

01/28/16
BUDGET
OVERVIEW
FY 17:
DEPARTMENT
OF EDUCATION
& EARLY
DEVELOPMENT

<TARGET><BILL></BILL><SUBJECT>01-28-16 BUDGET OVERVIEW
FY 17 DEPARTMENT OF EDUCATION and EARLY
DEVELOPMENT</SUBJECT><COMM>HFIN29</COMM></TARGET>

Alaska Department of Education & Early Development

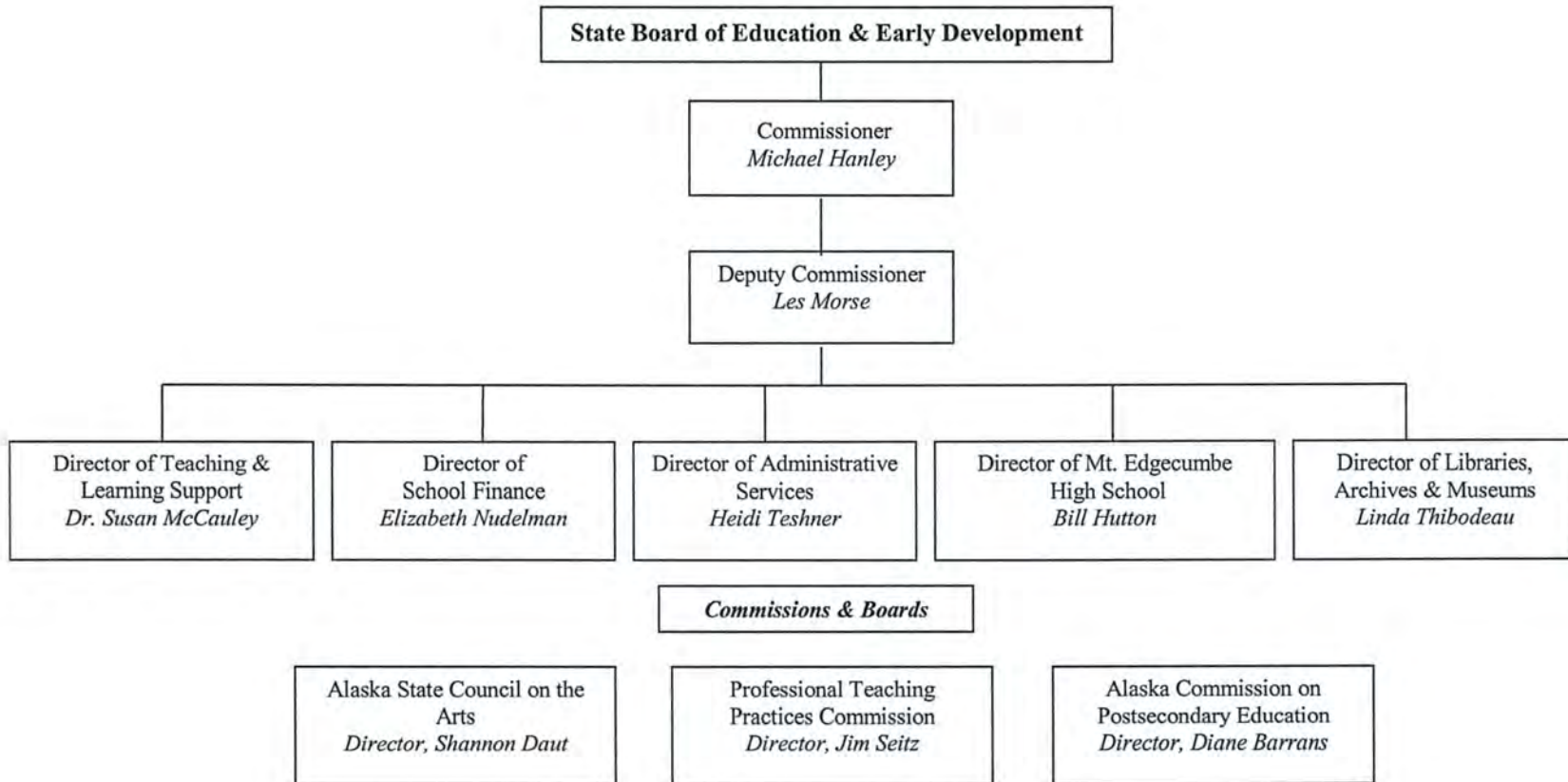
FY2017 Governor's Budget Overview

House Finance Committee

January 28, 2016



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

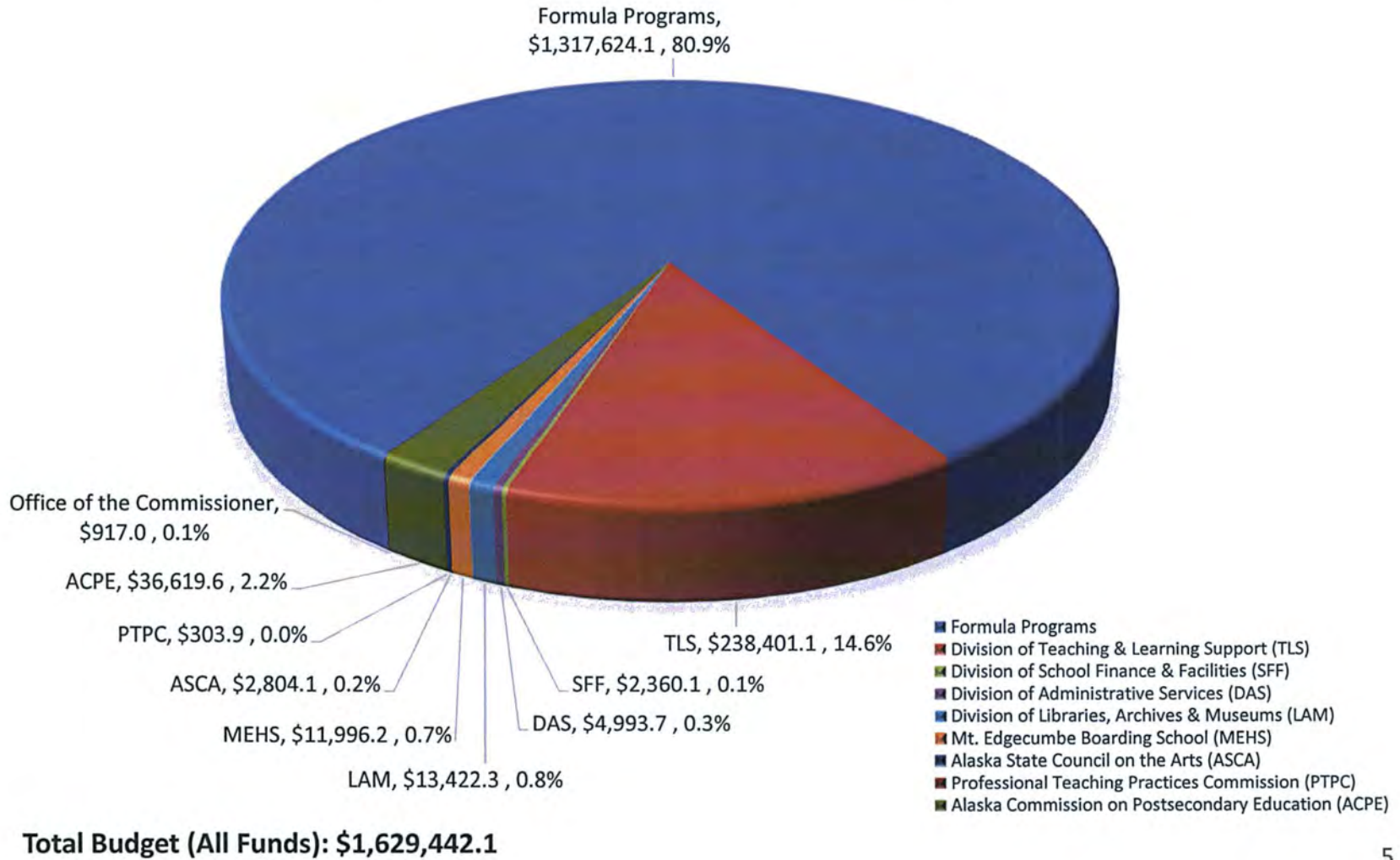
Mission

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 FY2017 Governor's Budget by Structure



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
- 84 full-time budgeted positions
- 14.6% of DEED's FY2017 Operating Budget Request
- \$238,401.1 total budget request (\$17,810.8 UGF)
- 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
- 13 full-time budgeted positions
- 0.1% of DEED's FY2017 Operating Budget Request
- \$2,360.1 total budget request (\$1,539.0 UGF)
- 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 budgeted positions
- 0.3% of DEED's FY2017 Operating Budget Request
- \$4,993.7 total budget request (\$3,302.1 UGF)
- Provides centralized administrative management and financial, budget, procurement, human resources, and information technology support services to the department divisions; and state facilities rent.

4. Division of Libraries, Archives & Museums

