.7) UGF ($20.2) DGF ($103.4) Other	The legislature approved all of the Governor's FY20 request to reduce travel in various appropriations and allocations. Initially the legislature focused on UGF reductions and in several instances chose not to accept proposed decrements of DGF, federal, and Other fund sources. The legislature rejected $305.6 of the $353.0 of travel reductions requested by the Governor. The Governor subsequently vetoed the travel funding included in HB 39 to equal his original request. The only travel reduction restored by the legislature in HB 2001 was $64.4 for the Mt. Edgecumbe High School (MEH). The Governor again vetoed $64.4 as follows: ($2.2) General Fund Program Receipt ($30.5) Inter-Agency ($31.7) Public School Trust Fund **Legislative Fiscal Analyst Comment:** The Governor initially proposed changing the funding source for MEHS from Public School Trust Fund (PSTF) to UGF (hence the original UGF travel reduction). The UGF funding was not adopted by the legislature, therefore, the Governor vetoed the same amount of PSTF funding.

Governor's Budget Items Approved with Modifications (continued)

Item #	Approp/Allocation	Description	Amount/Fund Source Requested	Amount Enacted	Comment
5	K-12 Aid to School Districts	Reduce available Public School Trust Fund amount	$2,511.3 PSTF (Other)	($2,151.3) PSTF (Other)	This standard annual adjustment to the Public School Trust Fund (PSTF) amount available for K-12 Aid to School Districts differs from the Governor's proposed adjustment because the Governor proposed changing the funding source for Mount Edgecumbe High School (MEHS) from PSTF to UGF. That action would have freed up $4,662.6 PSTF to be spent for K-12 Aid (see item #13). Because the legislature did not adopt the fund source change, the amount for K-12 Aid was reduced by $2,151.3 from the FY20 adjusted base level. **Legislative Fiscal Analyst Comment: The numeric similarity between the Governor's proposed increment and the legislature's decrement is purely coincidental. The legislature's total budget for MEHS is the same as the amount the Governor proposed.**
6	Libraries, Archives & Museums/ Library Operations	School Broadband Access Grants Reduction	($2,581.4) Higher Ed (DGF) $1,487.5 UGF	($1,093.9) Higher Ed (DGF)	The Governor's request included two items for this allocation: (1) A reduction to the Broadband Access Grant (BAG) program by $1,093.9 to more accurately reflect projected need based on actual spending in the prior year. The legislature accepted this reduction. (2) Replacing all Higher Education Investment Funding with UGF. This request was part of a broader goal to eliminate the Higher Education Investment Fund so that all programs compete for UGF on equal footing. The legislature chose not to accept either the fund source change or the elimination of the Higher Education Investment fund.
7	Alaska Commission on Postsecondary Education/ WWAMI Medical Education	Eliminate Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) Medical Education Program	($3,096.4) Higher Ed (DGF)	$77.3 High Ed (DGF)	The legislature denied the Governor's proposed elimination of the WWAMI Medical Education Program. The legislature increased funding (relative to FY19) by $77.3 to cover increased WWAMI contractual obligations with the University of Washington in order to reserve seats for Alaskan students.

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
FY20 - Summary of Significant Budget Issues

Governor's Items Denied

Item #	Approp/Allocation	Description	Gov Request	Comment
8	Foundation Program	Reduced FY20 Foundation Funding	**Total: $895,455.7** $878,955.7 UGF $16,500.0 School Fund (DGF)	The Governor proposed repeal of a delayed effective date for FY20 funding of the Foundation Formula (adopted in HB 287 from the 2018 session). The legislature denied both the repeal of HB 287 funding and the proposed reduction in formula funding. See item #18 for the status of formula funding.
9	Education Support and Administrative Services/Student and School Achievement	Kindergarten Through Third Grade Literacy Project	$320.0 UGF	The legislature denied the Governor's proposed increment for a literacy project that would have provided for pre- and post-screening assessments for students in kindergarten through third grade (approximately 40,000 students). This mirrored funding that the department received in the FY14 budget, but that was removed by the legislature in the FY16 budget.
10	Education Support and Administrative Services/Early Learning Coordination	Eliminate the Early Learning programs	($8,847.0) UGF	The legislature denied the Governor's proposed elimination of Early Learning programs and grants administered by the department. This funding was initially vetoed by the Governor in HB 39, but was subsequently restored in HB 2001 and survived the second round of vetoes. Head Start Grants ($6,853.0) UGF Parents as Teachers ($474.0) UGF Best beginning Grants ($320.0) UGF Early Childhood Grants ($1,200) UGF
11	Education Support and Administrative Services/Pre-Kindergarten Grants	Delete Funding for Pre-Kindergarten Grants	($2,000.0) UGF	The Legislature denied the Governor's proposed elimination of Pre-K grants. This funding was initially vetoed by the Governor, but was subsequently included in HB 2001 and not vetoed.

Governor's Items Denied (continued)

Item #	Approp/Allocation	Description	Gov Request	Comment
12	Alaska State Council on the Arts	Eliminate State Council on the Arts	**Total : ($2,769.6)** ($806.6) Fed ($693.5) UGF ($10.9) DGF ($1,258.6) Other **(5) PFT Positions**	The legislature denied the Governor's proposed elimination of the Alaska Council on the Arts. This funding was initially vetoed by the Governor, but was subsequently included in HB 2001 and not vetoed. Council employees were laid off when funding ended in the beginning of July. With the subsequent restoration of funding the positions were reinstated in August. The positions are not covered by a collective bargaining agreement, and employees do not have formal rehire or recall rights to the positions. The council has to take action to rehire employees since the prior incumbents were terminated, not furloughed.
13	Mt. Edgecumbe Boarding School	Change funding source for Mt. Edgecumbe Boarding School	**Net Zero** ($4,662.6) PSTF (Other) $4,662.6 UGF	The Governor proposed switching the funding source for Mt. Edgecumbe High School from Public School Trust Fund (PSTF) to UGF. The legislature did not to accept the fund source change. See item #5 to see the impacts to available PSTF levels in K-12 funding that were impacted by this decision.
14	Libraries, Archives & Museums/ Live Homework Help and Online with Libraries (OWL)	Delete funding for Online with Libraries (OWL) Program and Live Homework Help	**Total: ($809.1)** ($670.9) UGF ($138.2) Higher Ed (DGF) **(1) PFT Position**	The legislature denied the Governor's proposed elimination of Online with Libraries ($670.9 UGF) and Live Homework Help ($138.2 Higher Ed Fund). This funding was initially vetoed by the Governor, but was subsequently included in HB 2001 and not vetoed.
15	Alaska Commission on Postsecondary Education/ Program Administration & Operations	Replace funding source for Alaska Education Grants and Performance Scholarships with UGF	**Net Zero** ($17,707.8) High Ed (DGF) $17,707.8 UGF	The Governor proposed switching the funding source for education grants ($5,957.8) and performance scholarships ($11,750.0) from High Ed (DGF) to UGF in conjunction with elimination of the Higher Education Investment Fund. The legislature chose not to accept either the fund source change or the elimination of the Higher Education Investment Fund.

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
FY20 - Summary of Significant Budget Issues

Legislative Additions and Deletions

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
16	Alaska State Council on the Arts	Increase Statutory Designated Program Receipt Authorization	$1,100.0 SDPR (Other)	The legislature increased the statutory designated program receipt authorization for the arts council in order for the council to accept additional grant funds from the Margaret A. Cargill Philanthropies and the Rasmuson Foundation. This funding was initially vetoed by the Governor, but was subsequently included in HB 2001 and not vetoed. The Legislative Budget and Audit (LB&A) Committee previously approved an FY19 RPL for $385.0 of SDPR in the December 12, 2018 LB&A Committee meeting.

