

HB

413

Alaska State Legislature

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Rep. Paul Seaton, Chairman **HOUSE EDUCATION COMMITTEE**

Sponsor Statement HB 413 Funding for the Alaska Challenge Youth Academy

HB 413 restructures the funding mechanism for the Alaska Challenge Youth Academy to more accurately reflect the needs of the Academy.

The Alaska Challenge Youth Academy is a residential high school for students who have dropped out of regular school. The Academy is highly successful with a 70% graduation rate and works closely with the National Guard following a strict model that gives students structure, challenge, and discipline. The Academy is located in Anchorage and has two sessions a year where students live on campus for 5 months while going through the rigorous program. After they graduate from the program, staff continues to track their behavior through a mentorship program. Students are considered a success if a year after graduation they are enrolled in a postsecondary program, the military, or in full time employment.

Funding for the Academy is based the following formula: 7 times the Base Student Allocation (BSA) times all residential students plus .6 times the BSA times all non-residential students. When the Academy was formed in 2002 this reflected the dollars they needed to operate. However, as the BSA has grown over the years to cover retirement costs and other increases in education this has resulted in a windfall and is no longer reflective of the true cost of the program.

HB 413 would set a per child amount for state dollars in statute, \$11,990 and multiply that by the number of residential and non-residential students enrolled. The Academy and the Department of Education and Early Development both agree this would give them sufficient dollars to run the program. Under HB 413 the projected total state dollars they would receive in fiscal year 2011 would be approximately \$5.2 million, within \$300 of the amount they would get under the current formula. Alaska Military Youth Academy also receives separate federal funds that supplement this amount (\$2.7 million for FY2011).

The Academy is a valuable alternative that requires higher funding as a residential program for at-risk youth than other boarding schools. HB 413 identifies an appropriate and transparent way to fund this important educational institution.

Staff Contact: Katie Koester 465-2028

Prepared by the office of Rep. Seaton
March 12, 2010
HB 413 v.A

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB413
 () Publish Date: _____

Identifier (file name): HB413-EED-ESS-3-10-2010
 Title: "An Act relating to the Alaska Challenge Youth Academy"
 Sponsor: House Education Committee
 Requester: Education, Finance
 Dept. Affected: Education & Early Development
 RDU: K-12 Support
 Component: AK Challenge Youth Academy
 Component Number: 2837

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | | |
|-------------------------------|---------------------------|-------------|------------|------------|------------|------------|------------|------------|
| | | FY 2011 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | | | | | | | | |
| Travel | | | | | | | | |
| Contractual | | | | | | | | |
| Supplies | | | | | | | | |
| Equipment | | | | | | | | |
| Land & Structures | | | | | | | | |
| Grants & Claims | 0.3 | | | | | | | |
| Miscellaneous | | | | | | | | |
| TOTAL OPERATING | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|

| | | | | | | | | |
|-------------------------------|--|--|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | | | |
|-------------------------------|--|--|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | | | |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | | | |
| 1003 GF Match | | | | | | | | |
| 1004 GF | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1005 GF/Program Receipts | | | | | | | | |
| 1037 GF/Mental Health | | | | | | | | |
| Other Interagency Receipts | | | | | | | | |
| TOTAL | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2010) cost: _____

POSITIONS

| | | | | | | | | |
|-----------|--|--|--|--|--|--|--|--|
| Full-time | | | | | | | | |
| Part-time | | | | | | | | |
| Temporary | | | | | | | | |

ANALYSIS: (Attach a separate page if necessary)
 This legislation would rewrite the state formula in AS14.30.740 so the Alaska Challenge Youth Academy would be paid at a flat rate of \$11,990 per full-time residential and non-residential student. The number of students enrolled is to be provided by October 1st.