- Linda Thibodeau, Director
- 62 full and part-time budgeted positions
- 0.8% of DEED's FY2017 Operating Budget Request
- \$13,422.3 total budget request (\$8,340.5 UGF)
- 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 FY2017 Operating Budget Request
- \$11,996.2 total budget request (\$4,654.8 UGF)
- Provides a successful comprehensive residential high school for Alaskan students.

6. Alaska State Council on the Arts

- Shannon Daut, Director
- 6 full-time budgeted positions
- 0.2% of DEED's FY2017 Operating Budget Request
- \$2,804.1 total budget request (\$729.6 UGF)
- 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 FY2017 Operating Budget Request
- \$303.9 total budget request (\$4.4 UGF)
- 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

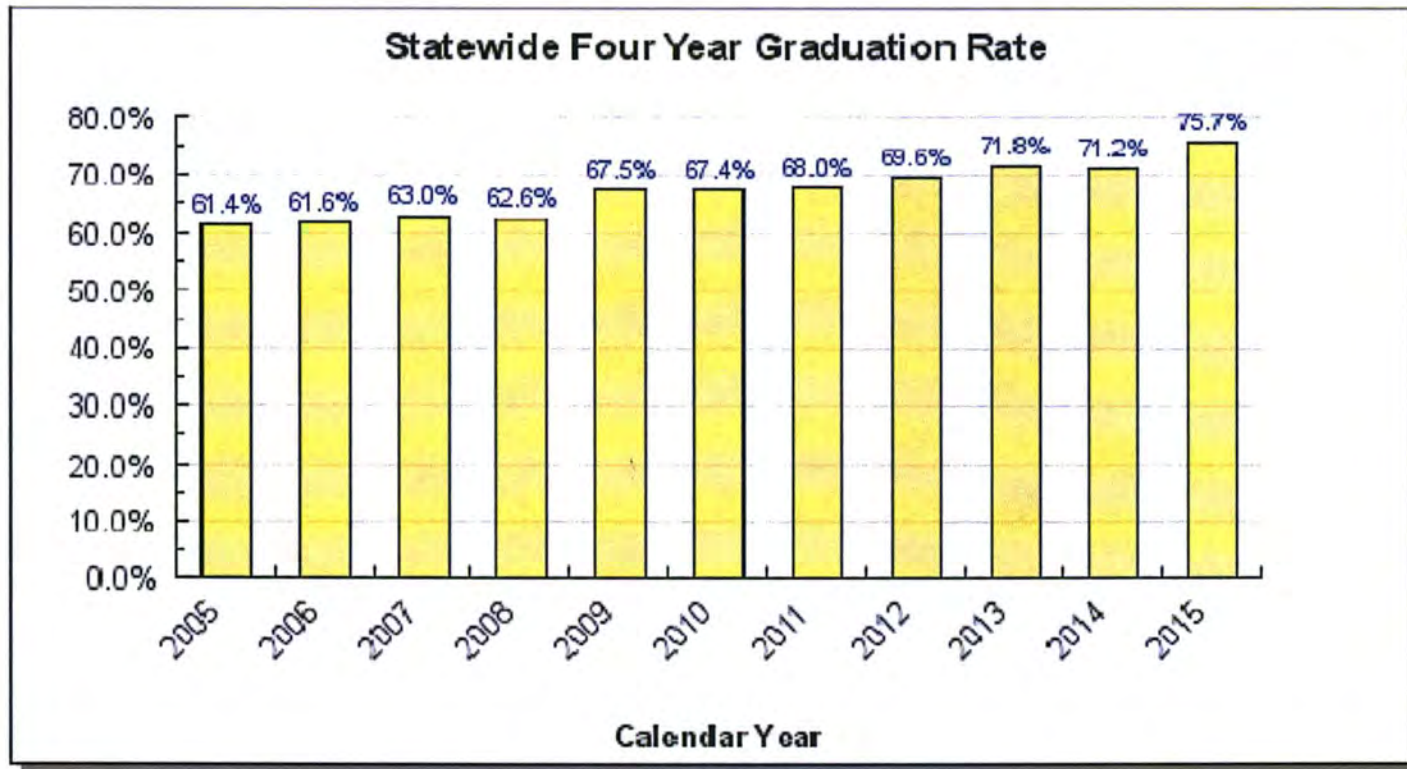
- Diane Barrans, Director
- 99 full-time and non-perm budgeted positions
- 2.2% of DEED's FY2017 Operating Budget Request
- \$36,619.6 total budget request (\$0.0 UGF)
- Promotes access to and success in education and career training after high school.

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 FY2017 Operating Budget Request
- \$917.0 total budget request (\$894.6 UGF)
- Provides policy direction and support to Alaska's school districts, schools, students, parents, teachers, and department programs that increase student achievement.

