

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

February 19, 2024

3:33 p.m.

MEMBERS PRESENT

Senator Löki Tobin, Chair
Senator Jesse Bjorkman
Senator Jesse Kiehl
Senator Elvi Gray-Jackson

MEMBERS ABSENT

Senator Gary Stevens, Vice Chair

COMMITTEE CALENDAR

SENATE BILL NO. 215

"An Act relating to teacher incentive payments for national board certification; and providing for an effective date."

- HEARD & HELD

PRESENTATION: EDUCATION FINANCIAL DEEP DIVE

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 215

SHORT TITLE: TEACHERS: BOARD CERTIFICATION INCENTIVE

SPONSOR(S): SENATOR(S) BJORKMAN

01/31/24	(S)	READ THE FIRST TIME - REFERRALS
01/31/24	(S)	EDC, FIN
02/14/24	(S)	EDC AT 3:30 PM BELTZ 105 (TSBldg)
02/14/24	(S)	Heard & Held
02/14/24	(S)	MINUTE(EDC)
02/19/24	(S)	EDC AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

DEBORAH RIDDLE, Operations Manager
Division of Innovation and Education Excellence
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Provided an overview of the fiscal note for SB 215 and answered questions on school funding.

DEENA BISHOP, Commissioner
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Co-presented Education Financial Deep Dive and answered questions.

KAREN MORRISON, Director
School Finance and Facilities
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Co-presented Education Financial Deep Dive and answered questions.

ACTION NARRATIVE

[3:33:38 PM](#)

CHAIR LÖKI TOBIN called the Senate Education Standing Committee meeting to order at 3:33 p.m. Present at the call to order were Senators Kiehl, Bjorkman, Gray-Jackson, and Chair Tobin.

SB 215-TEACHERS: BOARD CERTIFICATION INCENTIVE

[3:34:46 PM](#)

CHAIR TOBIN announced the consideration of SENATE BILL NO. 215 "An Act relating to teacher incentive payments for national board certification; and providing for an effective date."

[3:35:18 PM](#)

DEBORAH RIDDLE, Operations Manager, Division of Innovation and Education Excellence, Department of Education and Early Development (DEED), Juneau, Alaska, provided an overview of the DEED fiscal note OMB component 2796, dated February 7, 2024. She said the fiscal note includes incentives for educators obtaining national board certification. She explained that the proposal allocates \$5,000 per board-certified teacher employed by the district, based on the number of such teachers in the state. The fiscal note also includes \$6,000 for changes in regulations. She stated that the total cost is estimated at \$1,075,000, accounting for the 215 board-certified teachers currently in the state and allowing for retirements and new certifications.

[3:37:19 PM](#)

CHAIR TOBIN stated the fiscal note was OMB component 2796.

[3:38:19 PM](#)

CHAIR TOBIN opened public testimony on SB 215 finding none, she closed public testimony.

[3:38:40 PM](#)

CHAIR TOBIN held SB 215 in committee.

PRESENTATION: EDUCATION FINANCIAL DEEP DIVE

[3:38:54 PM](#)

CHAIR TOBIN announced the consideration of a presentation Education Financial Deep Dive by the Department of Education and Early Development (DEED).

[3:39:36 PM](#)

DEENA BISHOP, Commissioner, Department of Education and Early Development (DEED), Juneau, Alaska, co-presented Education Financial Deep Dive and had department staff introduce themselves.

[3:40:22 PM](#)

COMMISSIONER BISHOP moved to slide 2 and provided the mission, vision, and purpose of DEED:

[Original punctuation provided.]

Mission: An excellent education for every student every day.

Vision: All students will succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them. - Alaska Statute 14.03.015

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

[3:40:56 PM](#)

COMMISSIONER BISHOP moved slide 3 and discussed Alaska's Education Challenge that was created nearly 10 years ago:

[Original punctuation provided.]

Five Shared Strategic Priorities:

1. Support all students to read at grade level by the end of third grade.
2. Increase career, technical, and culturally relevant education to meet student and workforce needs.
3. Close the achievement gap by ensuring equitable educational rigor and resources.
4. Prepare, attract, and retain effective education professionals.
5. Improve the safety and well-being of students through school partnerships with families, communities, and tribes.

