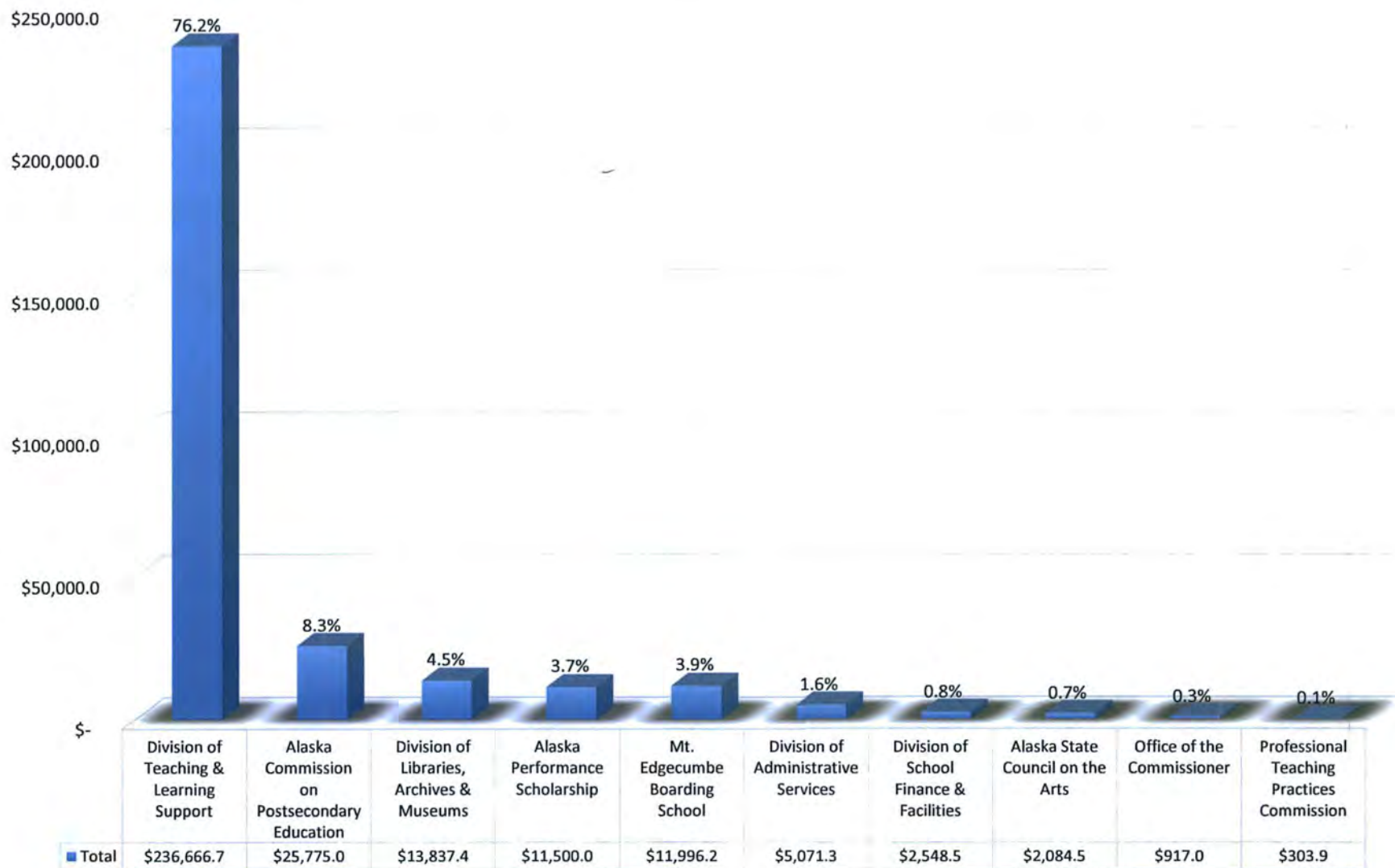


01/28/15
BUDGET OVERVIEW
FY 16:
DEPARTMENT OF
EDUCATION &
EARLY
DEVELOPMENT

<TARGET><BILL></BILL><SUBJECT>01-28-15 BUDGET OVERVIEW
FY 16 DEPARTMENT OF EDUCATION and EARLY
DEVELOPMENT</SUBJECT><COMM>HFIN29</COMM></TARGET>

FY2016 Governor Amended Budget - Agency Operations Percent by Division/Office

(All fund sources. Does not include K-12 Support.)



**Department of Education & Early Development (DEED)
Follow-up to House Finance Overview Questions
January 30, 2015**

1. Representative Wilson - Requested a breakdown of the percentages by Division/Office of the Agency Operations portion of the budget.

DEED Response: Please see the document titled "DEED Agency Operations % by Division&Offices.pdf". Please note that this data is the FY2016 Governor Amended Budget and the percentages are without the K-12 Support total included.

2. Representative Neuman - What is the percent of high school students, who start high school in 9th grade; what is the percent of those students who actually complete a four-year college program?

DEED Response: The four-year post-secondary (or college) graduation rate for Alaska high school graduates is 13% and the six-year post-secondary (or college) graduation rate is 25%. This is based on reporting from the National Student Clearinghouse to which more than 3,600 institutions (enrolling 98% of all students in public and private U.S. institutions) report.

3. Representative Wilson - Regarding the Alaska Performance Scholarship, how many recipients who received a scholarship in year 1 are still on the path to graduating in the 4 years?

DEED Response: This information will be in the Alaska Performance Scholarship report that will be released and transmitted early next week to all legislators.

4. Representative Gara - Stated that the federal loan rate is 4.6%, the state loan rate is 6.6%, and a used car loan is approximately 3% or less. If looking for ways to increase the number of people who are doing vocational education and college, why is the state loan rate so high and do you have any plans on doing anything about it? Also, is the state loan rate in statute or regulation?

Alaska Commission on Postsecondary Education (ACPE) Response: State education loan rates and current rate reduction benefits can be found at http://acpe.alaska.gov/STUDENT-PARENT/Loans/Borrower_Benefits. Just to summarize, the rates are set by the Alaska Student Loan Corporation board under its statutory authority (AS 14.42.200) and are based on the current costs of funds (bonds) at the time the rate is set for the subsequent loan year plus the costs of loan servicing. For the 2014-15 loan year, new loans are at a rate of 6.7% (for borrowers in Alaska schools that rate is reduced to 6.2%). Typically collaterally-backed consumer loans are funded with cash assets of the lending institution and so the cost of funds are di minimus, thereby allowing for lower rates. If the state wanted to fund education loans with cash, it could do so at any rate it determined was appropriate. As an example, the WWAMI program loan is funded by state general funds. Therefore, by state statute (AS 14.43.510), that rate is tied to a federal reserve district discount rate, which for the 2014-15 entering cohort of participants is 2.75%.

5. Representative Thompson - Asked what the 5th and 6th year graduation rates were? As well as for the number of the students who don't graduate from high school, how many get a GED later on in life?

DEED Response: Please see the attached document entitled “2013-2014 Cohort Grad Rates by District” for the 4th and 5th year graduation rates broken down by school district. The department does not calculate six year high school graduation rate, however we do calculate and utilize the five year rate.

The following GED recipient data for the past five years was obtained from the Department of Labor and Workforce Development.

