



31st Alaska State Legislature

House Finance Budget Subcommittee

Department of Education and Early Development

FY21 Operating Budget

Chair:

Rep. Dan Ortiz
Capitol Room 513
465-3824

Members:

Rep. Harriet Drummond
Capitol Room 108
465-3875

Rep. Andi Story
Capitol Room 403
465-3744

Rep. Grier Hopkins
Capitol Room 409
465-4457

Rep. Chris Tuck
Capitol Room 24
465-2095

Rep. Tiffany Zulkosky
Capitol Room 416
465-4942

Rep. DeLena Johnson
Capitol Room 405
465-4958

Rep. Ben Carpenter
Capitol Room 400
465-3779

Committee Aide:

Caroline Hamp
465-2357

Narrative Report

House Finance Subcommittee
Department of Education and Early Development (DEED)
February 14, 2020

Recommendations:

The House Finance Budget Subcommittee for the Department of Education and Early Development submits the following operating budget for FY2021 to the House Finance Committee:

Fund Source: (dollars are in thousands)

Unrestricted General Funds (UGF)	\$50,902.1
Designated General Funds (DGF)	\$25,669.6
Other Funds	\$36,425.0
Federal Funds	\$245,512.1
Total	\$358,508.8

The total fund difference from FY21 Adjusted Base to the House Subcommittee budget is -\$31,847.8, or a decrease of 8.2%. The Unrestricted General Fund difference from FY21 Adjusted Base to the House Subcommittee budget is \$5,529.0, or an increase of 12.2%. The discrepancy between total fund difference and UGF difference is primarily from the fund source swap for Mt. Edgecumbe, as described below.

The total fund difference from the FY21 Governor's budget to the House Subcommittee budget is \$570.6, or an increase of 0.2%. The Unrestricted General Fund difference from the FY21 Governor's budget to the House Subcommittee budget is also \$570.6, or an increase of 1.1%.

Positions:

Permanent Full-Time	268
Permanent Part-Time	14
Temporary	2
Total	284

Budget Actions:

The House Finance Budget Subcommittee for the Department of Education and Early Development reviewed the FY2021 budget requests from the Governor and member amendments, and submits the following actions for consideration:

Governor's Budget Action Items

The subcommittee adopted 16 budget action items proposed by the Governor including:

- 1) Outsource the Federal Family Education Loan Program Servicing with an elimination of six positions and a decrement of \$586.3 in inter-agency receipts
- 2) Replace the funding source for Mount Edgecumbe Boarding School from Public School Trust Fund to General Fund
- 3) Transition the Public School Trust Fund to the language section of the appropriation bill
- 4) Add two residential programs for North Slope Borough School District and Lower Yukon School District with an increment of \$900.2 in Unrestricted General Funds

The subcommittee rejected three budget action items proposed by the Governor:

- 1) Authority for the State Board of Education to hold additional in-person meetings; a rejected increment of \$137.0 in Unrestricted General Funds
- 2) Transfer Parents as Teachers program to the Department of Health and Social Services; a rejected decrement of \$474.7 in Unrestricted General Funds
- 3) Eliminate the Online with Libraries video conferencing system; a rejected decrement of \$232.9 in Unrestricted General Funds

Wordage Intent:

The subcommittee adopted one member amendment regarding intent language:

- 1) It is the intent of the legislature that the Department of Education and Early Development evaluate cost-efficiency measures that preserve access to the Alaska Online with Libraries (OWL) Program; considering the use of alternative equipment or technologies that accommodate equitable access to the video conference system, while saving unrestricted general funds.
It is also the intent of the legislature that the Department of Education and Early Development consult with all users of the Alaska Online with Libraries (OWL) Program to evaluate implications of eliminating the video conference services. The Department of Education and Early Development shall ensure that if the Alaska Online with Libraries (OWL) Program is eliminated, then alternative equipment or technology is provided. The Department of Education and Early Development shall prepare a report summarizing the results from those consultations and the proposed cost-efficiency measures and submit the report to the Finance co-chairs, and the Legislative Finance Division on or before January 1, 2021, and notify the legislature that the report is available.

Committee Discussion:

The subcommittee did not take action on this particular item, but would like to bring it to the attention of the House Finance Committee. The subcommittee is concerned about the ending of the two-year \$6 million grants for Pre-K, which served 9 communities and 812 students. Although no formal action was taken in regards to the funding, the subcommittee hopes the House Finance Committee will evaluate the importance of the \$6 million in Pre-K grants and the loss of service without it.

Attached Reports:

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

- Multi-year Agency Totals
- Transaction Comparison between FY21 Adj. Base and House Sub.
- Transaction Comparison between Gov. Amend and House Sub.
- Wordage Report
- Subcommittee Amendments (in form of BA Sheet)

Respectfully submitted,



Representative Dan Ortiz, Chair of House Finance DEED Subcommittee