



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Education
and Early Development

Office of the Commissioner

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MEMORANDUM NUMBER 2013-012

To: Superintendents
Business Managers

From: Mike Hanley, Commissioner *m Hanley*

Date: April 29, 2013

Subject: 2013 Regular Legislative Session

The purpose of this memorandum is to provide a summary of education related legislation passed during the regular session. This information is preliminary because not all bills have been transmitted or signed by the governor.

FY2014 Operating Budget ~ Awaiting Transmittal to Governor

House Bill 65 contains the department's operating budget for FY2014. Attached is a schedule titled "FY2014 Projected State Program Allocations based on Legislative Appropriations". This schedule totaling \$1.4 billion includes FY2014 estimated funding levels, by district, for the following programs: Foundation, \$25 million one-time grant funding (funded in the Operating Budget), \$21 million one-time grant funding (funded in the Capital Budget), Boarding Home Stipends, Residential Boarding Program, Youth in Detention, Special Schools, Alaska Challenge Youth Academy, Pupil Transportation, and School Debt Reimbursement. The funding levels listed by district are projected allocations and are subject to change based on actual FY2014 average daily membership and/or individual program requirements.

HB 65 also provides \$8 million to the Alaska Performance Scholarship and \$2 million to the Pre-kindergarten grants program which are continuation grants from FY2013.

FY2014 Capital Budget ~ Awaiting Transmittal to Governor

Senate Bill 18 contains over \$22.9 million in appropriations for the first 13 major maintenance projects and an additional \$1.8 million for deferred maintenance at Mt. Edgecumbe High School. The one page attachment titled, "FY2014 Capital Grants for School Districts - Summary" provides detail by district for the major maintenance grants awarded under the Department of Education & Early Development (DEED).

SB 18 also includes over \$70 million in appropriations for the renovation and/or replacement of schools in Nightmute, Kuinerranmiut, and Kwethluk.

Additionally SB 18 funds \$1,500,000 for the Heating Plant Boilers & Utilidor Piping Replacement at Mt. Edgecumbe as well as \$20,000,000 for the Statewide Library, Archives and Museum (SLAM) Facility.

SB 18 also provides \$3 million for Nutritional Alaskan Foods for Schools. One half of the appropriation will be distributed based on the School District Cost Factor and the other half is to be distributed based on a school district's ADM. This program will be administered by the Department of Commerce, Community, and Economic Development. School Districts may be reimbursed for purchases of nutritional Alaskan foods which include:

- Finfish or shellfish caught or harvested in Alaskan waters
- Livestock raised in Alaska
- Milk produced from livestock in Alaska
- Fruits or vegetables grown in Alaska
- Native produce and berries commercially harvested in Alaska
- Costs of transporting/shipping those goods

Other school related grants have been identified in the capital budget through the Department of Commerce, Community & Economic Development. If you have specific questions, please contact Janet Davis with the Division of Community & Regional Affairs at (907) 451-2746.

Additional Information:

In the Governor's proposed FY2014 budget, funding was requested for an initiative titled Digitizing Education in Alaska for \$5.9 million. The largest component, a 1:1 initiative that included a partnership with the Association of Alaska School Boards at \$3.9 million was not funded, however the Alaska Learning Network was funded at \$1.1 million, the broadband support for public libraries (of which some are community and school libraries) was funded at \$761,800, and the Live Homework Help was funded at \$132,000.

Another initiative requested in the FY2014 budget that was not funded is the Jobs for Alaska's Graduates Program (JAG). This program would have engaged students at risk of dropping out of school, and prepared them for post-graduation success. We will continue to seek methods to improve the graduation rate in Alaska to 90% by 2020.

Funding for the Kindergarten through Third Grade Literacy Project was provided at \$320,000, which will address the need to make sure every student is reading on grade level by third grade.

This investment specifically will provide for:

- Pre and post screening assessments for all students in kindergarten through third grade.
- Collecting, analyzing, and storing data from the assessment so it can follow the student if the family moves.
- Creating the knowledge regarding which students need interventions, and ensuring those interventions are appropriate for the student.