FY19 Supplemental Appropriations

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
17	Education Support and Administrative Services/ Student and School Achievement	Additional Federal Receipts for U.S. Department of Education Grants	$10,000.0 Fed	The legislature accepted the Governor's proposed increase of federal receipt authority. Each year the department administers grant funds awarded from the federal government to school districts and non-profit organizations. These grants include Title I and School Improvement Grants from the U.S. Department of Education. The amount of these grants varies each year in the multi-year grants cycle. The overall grants amount is trending upwards and the department needed additional authority to accept and expend the anticipated amount available.

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
FY20 - Summary of Significant Budget Issues

FY20 Appropriations included in FY19 Budget

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
18	K-12 Aid to School Districts/ Foundation Program; Pupil Transportation	FY20 Foundation Formula Appropriated in HB 287	$1,172,603.9 UGF	HB 287, passed in SLA 2018, included FY20 appropriations for the statutory formula for the K-12 foundation program and pupil transportation, effective in FY20. Without further action by the legislature, these funds will automatically flow into the Public Education Fund in FY20 in the amount necessary to pay the statutory formulas. The amounts will depend on the student count in that year. Although the Governor has disputed the legality of the appropriation, he agreed to make monthly payments to districts pending the outcome of litigation.
19	K-12 Aid to School Districts/ Additional Foundation Funding	$30 million Additional Formula Funding Appropriated in HB 287	$30,000.0 UGF	HB 287 also included $30 million of additional K-12 funding for FY20, to be distributed according to the foundation formula. This is approximately equivalent to $117 in the base student allocation. The Governor proposed repeal of this funding. The legislature denied that repeal. The Governor has withheld payment of these funds pending resolution of his legal challenge.
20	Fund Capitalization/ Curriculum/Best Practices Fund	Repealed $19.5 million capitalization	($19,500.0) UGF	As part of the fiscal note to SB 104 in SLA 2018, the legislature appropriated $19.5 million to the Curriculum Improvement and Best Practices Fund to be capitalized in FY20. This funding was to be used to provide grants to school districts for a curriculum pilot project. The Governor proposed, and the legislature agreed, to eliminate this funding prior to capitalizing the fund.

Governor's Vetoes

Item #	Approp/Allocation	Description	Gov Request	Comment
21	Mt. Edgecumbe Boarding School	Delete General Fund Program Receipt Authorization for Aquatic Center	($250.0) GF/ Program Receipts (DGF)	The legislature rejected the Governor's proposal to remove $250.0 of GF/Program Receipts intended to give the Mt. Edgecumbe High School the ability to collect fees in order to supplement the operating cost of the aquatic center. The Governor vetoed the funding in both the original operating bill (HB 39) and in the subsequent HB 2001. The administration has placed the aquatic center on its priority list for divestiture.
22	Alaska Commission on Postsecondary Education/ Program Admin & Operations	Delete Position Vacant Greater than One Year	($66.8) Interagency Receipts (Other) **(1) PFT Position**	After a review by DEED, the Governor vetoed this position and the associated funding authority in both the original operating bill HB 39 and in the subsequent HB 2001. The Governor did not delete the associated Alaska Student Loan Corporation receipts in the Alaska Student Loan Corporation appropriation.
23	Libraries, Archives & Museums/ Library Operations	School Broadband Access Grants reappropriation to Mt. Edgecumbe Aquatic Center	**Net Zero**	The legislature attempted to reappropriate FY19 funds ($1,175.3 Higher Education Investment Fund) in the Broadband Access Grant (BAG) program to better match actual spending. The reappropriation would have sent those funds to support Mt. Edgecumbe pool operations and maintenance in FY19-FY21. The Governor vetoed this reappropriation in both the original operating bill HB 39 and in the subsequent HB 2001. Any unspent funds in this program lapsed at the end of FY19.
24	K-12 Aid to School Districts/ Foundation Program; Pupil Transportation	FY21 Foundation Formula Appropriated in HB 39 and HB 2001	Amount unknown, UGF	The legislature included appropriations of the statutory formula for the foundation program and pupil transportation for FY21, effective in FY21. Without further action by the legislature, these funds would have automatically flowed into the Public Education Fund in FY21 in the amount necessary to pay the statutory formulas. The Governor vetoed this appropriation in both the original operating bill HB 39 and in the subsequent HB 2001.

This Page Intentionally Left Blank

Department of Education and Early Development

Summary of Budget Changes
($ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	K-12 Aid to School Districts / Foundation Program	Transition Public School Trust Fund to Language Section to Maximize Investment Returns	($21,537.4) Pub School (Other)	Remove Public School Trust Fund (PSTF) from a direct numbers section appropriation to pay foundation payments and operational costs at Mt. Edgecumbe High School (MEHS) and replace with a language section transfer to the Public Education Fund (PEF). **Fiscal Analyst Comment:** PSTF is currently used to offset the amount of UGF needed in the PEF. This change will have a net zero effect on the amount of PSTF or UGF in the budget, but it will remove unnecessary administrative challenges for multiple departments, and have the potential to increase revenue from the fund and further lower UGF expenditures. While the MEHS funding source change will have the most impact on the Department of Revenue's (DOR) ability to manage the PSTF, movement to the language section will have some impact as well by limiting the number of draws to the fund. DOR has indicated that limiting the PSTF to a single yearly draw provides predictability and is considered best practice under the funds new Percent of Market Value model. (Also see Item 10 for additional information on the MEHS fund source change)
2	K-12 Aid to School Districts / Foundation Program	Foundation Program Expenditures from Public Education Fund	Total: $1,213,278.4 $1,183,504.2 Gen Fund (UGF) $29,774.2 Pub School (Other)	Under AS 14.17.300(b) funds may 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 appropriations. The FY21 Foundation Program estimate includes a base student allocation of $5,930. **Fiscal Analyst Comment:** The estimated necessary amount increased by $19 million or 1.6% from FY20 levels. While overall student count increased by 885 this year, the foundation formula includes a number of other factors such as number of students identified with special education intensive needs (this number increased by 156 students or 5% from FY20). In FY20 the legislature included $30 million in additional foundation funding in the form of grants calculated using the formula. The Governor has withheld this funding pending resolution of a legal dispute associated with forward funding. Without additional grant funding included in FY21, districts will see the equivalent of a $116 reduction to the Base Student Allocation amount.
3	K-12 Aid to School Districts / Pupil Transportation	Pupil Transportation Expenditures from Public Education Fund	$76,997.7 Gen Fund (UGF)	Under AS 14.17.300(b) funds may 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 average daily memberships, excluding Mt. Edgecumbe High School.

Department of Education and Early Development

Summary of Budget Changes
($ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
3	K-12 Aid to School Districts / Pupil Transportation	Pupil Transportation Expenditures from Public Education Fund	$76,997.7 Gen Fund (UGF)	(continued) **Fiscal Analyst Comment:** Pupil Transportation cost estimates decreased by $216.9 or 0.3% from FY20 levels. While over all student counts went up in FY21, the number of students attending "brick and mortar schools" decreased to 114,332. This was a decrease of 279 students since FY20. Correspondence students are not counted when calculating students numbers for Pupil Transportation grants.
4	K-12 Support / Residential Schools Program	Add Residential Programs for North Slope Borough School District and Lower Yukon School District	$900.2 Gen Fund (UGF)	Add authority for two new residential programs in the North Slope Borough School District with 20 beds, and the Lower Yukon School District with 50 beds. Alaska Statute 14.16.100 allows districts to apply to the department for authorization to establish and operate residential schools. When approved they are eligible for reimbursement of a per-pupil monthly stipend and one round-trip ticket per student, by the least expensive means. **Fiscal Analyst Comment:** The North Slope Borough School District first submitted its application in May of 2016, but associated funding was subject to appropriation. Lower Yukon submitted its application in May 2019.
5	Education Support and Administrative Services / Executive Administration	Add Authority for State Board of Education In-Person Meetings and Related Support	$137.0 Gen Fund (UGF) **1 PFT Position**	Add authority for the State Board of Education to move from quarterly meetings to a formal monthly meeting schedule and related additional administrative support position to arrange public notices, minutes, travel, and other support functions.
6	Education Support and Administrative Services / Student and School Achievement	Comprehensive Literacy State Development Federal Grant (FY21-FY25)	$3,945.9 Fed Rcpts (Fed) **1 PFT Position IncT**	Add authority to accommodate a new U.S. Department of Education grant for the Alaska Comprehensive Literacy State Development Program and a full-time Education Specialist to oversee and manage the program. The grant period is from October 1, 2019 through September 20, 2024. **Fiscal Analyst Comment:** The Legislative Budget and Audit Committee approved RPL 05-2020-0045 in October of 2019 for $6,500.0 in Federal Receipt authority for the same purpose in FY20.
7	Education Support and Administrative Services / Student and School Achievement	Reduce Excess Federal Authority and Reflect Federal Grant Authority in a Language Section Appropriation	($14,700.0) Fed Rcpts (Fed)	Transition U.S. Department of Education multi-year federal grant authority to a language appropriation to better reflect an accurate projection of federal expenditures while also following proper accounting practices. **Fiscal Analyst Comment:** The current budgeting of overlapping 27-month federal grant cycles