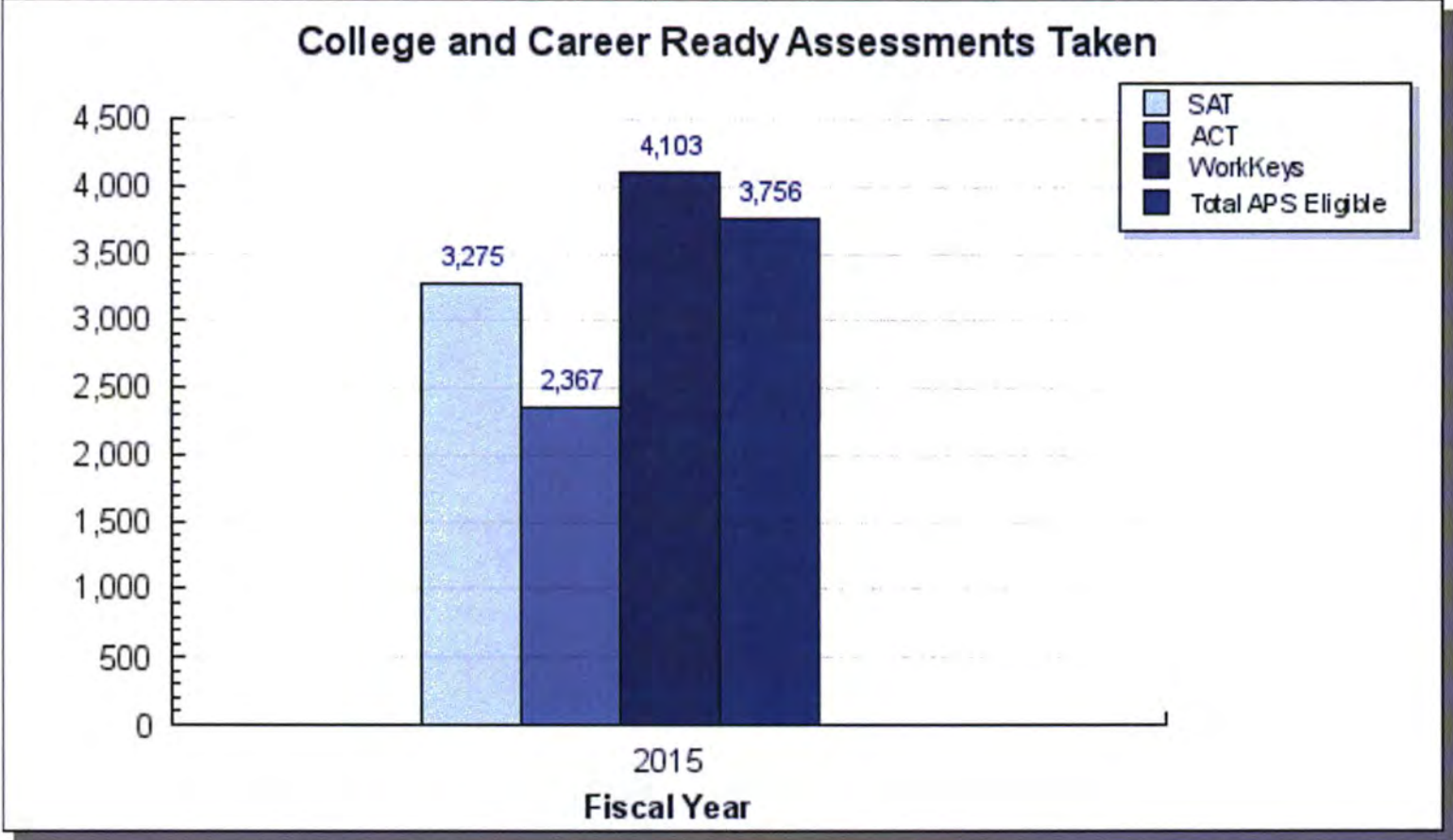
Department of Education & Early Development Key Performance Measures



$$\frac{\text{\# of graduates in cohort}}{\text{\# in 9th grade cohort*}}$$

* Takes into account the transfers in and out.

Department of Education & Early Development Key Performance Measures

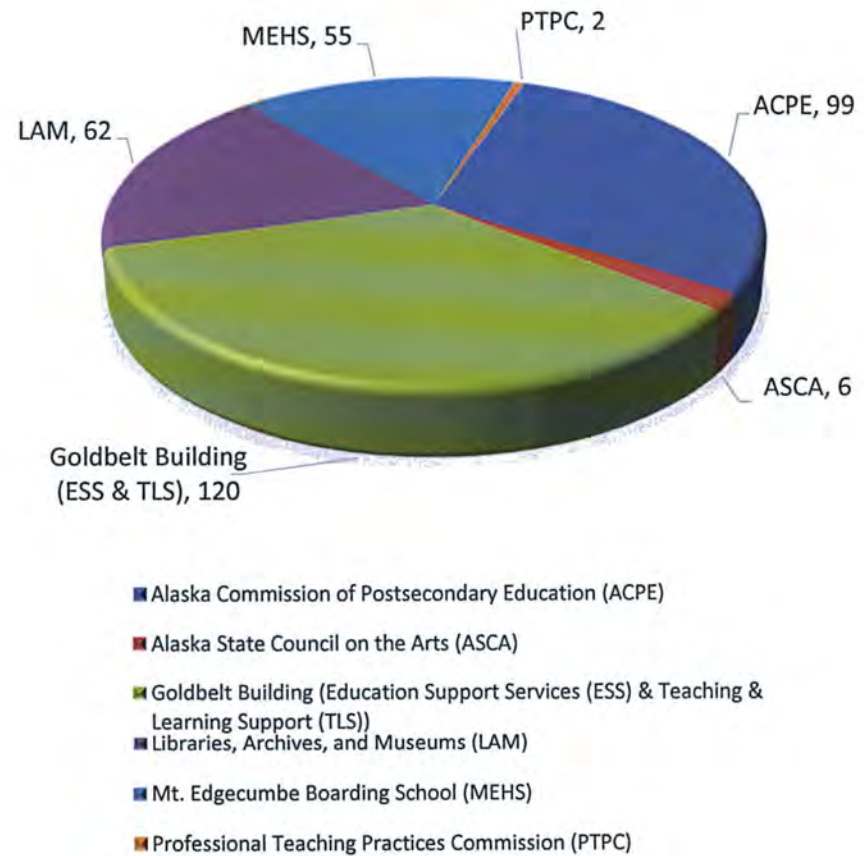


Department of Education & Early Development FY2017 Governor's Budget

DEED will employ 344 Alaskans in full-time, part-time, and seasonal positions in 7 locations, with main offices in Juneau, and regional offices throughout the state.