Expect to learn more from the department in the coming months about how this funding will be awarded to districts for the specific intended purposes.

Conference Committee Substitute for House Bill 87 Special Education Service Agency ~ Awaiting transmittal to Governor

Conference CS for House Bill 87 amends AS 14.30.650, the funding for the Special Education Service Agency (SESA), by increasing the funding from \$15.75 times the average daily membership (ADM) to \$18.65 times the ADM. CCSHB87 also extends the sunset date for SESA to June 30, 2021.

Committee Substitute for House Bill 88 Statutory References to Mental Retardation ~ Awaiting transmittal to Governor

CS for House Bill 88 amends AS 14.30.350(2) by changing terminology from mental retardation to intellectual and developmental disabilities and also amending AS 14.30.630(b) by changing mental retardation to intellectual and developmental disability.

House Committee Substitute for Committee Substitute for Sponsor Substitute for Senate Bill 47 District Operated Boarding Schools ~ Awaiting transmittal to Governor

House CS for CS for SS for Senate Bill 47 amends the language in AS 14.16.200 to reference residential schools rather than residential programs. HCS CSSSSB47 also removes the limit for the number of residential boarding programs that may be approved by the department to receive boarding stipend reimbursement. Under this legislation, district-wide residential programs will qualify as would residential programs that are variable-length or 180-day school terms, but still operate for a full school year.

Additionally, HCS CSSSSB47 establishes the current per pupil monthly stipend rate that becomes the new rate in statute. Those rates are Region I - \$820; Region II - \$800; Region III - \$968; Region IV - \$1,006; and Region V - \$1,184.

Lastly, HCS CSSSSB47 adds a subsection allowing a district to cooperate with an Alaska Native or nonprofit organization for the provision of room and board services to students enrolled in a residential school.

House Committee Substitute for Committee Substitute for Senate Bill 57 Literacy / Pupil Transportation / Teacher Notices ~ Awaiting transmittal to Governor

House CS for CS for Senate Bill 57 requires local school districts to educate and provide notification to parents and guardians with children enrolled in grades K-3 on the importance of early literacy annually. DEED is required to create and implement a communications campaign, including Public Service Announcements, in an effort to assist districts in implementing this change.

HCS CSSB57 also amends AS 14.20.140(a) by changing the layoff notice date for tenured teachers from March 16 to May 15.

HCS CSSB57 repeals the current law adjusting the per student amounts for pupil transportation by 1.5% under AS 14.09.010 and requires DEED to adjust them annually in FY2014, FY2015,

and FY2016 by the change in the Consumer Price Index for all urban consumers for the Anchorage Metropolitan area. For FY2017 and forward, the per student amounts are the FY2016 factors without change.

HCS CSSB57 Pupil Transportation costs are estimated as follows:

Fiscal Year	Current Law	Total New Costs with 2.5% CPI	Annual (Accumulated) Increased Program Costs
FY2014	\$74.7 million	\$75.4 million	\$0.7 million
FY2015	\$75.9 million	\$77.4 million	\$1.5 million
FY2016	\$75.9 million	\$79.3 million	\$3.4 million
FY2017	\$75.9 million	\$79.3 million	\$3.4 million
FY2018	\$75.9 million	\$79.3 million	\$3.4 million
FY2019	\$75.9 million	\$79.3 million	\$3.4 million

Senate Bill 62 School Construction Grants to Small Municipalities ~ Awaiting Transmittal to Governor

Senate Bill 62 amends AS 14.11.025 and AS 14.11.030 by making school construction projects in small municipal school districts eligible for funding under AS 14.11.025, which is titled "State aid for school construction in regional educational attendance areas".

In SB 62 small municipal school districts are defined as a municipal school district with not more than 300 ADM and not more than \$500,000 in full value per ADM. The schools located in a small municipal school district, meeting this definition, would be removed from the percentage of schools located in a city or borough school district used in the calculation. Municipal school districts qualifying under SB 62 are Hydaburg, Kake, Klawock, Saint Mary's, and Tanana.