Prepared by: Eddy Jeans, Director Phone 465-8679
 Division: School Finance Date/Time 3/10/10 12:00 AM
 Approved by: Larry LeDoux, Commissioner Date 3/10/2010

ALASKA MILITARY YOUTH ACADEMY

| FY2011 Projection | |
|--------------------------|------------------|
| 189 x \$5680 x 7 = | 7,514,640 |
| 297 x \$5680 x 60% = | 1,012,176 |
| less \$2,700,000 | (2,700,000) |
| TOTAL \$ | 5,826,816 |

| HB413 | |
|-------------------------------|------------------|
| 189 x \$11,990 = | 2,266,110 |
| 297 x \$11,990 = | 3,561,030 |
| TOTAL \$ | 5,827,140 |
| HB413 Change over FY11 | \$ 324 |

Alaska Military Youth Academy Overview

Training schedules:

2 classes offered each year, consisting of:

- 2 week pre-challenge phase
- 20 week residential course
- 12 month non-residential tracking period

Education options:

A cadet may receive a GED or a high school diploma from the AMYA. The AMYA is an accredited high school, through the Northwest Association of Accredited Schools and offers a maximum of 7 credits during the residential phase of the program.

There are also work place certificate programs offered as well as internship opportunities for the cadets during the residential course to include:

- National Center for Construction Education and Research certificate, foundation training for any student going into vocational trades
- Carpentry proficiency certificate
- UPS store customer service certified training
- Culinary ServeSafe certification (required by the cabaret association that at least one employee on shift must have this certification)
- Emergency Trauma Tech certification
- Emergency Medical Tech certification
- Win and Work Keys, career readiness certificate (national program administered through the Department of Labor that shows baseline employee skill level)
- First aid and CPR certification

Success:

Success is determined by the ChalleNGe program national office located in Washington DC under the control of National Guard Bureau, which oversees all 33 ChalleNGe programs nationwide. A cadet is considered a successful graduate of the ChalleNGe program if at the end of the 12-month non-residential period he or she is:

- Working at least 30 hours per week
- Enrolled in college taking at least 12 semester hour credits
- Enrolled in a vocational training/ apprentice program
- A member of the United State's military

Alaska Military Youth Academy Budget details

Q: Do we expend funds on the mentorship program? If so what are they used for?

A: **No funds are given to the mentors or the cadets for being mentored. Funds are used to pay staff to coordinate the mentor program. One staff member is dedicated full-time to running the mentor program and two other staff members spend about half of their time supporting the mentor program.**

Q: How will doing away with the stipend affect the mentorship program?

A: **There is an indication the stipends were an incentive for cadets to be more responsible in self-reporting. AMYA staff has invested twice as much time to contact Cadets for post-residential information than with previous classes that received the benefit.**

Q: How do we plan to use the stipend money if it remains in the budget?

A: **The funds will be used to replace educational equipment and material for the cadets. This includes outdated classroom resources, replacing 25% of computers yearly, adding software licenses with the Microsoft programs, replacing barracks furnishings, increasing the enrollment of additional students, and office supplies.**

There has not been any DEED funding in the past three years that has gone towards capital projects. The only situation where this was possible was with the infrastructure money we received. However, we did not use any DEED funding as match against the infrastructure projects.

In the past three years there has been DEED funding that was used to pay for maintenance to the AMYA facilities. The info. is as follows:

SY08 – spent \$441.72 in “repair parts & supplies”. It was coded against FFY09 DEED allowable.

SY09 – spent \$399.00 in “repair guardrail supplies”. It was coded to FFY08 DEED allowable.

SY10 – nothing has been spent on maintenance so far.

60/40 maintenance dollars

SY08 - \$118,959.25

SY09 - \$93,199.28

SY10 - \$15,137.88 so far this year

As for the stipends, they weren't clear on whether they were talking about graduation stipends or aftercare stipends so I provided both just in case. It was not possible to break stipends down by class without going through a labor intensive exercise. I summarized the total graduation and aftercare stipends by fund source for each SY, and

also broke out each fund source by FFY (if applicable) and what type of stipend it was. In the past three years we have paid the following in stipends:

SY08 – \$79,000 Total graduation stipends paid (\$47,400 FED/\$31,600 GFM)
\$168,600 Total aftercare stipends paid (DEED I/A)
\$247,600 Total graduation & aftercare stipends paid in SY08

60/40

FFY07 Graduation Stipend \$42,000

FFY08 Graduation Stipend \$37,000

Total graduation stipends paid in SY08 \$79,000 (\$47,400 FED/\$31,600 GFM)

I/A (DEED)