	FT	PT	NP	Total	
FY2013 Management Plan	335	14	18	367	% Change from FY2013
FY2014 Management Plan	334	14	18	366	-0.3%
FY2015 Management Plan	331	15	18	364	-0.8%
FY2016 Management Plan	326	15	15	356	-3.0%
FY2017 Governor	323	15	6	344	-6.3%

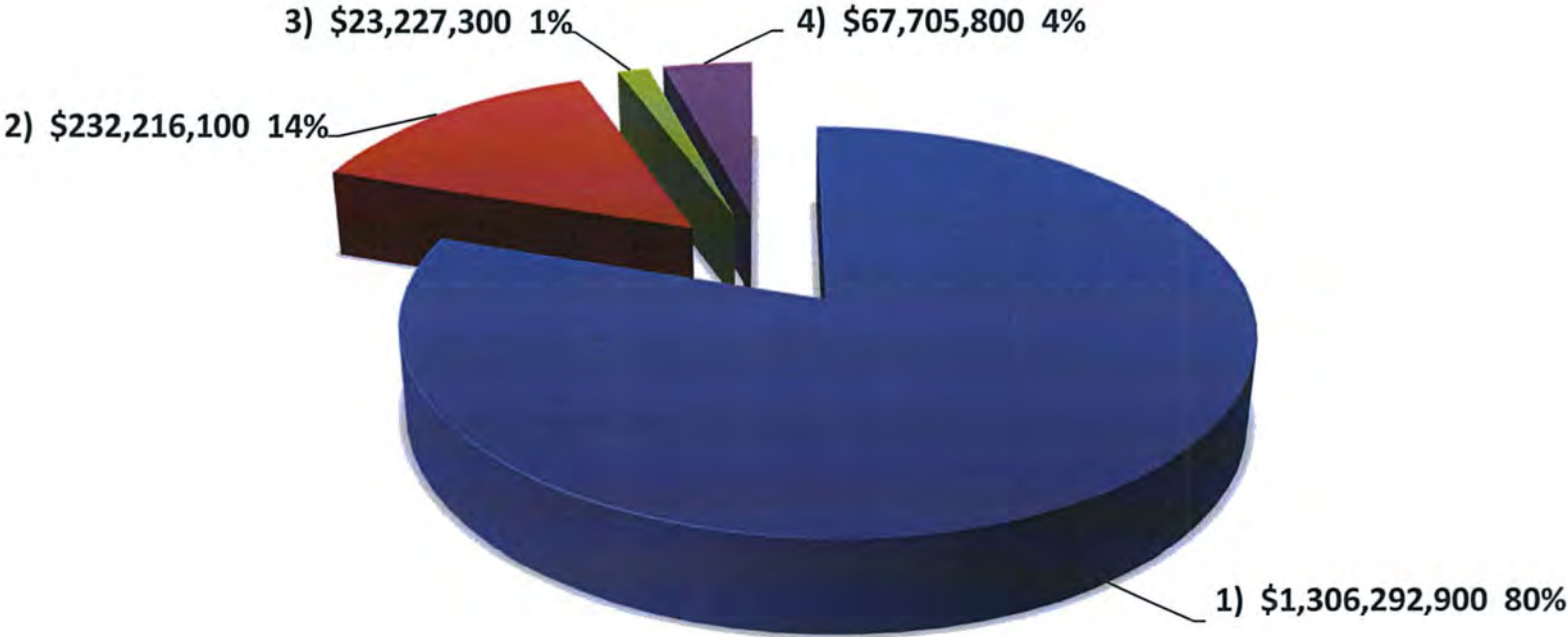
FY2017 TOTAL POSITION COUNT



Department of Education & Early Development FY2017 Governor's Budget

Budget by Core Services

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



Total Budget (All Funds): \$1,629,442,100

Department of Education & Early Development FY2017 Governor's Budget

* Total includes School Debt Reimbursement of \$121,996.4.

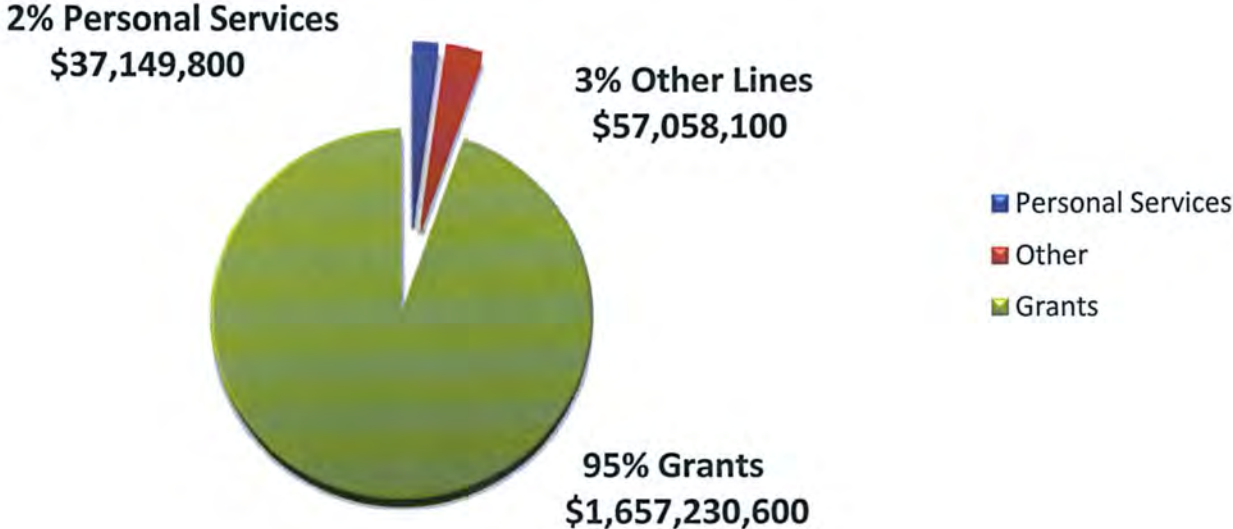
	Designated General Funds	%	Unrestricted General Funds	%	Federal Funds	%	Other Funds	%	Total	%
<i>K-12 Formula Programs</i>	48,300.0	65%	1,359,029.5	97%	20,791.0	9%	0.0	0%	1,428,120.5	82%
<i>Agency Operations</i>	25,923.7	35%	37,289.8	3%	221,103.3	91%	39,001.2	100%	323,318.0	18%
Total	74,223.7	4%	1,396,319.3	80%	241,894.3	14%	39,001.2	2%	1,751,438.5	

**FY2017 Governor's Budget
By Fund Source**



Department of Education & Early Development Operating Overview All Funds

FY2017 Governor's Budget By Line Item



Total Budget (All Funds): \$1,751,438,500

**Total includes School Debt Reimbursement of \$121,996.4.*

Department of Education & Early Development

FY2017 Governor's Budget Highlights

K-12 Foundation Program & Pupil Transportation - \$12.5 Million

- \$50 Base Student Allocation (BSA) increase from \$5,880 to \$5,930; fund source change from UGF to Public School Trust Fund (DGF)

School Finance & Facilities

- \$66.0 UGF reduction to remove remaining one-time funding from the Education Bill (Ch 15 SLA 2014, HB278) for the prototypical design study

Student and School Achievement

- \$525.0 DGF reduction to remove funding for the College and Career Readiness Assessments (CCRA)
- \$31.2 DGF increase to the authorization for the Alaska Technical and Vocational Education Program (TVEP) funding
- \$25.0 UGF reduction to remove funding for the Alaska Resource Education Grant (formerly known as the Alaska Mineral and Energy Resource Education Fund or AMEREF)

Alaska Native Science & Engineering Program (ANSEP)

- \$385.2 UGF reduction to base grant

Department of Education & Early Development FY2017 Governor's Budget Highlights (con't)

Child Nutrition

- \$11,000.0 increase in federal receipt authority to receive additional USDA grant funds due to increases in child nutrition programs.