Department of Education and Early Development

Summary of Budget Changes
($ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
7	Education Support and Administrative Services / Student and School Achievement	Reduce Excess Federal Authority and Reflect Federal Grant Authority in a Language Section Appropriation	($14,700.0) Fed Rcpts (Fed)	(continued) artificially inflates the department's yearly budget. The department is forced to carry millions of dollars in excess authority that it regularly lapses. The new language section in the bill allows the department to carry forward and expend any prior year federal grant revenue received. By placing the necessary federal authority in the language section the department can more clearly reflect its actual yearly budget needs.
8	Education Support and Administrative Services / Early Learning Coordination	Transfer the Parents as Teachers Program to the Department of Health and Social Services for Better Alignment	($474.7) Gen Fund (UGF)	Transfer the Parents as Teachers Program (PATP) to the Department of Health and Social Services (H&SS), Women, Children and Family Health allocation for better program alignment. **Fiscal Analyst Comment:** The department is currently sending PATP funding to H&SS through a Reimbursable Services Agreement for the administration of grants to eligible recipients. This move aligns the funding with the department that is actually administering the grants and removes an unnecessary administrative step.
9	Education Support and Administrative Services / Pre-Kindergarten Grants	Reverse Additional Support for Pre-Kindergarten Grant Program Sec21b Ch19 SLA2018 P30 L30 (SB142) (FY19-FY20)	($5,045.7) Gen Fund (UGF)	Reverse the carry forward of the unexpended balance of the multi-year appropriation made in FY19 for additional support for pre-kindergarten grants. **Fiscal Analyst Comment:** The two-year $6 million in additional Pre-K grants is ending, resulting in a 71% drop in Pre-K grant funding from FY20 levels. There will be $2 million in Pre-K Grants in the FY21 base budget.
10	Mt. Edgecumbe Boarding School / Mt. Edgecumbe Boarding School	Replace Funding Source to Maximize Investment Earnings	**Net Zero Change** $4,639.1 Gen Fund (UGF) ($4,639.1) Pub School (Other)	Replace Public School Trust Fund (PSTF) authority with UGF to maximize the earning potential of the PSTF. **Fiscal Analyst Comment:** The use of the PSTF for the purpose of funding Mt. Edgecumbe Boarding School began in FY18. The FY18 budget included intent language that it only be a one-time change. Any PSTF not currently used in Mt. Edgecumbe is used to offset the amount of UGF needed in the Public Education Fund. This fund change will have a net zero effect on the amount of PSTF or UGF in the overall state budget. However, it will remove unnecessary administrative challenges for multiple departments, and have the potential to increase revenue from the fund, further lowering UGF expenditures. (Also see Item 1 for additional information on the movement of the PSTF into the language section)

($ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
11	Mt. Edgecumbe Boarding School / Mt. Edgecumbe Boarding School Facilities Maintenance	Add Authority to Maintain Mt. Edgecumbe High School Aquatic Center Operations and Maintenance	$650.0 GF/Prgm (DGF)	The Mount Edgecumbe High School (MEHS) Aquatic Center provides swimming classes to MEHS students, open swims to the public, and other services to entities that have agreements with the pool. The pool was shut down in 2019 due to lack of sufficient funding for operating and maintenance costs. The Governor previously vetoed all of the authority necessary to receive fees for use of the pool in FY20 and stated the administration's intent to divest of the building. The pool had been operating using one-time funding which expired in FY20. **Fiscal Analyst Comment:** While there is no harm in adding additional receipt authority, it is unlikely that usage agreements and door receipts alone can generate enough revenue to make the aquatic center self-sufficient. For comparison, the two Juneau city pools are able to cover about 25% of their operational costs using various self generated receipts while serving a population about three times larger. They also bring in around $750.0 combined.
12	Alaska State Libraries, Archives and Museums / Museum Operations	Carryforward wordage added for Program Receipts from Museum Gate Receipts	**Net Zero Change**	New wordage was included in the Governor's request to allow for carry forward of receipts specific to museum entry. The wordage is as follows: The amount allocated for Museum Operations includes the unexpended and unobligated balance on June 30, 2020, of program receipts from museum gate receipts. **Fiscal Analyst Comment:** The department anticipates the carryforward amount to be around $100.0 in FY21.
13	Alaska State Libraries, Archives and Museums / Online with Libraries (OWL)	Eliminate Online with Libraries Video Conference System	($232.9) Gen Fund (UGF)	Eliminate the Online with Libraries (OWL) video conference system due to the high cost of replacing the system hardware and minimal usage of the system. The OWL program has two components: (1) grants to assist libraries with paying for internet services; and (2) a video conferencing system installed in public libraries throughout the State. **Fiscal Analyst Comment:** Usage of the OWL video conference network has been continually declining. During FY19, usage declined to 271 video conference sessions, resulting in a video conference operating cost of approximately $860 per conference. Libraries with sufficient bandwidth are able to use considerably less expensive web-based video conferencing in lieu of OWL video conferencing equipment.

Department of Education and Early Development

Summary of Budget Changes
($ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
14	Alaska Commission on Postsecondary Education / Program Administration & Operations	Outsource Federal Family Education Loan Program Servicing	($586.3) I/A Rcpts (Other) **(6) PFT Positions**	Reduce authority and positions associated with outsourcing the Alaska Student Loan Corporation's Federal Family Education Loan Program loans to a new servicer - the Pennsylvania Higher Education Assistance Agency. **Fiscal Analyst Comment:** This reflects a reduction of Alaska Commission on Postsecondary Education's authority to spend Alaska Student Loan Corporation (ASLC) reciepts. There is a corresponding reduction of ($586.3) in ASLC reciepts reflected in the Alaska Student Loan Corporation appropriation.

This Page Intentionally Left Blank

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

7. Education Support and Administrative Services/ Early Learning Coordination

Operating Budget (CCS SSHB 39)

It is the intent of the legislature that the Department of Education and Early Development shall work with Head Start providers to create an equitable and geographically weighted formula for disbursement of state funded grants to allow for the most students served with a comprehensive early childhood education by January 21, 2020. The Department will keep the Legislature informed of allocation decisions and funding formula results.

Due to the timing of the final budget, the Department of Education and Early Development (DEED) expedited the distribution of FY 2020 awards by using the same funding levels as FY 2019 for Head Start providers serving children ages 3-5. At the time of distribution, DEED shared initial steps to collaborate with grantees on determining an equitable and geographically weighted formula by January 21, 2020, per legislative intent. DEED is working through the fall with Head Start partners to create a formula that provides equity and further clarity.

In October, DEED was notified of a manifest error in HB 39 that resulted in the inadvertent omission of "Early Head Start" providers from the above referenced intent language. In light of this, DEED also reached out to Early Head Start providers for their input on a proposed formula for distribution of funds going forward.

