

**DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
FY15 - Increment/ Decrement Status**

Governor's Budget Items Approved as Requested

Item #	Appropriation/ Allocation	Description	Amount/Fund Source	CC Book Comment	GF Dec?	LFD Notes/Questions	Agency Comments
1	Various Appropriations/ Various Allocations	Reduction in Expenditure Levels	Total: (\$435.6) UGF	The Governor's budget contained "generic" funding reductions in various departments that did not identify specific impacts of these reductions. The "generic" reductions in the Department of Education and Early Development totaled \$435.6 and were split evenly between the following allocations. Education Support Facilities/ School Finance and Facilities: (\$217.8 UGF) Teaching and Learning Support/ Student and School Achievement: (\$217.8 UGF)		Please provide examples of options to accommodate these reductions.	Education Support Facilities/ School Finance and Facilities – this efficiency reduction of \$217.8 UGF was absorbed through reductions to the travel and commodities line items within the budget. Teaching and Learning Support/ Student and School Achievement – this efficiency reduction of \$217.8 UGF was absorbed through reductions to the travel and commodities line items within Student and School Achievement.
2	K-12 Support/ Boarding Home Grants	Add Four New Statewide Residential Programs Located in Anchorage, Bering Strait, Chugach, and NW Arctic School Districts	\$961.3 UGF	The legislature approved the Governor's request for \$961.3 for the addition of four new residential education programs. Per AS 14.16.200, certain districts that have been approved to operate a statewide residential school are eligible to receive reimbursement for operating costs. The initial FY07 legislation pertained to three programs -- the Galena City School District, Nenana City School District, and Lower Kuskokwim School District. Chapter 48, SLA 2013 (SB 47) amended this statute for the existing three programs and provided an approval process for the addition of new programs. The FY14 fiscal note added \$1.66 million in base funding for increased stipends. The additional \$961.3 will fund the four new programs and provide them with the per pupil monthly stipend and one round-trip ticket per student, at the least expensive means, beginning in FY15. Without this funding, these school districts would not have had sufficient funding to run these residential schools.		Are these four new programs operational? How is funding distributed? How many students are enrolled in each of the new programs?	All four new residential programs are operational in FY2015 and the funding is distributed based on the per monthly stipend and one round-trip ticket per student, at the least expensive means, for each student present on October 1, and paid in one lump sum after the receipt and reconciliation of their December 1 report. For FY2015, the student enrollment count in each of the new programs are projected to be as follows: Anchorage 4; Bering Strait 26; Chugach 24; and Northwest Arctic 40.
3	Teaching and Learning Support/ Pre-Kindergarten Grants	Restore Pre-Kindergarten Program to Current Level of Service	\$2,000.0 UGF	The Governor's request to restore the Pre-Kindergarten grant program for FY15 to the \$2 million one-time funding level of FY14 was approved by the legislature. This program continues to serve eight school districts and approximately 350 students in 15 communities. According to the department, this preschool program provides a voluntary, comprehensive, half-day for four-year olds and early five-year olds based on the standards set forth in the Alaska Early Learning Guidelines. Participating school districts are funded through a competitive grant process. Eventually, it is anticipated that this project will provide the framework and guidance for the creation of local programs in a variety of urban, rural, and remote sites.		