[3:41:48 PM](#)

COMMISSIONER BISHOP moved to slide 4 and described various handouts given to the committee that provide definitions and details on grants and funding sources. There is also a printout of Alaska's school districts. She stated the items on the agenda for discussion are:

[Original punctuation provided.]

Funding Sources to School Districts

- Federal Grant Awards
- State Grant Awards
- State Aid to Schools
- Local Aid to Schools
- FY2024 Budget Unreserved Fund Balance

COMMISSIONER BISHOP noted that the schools' unreserved fund balances are dynamic and change daily.

[3:43:51 PM](#)

KAREN MORRISON, Director, School Finance and Facilities, Department of Education and Early Development (DEED), Juneau, Alaska, moved to slide 5, a pie graph, and provided an overview of the projected K-12 school district revenue sources for fiscal year 2024, totaling nearly \$2.7 billion. She explained that the largest portion, 50 percent, is state aid, including state grants and the foundation formula, amounting to approximately \$1.3 billion in funds to districts. Local funding sources make up 30 percent, or \$796.3 million, while federal grants passed through the state contribute 13 percent, or \$357.5 million. Districts also reported \$195.3 million in budgeted unreserved fund balance at the start of the fiscal year. She added that private grants account for less than 1 percent, totaling \$74,000.

[3:45:19 PM](#)

CHAIR TOBIN stated she was reviewing the federal grant category and noted the availability of a document that provides explanations for further review. She wanted to ensure that the supporting documents were mentioned for others to reference. She asked if there are districts receiving federal funds to perform state-mandated programs and whether there are unfunded programs within the state structure for which school districts receive federal funds to offer services.

[3:45:48 PM](#)

MS. MORRISON deferred the question.

[3:46:10 PM](#)

DEBORAH RIDDLE, Operations Manager, Division of Innovation and Education Excellence, Department of Education and Early Development (DEED), Juneau, Alaska, explained that most federal Title funds come with a "supplement, not supplant" provision, meaning they provide supplemental funding for school districts. She clarified that these funds are not meant to cover state-mandated requirements, as those are not considered allowable expenses under most federal grants.

[3:46:40 PM](#)

SENATOR KIEHL asked for clarification regarding the federal grant funds, specifically that categories include multi-year grants or if it strictly refers to funds to be spent from federal sources within the fiscal year in question.

[3:46:56 PM](#)

MS. RIDDLE asked for the question to be repeated.

SENATOR KIEHL inquired if the federal grant funds reflect the amount expected to be spent in Fiscal Year 2024 (FY 24) or if it represents the total amount received from federal sources in FY 24, some of which may include multi-year grants.

MS. RIDDLE clarified that some grants are multi-year, with 27-month funding periods. The amounts listed in the document include the money available for the current fiscal year. If a district does not spend all the allocated funds in the prior year, some of the remaining funds are carried forward. She added that a new allocation will be provided for the next fiscal year.

[3:48:08 PM](#)

SENATOR KIEHL asked if there is a distinction between the amount available for the fiscal year and the amount that will actually

be spent in the fiscal year, or if they are essentially the same.

MS. RIDDLE explained that some districts can spend all their allocated funds in the first year. However, since the funds are available for 27 months, districts that do not spend all the money in one year can carry it forward. The carry-forward amount depends on the specific program and is included in the total listed on the spreadsheet.

[3:48:56 PM](#)

SENATOR KIEHL asked if the 7 percent unreserved fund balance refers to the total amount of unreserved fund balances or the amount budgeted to be spent by Alaska's public-school districts in FY 24.

[3:49:16 PM](#)

MS. MORRISON explained that the fund balance is managed at the district level and represents the amount of funds available to create a balanced budget. She clarified that it is not a grant award but the district's own unreserved funds, which they have discretion to use.

[3:49:48 PM](#)

SENATOR KIEHL said it sounds like the number is too high. He asked if he understood correctly that schools do not plan to spend the entire amount listed for FY 24.

[3:49:56 PM](#)

MS. MORRISON clarified that the reported amount reflects the starting unreserved fund balance for FY 24 as included in the districts' budgets. She emphasized that it is not the amount they intend to spend but rather represents the projected ending fund balance.