On October 16th, DEED met with 16 Head Start Directors and staff to gather input for an equitable funding formula. After collecting input thru structured processing activities and open conversation, three themes surfaced: Geographic consideration, funding of Early Head Start and Head Start, and distribution should be equitable by using percent of fund and/or base funding.

On December 19, twenty Early Head Start and Head Start directors and staff met with DEED staff, at which point DEED offered two possible options for equitable funding and invited the directors to offer input or propose an entirely different option. After much conversation and exploring the possible options, the group agreed that either option presented by DEED would be an equitable distribution of Head Start funding. DEED has chosen to move forward with a percentage distribution based on a centers federal funding application. The federal funding application process takes into consideration geographic location and types of program the agency runs as well as many other factors as identified the centers application.

8. Sec. 7. LEGISLATIVE INTENT.

Operating Budget (CCS SSHB 39)

(c) It is the intent of the legislature that the Department of Education and Early Development immediately distribute the full amount of the appropriation made in sec. 21(c), ch. 19, SLA 2018, to school districts as appropriated by the legislature.

Payment of the $20 million in grants to school districts appropriated by sec. 21(c), ch. 19, SLA 2018 was initiated on June 10, 2019, which is the date that this intent was passed by the Legislature.

9. SB10 EXTEND SUICIDE PREVENTION COUNCIL

Department of Education and Early Development

Capital Budget (HCS CSSSSB 19(FIN) am H(brf sup maj fld H))

It is the intent of the legislature that grant funding be divided 50% to rural school districts and 50% to urban school districts. Further, it is the intent of the legislature that the Suicide Prevention Council and the Department of Education and Early Development work together to develop a long-term sustainability plan for suicide prevention training. The plan should include implementation of a "Train the Trainer" model so districts can provide ongoing training. The plan should be submitted to the Presiding Officers of the legislature and the Legislative Finance Division by December 1, 2019.

See Department of Health and Social Services response on page 15 to this intent language.

State of Alaska
FY2021 Governor's Operating Budget

Department of Education and Early Development

Department of Education and Early Development

Mission

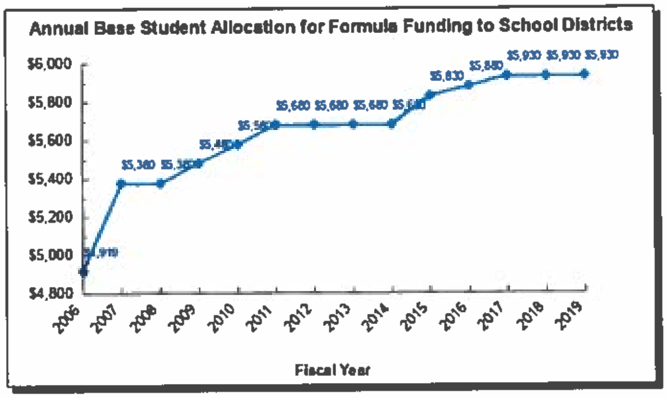
To ensure quality standards-based instruction to improve academic achievement for all students. Alaska Constitution Article 7, Sec. 1; AS 14.17

	Core Services (in priority order)	UGF	DGF	Other	Fed	Total	PFT	PPT	NP	% GF
1	Public School Funding	1,261,912.6	0.0	22,025.6	20,791.0	1,304,729.2	0.0	0.0	0.0	95.2%
2	Fiscal Accountability, Compliance and Oversight	10,588.8	934.4	2,297.5	232,857.4	246,678.1	89.0	0.0	0.0	0.9%
3	School Effectiveness Programs	17,843.3	17,665.7	0.0	122.6	35,631.7	9.0	0.0	0.0	2.7%
4	Active Partnerships	10,083.2	6,288.9	39,909.9	2,455.5	58,737.4	175.0	14.0	2.0	1.2%
	FY2020 Management Plan	1,300,427.9	24,889.0	64,233.0	256,226.5	1,645,776.4	273.0	14.0	2.0	

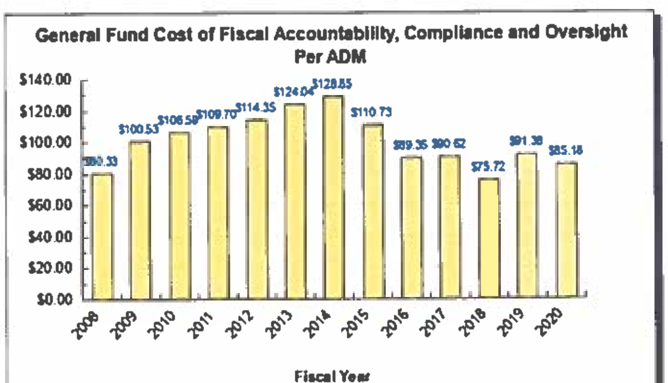
Measures by Core Service

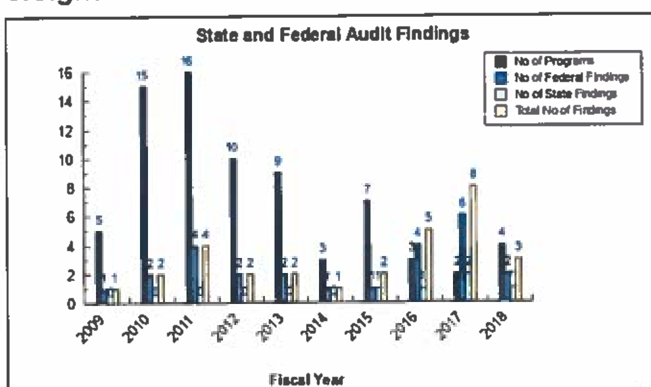
(Additional performance information is available on the web at https://omb.alaska.gov/results.)

1. Distribute public school funding to school districts and other educational institutions.

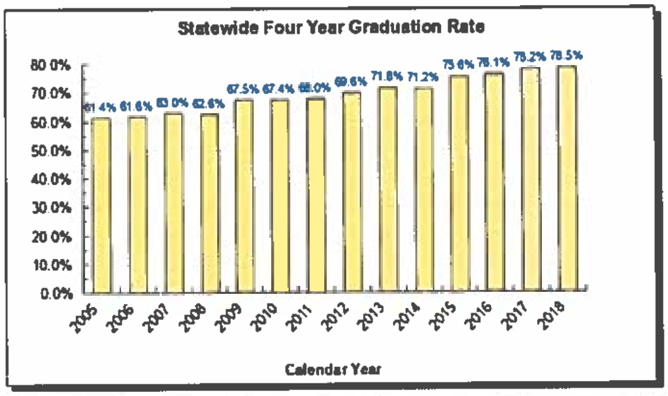


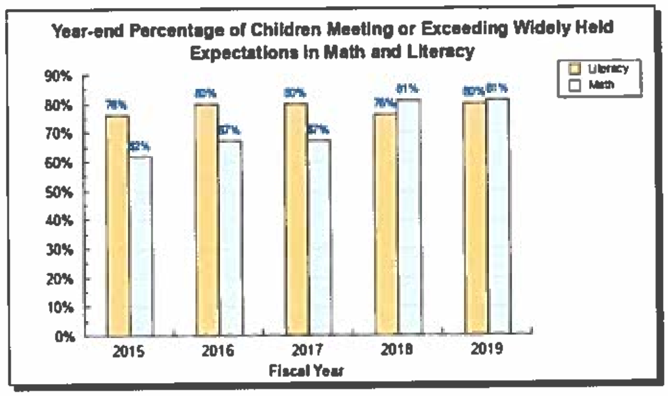
2. Provide fiscal accountability, compliance and oversight.