Early Learning Coordination

- \$320.0 UGF reduction to remove funding for Best Beginnings
- \$500.0 UGF reduction to remove funding for Parents As Teachers

Pre-Kindergarten Grants

- \$2,000.0 UGF reduction to remove funding for Pre-Kindergarten grants

Alaska State Council on the Arts

- \$800.0 SDPR (Other) increase in authorization to accept a multi-year Margaret A Cargill Foundation grant

State Facilities Rent

- \$200.0 UGF reduction to remove one-time funding for dual occupancy rent

Library Operations

- \$672.7 UGF reduction to reduce Broadband Assistance Grants to school districts

Department of Education & Early Development FY2017 Governor's Budget Highlights (con't)

Museum Operations

- \$136.5 GF/Prgm (DGF) increase in receipt authority to collect and spend additional gate receipts for the new Kashevaroff State Libraries, Archives and Museum Facility

Alaska Commission on Postsecondary Education, Program Administration & Operations

- \$1,109.4 federal receipt authorization reduction to remove funding for the College Access Challenge Grant
- \$12,518.0 I/A Rcpts (Other) increase in authorization to accurately reflect component funding from the Alaska Student Loan Corporation
- \$720.0 SDPR (Other) increase in authorization in order to accept external grants for outreach, research, and reporting programs and services
- \$0.0 net change for a funding source adjustment to accurately reflect institutional authorization fees; \$50.0 DGF/(\$50.0) Other

Unallocated Appropriation

- \$329.8 UGF reduction to remove FY2016 salary adjustments

Department of Education & Early Development FY2017 Governor's Budget by Core Service

	Comparison of FY2016 Management Plan to FY2017 Adjusted Base										Change from FY2016 Management Plan
	FY2016 Management Plan					FY2017 Adjusted Base					
	UGF	DGF	Other	Federal	Total	UGF	DGF	Other	Federal	Total	
Public School Funding	1,260,027.4	13,000.0	-	20,791.0	1,293,818.4	1,260,027.4	13,000.0	-	20,791.0	1,293,818.4	-
Fiscal Accountability, Compliance and Oversight	11,685.9	913.7	2,392.5	206,819.8	221,811.9	11,686.6	913.7	2,392.5	206,819.8	221,812.6	0.7
School Effectiveness Programs	13,768.8	12,000.0	-	278.5	26,047.3	12,529.7	12,000.0	-	278.5	24,808.2	(1,239.1)
Active Partnerships	16,165.0	13,317.3	22,645.7	4,114.4	56,242.4	16,807.6	12,792.3	35,063.7	4,114.4	68,778.0	12,535.6
TOTALS	1,301,647.1	39,231.0	25,038.2	232,003.7	1,597,920.0	1,301,051.3	38,706.0	37,456.2	232,003.7	1,609,217.2	11,297.2
	Comparison of FY2017 Adjusted Base to FY2017 Governor										Change from FY2017 Adjusted Base
	FY2017 Adjusted Base					FY2017 Governor					
	UGF	DGF	Other	Federal	Total	UGF	DGF	Other	Federal	Total	
Public School Funding	1,260,027.4	13,000.0	-	20,791.0	1,293,818.4	1,255,501.9	30,000.0	-	20,791.0	1,306,292.9	12,474.50
Fiscal Accountability, Compliance and Oversight	11,686.6	913.7	2,392.5	206,819.8	221,812.6	11,090.1	913.7	2,392.5	217,819.8	232,216.1	10,403.50
School Effectiveness Programs	12,529.7	12,000.0	-	278.5	24,808.2	10,948.8	12,000.0	-	278.5	23,227.3	(1,580.90)
Active Partnerships	16,807.6	12,792.3	35,063.7	4,114.4	68,778.0	15,082.1	13,010.0	36,608.7	3,005.0	67,705.8	(1,072.20)
TOTALS	1,301,051.3	38,706.0	37,456.2	232,003.7	1,609,217.2	1,292,622.9	55,923.7	39,001.2	241,894.3	1,629,442.1	20,224.90

Department of Education & Early Development FY2017 Governor's Budget

FY2015 – FY2017 Budget Review Summary

	FY2015	FY2016	FY2017 Governor	FY2016 Mangement		FY2015 Mangement	
	Management Plan	Management Plan		Plan vs FY2017 Governor	Plan vs FY2017 Governor		
ALL FUNDS							
Formula	1,393,293.2	1,305,149.6	1,317,624.1	12,474.5	1.0%	(75,669.1)	-5.4%
Non-Formula	304,768.7	292,770.4	311,818.0	19,047.6	6.5%	7,049.3	2.3%
Total	1,698,061.9	1,597,920.0	1,629,442.1	31,522.1	2.0%	(68,619.8)	-4.0%

	FY2015	FY2016	FY2017 Governor	FY2016 Mangement		FY2015 Mangement	
	Management Plan	Management Plan		Plan vs FY2017 Governor	Plan vs FY2017 Governor		
Unrestricted General Funds (UGF)							
Formula	1,351,502.2	1,259,858.6	1,255,333.1	(4,525.5)	-0.4%	(96,169.1)	-7.1%
Non-Formula	57,419.6	41,788.5	37,289.8	(4,498.7)	-10.8%	(20,129.8)	-35.1%
Total	1,408,921.8	1,301,647.1	1,292,622.9	(9,024.2)	-0.7%	(116,298.9)	-8.3%