Which school districts are participating in the Pre-Kindergarten program? What is the current enrollment in each and the age breakout by program?	For FY2015, the Department of Education & Early Development has awarded funds to six school districts for participation in the Pre-Kindergarten program. Anchorage School District will serve 48 children in three classrooms; Juneau School District will serve 64 children in two classrooms; Lower Kuskokwim School District will serve 45 children in two classrooms; Mat-Su Borough School District will serve 81 children in five classrooms; Nome Public Schools will serve 60 children in two classrooms; and Yukon Koyukuk School District will serve 10 children in five classrooms. The total number of children projected to be served is 308. All of the children projected to be served are four year olds who will be going into Kindergarten in the fall of 2015.
4	Alaska Postsecondary Education Commission/ Program Administration & Operations <i>plus</i> Alaska Performance Scholarship Awards/ Alaska Performance Scholarship Awards	Alaska Higher Education Investment Fund Increases	Total: \$4.5 million Alaska Higher Education Investment Fund (DGF)	HB 104 (Ch. 74, SLA 2012) established the Alaska Higher Education Investment Fund, the earnings of which will pay for Alaska Performance Scholarships (APS) and AlaskAdvantage Education Grants (AEG). In addition to establishing the fund, AS 37.14.750 delineates that two-thirds of each year's appropriation be allocated for Alaska Performance Scholarship Awards and one-third of the appropriation be allocated for AlaskAdvantage Education Grants. In FY14, those amounts were \$8 million and \$4 million, respectively. The legislature approved the Governor's FY15 request based on \$11 million for scholarships and \$5.5 million for grants. -- \$3 million increase: Alaska Performance Scholarship Award assumptions are based on an average award level of \$3,548 for each recipient. The total request is based on FY14 eligibility and utilization rates plus estimated participation levels, including an allowance for 2011 through 2013 graduates who elect to begin or continue their postsecondary training in Alaska in FY15. -- \$1.5 million increase: AlaskAdvantage Education Grant recipients receive an average award of \$1,878. The awards are made relative to the pool of applicants specific to a given academic year. The applicant pool is ranked in order of greatest to least financial need and AlaskAdvantage Education Grants are awarded until available funds are exhausted or all eligible applicants are awarded, whichever occurs first.		Please provide a history of Fund earnings to date. Please provide the FY15 disbursements for scholarships or grants to date. Have the projections changed for FY15? If yes, please provide an update of eligibility and utilization rate projections.	The HEIF balance, as reported by Revenue, was \$460.7 at 6/30/14, an annual average earnings rate of 7.1%. 3,033 AEGs (\$5.5 million) have been awarded. AEG eligibility is consistent with projections and exceeds grant funding. 3,042 APSs (\$10.6 million) have been awarded. APS eligibility and use has been consistent with projections. ACPE is analyzing available data on the rate at which APS recipients persist in their qualifying programs. That is to determine what percent of APS recipients later lose eligibility based on: 1) lack of academic progress (do not complete enough credits); 2) loss of academic eligibility (do not meet GPA requirements); or 3) do not continue in an enrolled status. These factors are believed to be the reason that as much as \$1 million in APS funds may lapse back to the HEIF at FY15 year end. One final factor impacting projections is the revised eligibility criteria for Career Technical APS awards. Although the eligibility rates have increased substantially, actual use of this APS type has been quite low.