SENATOR KIEHL asked Ms. Morrison to provide the committee with that number.

MS. MORRISON replied yes.

[3:50:20 PM](#)

MS. MORRISON moved to slide 6 explained that federal grant awards to K-12 school districts come through entitlement grants or an application process. Entitlement grants are determined by a formula or specific criteria, but all grants require an application. She noted that funds are not distributed in advance but are paid quarterly based on eligible expenditures that align

with program details, budgets, and assurances. She stated that the first group of federal grants stems from Every Student Succeeds Act (ESSA), which went into effect in 2015, replacing the No Child Left Behind Act. She explained that these grants serve as the primary federal law for K-12 general education and cover all students in public schools. She noted that the double asterisks on certain grants indicate federal programs that allow carryover of unused funds. Typically, the carryover is capped at a certain percentage, such as 15 percent for Title I. If a district wants to carry forward more than 15 percent, a waiver must be obtained through the state.:

[Original punctuation provided.]

Federal Grant Awards to K-12 School Districts

Every Student Succeeds Act (ESSA)

- **Title I, Part A Improving Basic Programs Operated by Local Educational Agencies**** \$63,697.3 awards to 51 districts
- **Title I, Part C Education of Migratory Children** \$28,246.7 to 40 districts
- **Title 1 (Improving Education for the Disadvantaged & Struggling Students (Competitive))** \$458.9 to 4 districts
- **Title I, Part D Prevention and Intervention Programs for Children and Youth Who are Neglected, Delinquent, or At Risk** \$596.3 to 6 districts
- **Title II, Part A Preparing, Training and Recruiting High-Quality Teachers, Principals, and Other School Leaders**** \$13,630.5 to 53 districts

****Federal grant program which allows carryforward of unused awards.**

[3:52:50 PM](#)

CHAIR TOBIN asked for clarification regarding the asterisk and the previous slide, noting that federal grant funds make up 13 percent of the pie chart. She inquired if any of those funds

include carryover or unused funds, and whether such funds would be counted in the unreserved fund balance instead.

[3:53:15 PM](#)

MS. MORRISON clarified that federal grant funds are not part of the unreserved fund balance, which is a separate district-managed resource. The federal grants are included in the pie chart because it is uncertain whether a district will use all the funds or carry forward a portion of them.

CHAIR TOBIN asked if the 13 percent shown in slide 5 represents only the funds dedicated for the current year or if it could also include unspent funds carried forward from previous years, as well as funds that could be spent in the following year.

[3:53:57 PM](#)

MS. MORRISON replied that is correct. She stated that the 13 percent could include both current year funds and carryover from previous years. She added that since the figures represent grant awards and budgeted amounts, they are somewhat fluid, and the percentage may change depending on the district's needs and spending strategies.

[3:54:22 PM](#)

CHAIR TOBIN expressed appreciation for the opportunity to ask questions and followed up by requesting an explanation of competitive federal funds within Every Student Succeeds Act (ESSA) structure, specifically regarding the asterisks related to competitive grants.

[3:54:40 PM](#)

MS. RIDDLE explained that many of the competitive grants apply to districts that meet certain criteria. For example, Title I Part D grants are competitive because larger districts may have higher-need students, such as those who are incarcerated. She noted that while some grants are competitive, the rest are determined by formula, and not all districts will meet the specific federal criteria to qualify for these grants.

CHAIR TOBIN asked what happens if a district qualifies and competes for federal funds but does not receive them.

MS. RIDDLE explained that efforts are typically made to ensure that districts in significant need receive the funds. If a district does not receive the funds, they can apply again the next time the grant becomes available.

[3:55:48 PM](#)

CHAIR TOBIN asked if a district that does not receive competitive funds would need to find alternative ways to provide services to disadvantaged and struggling students.

[3:56:00 PM](#)

MS. RIDDLE replied that is correct.

[3:56:05 PM](#)

COMMISSIONER BISHOP added that, based on her experience working in school districts and receiving grants, not all districts have plans or goals addressing specific areas that require competitive grants. When a district sets a goal, they may seek additional funds to support it. Competitive grants are often used to supplement existing programs, and the need is identified beforehand. She clarified that struggling students are not necessarily left without support; rather, the specific program or objective requiring additional funds may be delayed until competitive grants are secured. The availability of such grants can vary depending on federal funding ability to infuse funds into certain areas.