Fiscal Year	Number of GED Recipients:
FY2010	1,640
FY2011	1,659
FY2012	1,580
FY2013	1,623
FY2014	1,700

2013-2014 Four-Year Cohort Graduation Rates by District

District	Yes	No	Rate
Alaska Gateway	4	15	21.05%
Aleutian Region	1	2	33.33%
Aleutians East	16	8	66.67%
Anchorage	2629	946	73.54%
Annette Island	20	0	100.00%
Bering Strait	79	35	69.30%
Bristol Bay	16	6	72.73%
Chatham	3	3	50.00%
Chugach	13	4	76.47%
Copper River	29	12	70.73%
Cordova City	20	3	86.96%
Craig City	17	23	42.50%
Delta-Greely	50	12	80.65%
Denali	16	16	50.00%
Dillingham	24	15	61.54%
Fairbanks	752	274	73.29%
Galena	217	78	73.56%
Haines	24	4	85.71%
Hoonah	3	6	33.33%
Hydaburg	4	2	66.67%
Iditarod	6	4	60.00%
Juneau	320	82	79.60%
Take	5	2	71.43%
Kashunamiut	14	13	51.85%
Kenai Peninsula	556	127	81.41%
Ketchikan	127	47	72.99%
Klawock	11	3	78.57%
Kodiak Island	192	44	81.36%
Kuspuk	12	7	63.16%
Lake and Peninsula	16	9	64.00%
Lower Kuskokwim	114	176	39.31%
Lower Yukon	44	75	36.97%
Mat-Su	1015	334	75.24%
Mt Edgecumbe	84	8	91.30%
Nenana	52	128	28.89%
Nome	37	11	77.08%
North Slope	52	56	48.15%
Northwest Arctic	67	50	57.26%
Pelican	2	1	66.67%
Petersburg	41	4	91.11%
Pribilof	1	0	100.00%
Saint Mary's	11	3	78.57%
Sitka	84	35	70.59%
Skagway	4	0	100.00%
Southeast Island	12	4	75.00%
Southwest Region	26	21	55.32%
Tanana	3	2	60.00%
Unalaska	33	3	91.67%
Valdez	46	10	82.14%
Wrangell	17	5	77.27%
Yakutat	6	0	100.00%
Yukon Flats	7	5	58.33%
Yukon-Koyukuk	60	96	38.46%
Yup'it	8	20	28.57%

2013-2014 Five-Year Cohort Graduation Rates by District

District	Yes	No	Rate
Alaska Gateway	15	16	48.39%
Aleutian Region	0	1	0.00%
Aleutians East	19	5	79.17%
Anchorage	2920	684	81.02%
Annette Island	16	1	94.12%
Bering Strait	78	41	65.55%
Bristol Bay	14	3	82.35%
Chatham	4	4	50.00%
Chugach	17	3	85.00%
Copper River	26	9	74.29%
Cordova City	22	2	91.67%
Craig City	17	19	47.22%
Delta-Greely	46	26	63.89%
Denali	17	13	56.67%
Dillingham	14	21	40.00%
Fairbanks	806	215	78.94%
Galena	260	59	81.50%
Haines	26	3	89.66%
Hoonah	6	4	60.00%
Hydaburg	3	1	75.00%
Iditarod	12	14	46.15%
Juneau	328	61	84.32%
Kake	8	0	100.00%
Kashunamiut	10	10	50.00%
Kenai Peninsula	607	125	82.92%
Ketchikan	133	26	83.65%
Klawock	7	1	87.50%
Kodiak Island	158	32	83.16%
Kuspuk	10	8	55.56%
Lake and Peninsula	26	7	78.79%
Lower Kuskokwim	123	144	46.07%
Lower Yukon	70	65	51.85%
Mat-Su	1077	285	79.07%
Mt Edgecumbe	69	1	98.57%
Nenana	65	175	27.08%
Nome	26	17	60.47%
North Slope	78	31	71.56%
Northwest Arctic	73	35	67.59%
Pelican	2	0	100.00%
Petersburg	37	9	80.43%
Pribilof	10	0	100.00%
Saint Mary's	5	0	100.00%
Sitka	67	34	66.34%
Skagway	6	0	100.00%
Southeast Island	19	2	90.48%
Southwest Region	24	10	70.59%
Tanana	1	0	100.00%
Unalaska	28	3	90.32%
Valdez	44	7	86.27%
Wrangell	31	4	88.57%
Yakutat	6	2	75.00%
Yukon Flats	3	10	23.08%
Yukon-Koyukuk	109	90	54.77%
Yup'it	7	18	28.00%



ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

State Capitol, Room 519

Rep. Mark Neuman, Co-Chair

Rep. Steve Thompson, Co-Chair

Wednesday, January 28, 2015

1:30 PM

Agenda:

FY16 Alaska Mental Health Trust Authority Overview

Presenting in person:

jj
mb
Jeff Jessee, Chief Executive Officer, Alaska Mental Health Trust Authority
Mike Barton, Chairman, Board of Trustees, Alaska Mental Health Trust Authority

FY16 Department of Education and Early Development Overview

Presenting in person:

mh
ht
Mike Hanley, Commissioner, Department of Education & Early Development
Heidi Teshner, Administrative Services Director, Department of Education & Early Development

Alaska Department of Education & Early Development

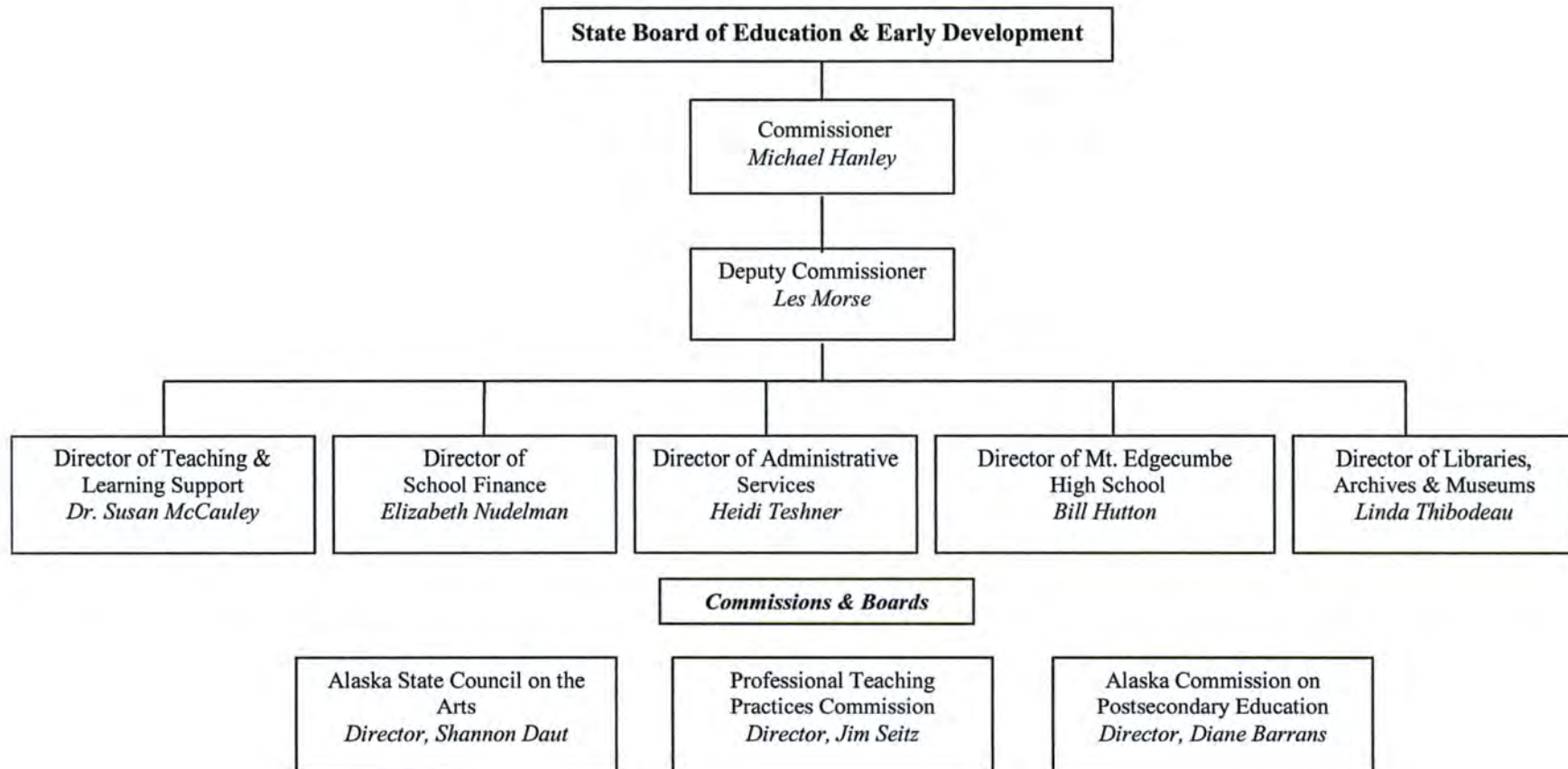
FY2016 Budget Overview

House Finance Committee

January 28, 2015



Department of Education & Early Development Organization Chart



Department of Education & Early Development

Alaska State Constitution- Alaska Statutes

Alaska Constitution Section 7.1 – Public Education

Responsibility: To establish and maintain a system of public schools.

Key Functions: Fund, Provide oversight and support, Set standards, Assess students towards standards.