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Legislative Deletions

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5	Teaching and Learning Support/ Student and School Achievement	Eliminate Funding for the TerraNova Assessment	Net Total Reduction: (\$253.6) UGF	All funding for the TerraNova Assessment (a norm-referenced nationally standardized achievement test) was eliminated by the legislature for FY15. In April 2013, the Alaska State Board of Education adopted regulations repealing the requirements for a standardized norm-referenced test administration, the reporting of norm-reference test results, and for related school and student questionnaires. Standards Based Assessments (SBAs) are administered in Grades 3-10. The SBA is a test based on Alaska state standards and is compliant with state and federal statutes.		What is the general testing schedule in FY15? Have other tests been added beyond the SBAs?	The testing schedule for the 2014-2015 school year can be found on the department's website at: http://education.alaska.gov/tls/assessment/testingdates.html . The SBA's have been replaced by Alaska Measures of Progress (AMP) and College and Career Ready Assessments (SAT and ACT) were added by the 28th legislature, removing the High School Graduation Qualifying Examination (HSGQE).
6	Teaching and Learning Support/ Student and School Achievement	Eliminate Funding for the High School Graduation Qualifying Examination	(\$2,700.0) UGF	The legislature deleted \$2.7 million UGF related to the High School Graduation Qualifying Examination (HSGQE) previously required by AS 14.03.075. Passing this competency exam in reading, English, and mathematics was a requirement for a high school diploma. Chapter 15, SLA 2014 (HB 278) repealed this section and substituted new language pertaining to a college and career readiness assessment. NOTE: \$525.0 UGF was included in a fiscal note attached to HB 278 for the College Career Readiness SAT/ACT/WorkKeys assessment.		When was the last HSGQE administered? Since this was no longer required for high school graduation, what has happened to these test scores? Are they still shown on the student's permanent record?	With the removal of the funding for the HSGQE in the department's FY2015 budget, the last HSGQE was administered in the spring of 2014. While the HSGQE is no longer required for high school graduation, school districts must still maintain for each student a cumulative records that includes scores received on standard tests taken in accordance with 4 AAC 07.060(a)(5), Student Records.
7	Teaching and Learning Support/Alaska Learning Network	Reduce the Alaska Learning Network Grant Funding for FY15 and Retain the Program with One-time Funding	(\$250.0) UGF	A legislative reduction of \$250.0 UGF for the Alaska Learning Network (AKLN) leaves that program with \$850.0 UGF funding in FY15. The legislature also changed the funding to one-time to allow for additional scrutiny of AKLN in FY16. AKLN is a partnership between Alaska Department of Education and Early Development, University of Alaska Southeast (UAS) and all 53 Alaskan school districts. UAS manages AKLN through a contract with EED. An Advisory Board of 15 members representing five geographic regions provides oversight and guidance. AKLN offers a variety of online opportunities to students, including opportunities for credit recovery, dual credit with the University of Alaska and access to courses that qualify for the Alaska Performance Scholarship Award.		Please provide an AKLN update. Is UAS still administering the program via RSA? What is the total amount of the RSA and the scope of the agreement? Who coordinates AKLN for DEED?	The Department of Education & Early Development (DEED) continues to partner with the University of Alaska Southeast (UAS) to administer the AKLN program. For FY2015, an RSA for \$725.0 has been set up with UAS to provide high quality educational opportunities through AKLN. The partnership helps fulfill UAS and UA/SDI (Strategic Direction Initiative) goals of partnership with K-12 programs across Alaska and fulfills DEED's goals of ensuring that all students can meet the Alaska Performance Scholarship requirements and succeed in becoming College, Career, and Culturally Ready graduates. An Education Specialist is the Program Manager in Student and School Achievement who coordinates AKLN for DEED.
8	Teaching and Learning Support/Statewide Mentoring Program	Reduce Funding for the Statewide Mentoring Program	(\$700.0) UGF	A \$700.0 UGF legislative reduction to the Statewide Mentoring Program for FY15 will leave that allocation with \$2.3 million UGF. The program began with \$3.9 million UGF in FY07. Funding remained constant at \$3.0 million for FY12-FY14. In FY14, the program included 22 mentors working with 339 teachers in 31 school districts. The program also provides support for principals and new superintendents.		How many mentors are currently under contract for teachers and for principals? How many school districts receive these services through DEED? Do some districts contract for these services independent of DEED?	There are currently 24 teacher mentors and eight principal mentors under contract with DEED. The Alaska Statewide Mentors are serving 317 teachers in 126 schools in 32 districts. In addition, the Alaska Administrative Coaches are serving 88 principals in 21 districts. There are no school districts that contract for the mentor services independently of DEED.