Department of Education & Early Development

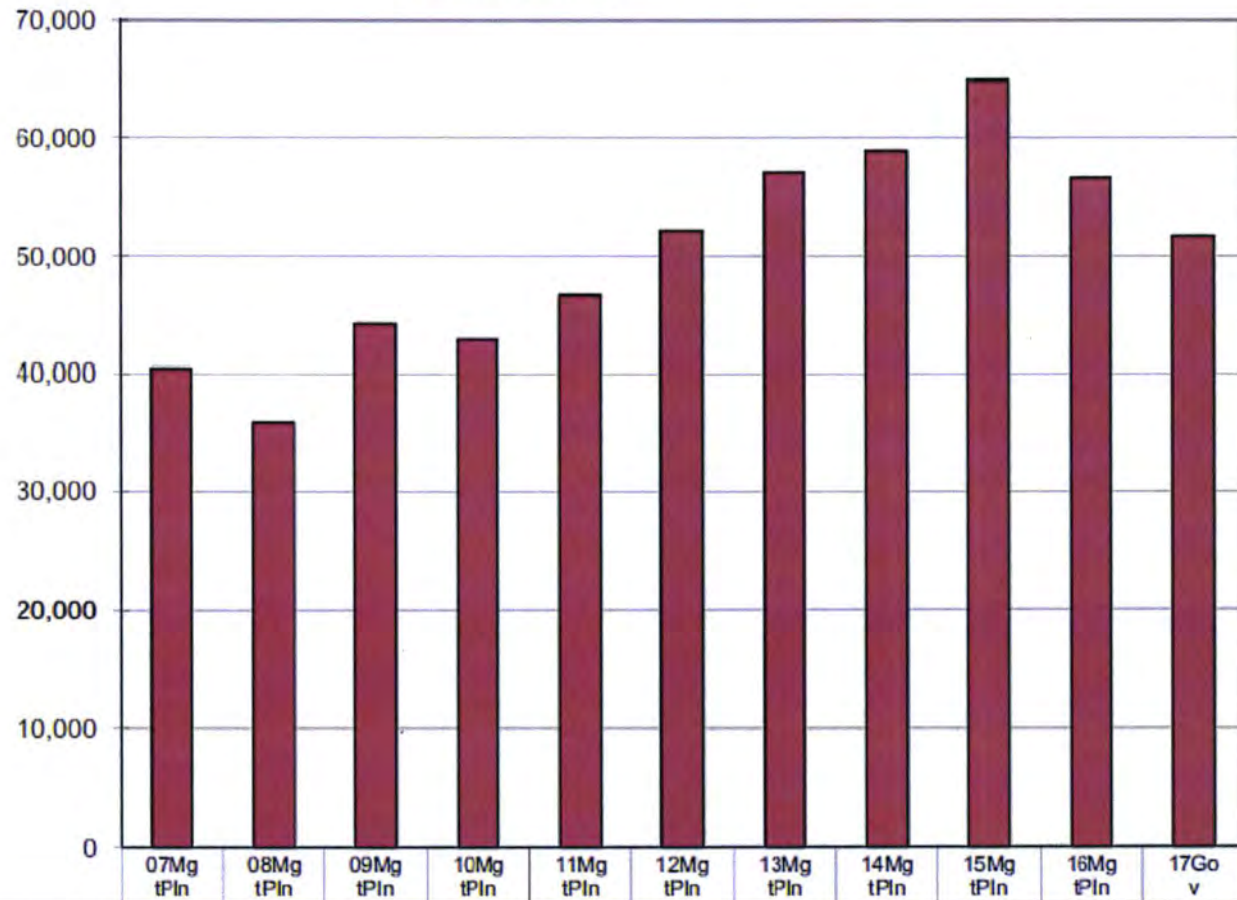
FY2017 Governor's Budget - Summary

	FUNDING SOURCES					POSITIONS			
	UGF	DGF	Other	Fed	Total	PFT	PPT	NP	Total
FY2016 Management Plan:	1,301,647.1	39,231.0	25,038.2	232,003.7	1,597,920.0	326	15	15	356
FY2017 Adjusted Base (Legislative Finance) Actions									
<i>One-time Items Removed (salary adjustments; CCRA HB44; MHTAAR)</i>	(1,595.8)	(525.0)	(100.0)		(2,220.8)				-
<i>Temporary Increments (IncT - ANSEP)</i>	1,000.0				1,000.0				-
<i>Maintenance Increment (Program Administration & Operations I/A)</i>			12,518.0		12,518.0	(3)		(9)	(12)
FY17 Adjusted Base (Legislative Finance)	1,301,051.3	38,706.0	37,456.2	232,003.7	1,609,217.2	323	15	6	344
FY2017 Governor Increments									
<i>Restore salary adjustments</i>	329.8				329.8				-
<i>Foundation Program</i>		17,000.0			17,000.0				-
<i>Student & School Achievement - Restore MHTAAR</i>			75.0		75.0				-
<i>Student & School Achievement - TVEP</i>		31.2			31.2				-
<i>Child Nutrition - Additional Federal Receipt Authority</i>				11,000.0	11,000.0				-
<i>Alaska State Council on the Arts - Additional SDPR Authority</i>			800.0		800.0				-
<i>Museum Operations - Additional Program Receipts Authority</i>		136.5			136.5				-
<i>ACPE - Funding source change to accurately track revenue</i>		50.0			50.0				-
<i>ACPE - Additional SDPR Authority</i>			720.0		720.0				-
Subtotal Increments	329.8	17,217.7	1,595.0	11,000.0	30,142.5	-	-	-	-
FY2017 Governor Decrements									
<i>Unallocated reduction (salary adjustments)</i>	(329.8)				(329.8)				-
<i>Foundation Program</i>	(4,255.0)				(4,255.0)				-
<i>Pupil Transportation</i>	(270.5)				(270.5)				-
<i>Student & School Achievement - AREG</i>	(25.0)				(25.0)				-
<i>ANSEP Reduction</i>	(385.2)				(385.2)				-
<i>Early Learning Coordination - Delete Funding for Best Beginnings and Parents as Teachers</i>	(820.0)				(820.0)				-
<i>Pre-Kindergarten Grants - Remove program funding</i>	(2,000.0)				(2,000.0)				-
<i>Library Operations - Reduce Broadband funding</i>	(672.7)				(672.7)				-
<i>ACPE - Funding source change to accurately track revenue</i>			(50.0)		(50.0)				-
<i>ACPE - Remove Federal Receipt authorization (CAG)</i>				(1,109.4)	(1,109.4)				-
Subtotal Decrements	(8,758.2)	-	(50.0)	(1,109.4)	(9,917.6)	-	-	-	-
FY2017 Governor	1,292,622.9	55,923.7	39,001.2	241,894.3	1,629,442.1	323	15	6	344
Comparisons									
% Change FY2017 Adjusted Base to FY2017 Governor	-0.6%	44.5%	4.1%	4.3%	1.3%	0	0	0	0
% Change FY2016 Management Plan to FY2017 Governor	-0.7%	29.8%	35.8%	4.1%	1.9%	-0.9%	0.0%	-60.0%	-3.4%

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

The department's Non-Formula GF budget grew almost \$11.3 million (28%) between FY07 and the FY17 Governor's Request - an average annual growth rate for that period of 2.5%.