State Education Policy – AS 14.03.015

The purpose of education is to help ensure that all students will succeed in their education and work.

Governing Statutes – Alaska Statutes Title 14

Department of Education & Early Development

Mission and Core Services

Mission

To ensure quality standards-based instruction to improve academic achievement for all students.

Core Services

- 1. Public School Funding** – Ensure funding is appropriately distributed to recipients based on legislative appropriations and by Statute.
- 2. Fiscal Accountability, Compliance and Oversight** – Ensure the department effectively and efficiently manages state, federal and other funds.
- 3. School Effectiveness Programs** – Assist districts by providing programs, technical on-site and distance delivery support, and early intervention services.
- 4. Active Partnerships** – Provide opportunities for, and collaborate with government entities, and other public and private organizations.

Department of Education & Early Development

Structure Overview

DEED has 5 Divisions, 3 Commissions & Boards, and the Office of the Commissioner.

1. Division of Teaching & Learning Support

- Dr. Susan McCauley, Director
- 89 full-time budgeted positions
- 14.7% of DEED's FY2016 Work in Progress Budget
- \$237,548.7 budget request (all sources)
- Provides support through federal program funding and compliance; academic standards, academic assessment and accountability; state system of support to increase school effectiveness; and active partnerships

2. Division of School Finance & Facilities

- Elizabeth Nudelman, Director
- 14 full and part-time budgeted positions
- 0.2% of DEED's FY2016 Work in Progress Budget
- \$2,548.5 budget request (all sources)
- Allocates and accounts for resources distributed to Alaska school districts and Mt. Edgecumbe Boarding School and provides services that promote safe facilities which support quality education programs.

Department of Education & Early Development Structure Overview

3. Division of Administrative Services

- Heidi Teshner, Director
- 18 full-time and non-perm budgeted positions
- 0.3% of DEED's FY2016 Work in Progress Budget
- \$4,871.3 budget request (all sources)
- Provides centralized administrative management and financial, budget, procurement, human resources, and information technology support services to the department staff.

4. Division of Libraries, Archives & Museums

- Linda Thibodeau, Director
- 65 full and part-time budgeted positions
- 1.0% of DEED's FY2016 Work in Progress Budget
- \$15,979.5 budget request (all sources)
- Provides the public with access to government information; collects, organizes, preserves, and makes available materials that document the history of the state; and promotes the development of libraries , archives and museums statewide.

Department of Education & Early Development Structure Overview

5. Mt. Edgecumbe Boarding School

- Bill Hutton, Director
- 55 full and part-time budgeted positions
- 0.7% of DEED's FY2016 Work in Progress Budget
- \$11,996.2 budget request (all sources)
- Provides a comprehensive residential high school for Alaskan students.

6. Alaska State Council on the Arts

- Shannon Daut, Director
- 6 full-time budgeted positions
- 0.1% of DEED's FY2016 Work in Progress Budget
- \$2,084.5 budget request (all sources)
- Promotes and fosters the development of the arts for all Alaskans through education, partnerships, grants, and services.

Department of Education & Early Development Structure Overview

7. Professional Teaching Practices Commission

- Jim Seitz, Director
- 2 full-time budgeted positions
- 0.0% of DEED's FY2016 Work in Progress Budget
- \$303.9 budget request (all sources)
- Serves as a preventative and positive force in working to enhance the professional performance of all educators, and ensures that members of the teaching profession in Alaska are qualified and ethical educators.

8. Alaska Commission on Postsecondary Education

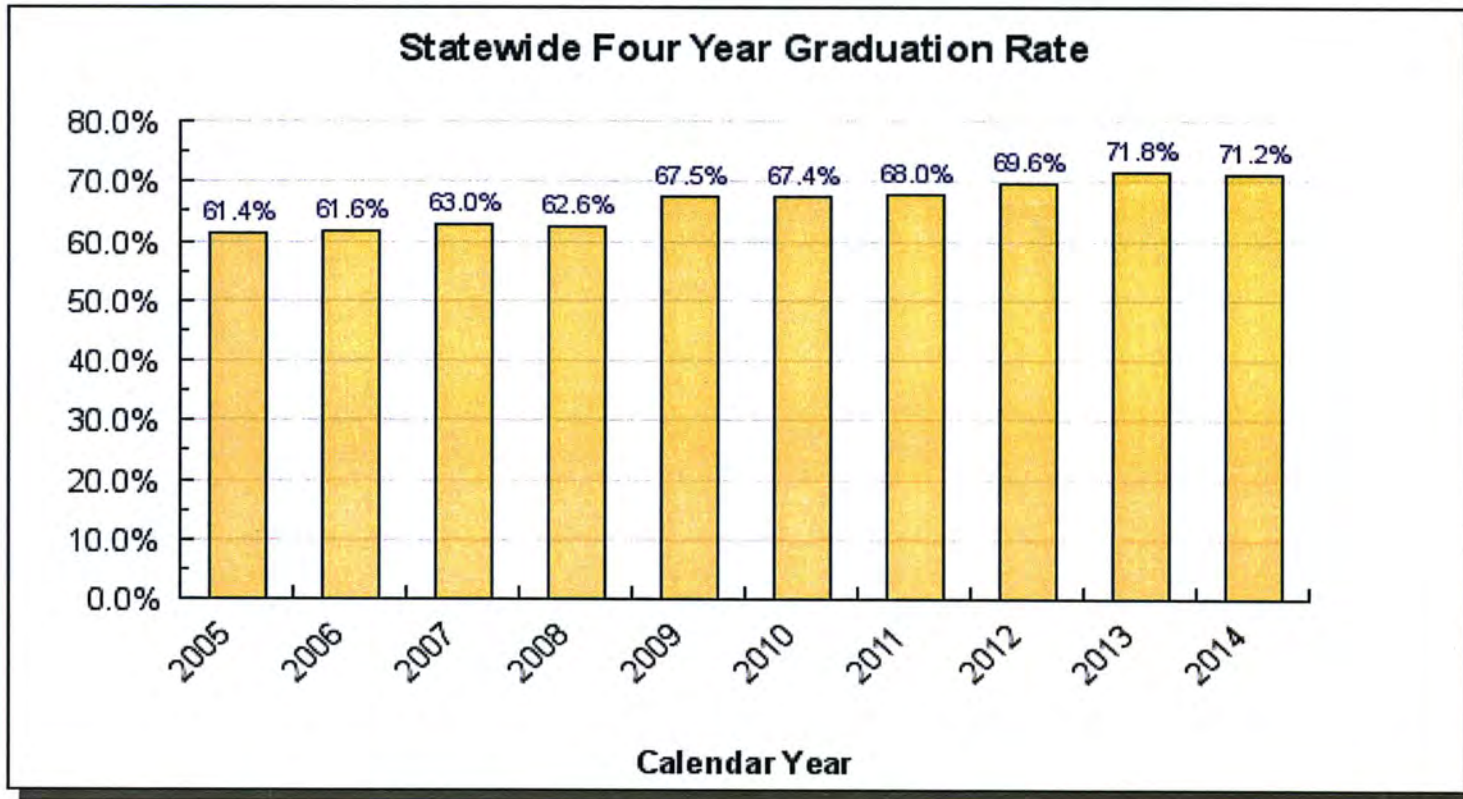
- Diane Barrans, Director
- 106 full-time and non-perm budgeted positions
- 1.6% of DEED's FY2016 Work in Progress Budget
- \$25,775.0 budget request (all sources)
- Promotes access to and success in education and career training beyond high school.

Department of Education & Early Development Structure Overview

9. Office of the Commissioner

- Mike Hanley, Commissioner
- 5 full-time budgeted positions
- 0.1% of DEED's FY2016 Work in Progress Budget
- \$900.9 budget request (all sources)
- Provides policy direction and support to Alaska's school districts, schools, students, parents, teachers, and department programs that increase student achievement.