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Fiscal Notes

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9a	HB 278 (Chapter 15, SLA 2014)	EDUCATION		<p>On April 25, 2014, the legislature adopted a Free Conference Committee version of the original Governor's education omnibus bill (HB 278). On May 14, 2014, the Governor signed this legislation into law (Chapter 15, SLA 2014). The final outcome of this bill involves not only the Department of Education and Early Development, but also the Departments of Administration and Labor and Workforce Development, the University of Alaska, and the Alaska Legislature. The legislature also provided for funding that is in addition to formula funding (but is distributed in proportion to formula funding).</p> <p>IN ADDITION "Outside the K-12 Formula" funding to be distributed in proportion to Formula funding: --Section 32b: FY15 One-Time Funding in Addition to the Foundation Formula for State Aid to School Districts - \$42,953.5</p>		<p>Has the FY15 one-time funding been distributed?</p> <p>Please provide that distribution spreadsheet.</p>	The \$42.9 million funding will be distributed to school districts using the same format as the Foundation Program funding: Adjusted Average Daily Membership (AADM). Payments are expected to be sent to districts in February 2015. The timing of the payments allows the department to distribute funding after the actual FY2015 count has been finalized.
9b				<p>K-12 Support/ Boarding Home Grants - \$2,249.5 UGF -- Residential stipends for boarding home grants were increased by 50% beginning in FY15.</p>		<p>Please provide an update for grant distribution.</p>	The funding is distributed based on the per monthly stipend and one round-trip ticket per student, at the least expensive means, for each student present on October 1, and paid in one lump sum after the receipt and reconciliation of their December 1 report.
9c				<p>Education Support Services/ School Finance & Facilities - \$620.1 UGF -- HB 278 requires the Department of Education and Early Development to prepare and submit a report to the legislature (no later than June 15, 2015) on the benefits and disadvantages of using prototypical designs for school construction in both the Railbelt and rural areas of the State. The fiscal note funds one temporary position, travel, and services needed to complete this task.</p>		<p>Has this temporary position been established? Any travel or services funding used to date?</p> <p>Who will prepare this report?</p>	The LTNP position related to this funding was established and the incumbent started in early August 2014. A contract, that is anticipated to be awarded December 1, 2014, was competitively procured in accordance with AS 36.30. To date, the only portion of this allocation to be spent has been on personal services. DEED will work with the contractor on the content of the report, however, DEED will complete the report.
9d				<p>Teaching and Learning Support/ Student and School Achievement - HB 278 impacted the following Student and School Achievement Programs: -- (1) College Career Readiness SAT/ACT/WorkKeys - \$525.0 UGF. The High School Graduation Qualifying Examination (HSGQE) was repealed and replaced with a requirement to participate in a college and career readiness assessment (paid for by the department). -- (2) Military Family Data Reporting - \$80.0 UGF to fund reporting system software modifications and technical assistance for school districts to reflect changes in reporting requirements. -- (3) Charter School Grants - \$168.8 UGF provides a one-time grant to new charter schools in the amount of \$500 per student enrolled in the school on October 1 of the first year in which the school applies for the grant. -- (4) Pilot Program to Expand High School STEM Program to Middle School - \$3,000.0 UGF The department may award a grant to a non-profit organization for expanding science, technology, engineering, and mathematics education for public middle school students with limited opportunities. This is a three-year pilot program.</p>		<p>Please provide an update for each of these areas to date.</p>	<p>(1) College Career Readiness SAT/ACT/WorkKeys – A contract with SAT/ACT is in place. Adoption of proposed regulations to AS 14.03.075 and AS 14.07.165, as amended by the 2014 legislature, is on the State Board of Education's December 2014 agenda. (2) Military Family Data Reporting – The student report management (SRM) system is being updated. Adoption of proposed regulations implementing AS 09.20.030(b) and AS 14.03.120(d), as amended by the 2014 legislature, is on the State Board of Education's December 2014 agenda. (3) Charter School Grants – Adoption of new proposed regulations for applications, application appeal procedures, grants, and pupil transportation for Charter Schools is on the State Board of Education's December 2014 agenda. (4) Pilot Program to Expand Middle School STEM education - In May 2014, the Department of Education & Early Development (DEED) solicited applications for the three-year pilot program to expand middle school STEM education through a competitive process. DEED received five applications. Funds were awarded to the Alaska Native Science and Engineering Program (ANSEP) (\$2,000.0) and Southeast Regional Resource Center (SERRC) (\$1,000.0).</p>
9e				<p>Alaska Library and Museums/ Library Operations - \$5,000.0 UGF Section 8 of HB 278 amended AS 14.03 by adding a new section--Sec. 14.03.127--that affects funding for internet services. Each fiscal year, a district in which one or more schools qualify for a discounted rate for internet services under the federal universal services program (47 U.S.C. 254) is eligible to receive an amount for each school that is equal to the amount needed to bring the applicant's share to 10 megabits of download a second of the internet services. The legislature appropriated \$5 million in funding based on department and internet services providers' cost estimates.</p>		<p>Please provide an update to date.</p> <p>How many districts currently qualify for a discounted rate for internet services under the federal universal services program?</p>	Regulations to support this program were written, approved, and promulgated over the summer of 2014. A grant application is out to school districts, which are due back to DEED by December 1, 2014. 100% of Alaska school districts qualify and apply for discounted internet services under E-rate; however, that doesn't mean 100% will qualify for these broadband funds. Per HB 278, only those school districts that had less than 10 Mbps of download speed when the legislation passed will qualify.