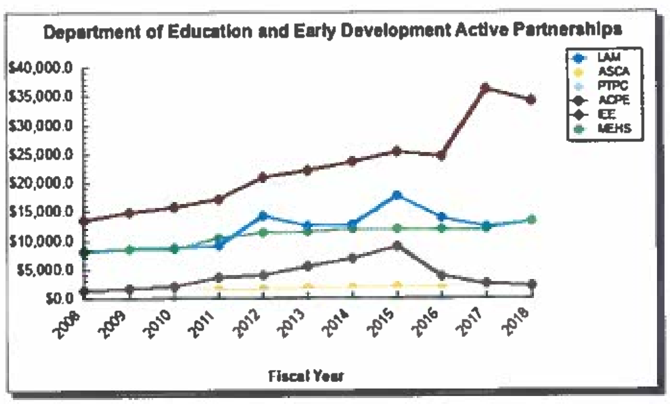


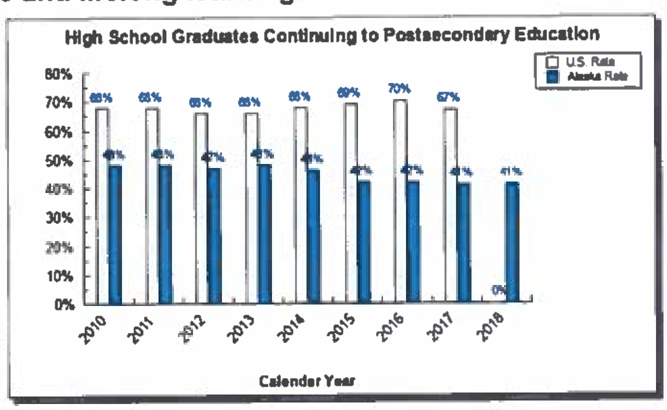
3. Develop, implement and maintain school effectiveness programs.





4. Maintain active partnerships for pre-k through 20 and lifelong learning.





Major Department Accomplishments in 2019

- The Department continued to implement the Alaska's Education Challenge initiative, working with partner organizations to develop a strategic plan around three components to focus the state's work on specific goals that are most likely to improve student outcomes. The three components are:
    1. A call to action: Shared Commitments
        - Increase Student Success
        - Support Responsible and Reflective Learners
        - Cultivate Safety and Well-Being
    2. A focus of efforts: Measurable Goals
        - Support all students to read at grade level by the end of 3rd grade;

- Increase career, technical, and culturally relevant education to meet student and workforce needs
- Close the achievement gap by ensuring equitable educational rigor and resources
- Prepare, attract, and retain effective education professionals
- Improve the safety and well-being of students through school partnerships with families, communities, and tribes

3. A prioritization of change: Targeted Strategies
    - 13 committee recommendations
    - Additional strategies in Alaska's Every Student Succeeds Act (ESSA) plan

- On September 30, 2019, DEED released a new online data portal for Alaska's families entitled The Compass: A Guide to Alaska's Public Schools. The purpose of the online portal is to provide Alaska's families with important information about their child's school so they can make the best decisions for their child's educational experience.
- Adopted Science Standards for Alaska, Computer Science Standards, and Digital Literacy Standards;
- Submitted and began implementation of the Strengthening Career and Technical Education in the 21st Century Act Transition Plan (Carl D. Perkins) to the Office of Career, Technical and Adult Education (OCTAE).
- Held the second statewide School Safety and Well-Being summit which brought together school safety leadership from 37 districts as well as key educational stakeholders from other agencies to acquire new best practices and to share effective existing school safety practices with an emphasis on restorative disciplinary practices, positive school climate, school crisis preparedness, and trauma informed schools.
- Continued implementation of a new system of school and district designations based upon the state's plan for Every Student Succeeds Act (ESSA) with the following emphasis – Comprehensive Support and Improvement (Lowest 5%), Comprehensive Support and Improvement (Graduation Rate<67%), and Targeted Support and Improvement (Subgroups) schools. This also included a formal review of 37 small schools with limited data and unable to be considered in the larger designation system.
- The department continued to support a collection of new statutes requiring training for district personnel after the Alaska Safe Children's Act Taskforce identified the department's eLearning program as the best mechanism to deliver educator training on suicide prevention, drug and alcohol prevention/disabilities, dating violence, sexual assault, and sexual abuse training. State and national experts gathered to update content to meet these new requirements. The trainings were updated and delivered to thousands of educators statewide at no cost to districts.
- Completed and released *"Transforming Schools: A Framework for Trauma Engaged Practice in Alaska."* This innovative framework focuses on transforming schools by supporting the whole student and integrating trauma-engaged practices.
- DEED was awarded a Trauma Recovery Demonstration Grant for $5 million to deliver trauma-specific services to low income, academically struggling students who have experienced trauma.
- DEED was awarded a Comprehensive Literacy State Development Grant for $6 million to advance literacy skills, pre-literacy skills, reading, and writing for children from birth through grade 12.

Key Department Challenges

Ongoing Focus on Alaska's Education Challenge

DEED has continued working with partner organizations on Alaska's Education Challenge to develop a strategic plan around three components and focus the state's work on specific goals that are most likely to improve student outcomes. The three components are:

1. A call to action: Shared Commitments
    - Increase Student Success
    - Support Responsible and Reflective Learners
    - Cultivate Safety and Well-Being
2. A focus of efforts: Measurable Goals
    - Support all students to read at grade level by the end of 3rd grade
    - Increase career, technical, and culturally relevant education to meet student and workforce needs
    - Close the achievement gap by ensuring equitable educational rigor and resources;

- Prepare, attract, and retain effective education professionals
- Improve the safety and well-being of students through school partnerships with families, communities, and tribes

3. A prioritization of change: Targeted Strategies
   - 13 committee recommendations
   - Additional strategies in Alaska's Every Student Succeeds Act (ESSA) plan

Continued Implementation of the Every Student Succeeds Act (ESSA) State Plan and School Accountability System

The Every Student Succeeds Act (ESSA) was passed by Congress and signed by the President in December 2015. ESSA reauthorizes the Elementary and Secondary Education Act of 1965 (ESEA) and replaces No Child Left Behind (NCLB) and Alaska's NCLB Flexibility Waiver. Under ESSA, each state education agency is required to submit a plan detailing the implementation of the law to ensure equity in education across public schools in their state.

Alaska's plan to implement ESSA was approved by the U.S. Department of Education on May 16, 2018. Alaska's State Board of Education subsequently approved regulations proposed by DEED implementing Alaska's ESSA plan on May 31, 2018. The development of Alaska's plan included significant outreach by DEED to collect feedback, including over a year and a half of input from more than 4,000 stakeholders through online surveys, discussion groups and webinars, community conversations, and an ESSA advisory committee.

DEED will continue seeking input and recommendations from all Alaskans as requirements under ESSA are implemented. Most recently DEED has assisted districts in development of per pupil spending reporting requirements.

Significant Changes in Results to be Delivered in FY2021

- Alignment of DEED work to the Alaska's Education Challenge five measurable goals;
- Providing support for all students to read at grade level by the end of 3rd grade;
- Implement the Trauma Recovery Demonstration and Comprehensive Literacy State Development grants;
- Providing support to increase career, technical, and culturally relevant education to meet student and workforce needs;
- Providing support for tribal compacting;
- Providing support to close the achievement gap by ensuring equitable educational rigor and resources;
- Providing support to prepare, attract, and retain effective education professionals;
- Providing support to improve the safety and well-being of students through school partnerships with families, communities, and tribes;
- Continued implementation of Alaska's ESSA plan, including outreach to stakeholders regarding new accountability reporting requirements; and
- Continued support to districts and school board members as they prepare to report per-pupil spending by school starting in the 2018-19 school year as part of ESSA.