[3:57:17 PM](#)

CHAIR TOBIN asked how many districts have grant writers on staff.

[3:57:30 PM](#)

COMMISSIONER BISHOP said she could provide that information to the committee. She noted that even in large districts like Anchorage, there typically aren't dedicated grant writers on staff. Instead, the person leading the relevant area—such as the federal programs director—would usually handle the grant writing. For example, a workforce development grant might be written by staff in the Career and Technical Education (CTE) or secondary departments. She added that very few K-12 districts have full-time grant writers, as the private sector often offers higher compensation for such roles, making it a fluid situation.

[3:58:33 PM](#)

MS. MORRISON moved to slide 7 and provided additional every student Succeed Act grants. She said 13 districts received grant awards totaling 2.1 million:

[Original punctuation provided.]

Federal Grant Awards to K-12 School Districts

Every Student Succeeds Act (ESSA) (Continued)

- **Title III, Part A Language Instruction for English Learners and Immigrant Students**** \$2,057.0 to 13 districts
- **Title IV, Part A Student Support and Academic Enrichment (SSAE)** \$9,431.9 to 50 districts
- **Title IV, Part B 21st Century Community Learning Centers**** \$5,074.2 to 8 districts
- **School Improvement 1003a** \$4,134.1 to 34 districts
- **McKinney-Vento Homeless**** \$357.6 to 22 districts
- **Migrant Literacy** \$300.7 to 37 districts

****Federal grant program which allows carryforward of unused awards.**

\$ in thousands

[3:59:45 PM](#)

CHAIR TOBIN mentioned that homelessness has been a significant topic of discussion in the committee, particularly regarding students. She noted a projected 14 percent increase in student homelessness this year and asked how that increase aligns with the McKinney-Vento Homeless Assistance Act funds. She inquired whether districts receive more resources as they identify more students in need or if the funding remains static, and how districts access those resources when a student is identified as struggling.

[4:00:06 PM](#)

MS. MORRISON deferred the question.

[4:00:19 PM](#)

COMMISSIONER BISHOP explained that at the federal level, there is a set amount of funding allocated to all states, including Alaska, which receives a share of the total. Districts qualify for a portion of that funding based on their size, with larger districts receiving more. She was unsure if the distribution is specifically tied to the count of homeless students but believed it is more likely based on the overall size of the district.

[4:01:01 PM](#)

MS. RIDDLE explained that under the McKinney-Vento Act, all districts receive Title I funds, and a portion of those funds must be set aside for supporting homeless students. She clarified that every district uses part of its Title I allocation for activities related to homeless students. Additionally, 22 districts receive a specific grant for homeless services, targeting districts with larger populations of homeless students. These districts receive an extra \$300,000, which is divided among them for homeless activities and services.

[4:01:52 PM](#)

SENATOR KIEHL expressed concern about the effectiveness of the \$1,000 Homeless Assistance Fund that most of the 22 districts receive. He questioned how rural districts can meaningfully support the education of students from unhoused families with such a small amount, especially when there are likely multiple students in need. He asked for an explanation of how that \$1,000 benefits the students and how progress can be made with such limited resources.

COMMISSIONER BISHOP explained that school districts work in partnership with other agencies to support unhoused students, as housing is not the district's responsibility. Instead, McKinney-Vento funds aim to equalize opportunities for unhoused students by covering expenses such as transportation, athletics, books, and other activities. The goal is to remove barriers to education, allowing students to remain in their enrolled schools despite housing challenges. She noted that while rural areas may have one school, in larger areas, funds might be used for transportation to keep students in their original school, including bus passes and taxi fares.

[4:05:12 PM](#)

SENATOR KIEHL noted that the \$1,000 in McKinney-Vento funds seems to reflect a per-student amount rather than per district, which clarified his understanding. He then asked about the cost of compliance with federal regulations, particularly since some mid-sized districts, like Haines and Kodiak Island Borough, do not appear to receive or take McKinney-Vento funds. He wondered if the cost of compliance is a factor in this decision and asked what districts need to do to satisfy federal accounting requirements for this funding stream.

[4:05:59 PM](#)

COMMISSIONER BISHOP deferred the question.