Aftercare Stipend \$168,600

SY09 – \$91,200 Total graduation stipends paid (\$54,720 FED/\$36,480 GFM)
\$120,700 Total aftercare stipends paid (DEED I/A)
\$211,900 Total graduation & aftercare stipends paid in SY09

60/40

FFY08 Graduation Stipend \$42,900

FFY09 Graduation Stipend \$48,300

Total graduation stipends paid in SY09 \$91,200 (\$54,720 FED/\$36,480 GFM)

I/A (DEED)

Aftercare Stipend \$120,700

SY10 – \$81,600 Total graduation stipends paid (\$48,960 FED/\$32,640 GFM)
\$58,900 Total aftercare stipends paid (DEED I/A)
\$140,500 Total graduation & aftercare stipends paid so far in SY10

60/40

FFY09 Graduation Stipend \$40,800

FFY10 Graduation Stipend (estimated) \$40,800

Total graduation stipends paid so far in SY10 \$81,600 (\$48,960 FED/\$32,640 GFM)

I/A (DEED)

Aftercare Stipend (there should be no more) \$58,900



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Alaska Statutes.
Title 14. Education, Libraries, and Museums
Chapter 30. Pupils and Educational Programs For Pupils
Section 740. Funding For Alaska Challenge Youth Academy Program.

previous: Section 720. Definitions.
next: Section 750. Alaska School Counseling Program Grant Fund. [Repealed, Sec. 12 Ch 42 SLA 1997].

AS 14.30.740. Funding For Alaska Challenge Youth Academy Program.

(a) Each fiscal year, the department shall allocate funding for the Alaska Challenge Youth Academy program in an amount equal to the base student allocation multiplied by seven for each residential student and the base student allocation multiplied by 6/10 for each nonresidential student, minus the amount received by the program in federal matching grant funds. The determination of the number of residential and nonresidential students shall be made by the department on October 1 of the prior year.

(b) In this section,

- (1) "base student allocation" means the amount established under AS 14.17.470;
- (2) "nonresidential student" means a student who receives services but does not reside at the program site;
- (3) "program" means the Alaska Challenge Youth Academy program;
- (4) "residential student" means a student who resides at the program site.

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Note to HTML Version:

This version of the Alaska Statutes is current through December, 2007. The Alaska Statutes were automatically converted to HTML from a plain text format. Every effort has been made to ensure their accuracy, but this can not be guaranteed. *If it is critical that the precise terms of the Alaska Statutes be known, it is recommended that more formal sources be consulted.* For statutes adopted after the effective date of these statutes, see, Alaska State Legislature. If any errors are found, please e-mail Touch N' Go systems at E-mail. We hope you find this information useful.

This page has been updated: 01/05/2009 15:56:11

Alaska Military and Youth Academy

| Class | Start Date | Residential Grad Date | # Registered (Intake Day) | # Enrolled (After 1st Two Wks) | Graduated (end of 22 Wks) | Post Residential Compl Date | Number Receiving Stipends |
|------------------|------------|-----------------------|---------------------------|--------------------------------|---------------------------|-----------------------------|---|
| 2006/2007 | | | | | | | |
| 2006-1 | 4/3/2006 | 9/1/2006 | 162 | 140 | 109 | 10/1/2007 | 92 |
| 2006-2 | 10/1/2006 | 3/2/2007 | 257 | 194 | 154 | 4/1/2008 | 116 |
| 2007/2008 | | | | | | | |
| 2007-1 | 4/2/2007 | 8/31/2007 | 210 | 177 | 140 | 9/1/2008 | 108 |
| 2008-1 | 10/1/2007 | 3/1/2008 | 206 | 154 | 123 | 4/1/2009 | 91 |
| 2008/2009 | | | | | | | |
| 2008-2 | 4/1/2008 | 8/29/2008 | 206 | 160 | 143 | 9/1/2009 | 106 |
| 2009-1 | 10/1/2008 | 2/27/2009 | 209 | 184 | 161 | 4/1/2010 | This is the last class to receive Post-Residential stipends |
| 2009/2010 | | | | | | | |
| 2009-2 | 4/1/2009 | 8/29/2009 | 197 | 176 | 136 | 9/1/2010 | Not eligible |
| 2010-1 | 10/1/2009 | 2/27/2010 | 192 | 155 | TBD | 4/1/2011 | Not eligible |