Contact Information

Commissioner: Dr. Michael Johnson
Phone: (907) 465-2800
E-mail: deed.commissioner@alaska.gov

Administrative Services Director: Neil Steininger
Phone: (907) 465-8721
E-mail: neil.steininger@alaska.gov

Summary of Department Budget Changes by RDU

From FY2020 Management Plan to FY2021 Governor

All dollars shown in thousands

	Unrestricted Gen (UGF)	Designated Gen (DGF)	Other Funds	Federal Funds	Total Funds
FY2020 Management Plan	**1,300,427.9**	**24,889.0**	**64,233.0**	**256,226.5**	**1,645,776.4**
Adjustments which get you to start of year:					
-K-12 Aid to School Districts	1,260,501.9	0.0	29,774.2	0.0	1,290,276.1
One-time items:					
-K-12 Aid to School Districts	-1,249,818.5	0.0	-488.2	0.0	-1,250,306.7
-Education Support and Adm Svcs	-5,301.5	0.0	-50.0	0.0	-5,351.5
-Mt. Edgecumbe Boarding School	0.0	-28.2	0.0	0.0	-28.2
Adjustments which continue current level of service:					
-Education Support and Adm Svcs	-445.7	4.9	63.7	3,984.1	3,607.0
-Commissions and Boards	0.0	0.1	0.0	0.0	0.1
-Mt. Edgecumbe Boarding School	4,639.1	0.0	-4,549.8	0.6	89.9
-AK LAM	36.2	3.0	0.7	0.9	40.8
Proposed budget increases:					
-K-12 Aid to School Districts	0.0	0.0	488.2	0.0	488.2
-K-12 Support	900.2	0.0	0.0	0.0	900.2
-Education Support and Adm Svcs	137.0	0.0	0.0	0.0	137.0
-Mt. Edgecumbe Boarding School	0.0	650.0	0.0	0.0	650.0
-AK LAM	0.0	100.0	20.0	0.0	120.0
-Alaska Postsecondary Education	0.0	50.8	0.0	0.0	50.8
Proposed budget decreases:					
-K-12 Aid to School Districts	0.0	0.0	-21,537.4	0.0	-21,537.4
-K-12 Support	-3.0	0.0	0.0	0.0	-3.0
-Education Support and Adm Svcs	0.0	0.0	0.0	-14,700.0	-14,700.0
-Alaska Council on the Arts	-7.3	0.0	0.0	0.0	-7.3
-AK LAM	-232.9	0.0	0.0	0.0	-232.9
-Alaska Postsecondary Education	0.0	0.0	-586.3	0.0	-586.3
-Alaska Student Loan Corporation	0.0	0.0	-680.7	0.0	-680.7
FY2021 Governor	**1,310,833.4**	**25,669.6**	**66,687.4**	**245,512.1**	**1,648,702.5**

Department Totals
Department of Education and Early Development

Description	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 Governor	
Department Totals	1,613,872.4	1,671,122.4	1,645,776.4	1,645,776.4	1,648,702.5	2,926.1	0.2%
Objects of Expenditure:							
71000 Personal Services	30,374.0	32,785.7	32,730.1	32,344.3	32,229.7	-114.6	-0.4%
72000 Travel	1,528.9	1,418.1	1,112.5	1,933.5	1,980.4	46.9	
73000 Services	42,714.6	49,008.0	48,775.0	48,768.2	48,597.7	-170.5	-0.3%
74000 Commodities	1,406.6	1,762.8	1,762.8	1,369.9	1,369.9	0.0	0.0%
75000 Capital Outlay	36.5	109.5	109.5	74.0	74.0	0.0	0.0%
77000 Grants, Benefits	1,537,811.8	1,585,583.3	1,561,286.5	1,561,286.5	1,564,450.8	3,164.3	0.2%
78000 Miscellaneous	0.0	455.0	0.0	0.0	0.0	0.0	0.0%
Funding Source:							
1002 Fed Rcpts (Fed)	206,773.8	235,079.3	234,946.2	234,946.2	224,230.7	-10,715.5	-4.6%
1003 G/F Match (UGF)	1,026.1	1,042.4	1,042.4	1,042.4	1,037.1	-5.3	-0.5%
1004 Gen Fund (UGF)	1,298,311.4	1,323,806.8	1,299,007.7	1,299,007.7	1,309,418.5	10,410.8	0.8%
1005 GF/Prgm (DGF)	1,645.9	2,157.5	1,887.3	1,887.3	2,645.3	758.0	40.2%
1007 I/A Rcpts (Other)	21,820.6	23,100.6	22,962.1	22,962.1	22,491.3	-470.8	-2.1%
1014 Donat Comm (Fed)	387.1	490.9	489.3	489.3	490.4	1.1	0.2%
1037 GF/MH (UGF)	377.5	377.8	377.8	377.8	377.8	0.0	0.0%
1043 Impact Aid (Fed)	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	0.0	0.0%
1066 Pub School (Other)	28,347.1	26,200.0	26,168.3	26,168.3	29,774.2	3,605.9	13.8%
1087 Muni Match (DGF)	371.8	0.0	28.2	28.2	0.0	-28.2	-100.0%
1092 MHTAAR (Other)	50.0	50.0	50.0	50.0	50.0	0.0	0.0%
1106 ASLC Rcpts (Other)	11,564.0	11,742.8	11,742.8	11,742.8	11,062.1	-680.7	-5.8%
1108 Stat Desig (Other)	1,258.7	3,279.8	3,279.8	3,279.8	3,279.8	0.0	0.0%
1145 AIPP Fund (Other)	6.5	30.0	30.0	30.0	30.0	0.0	0.0%
1151 VoTech Ed (DGF)	437.9	499.5	499.5	499.5	499.5	0.0	0.0%
1226 High Ed (DGF)	20,703.0	22,474.0	22,474.0	22,474.0	22,524.8	50.8	0.2%
Totals:							
Unrestricted Gen (UGF)	1,299,715.0	1,325,227.0	1,300,427.9	1,300,427.9	1,310,833.4	10,405.5	0.8%
Designated Gen (DGF)	23,158.6	25,131.0	24,889.0	24,889.0	25,669.6	780.6	3.1%
Other Funds	63,046.9	64,403.2	64,233.0	64,233.0	66,687.4	2,454.4	3.8%
Federal Funds	227,951.9	256,361.2	256,226.5	256,226.5	245,512.1	-10,714.4	-4.2%
Positions:							
Permanent Full Time	273	272	271	273	269	-4	-1.5%
Permanent Part Time	14	14	14	14	14	0	0.0%
Non Permanent	2	2	2	2	2	0	0.0%