The department's total Non-Formula FY17 GF budget equals \$155 per resident worker.*



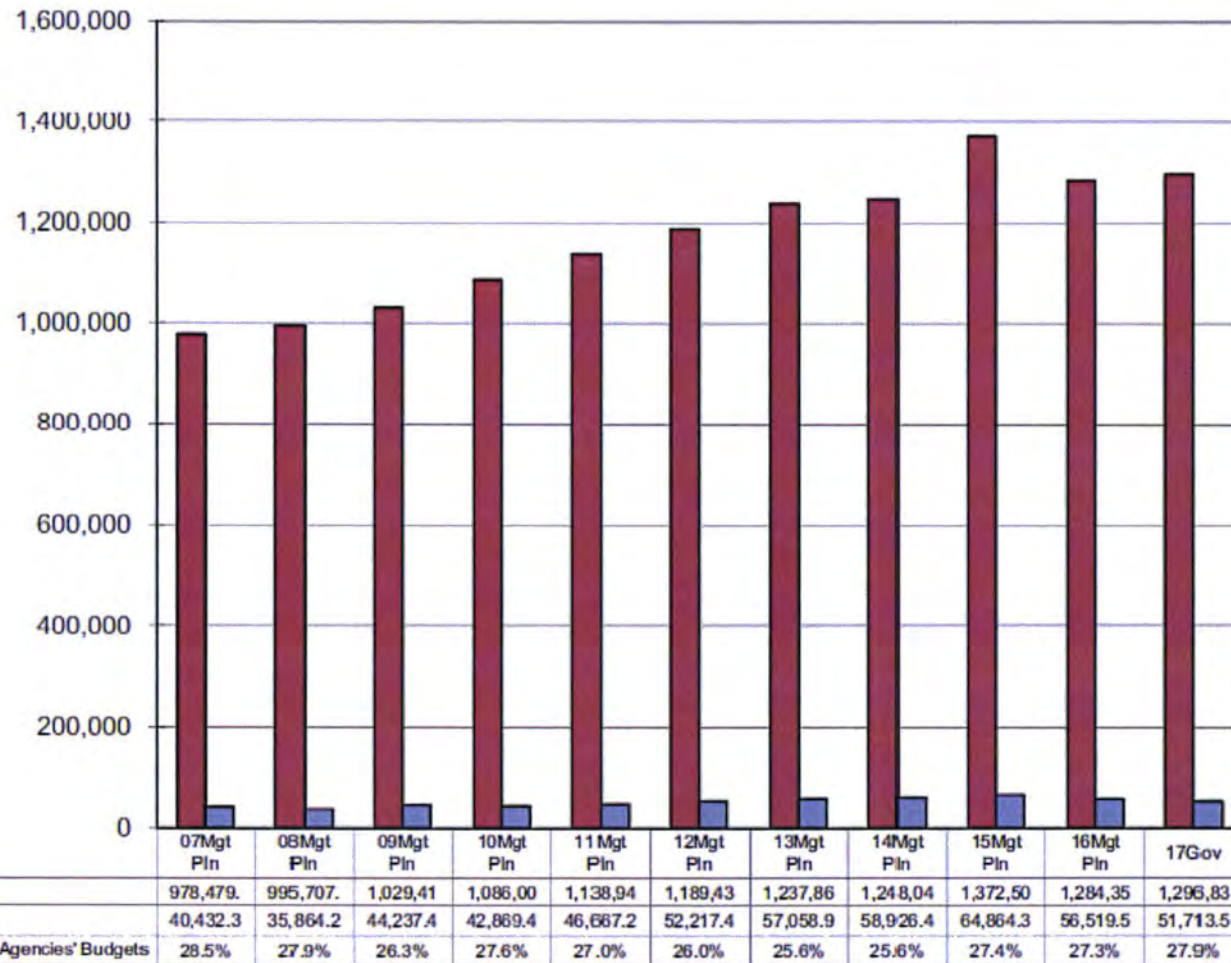
■ Total Agency Budget	40,432.	35,864.	44,237.	42,869.	46,667.	52,217.	57,058.	58,926.	64,864.	56,519.	51,713.
% of Agency Budget to Total Agencies' budgets	1.1%	1.0%	1.1%	1.0%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.1%

* According to the Department of Labor and Workforce Development, there were 333,174 resident workers in Alaska in 2013.

**DEED Formula & Non-Formula Funding (Non-Retirement)
(GF Only)
(\$ Thousands)**

The department's total GF budget grew over \$330 million (28%) between FY07 and the FY17 Governor's Request - an average annual growth rate for that period of 2.8%.

The department's total FY17 GF budget request for DEED formula and non-formula programs equals \$4,048 per resident worker.*



* According to the Department of Labor and Workforce Development, there were 333,174 resident workers in Alaska in 2011.

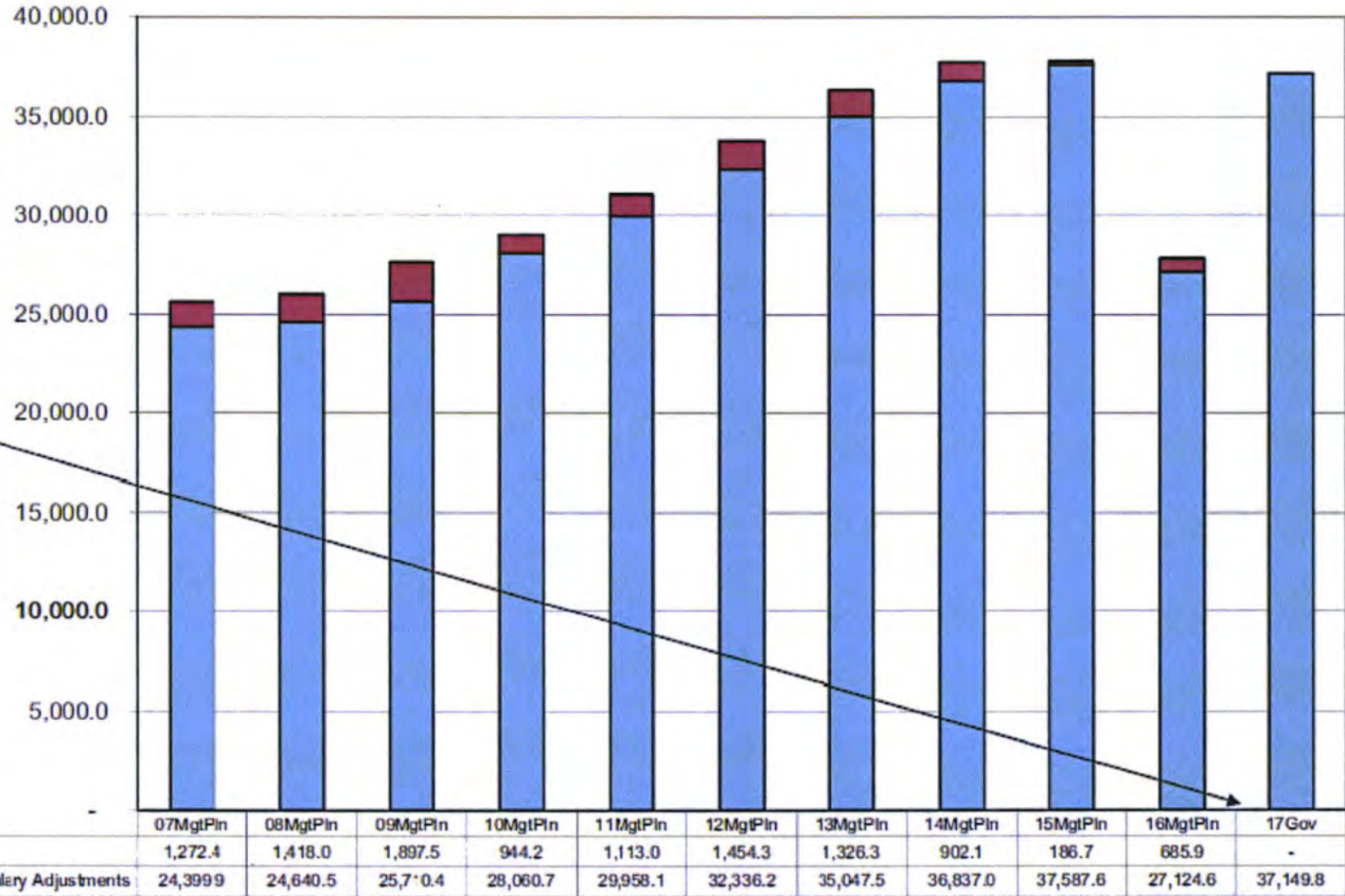
**DEED Non-Formula Personal Services Costs & Salary Adjustment Increases
(All Funds)
(\$ Thousands)**