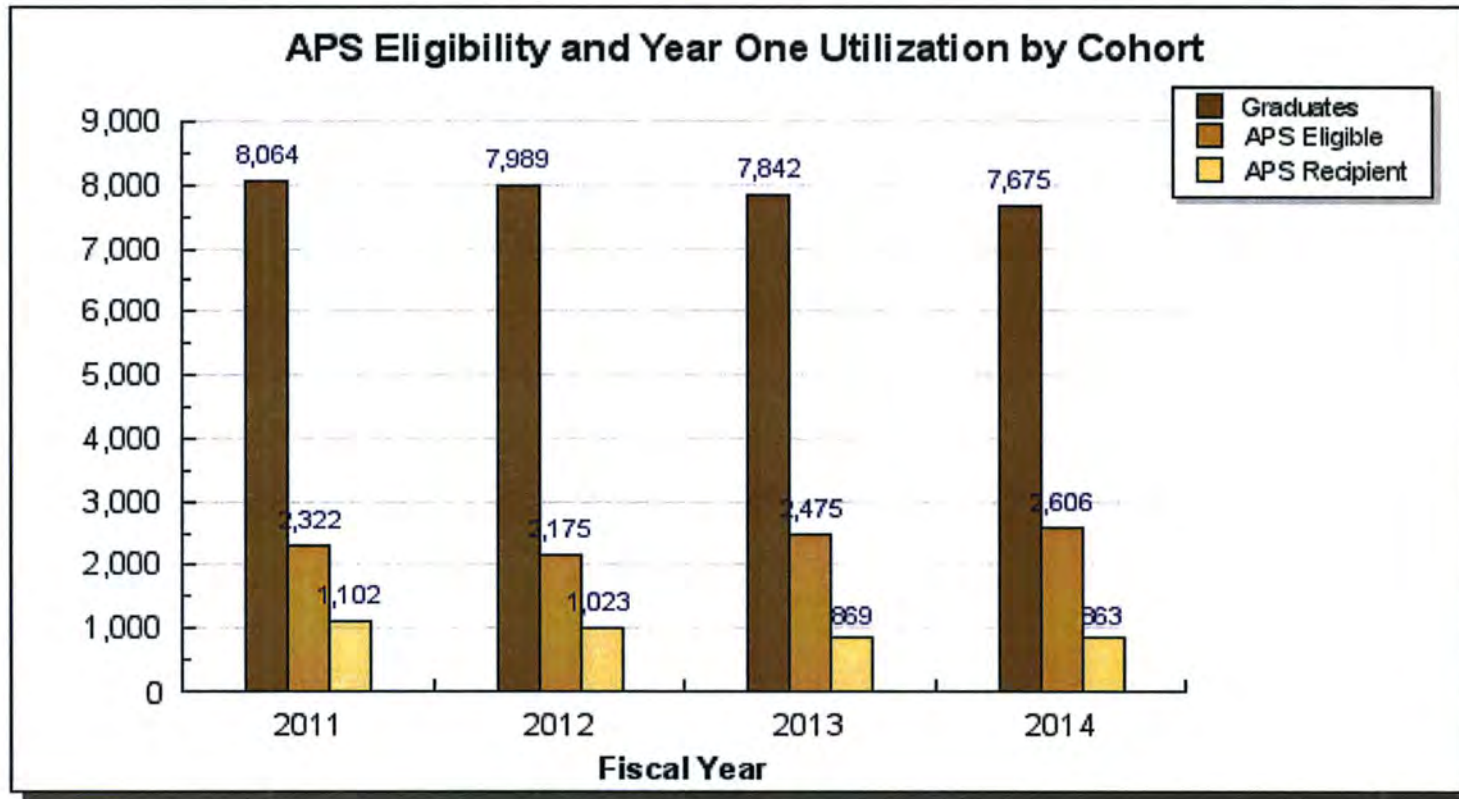
Department of Education & Early Development Key Performance Measures



of graduates in cohort
in 9th grade cohort*

* Takes into account the transfers in and out.

Department of Education & Early Development Key Performance Measures



% of APS Eligible Graduates:

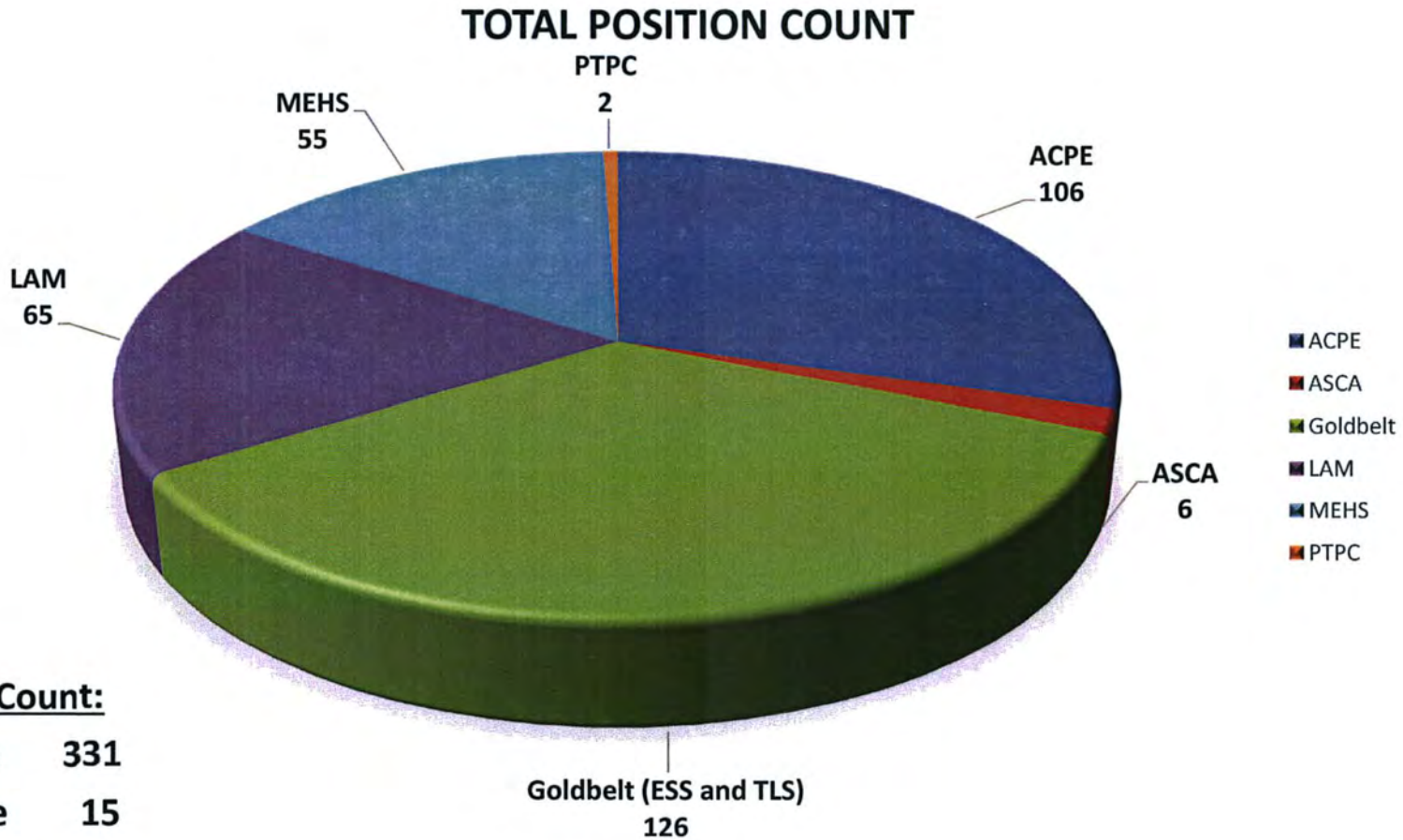
2011 – 28.8%

2012 – 27.2%

2013 – 31.6%

2014 – 34.0%

Department of Education & Early Development FY2016 Work in Progress Budget



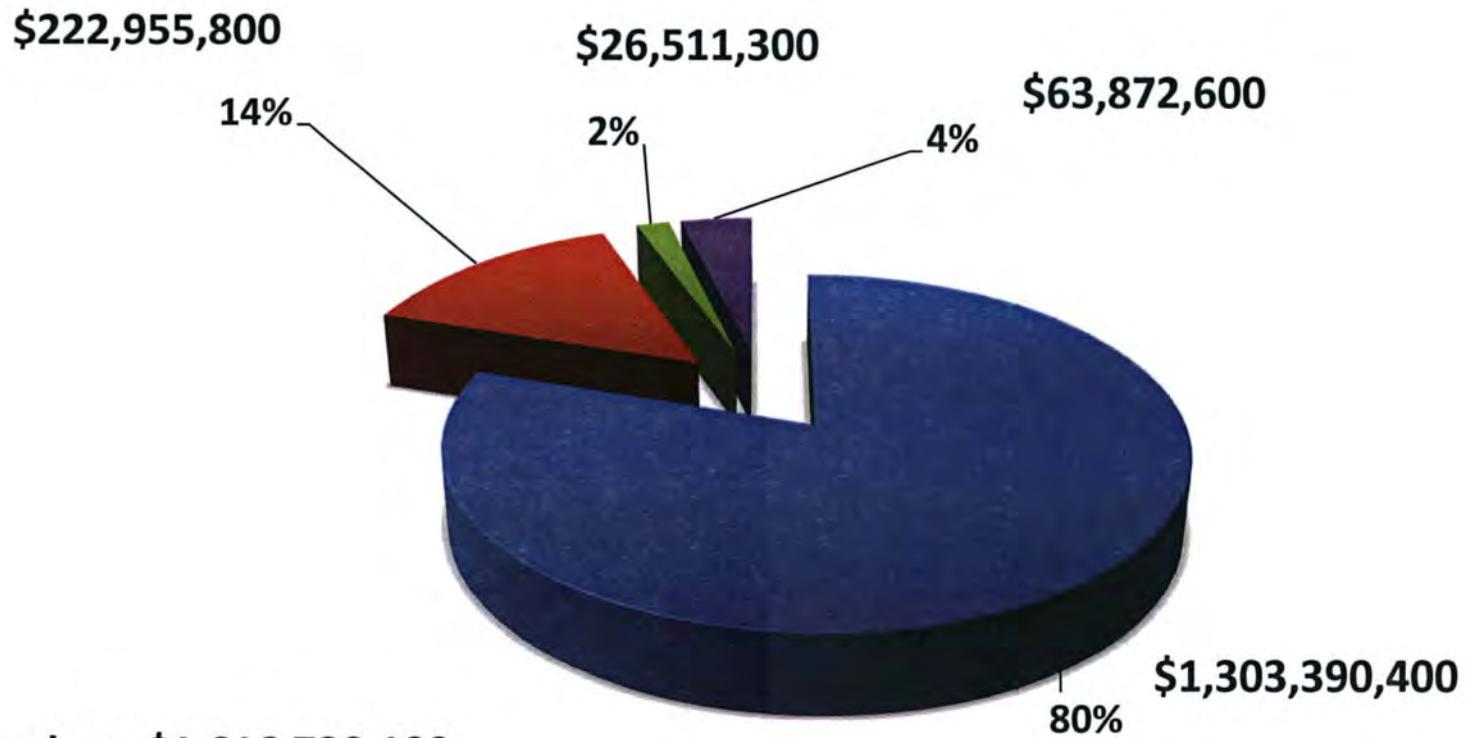
Position Count:

Full-time	331
Part-time	15
Non-perm	<u>14</u>
Total	360

Department of Education & Early Development FY2016 Work in Progress Budget

Budget by Core Services

- 1. Public School Funding
- 2. Fiscal Accountability, Compliance and Oversight
- 3. School Effectiveness Programs
- 4. Active Partnerships



Total Budget: \$1,616,730,100

Department of Education & Early Development FY2016 Work in Progress Budget

**Total includes School Debt Reimbursement of \$128,423.0.*

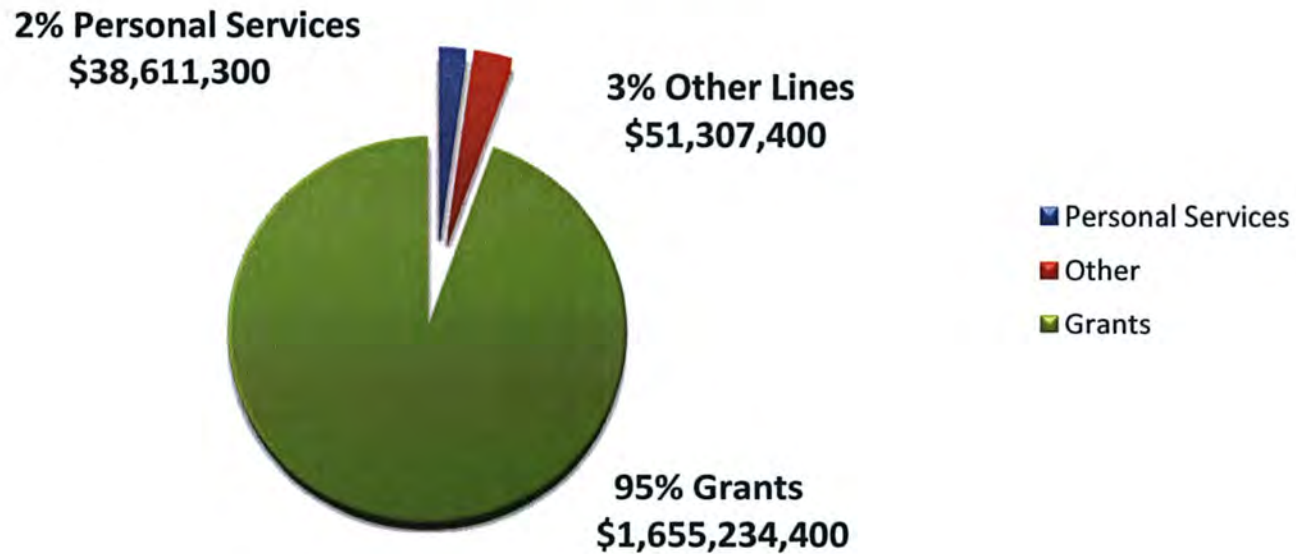
	Designated General Funds	Unrestricted General Funds	Federal Funds	Other Funds	Total
<i>K-12 Formula Programs</i>	36,900.0	1,373,953.6	20,791.0	0.0	1,431,644.6
<i>Agency Operations</i>	19,545.6	56,420.0	211,220.7	26,322.2	313,508.5
Total	56,445.6	1,430,373.6	232,011.7	26,322.2	1,745,153.1

**FY2016 Work in Progress Budget
By Fund Source**



Department of Education & Early Development Operating Overview All Funds

FY2016 Work in Progress Budget By Line Item



Total Budget: \$1,745,153,100

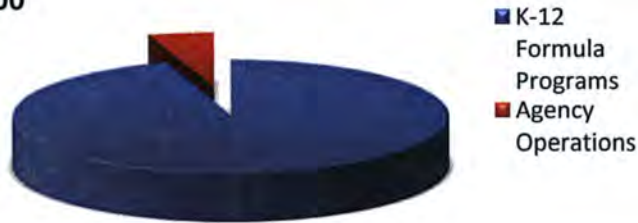
Department of Education & Early Development Agency Operations

**Total does not include K-12 Formula Program or School Debt Reimbursement.*

	Designated General Funds	Unrestricted General Funds	Federal Funds	Other Funds	Total
Agency Operations	19,545.6	56,420.0	211,220.7	26,322.2	313,508.5

**FY2016 Work in Progress Budget
General Funds Only**

5% Agency Operations
\$75,965,600



95% K-12 Formula Programs
\$1,410,853,600

**FY2016 Agency Operations
By Fund Source**

8% Other Funds

24% General Funds



68% Federal Funds

Department of Education & Early Development FY2016 Work in Progress Budget Highlights

K-12 Education Formula Funding

- Forward funding of the Foundation Program and Pupil Transportation to be deposited into the Public Education Fund.

K-12 Support Boarding Home Grant Funding

- \$736.1 UGF increase for one new residential program and additional student capacity at an existing residential program that have both been approved by the department.

Alaska Higher Education Investment Fund

- Alaska Performance Scholarship Awards - \$500.0 DGF
- AlaskAdvantage Education Grants - \$250.0 DGF

Professional Teaching Practices Commission

- Increase general fund program receipt authority to comply with legislative intent language; \$0.0 net change: \$303.9 DGF/(\$303.9) UGF.

Alaska Learning Network (AKLN)

- \$850.0 UGF restores the AKLN program funding to current level of service.