Component Summary Unrestricted General Funds Only

Department of Education and Early Development

Results Delivery Unit/ Component	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 Governor	
K-12 Aid to School Districts							
Foundation Program	1,158,099.9	1,172,603.9	1,172,603.9	1,172,603.9	1,183,504.2	10,900.3	0.9%
Pupil Transportation	77,344.7	77,214.6	77,214.6	77,214.6	76,997.7	-216.9	-0.3%
Additional Foundation Funding	20,000.0	30,000.0	0.0	0.0	0.0	0.0	0.0%
RDU Totals:	**1,255,444.6**	**1,279,818.5**	**1,249,818.5**	**1,249,818.5**	**1,260,501.9**	**10,683.4**	**0.9%**
K-12 Support							
Residential Schools Program	6,942.2	7,453.2	7,453.2	7,453.2	8,353.4	900.2	12.1%
Youth in Detention	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	0.0	0.0%
Special Schools	3,252.0	3,540.9	3,540.9	3,540.9	3,537.9	-3.0	-0.1%
RDU Totals:	**11,294.2**	**12,094.1**	**12,094.1**	**12,094.1**	**12,991.3**	**897.2**	**7.4%**
Education Support and Administrative Services							
Executive Administration	731.6	838.5	830.2	830.2	968.5	138.3	16.7%
Administrative Services	907.1	966.4	966.4	966.4	970.2	3.8	0.4%
Information Services	134.2	381.4	381.4	381.4	383.0	1.6	0.4%
School Finance & Facilities	1,425.0	1,359.8	1,355.6	1,558.8	1,555.6	-3.2	-0.2%
Child Nutrition	89.6	90.0	89.3	89.3	89.3	0.0	0.0%
Student and School Achievement	5,450.8	6,068.4	6,255.3	5,694.5	5,457.1	-237.4	-4.2%
State System of Support	1,904.4	1,814.7	1,807.2	2,164.8	2,170.6	5.8	0.3%
Early Learning Coordination	9,483.9	9,490.3	9,486.6	9,486.6	9,013.2	-473.4	-5.0%
Pre-Kindergarten Grants	2,736.5	2,000.0	7,045.7	7,045.7	2,000.0	-5,045.7	-71.6%
RDU Totals:	**22,863.1**	**23,009.5**	**28,217.7**	**28,217.7**	**22,607.5**	**-5,610.2**	**-19.9%**
Alaska State Council on the Arts							
Alaska Council on the Arts	687.2	693.5	693.5	693.5	686.2	-7.3	-1.1%
RDU Totals:	**687.2**	**693.5**	**693.5**	**693.5**	**686.2**	**-7.3**	**-1.1%**
Mt. Edgecumbe Boarding School							
Mt. Edgecumbe Boarding School	2.3	3.2	3.2	3.2	4,642.3	4,639.1	144971.9%
RDU Totals:	**2.3**	**3.2**	**3.2**	**3.2**	**4,642.3**	**4,639.1**	**144971.9%**
State Facilities Rent							
EED State Facilities Rent	1,064.8	1,068.2	1,068.2	1,068.2	1,068.2	0.0	0.0%
RDU Totals:	**1,064.8**	**1,068.2**	**1,068.2**	**1,068.2**	**1,068.2**	**0.0**	**0.0%**
Alaska State Libraries, Archives and Museums							
Library Operations	4,229.4	4,314.4	4,307.5	4,307.5	4,328.7	21.2	0.5%
Archives	1,073.3	1,113.8	1,113.8	1,113.8	1,101.2	-12.6	-1.1%
Museum Operations	1,132.1	1,195.8	1,195.4	1,195.4	1,203.0	7.6	0.6%
OWL	669.1	670.9	670.9	670.9	438.0	-232.9	-34.7%
APK Facilities Maintenance	1,254.9	1,245.1	1,245.1	1,245.1	1,265.1	20.0	1.6%
RDU Totals:	**8,358.8**	**8,540.0**	**8,532.7**	**8,532.7**	**8,336.0**	**-196.7**	**-2.3%**
Unrestricted Gen (UGF):	1,299,715.0	1,325,227.0	1,300,427.9	1,300,427.9	1,310,833.4	10,405.5	0.8%
Designated Gen (DGF):	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds:	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds:	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Funds:	**1,299,715.0**	**1,325,227.0**	**1,300,427.9**	**1,300,427.9**	**1,310,833.4**	**10,405.5**	**0.8%**

Component Summary All Funds
Department of Education and Early Development

Results Delivery Unit/ Component	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 Governor	
K-12 Aid to School Districts							
Foundation Program	1,202,579.6	1,214,932.3	1,214,932.3	1,214,932.3	1,234,069.4	19,137.1	1.6%
Pupil Transportation	77,344.7	77,214.6	77,214.6	77,214.6	76,997.7	-216.9	-0.3%
Additional Foundation Funding	20,000.0	30,488.2	488.2	488.2	488.2	0.0	0.0%
RDU Totals:	**1,299,924.3**	**1,322,635.1**	**1,292,635.1**	**1,292,635.1**	**1,311,555.3**	**18,920.2**	**1.5%**
K-12 Support							
Residential Schools Program	6,942.2	7,453.2	7,453.2	7,453.2	8,353.4	900.2	12.1%
Youth in Detention	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	0.0	0.0%
Special Schools	3,252.0	3,540.9	3,540.9	3,540.9	3,537.9	-3.0	-0.1%
RDU Totals:	**11,294.2**	**12,094.1**	**12,094.1**	**12,094.1**	**12,991.3**	**897.2**	**7.4%**
Education Support and Administrative Services							
Executive Administration	731.6	860.9	852.6	852.6	990.9	138.3	16.2%
Administrative Services	1,727.1	1,820.3	1,820.3	1,820.3	1,829.5	9.2	0.5%
Information Services	676.7	1,025.4	1,024.7	1,024.7	1,028.3	3.6	0.4%
School Finance & Facilities	2,334.3	2,291.7	2,278.5	2,481.7	2,483.9	2.2	0.1%
Child Nutrition	68,082.4	77,120.7	77,081.5	77,081.5	77,090.5	9.0	0.0%
Student and School Achievement	143,764.1	163,617.8	163,721.5	163,160.7	152,198.2	-10,962.5	-6.7%
State System of Support	1,904.4	1,814.7	1,807.2	2,164.8	2,170.6	5.8	0.3%
Teacher Certification	894.3	943.3	934.4	934.4	939.3	4.9	0.5%
Early Learning Coordination	9,646.7	9,622.9	9,609.2	9,609.2	9,136.9	-472.3	-4.9%
Pre-Kindergarten Grants	2,736.5	2,000.0	7,045.7	7,045.7	2,000.0	-5,045.7	-71.6%
RDU Totals:	**232,498.1**	**261,117.7**	**266,175.6**	**266,175.6**	**249,868.1**	**-16,307.5**	**-6.1%**
Alaska State Council on the Arts							
Alaska Council on the Arts	2,565.4	3,869.6	3,869.6	3,869.6	3,862.3	-7.3	-0.2%
RDU Totals:	**2,565.4**	**3,869.6**	**3,869.6**	**3,869.6**	**3,862.3**	**-7.3**	**-0.2%**
Commissions and Boards							
Professional Teaching Practice	189.0	259.5	253.4	253.4	253.5	0.1	0.0%
RDU Totals:	**189.0**	**259.5**	**253.4**	**253.4**	**253.5**	**0.1**	**0.0%**
Mt. Edgecumbe Boarding School							
Mt. Edgecumbe Boarding School	11,708.7	11,522.9	11,486.7	11,486.7	11,548.4	61.7	0.5%
MEHS Facilities Maintenance	1,190.4	1,444.5	1,194.5	1,194.5	1,844.5	650.0	54.4%
RDU Totals:	**12,899.1**	**12,967.4**	**12,681.2**	**12,681.2**	**13,392.9**	**711.7**	**5.6%**
State Facilities Rent							
EED State Facilities Rent	1,064.8	1,068.2	1,068.2	1,068.2	1,068.2	0.0	0.0%
RDU Totals:	**1,064.8**	**1,068.2**	**1,068.2**	**1,068.2**	**1,068.2**	**0.0**	**0.0%**
Alaska State Libraries, Archives and Museums							
Library Operations	6,857.6	7,426.8	7,413.1	7,413.1	7,435.2	22.1	0.3%
Archives	1,192.1	1,316.7	1,316.2	1,316.2	1,324.3	8.1	0.6%
Museum Operations	1,569.5	1,778.3	1,775.3	1,775.3	1,785.9	10.6	0.6%
OWL	669.1	670.9	670.9	670.9	438.0	-232.9	-34.7%
Live Homework Help	138.2	138.2	138.2	138.2	138.2	0.0	0.0%
APK Facilities Maintenance	1,254.9	1,245.1	1,245.1	1,245.1	1,365.1	120.0	9.6%
RDU Totals:	**11,681.4**	**12,576.0**	**12,558.8**	**12,558.8**	**12,486.7**	**-72.1**	**-0.6%**
Alaska Postsecondary Education							