[4:06:05 PM](#)

MS. RIDDLE explained that the funds shown on the chart are additional McKinney-Vento grant funds. Every district receiving Title I funds must set aside a portion for homeless students, which they can use as needed. Each district is also required to have a homeless liaison responsible for helping students with services like immunizations, glasses, and other wraparound supports. Even districts that do not receive the specific McKinney-Vento grant must still outline in their grant application how they will meet the requirement of removing barriers for homeless students. These funds can cover fees for Career and Technical Education (CTE) materials or other educational expenses, ensuring homelessness is not a barrier to success in school. The homeless liaison plays a key role in identifying and addressing student needs.

[4:07:43 PM](#)

SENATOR KIEHL asked if that means there isn't a separate compliance element for each category and there can be just one coordinator. He noted that he missed the explanation regarding the cost of compliance.

MS. RIDDLE explained that the compliance process depends on the district's approach. Each district is required to have a homeless liaison to coordinate services, but the specific services provided will vary by district. She offered to investigate the cost of compliance further and follow up with additional information.

[4:08:28 PM](#)

SENATOR GRAY-JACKSON asked whether all 54 school districts are required to have independent financial audits as well as state and federal single audits.

MS. MORRISON replied yes.

[4:09:05 PM](#)

MS. MORRISON moved to slide 8 and explained that the next group of federal grants falls under the Individuals with Disabilities Education Act (IDEA). These grants provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities:

[Original punctuation provided.]

- **Federal Grant Awards to K-12 School Districts**

- **Individual with Disabilities Education (IDEA)**
- **Title VIB** \$54,022.2 to 54 districts**
- **Disabled 619, Preschool** \$1,534.6 to 53 districts**
- **Special Education Discretionary \$544.0 to 4 districts**
- **Disabled 619 Discretionary \$100.0 to 2 districts
Other Federal Grants**
- **Carl Perkins Career and Technical Education (CTE)
\$5,594.6 to 54 districts**
- **Comprehensive Literacy State Development (CLSD)
\$16,467.7 to 29 districts**
- **Alaska Trauma Recovery in Schools (TRIS) \$80.5 to 1 district**

****Federal grant program which allows carryforward of unused awards.**

- **\$ in thousands**

[4:10:33 PM](#)

MS. MORRISON moved to slide 9 and continued talking about other federal grants:

[Original punctuation provided.]

Federal Grant Awards to K-12 School Districts

Other Federal Grants Continued

- **Project Aware (Advancing Wellness and Resiliency in Education) \$1,420.7 to 3 districts**
- **Stronger Connections \$4,325.8 to 9 districts**
- **Child Nutrition Programs- Actual Disbursement through October 2023 \$27,580.7 to 46 participating districts**

- **Institute of Museum and Library Services** \$2.5 to 2 districts
- **National Endowment for the Arts** \$7.5 to 2 districts

\$ in thousands

[4:11:33 PM](#)

MS. MORRISON moved to slide 10 and introduced the 2024 COVID-19 grants, noting that the first two are part of the Coronavirus Response and Relief Supplemental Appropriation (CRRSA). The next two federal COVID grant awards are designated under the Individuals with Disabilities Education Act (IDEA) to support services for individuals with disabilities:

[Original punctuation provided.]

Federal Grant Awards to K-12 School Districts

COVID-19 Grant Awards

- **Elementary and Secondary School Emergency Relief Fund CRRSA Act** \$1,259.8 to 12 districts - Expired 9/30/2023
- **Elementary and Secondary School Emergency Relief Fund CRRSA Act Reserve** \$296.8 to 13 districts - Expired 9/30/2023
- **Elementary and Secondary School Emergency Relief Fund American Rescue Plan - Individual with Disabilities Education Act** \$3,142.3 to 15 districts - Expired 9/30/2023
- **Elementary and Secondary School Emergency Relief Fund American Rescue Plan - Individual with Disabilities Education Act Preschool** \$280.3 to 9 districts - Expired 9/30/2023

\$ in thousands

[4:13:01 PM](#)

CHAIR TOBIN asked whether the different district counts listed (12, 13, 15, 9 districts) represent the same or different districts and requested a general geographic breakdown of where these grants are landing.