Department of Education & Early Development FY2016 Governor Endorsed Budget

From the FY2016 Governor Endorsed Budget Summary released on 1/22/2015:

<i>* Unrestricted General Funds (UGF) Only</i>							
	FY15 Management Plan	FY2016 Work in Progress (WIP)	FY2016 Gov Amend	FY2016 Gov Amend from FY16 WIP	FY2016 Gov Amend from FY2015 Management Plan	% FY16 Gov Amend from WIP	% FY16 Gov Amend from FY15 Management Plan
Non-Formula	57,419.6	56,420.0	53,620.0	(2,800.0)	(3,799.6)	-5.0%	-6.6%
Formula	1,351,502.2	1,269,430.6	1,259,958.6	(9,472.0)	(91,543.6)	-0.7%	-7.3%

From the FY2016 Work in Progress Budget:

Non-Formula UGF Targeted Reduction – (\$2,800.0 UGF)

- \$2,800.0 UGF targeted reduction to the non-formula portion of the department's budget; a 5.0% reduction from the FY2016 Work in Progress Budget and a 6.6% reduction from the FY2015 Management Plan.

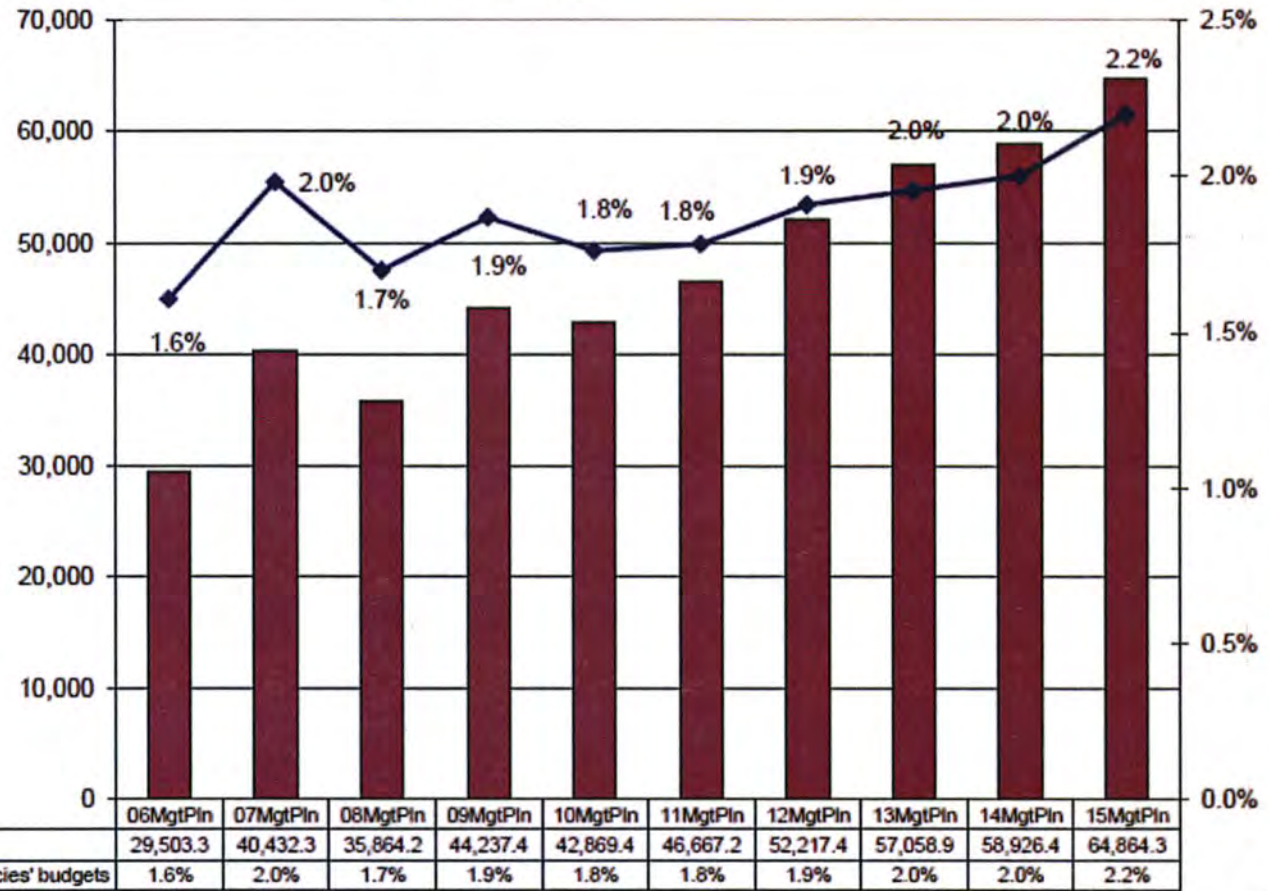
Formula UGF Targeted Reduction – (\$9,472.0 UGF)

- Foundation Program (\$9,076.7); Pupil Transportation (\$384.4); Special Schools (\$10.9) – adjustments to formula based on updated projected need from student count adjustments and final estimates. reduction to adjust the tracking estimate for the FY2016 Foundation Program from the Public Education Fund (PEF).

**Education & Early Development Budget Compared to All Agencies Budgets
(Non-Formula Only)
(GF Only)
(\$ Thousands)**

The department's Non-Formula GF budget grew over \$35 million (120%) between FY06 and the FY15 management plan- an average annual growth rate for that period of 9.1%.

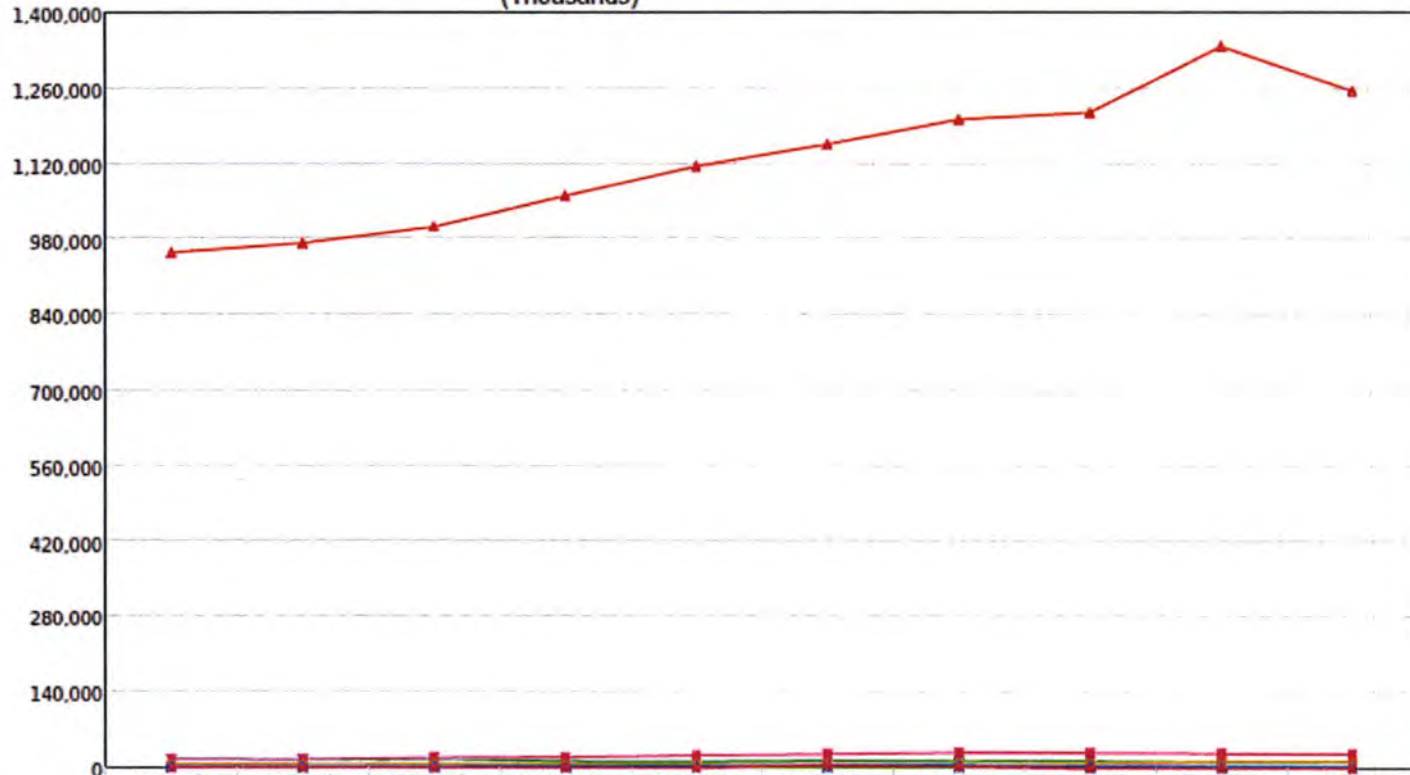
The department's total Non-Formula FY15 GF budget equals \$195 per resident worker.*



* According to the Department of Labor and Workforce Development, there were 333,283 resident workers in Alaska in 2012.