Personal Services increased by \$11.5 million between FY07 and FY17Gov—an increase of 45%.

Summary

The Personal Services change consists of the following:
 --\$11.2 million (98%) of contractual salary adjustments;
 and
 --\$277.1 (2%) of non-contractual personal services costs.

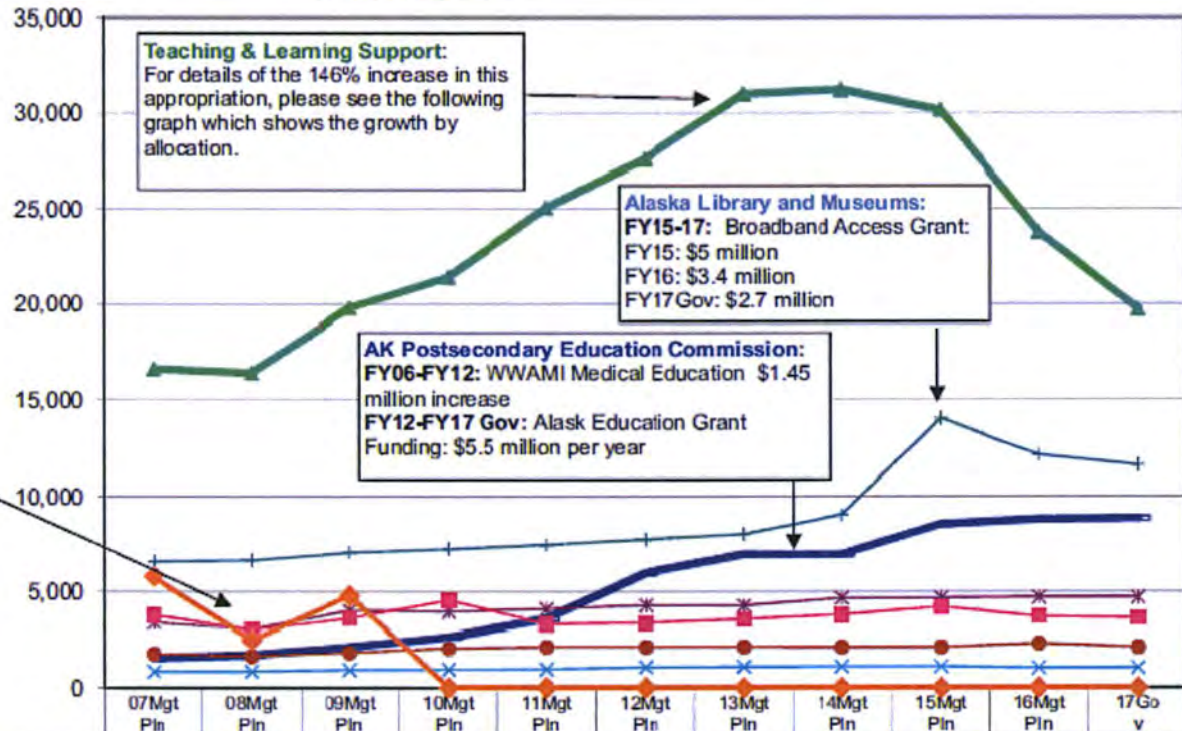
Note: The FY16 amount is understated by \$10 million due to a structure change in the Alaska Commission on Postsecondary Education.



* Changes in the personal services line from FY06 to FY15 Gov are segregated into two parts: (1) base increases (primarily due to contractual negotiations) and (2) other personal services increases such as transfers between line items or increases from new positions. The final column sums the two types of changes during the period.

**Department of Education & Early Development
Non-Formula Budget Comparisons (by Appropriations)
(GF Only)
(\$ Thousands)**

**K-12 Support (non-formula)
- School Performance
Incentives**
FY07-FY09:
--FY07 \$5.8 million
--FY08 \$2.5 million
--FY09 \$4.8 million
Authorized by fiscal note for
HB13 (Chapter 41, SLA 2006),
this non-formula, 3-yr program
ended with the completion of
the FY09 incentive award
distributions.



Teaching & Learning Support:
For details of the 146% increase in this
appropriation, please see the following
graph which shows the growth by
allocation.

Alaska Library and Museums:
FY15-17: Broadband Access Grant:
FY15: \$5 million
FY16: \$3.4 million
FY17Gov: \$2.7 million

AK Postsecondary Education Commission:
FY06-FY12: WWAMI Medical Education \$1.45
million increase
FY12-FY17 Gov: Alask Education Grant
Funding: \$5.5 million per year

	07Mgt Pln	08Mgt Pln	09Mgt Pln	10Mgt Pln	11Mgt Pln	12Mgt Pln	13Mgt Pln	14Mgt Pln	15Mgt Pln	16Mgt Pln	17Gov
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	23,809.9	19,756.1
Alaska Postsecondary Education Commission	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	8,847.6
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	12,139.7	11,603.5
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	4,712.2
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	3,717.5	3,651.5
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	2,298.2	2,098.2
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	1,044.4	1,044.4
K-12 Support	5,800.0	2,500.0	4,800.0	-	-	-	-	-	-	-	-

Thank you! Questions?

Please find our contact information below:

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