Component Summary All Funds
Department of Education and Early Development

Results Delivery Unit/ Component	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 Governor	
Commission							
Program Admin & Operations	16,941.1	17,868.3	17,773.9	17,773.9	17,187.6	-586.3	-3.3%
WWAMI Medical Education	3,094.3	3,173.7	3,173.7	3,173.7	3,224.5	50.8	1.6%
RDU Totals:	**20,035.4**	**21,042.0**	**20,947.6**	**20,947.6**	**20,412.1**	**-535.5**	**-2.6%**
Alaska Performance Scholarship Awards							
AK Perf Scholarship Awd	10,156.7	11,750.0	11,750.0	11,750.0	11,750.0	0.0	0.0%
RDU Totals:	**10,156.7**	**11,750.0**	**11,750.0**	**11,750.0**	**11,750.0**	**0.0**	**0.0%**
Alaska Student Loan Corporation							
Loan Servicing	11,564.0	11,742.8	11,742.8	11,742.8	11,062.1	-680.7	-5.8%
RDU Totals:	**11,564.0**	**11,742.8**	**11,742.8**	**11,742.8**	**11,062.1**	**-680.7**	**-5.8%**
Unrestricted Gen (UGF):	1,299,715.0	1,325,227.0	1,300,427.9	1,300,427.9	1,310,833.4	10,405.5	0.8%
Designated Gen (DGF):	23,158.6	25,131.0	24,889.0	24,889.0	25,669.6	780.6	3.1%
Other Funds:	63,046.9	64,403.2	64,233.0	64,233.0	66,687.4	2,454.4	3.8%
Federal Funds:	227,951.9	256,361.2	256,226.5	256,226.5	245,512.1	-10,714.4	-4.2%
Total Funds:	**1,613,872.4**	**1,671,122.4**	**1,645,776.4**	**1,645,776.4**	**1,648,702.5**	**2,926.1**	**0.2%**
Permanent Full Time:	273	272	271	273	269	-4	-1.5%
Permanent Part Time:	14	14	14	14	14	0	0.0%
Non Permanent:	2	2	2	2	2	0	0.0%
Total Positions:	**289**	**288**	**287**	**289**	**285**	**-4**	**-1.4%**

Inter-Agency Revenue Summary
Department of Education and Early Development
Revenue Type Inter-Agency Receipts Only

Scenario: FY2021 Governor (16414)

IRIS Revenue Type	IRIS Revenue Source Code	Component	Total
Department of Education and Early Development Totals:			**33,553.4**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Additional Foundation Funding (3112)	10.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Alaska Council on the Arts (3193)	15.3
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Archives (977)	192.8
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Child Nutrition (1955)	427.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Early Learning Coordination (2912)	34.1
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Foundation Program (141)	4,671.4
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Library Operations (208)	419.7
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Loan Servicing (3096)	11,062.1
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Mt. Edgecumbe Boarding School (1060)	1,247.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - OWL (3058)	2.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Professional Teaching Practice (190)	7.5
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Program Admin & Operations (2738)	50.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - School Finance & Facilities (2737)	139.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - State System of Support (2977)	37.6
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Student and School Achievement (2796)	1,850.7
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Teacher Certification (1240)	49.2
5007 I/A Rcpts	5301 Inter-Agency Receipts	Gov - Department-wide	7.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	H&SS - Department-wide	1,147.4
5007 I/A Rcpts	5301 Inter-Agency Receipts	Rev - Department-wide	928.3
5007 I/A Rcpts	5301 Inter-Agency Receipts	Univ - Department-wide	190.5
6106 ASLC Rcpts	6726 Alaska Student Loan Corporation Receipts - Miscellaneous	E&ED - Program Admin & Operations (2738)	11,062.1
RDU: Education Support and Administrative Services (677)			**3,457.7**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Alaska Council on the Arts (3193)	15.3
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Archives (977)	9.2
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Child Nutrition (1955)	37.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Early Learning Coordination (2912)	34.1
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Library Operations (208)	261.4
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Mt. Edgecumbe Boarding School (1060)	53.4
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - OWL (3058)	2.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Professional Teaching Practice (190)	7.5
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Program Admin & Operations (2738)	50.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - School Finance & Facilities (2737)	139.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - State System of Support (2977)	37.6
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Student and School Achievement (2796)	684.5
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Teacher Certification (1240)	49.2
5007 I/A Rcpts	5301 Inter-Agency Receipts	H&SS - Department-wide	1,147.4
5007 I/A Rcpts	5301 Inter-Agency Receipts	Rev - Department-wide	928.3
Component: Executive Administration (2736)			**22.4**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Student and School Achievement (2796)	22.4
Component: Administrative Services (157)			**714.3**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Alaska Council on the Arts (3193)	4.1
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Archives (977)	2.3
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Child Nutrition (1955)	8.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Early Learning Coordination (2912)	24.1
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Library Operations (208)	186.2
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Mt. Edgecumbe Boarding School (1060)	22.8
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - OWL (3058)	0.6
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Professional Teaching Practice (190)	2.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Program Admin & Operations (2738)	50.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - School Finance & Facilities (2737)	107.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - State System of Support (2977)	15.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Student and School Achievement (2796)	261.2
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Teacher Certification (1240)	30.1
Component: Information Services (2148)			**645.3**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Alaska Council on the Arts (3193)	11.2
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Archives (977)	6.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Child Nutrition (1955)	29.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Early Learning Coordination (2912)	10.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Library Operations (208)	75.2

Inter-Agency Revenue Summary
Department of Education and Early Development
Revenue Type Inter-Agency Receipts Only

Scenario: FY2021 Governor (16414)

IRIS Revenue Type	IRIS Revenue Source Code	Component	Total
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Mt. Edgecumbe Boarding School (1060)	30.6
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - OWL (3058)	2.3
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Professional Teaching Practice (190)	4.6
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - School Finance & Facilities (2737)	32.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - State System of Support (2977)	22.6
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Student and School Achievement (2796)	400.9
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Teacher Certification (1240)	19.1
Component: School Finance & Facilities (2737)			**928.3**
5007 I/A Rcpts	5301 Inter-Agency Receipts	Rev - Department-wide	928.3
Component: Student and School Achievement (2796)			**1,147.4**
5007 I/A Rcpts	5301 Inter-Agency Receipts	H&SS - Department-wide	1,147.4
RDU: Alaska State Council on the Arts (666)			**7.0**
5007 I/A Rcpts	5301 Inter-Agency Receipts	Gov - Department-wide	7.0
Component: Alaska State Council on the Arts (3193)			**7.0**
5007 I/A Rcpts	5301 Inter-Agency Receipts	Gov - Department-wide	7.0
RDU: Mt. Edgecumbe Boarding School (64)			**7,622.6**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Additional Foundation Funding (3112)	10.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Child Nutrition (1955)	390.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Foundation Program (141)	4,671.4
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Mt. Edgecumbe Boarding School (1060)	1,194.5
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Student and School Achievement (2796)	1,166.2
5007 I/A Rcpts	5301 Inter-Agency Receipts	Univ - Department-wide	190.5
Component: Mt. Edgecumbe Boarding School (1060)			**6,428.1**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Additional Foundation Funding (3112)	10.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Child Nutrition (1955)	390.0
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Foundation Program (141)	4,671.4
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Student and School Achievement (2796)	1,166.2
5007 I/A Rcpts	5301 Inter-Agency Receipts	Univ - Department-wide	190.5
Component: Mt. Edgecumbe Boarding School Facilities Maintenance (3207)			**1,194.5**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Mt. Edgecumbe Boarding School (1060)	1,194.5
RDU: Alaska State Libraries, Archives and Museums (386)			**341.9**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Archives (977)	183.6
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Library Operations (208)	158.3
Component: Library Operations (208)			**158.3**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Library Operations (208)	158.3
Component: Archives (977)			**183.6**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Archives (977)	183.6
RDU: Alaska Postsecondary Education Commission (68)			**11,062.1**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Loan Servicing (3096)	11,062.1
Component: Program Administration & Operations (2738)			**11,062.1**
5007 I/A Rcpts	5301 Inter-Agency Receipts	E&ED - Loan Servicing (3096)	11,062.1
RDU: Alaska Student Loan Corporation (637)			**11,062.1**
6106 ASLC Rcpts	6726 Alaska Student Loan Corporation Receipts - Miscellaneous	E&ED - Program Admin & Operations (2738)	11,062.1
Component: Loan Servicing (3096)			**11,062.1**
6106 ASLC Rcpts	6726 Alaska Student Loan Corporation Receipts - Miscellaneous	E&ED - Program Admin & Operations (2738)	11,062.1