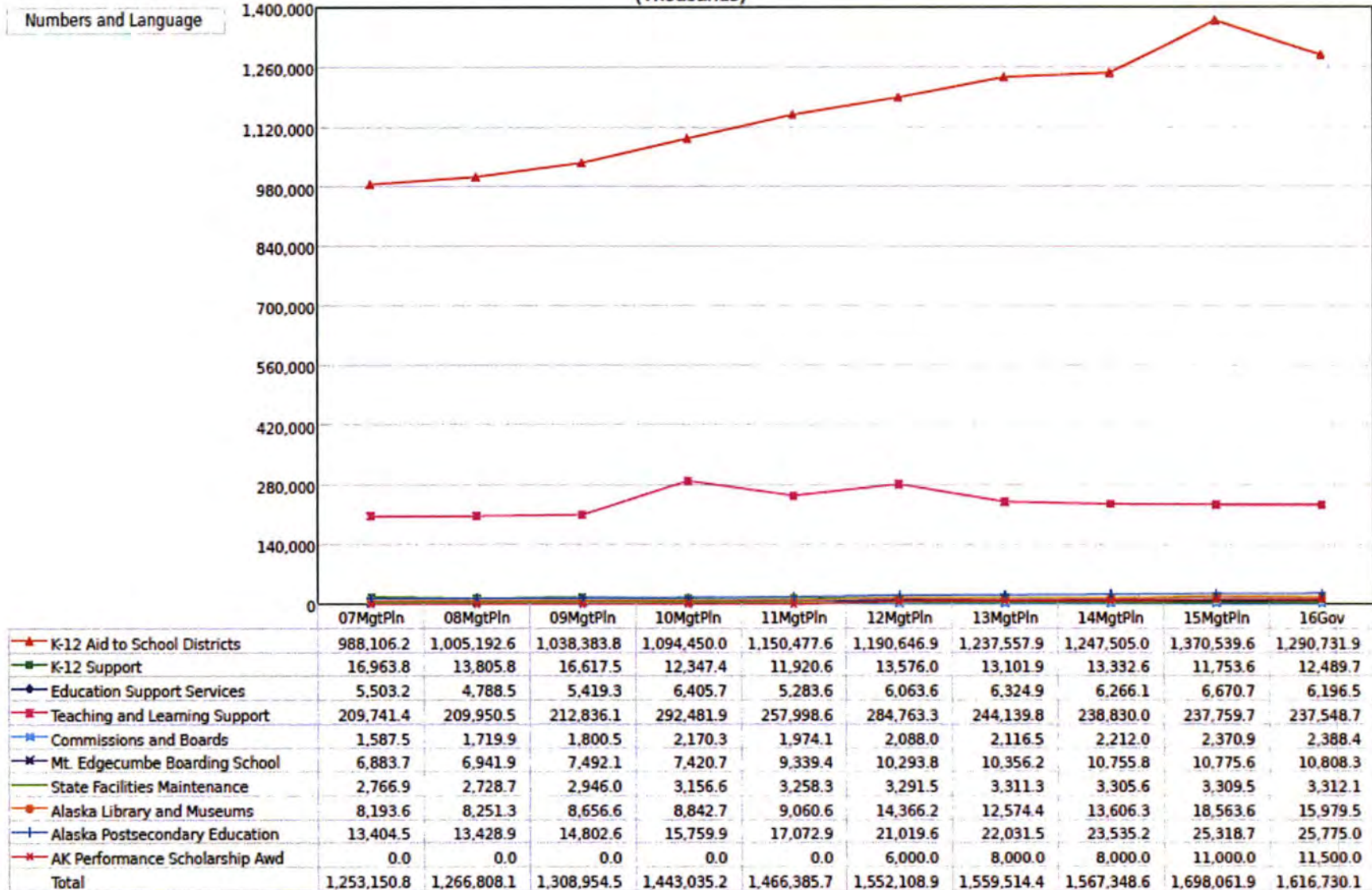
Multi-year Appropriation Summary - Operating Budget - FY 2016 Governor Structure
Department of Education and Early Development
 (Thousands)

Numbers and Language
 Fund Groups: Unrestricted General



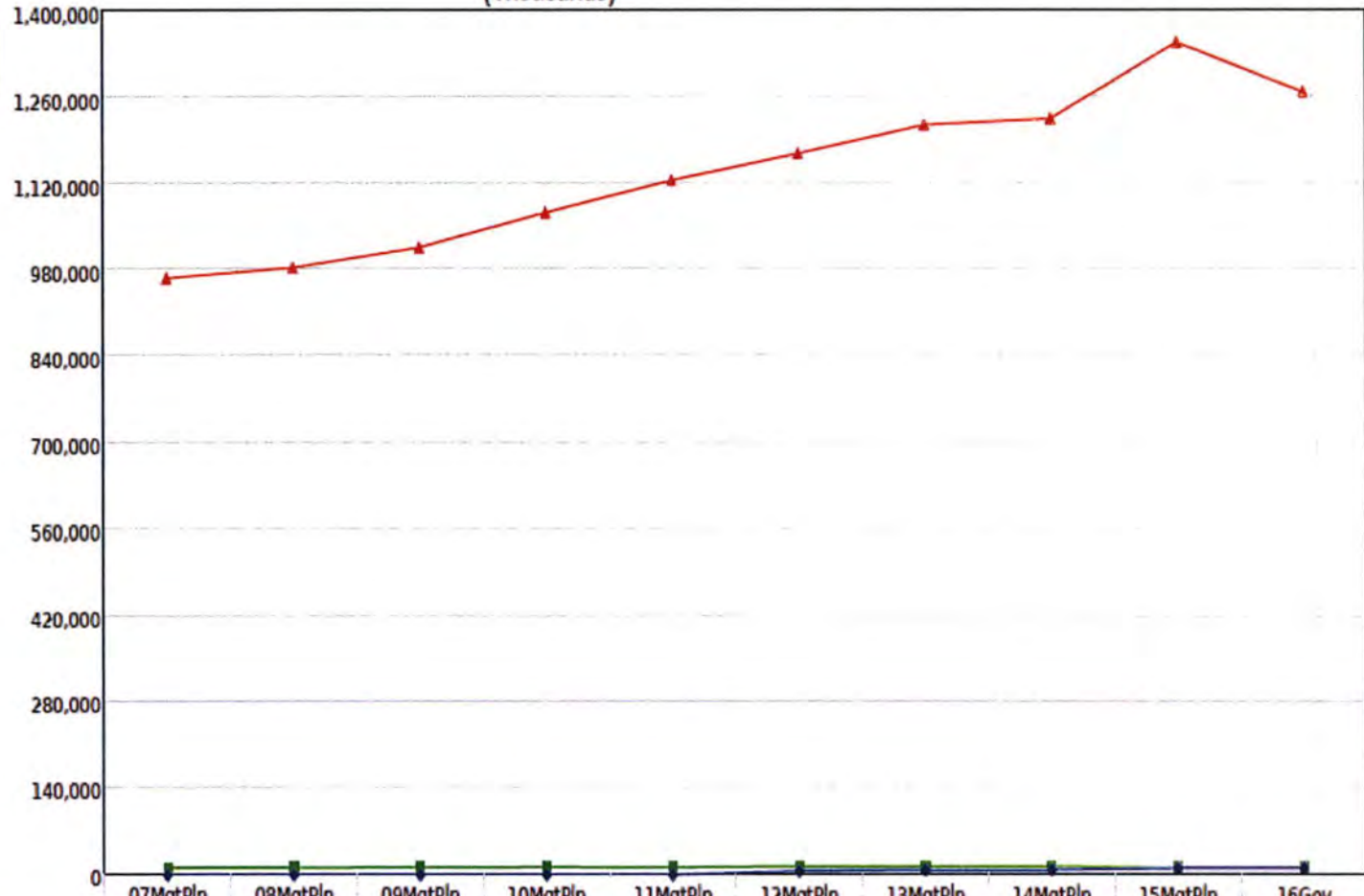
	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16Gov
▲ K-12 Aid to School Districts	955,357.2	972,306.5	1,003,292.8	1,060,722.0	1,116,322.2	1,157,505.9	1,203,516.9	1,216,214.0	1,339,748.6	1,256,940.9
■ K-12 Support	16,963.8	13,805.8	16,617.5	12,347.4	11,920.6	13,576.0	13,101.9	13,332.6	11,753.6	12,489.7
◆ Education Support Services	3,797.9	3,019.3	3,613.4	4,559.4	3,321.9	3,384.8	3,573.2	3,807.4	4,213.0	3,701.4
■ Teaching and Learning Support	15,797.8	15,552.9	18,776.1	20,378.2	23,948.5	26,501.3	29,681.0	29,890.9	28,811.2	28,456.6
◆ Commissions and Boards	601.3	603.4	684.0	959.4	975.1	1,080.4	1,093.9	1,103.8	1,102.9	810.0
◆ Mt. Edgecumbe Boarding School	3,349.0	3,002.8	3,974.7	3,903.2	4,054.9	4,235.7	4,221.0	4,614.1	4,622.7	4,654.8
■ State Facilities Maintenance	1,763.3	1,635.2	1,835.2	2,045.8	2,115.8	2,115.8	2,115.8	2,098.2	2,098.2	2,098.2
■ Alaska Library and Museums	6,184.0	6,241.7	6,644.7	6,827.3	7,039.1	7,326.2	7,594.9	8,617.9	13,606.8	13,734.2
◆ Alaska Postsecondary Education	1,546.7	1,698.0	2,130.1	2,654.8	3,614.8	5,964.8	5,964.8	2,964.8	2,964.8	2,964.8
◆ AK Performance Scholarship Awd	0.0	0.0	0.0	0.0	0.0	6,000.0	3,100.0	0.0	0.0	0.0
Total	1,005,361.0	1,017,865.6	1,057,568.5	1,114,397.5	1,173,312.9	1,227,690.9	1,273,963.4	1,282,643.7	1,408,921.8	1,325,850.6