[4:13:21 PM](#)

MS. MORRISON explained that the district counts depend on whether the districts have used their funding in the current or prior years. She suggested that Ms. Riddle could provide more information on any specific geographic locations related to the grants.

MS. RIDDLE clarified that the districts listed are those that had not spent their grant money prior to the start of FY24. All districts received grants, but some were able to spend their funds more quickly. As of July 2023, some districts still had funds available to spend between July and September. She noted that the specific districts are listed on the spreadsheet provided, allowing for a detailed view of which districts had remaining funds.

CHAIR TOBIN asked for clarification to confirm whether all districts have now utilized or had all their COVID relief dollars expended.

[4:14:45 PM](#)

MS. MORRISON clarified that the particular grants being discussed have been expended, and the next slide will show the current grants that are still available.

SENATOR KIEHL asked if the approximately \$5 million shown on the current slide [10] was included in the federal fund pie graph on the earlier slide.

MS. MORRISON yes

SENATOR KIEHL noted that "six-week money", is showing as full-year money. He stated that he would account for that mentally.

[4:15:18 PM](#)

MS. MORRISON moved to slide 11 and discussed current COVID-19 Grant Awards:

[Original punctuation provided.]

Federal Grant Awards to K-12 School Districts

Current COVID-19 Grant Awards

- **Elementary and Secondary School Emergency Relief Fund
American Rescue Plan \$109,670.2 to 43 districts**

- **American Rescue Plan - Homeless** \$193.4 to 5 districts
- **American Rescue Plan - Homeless II** \$781.5 to 14 districts
- **American Rescue Plan - After School (Competitive)** \$444.3 to 2 districts
- **American Rescue Plan - Summer Program (Competitive)** \$1,732.4 to 8 districts.

\$ in thousands

[4:16:26 PM](#)

SENATOR GRAY-JACKSON asked about the difference between the Homeless I and Homeless II grants.

MS. MORRISON deferred the question.

MS. RIDDLE replied that the grants were offered in separate years. She explained that the amounts shown on slide 11 are the unspent funds prior to FY 20 that were carried forward.

[4:17:09 PM](#)

SENATOR GRAY-JACKSON stated that the reason for her question was that while Ms. Morrison referred to Homeless I and Homeless II, the line item only shows "Homeless" and "Homeless II."

SENATOR KIEHL asked for the funds' expiration dates.

MS. RIDDLE replied that the grants expire September 20, 2424.

[4:17:33 PM](#)

SENATOR KIEHL asked how likely it is that the funding for districts is reoccurring.

COMMISSIONER BISHOP stated that, at this time, no additional COVID funds have been provided by the federal government. She clarified that the current funds represent the completion of those allocations.

SENATOR KIEHL noted that, when looking back at the earlier slide with the wheel chart, it appears about one-third of the federal money is one-time funding, not a recurring source. He asked if that assessment was roughly accurate.

[4:18:28 PM](#)

COMMISSIONER BISHOP replied yes.

[4:18:36 PM](#)

MS. MORRISON moved to slide 12 and mentioned there are two private grants awards:

[Original punctuation provided.]

Private Grant Awards to K-12 School Districts

- **Alaska State Council on the Arts Private Grant, Rasmuson Foundation** \$19.0 to 3 districts
- **Alaska State Council on the Arts Private Grant, Margaret A Cargill Foundation Private Grant, (MACF)** \$55.0 to 8 districts

[4:19:03 PM](#)

CHAIR TOBIN as if the private grants are one-time funds.

MS. MORRISON deferred the question.

MS. RIDDLE replied she would need to find out and report back to the committee on arts council funding.

[4:19:22 PM](#)

MS. MORRISON moved to slide 13 and discussed K-12 stated funded grants to school districts:

[Original punctuation provided.]

Additional State Funded Grants to School Districts

- **Alaska State Council of the Arts (General Fund Match)** \$7.5 to 2 districts
- **Pre- K Grants** \$3,017.1 to 9 districts
- **Alaska Reads Act** \$2,999.9 to 7 districts
- **Youth In Detention** \$1,100.0 to 6 districts
Alternative Schools \$302.9 to 9 districts
- **Career and Technical Education CTE Programs of Study (CTEPS) Grants** \$925.0 to 13 districts

\$ in thousands

[4:20:26 PM](#)

CHAIR TOBIN asked for clarification on how the Alaska Reads Act applies to seven districts, acknowledging that it is applicable to all districts. She inquired about what is included in the amount allocated to those specific districts.