Multi-year Appropriation Summary - Operating Budget - FY 2016 Governor Structure
Department of Education and Early Development
 (Thousands)



Multi-year Appropriation Summary - Operating Budget - FY 2016 Governor Structure
Department of Education and Early Development
 (Thousands)

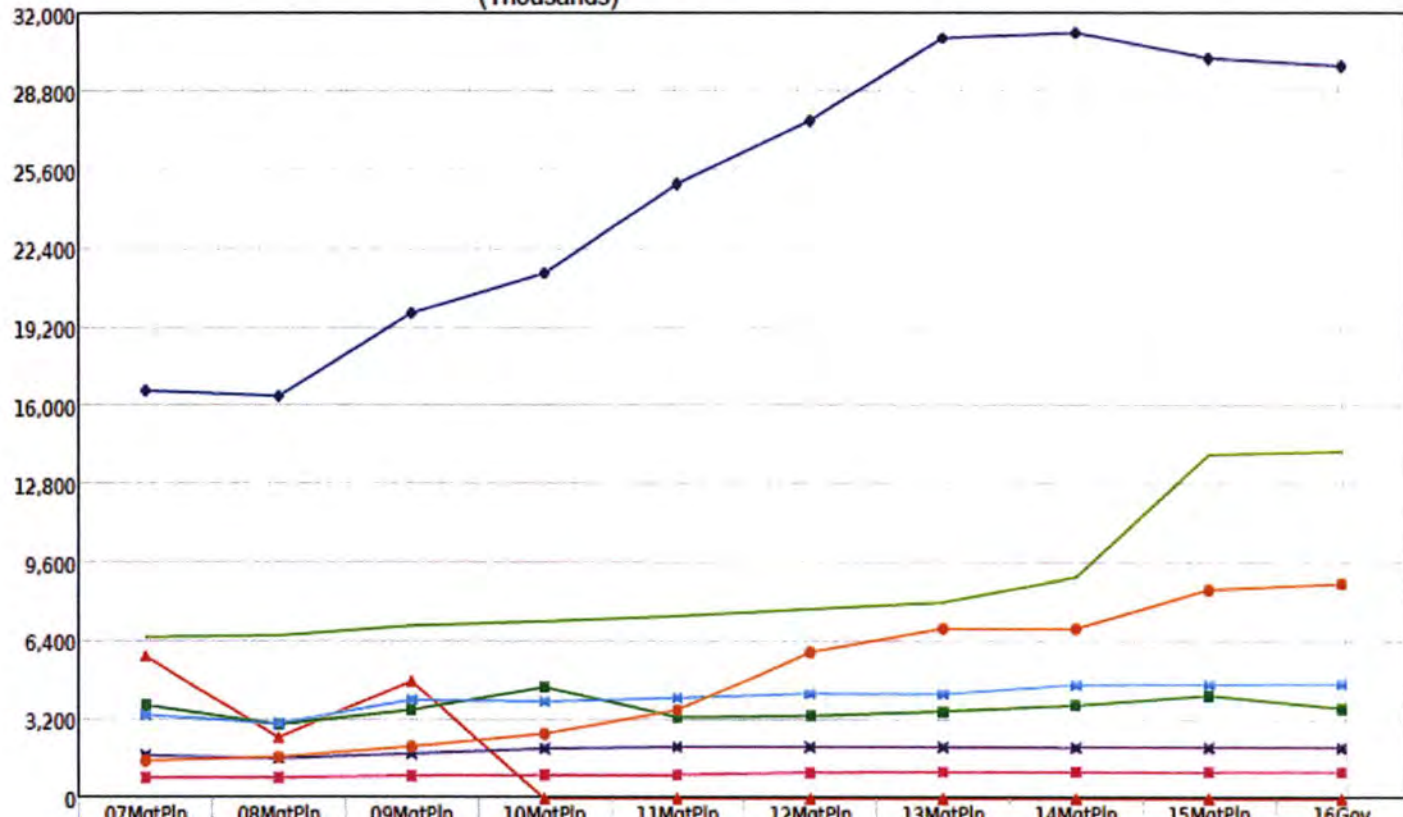
Numbers and Language
 Formula Programs
 Fund Groups: General Funds



	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16Gov
K-12 Aid to School Districts	967,315.2	984,401.6	1,017,592.8	1,073,659.0	1,127,022.2	1,169,855.9	1,216,766.9	1,226,714.0	1,349,748.6	1,269,940.9
K-12 Support	11,163.8	11,305.8	11,817.5	12,347.4	11,920.6	13,576.0	13,101.9	13,332.6	11,753.6	12,489.7
AK Performance Scholarship Awd	0.0	0.0	0.0	0.0	0.0	6,000.0	8,000.0	8,000.0	11,000.0	11,500.0
Total	978,479.0	995,707.4	1,029,410.3	1,086,006.4	1,138,942.8	1,189,431.9	1,237,868.8	1,248,046.6	1,372,502.2	1,293,930.6

Multi-year Appropriation Summary - Operating Budget - FY 2016 Governor Structure
Department of Education and Early Development
 (Thousands)

Numbers and Language
 Non-Formula Programs
 Fund Groups: General Funds



	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16Gov
K-12 Support	5,800.0	2,500.0	4,800.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education Support Services	3,797.9	3,019.3	3,613.4	4,559.4	3,321.9	3,384.8	3,573.2	3,807.4	4,213.0	3,701.4
Teaching and Learning Support	16,654.1	16,427.6	19,816.8	21,433.1	25,057.9	27,619.2	31,003.2	31,226.9	30,179.8	29,870.7
Commissions and Boards	864.1	866.4	947.0	970.3	986.0	1,091.3	1,104.8	1,114.7	1,113.8	1,124.8
Mt. Edgecumbe Boarding School	3,406.4	3,060.2	4,032.1	3,960.6	4,112.3	4,293.1	4,278.4	4,671.5	4,680.1	4,712.2
State Facilities Maintenance	1,763.3	1,635.2	1,835.2	2,045.8	2,115.8	2,115.8	2,115.8	2,098.2	2,098.2	2,098.2
Alaska Library and Museums	6,599.8	6,657.5	7,062.8	7,245.4	7,458.5	7,748.4	8,018.7	9,042.9	14,031.8	14,160.7
Alaska Postsecondary Education	1,546.7	1,698.0	2,130.1	2,654.8	3,614.8	5,964.8	6,964.8	6,964.8	8,547.6	8,797.6
Total	40,432.3	35,864.2	44,237.4	42,869.4	46,667.2	52,217.4	57,058.9	58,926.4	64,864.3	64,465.6

Thank you! Questions?

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