[4:20:46 PM](#)

MS. RIDDLE replied that the seven grants for the seven districts are early education program grants outlined in the Alaska Reads Act. She clarified that these are all pre-kindergarten grants for children aged four and five.

[4:21:08 PM](#)

CHAIR TOBIN recollected that seven grants are in three-year grant cycles. She asked whether the seven districts are receiving repeating grants or if additional new districts will receive pre-elementary grants next year.

MS. RIDDLE confirmed that the grants are recurring, and the seven districts will receive funds for the full three years. She added that a few new districts will be added this year, made possible by utilizing \$2.5 million in one-time funds from the pre-kindergarten grant.

[4:21:49 PM](#)

MS. MORRISON moved to slide 14 and discussed more state funded grants to school districts:

[Original punctuation provided.]

State Funded Grants to School Districts

- **Suicide Prevention** \$235.8 to 8 districts
- **Broadband Access Grant** \$6,221.7 to 25 districts
- **Residential Schools projected** \$9,190.2 to 7 districts

\$ in thousands

[4:22:45 PM](#)

MS. MORRISON moved to slide 15 and discussed K-12 state aid to school districts. she said the numbers provided are based on Fall 2023 OASIS Data. OASIS is the Online Alaska School Information System and the Fall OASIS is the 20-day count period

that determines state funding. Districts report the students enrolled and how many days they were enrolled during the 20-day window. The window for 2023 was October 2 - 27:

[Original punctuation provided.]

**K-12 State Aid to School Districts
Based on Fall 2023 OASIS Data**

- **Pupil Transportation** \$70,840.0 to 46 districts *
- **Quality Schools** \$4,127.1*
- **Dividend Raffle** \$499.7*
- **Onetime Funding** \$87,443.0
- **Base Student Allocation / Foundation Award**
\$1,150,514.5*

***Preliminary numbers; 30-day district comment period
ended February 3, 2024**

\$ in thousands

[4:24:00 PM](#)

MS. MORRISON moved to slide 16 and discussed local revenues reported in the school districts' budgets that were submitted to the State of Alaska. She mentioned that Regional Education Attendance Areas (REAs) are educational areas established in unorganized boroughs of the state, as per AS 14.08.031. REAs do not receive local revenue or in-kind services but receive impact aid funds as part of their state aid through the foundation formula:

[Original punctuation provided.]

FY 2024 Local Revenues in School Districts' Budgets

- **City/Borough Appropriation** \$530,070.4 to 32 districts
- **In-Kind Services** \$20,292.2 to 14 districts
- **Earnings on Investments** \$5,949.7 to 39 districts
- **Other Local Revenue** \$9,403.1 to 47 districts
- **Tuition from Students** \$235.0 to 3 districts

- **Tuition from Districts** \$530.0 to 2 districts

\$ in thousands

[4:25:26 PM](#)

MS. MORRISON moved to slide 17 and discussed local revenues in school district budgets:

[Original punctuation provided.]

FY 2024 Local Revenues in School Districts' Budgets

- **E-Rate Funding** \$95,493.0 to 53 districts
- **Federal Revenue** \$129,143.8 to 44 districts
- **Transfers In** \$5,139.4 to 8 districts
- **FY2024 Budgeted Unreserved Fund Balance**
\$195,283.0 in 44 districts

\$ in thousands

MS. MORRISON said federal revenue is typically impact aid that the district directly receives. It can also be secure rural schools funding, which is also known as timber receipts and Medicaid receipts.

[4:26:25 PM](#)

SENATOR BJORKMAN asked whether the timber sales money being accounted for is only the amount included in school district budgets or if it represents the total amount that municipalities receive from timber sales.

MS. MORRISON explained that timber receipts / Secure Rural Schools Act (SRSA) funds can be distributed to school districts in various ways. For example, in Petersburg, the funds are given directly to the city, which uses them as part of its local contribution. These funds can be considered part of the local contribution but may also be reported in district budgets as "other federal revenue." It is not necessarily all the funds received. The total amount depends on who initially receives the funds.

[4:27:24 PM](#)

SENATOR BJORKMAN clarified that in the Kenai Peninsula Borough, the borough receives Secure Rural Schools funding but is not required to use all of it for schools, as there are various options for its use. He asked if the money referenced in the discussion is only the portion given to schools through local municipalities or if it represents the total amount of timber receipts received by municipalities.

[4:28:13 PM](#)

MS. MORRISON responded that she was unsure if she could fully answer the question but clarified school districts reported the amounts of federal receipts in their operating budget. It is not necessarily how much they are receiving. It is what they are reporting as part of their revenue within their operating budget.

[4:28:39 PM](#)

SENATOR GRAY-JACKSON said slide 17 shows 44 districts have an unreserved fund balance. She asked if that means 10 districts do not have an unreserved fund balance.

[4:28:54 PM](#)

MS. MORRISON replied that some districts did not report an opening fund balance and simply left that section blank. She said this information could be found in the last column before the total on the spreadsheet provided to members, where a blank space indicates no fund balance was reported.

[4:29:22 PM](#)

CHAIR TOBIN expressed curiosity about whether there is a space on the Department of Education and Early Development (DEED) website where fund balance information can be found. She mentioned that her school district is required by both its board and bonding authority to maintain a fund balance. She inquired if this information is available on the DEED website or how to find out the specific requirements for each school district and their target for maintaining bonding and compliance with local school board policies.

COMMISSIONER BISHOP replied that DEED does not maintain data on local board policies. For example, the Anchorage School District not only follows local board policy but also municipal ordinances that prevent the fund balance from falling below a certain level. She explained that DEED has a general guideline of not exceeding 10 percent, which is currently waived until June 30, FY 2025. However, different school boards and local governments may have additional requirements beyond that.

[4:30:50 PM](#)

SENATOR GRAY-JACKSON stated that she recalled meeting with someone from the Anchorage School District who mentioned that the requirement was no longer in place. She stated her intent to investigate it further as she recalls resolutions that were in place.

[4:31:33 PM](#)

CHAIR TOBIN referring to slide 5, noted the FY 24 unreserved fund balance of 7 percent. She asked how many districts are currently above the 10 percent threshold and how many would be affected when the statute goes back into effect.

[4:31:51 PM](#)

MS. MORRISON replied she would check and report back to the committee.

[4:31:58 PM](#)

MS. MORRISON moved to slide 18 and provided DEED contact information.

[4:32:20 PM](#)

CHAIR TOBIN said there is a lot of great information on the DEED website.

[4:32:45 PM](#)

CHAIR TOBIN reflected on slide 3, which outlines the five strategic priorities. She noted that in the Senate Education Committee, there has been significant discussion on issues such as chronic absenteeism, learning loss, class sizes, and the increase in youth experiencing homelessness. She expressed interest in discussing these components later with DEED, along with culturally relevant education. MS. T also mentioned her excitement about the upcoming Alaska Native Languages Symposium and her desire to attend.

[4:33:31 PM](#)

SENATOR KIEHL expressed appreciation for the detailed presentation, noting that it went deeper than usual and provided valuable insights. However, he confessed disappointment with slide 5, specifically the large wheel chart, which he felt oversimplified the information to the point of hindering understanding. He explained that the chart treats all unreserved fund balances as if they are being spent this year, when they are not. Additionally, the federal grant funds are presented as

one lump sum, even though they include multi-year funds, short-term funds, and one-time money that is not expected to recur.

[4:34:38 PM](#)

SENATOR KIEHL emphasized that a significant portion of the federal funds are not available to all districts, noting that only about \$95 to \$98 million is accessible to 50 districts or more. He cautioned that this presentation might give the false impression that these funds are available to all districts, when they are not. He stressed the importance of recognizing differences between districts that chase federal grants, absorb the cost of compliance, and those that opt out due to the high compliance costs. Treating the money as a lump sum or implying that two-thirds of it is ongoing and available to everyone, oversimplifies the financial reality.

[4:37:12 PM](#)

There being no further business to come before the committee, Chair Tobin adjourned the Senate Education Standing Committee meeting at 4:37 p.m.