Attachments:

1. FY2014 Projected State Program Allocations based on Legislative Appropriations
2. FY2014 Capital Grants for School Districts - Summary

cc: Elizabeth Nudelman, Director
Division of School Finance & Facilities

Alaska Department of Education & Early Development
FY2014 Projected State Program Allocations based on Legislative Appropriations

Allocations are subject to adjustment based on individual program requirements.

PREPARED 4/15/13	FY2014 Projected ADM	Projected Total Foundation @ \$5,680	HB 65 Projected One-time Grant \$25M on AADM	SB 18 Projected Capital Grant \$21M on AADM	Projected Boarding Home	Residential Boarding Program	Youth in Detention	Projected Special Schools	AK Challenge Youth Academy	Projected Pupil Transportation	Projected Debt Retirement	PROJECTED FY2014 TOTALS
ALASKA GATEWAY	354	7,525,619	138,614	116,641						682,417		8,463,291
ALEUTIAN REGION	27	1,265,051	22,841	19,216						0		1,307,108
ALEUTIANS EAST	225	5,079,898	105,672	88,920						76,005	657,160	6,007,655
ANCHORAGE	48,885	326,182,426	7,598,759	6,394,476			512,252	1,281,400		21,955,618	46,750,864	410,675,795
ANNETTE ISLANDS	276	2,411,579	70,824	59,595						56,047		2,598,045
BERING STRAIT	1,596	27,887,243	662,946	557,875						85,541		29,193,605
BRISTOL BAY	129	1,668,362	43,413	36,528						394,784		2,143,087
CHATHAM	153	3,213,783	60,014	50,497						42,493		3,366,787
CHUGACH	274	2,519,363	45,027	22,731						0		2,587,121
COPPER RIVER	489	6,814,532	125,209	105,361						722,431		7,767,533
CORDOVA	317	3,547,743	75,591	63,606						111,991	967,800	4,766,731
CRAIG	615	4,842,651	94,858	79,819						141,231		5,158,559
DELTA/GREELY	832	9,670,018	177,131	149,054						1,334,289		11,330,492
DENALI	860	6,290,640	123,307	103,760						442,033		6,959,740
DILLINGHAM	481	6,192,117	123,466	103,894	34,310					620,119	823,059	7,896,965
FAIRBANKS	14,283	118,296,836	2,693,959	2,267,005			112,797			12,106,183	10,616,311	146,093,091
GALENA	3,706	19,396,037	345,439	290,687		2,398,194				84,053		22,514,410
HAINES	253	3,124,822	71,531	60,179						182,654	908,729	4,347,915
HOONAH	109	1,878,542	38,350	32,267						35,911	69,285	2,054,355
HYDABURG	57	1,063,157	20,404	17,165						0		1,100,726
IDITAROD	228	5,300,124	98,145	82,586	21,300					40,625		5,542,780
JUNEAU	4,962	38,736,372	908,065	764,146			89,733			3,118,417	14,161,151	57,777,884
KAKE	114	1,935,611	37,198	31,297						30,227		2,034,333
KASHUNAMIUT	312	3,528,732	93,675	78,824						1,554		3,702,785
KENAI	8,873	75,525,739	1,741,904	1,465,836	26,960		69,143			7,796,263	3,581,484	90,207,329
KETCHIKAN	2,250	22,088,541	466,217	392,325			69,081			1,619,372	2,716,934	27,352,470
KLAWOCK	125	1,707,111	39,966	33,627						80,659		1,861,363
KODIAK	2,521	25,477,316	530,393	446,329						2,029,965	4,470,047	32,954,050
KUSPUK	333	6,058,289	134,265	112,981	7,540					232,747		6,545,822
LAKE AND PENINSULA	324	8,684,167	168,038	141,401						129,178	901,080	10,023,864
LOWER KUSKOKWIM	3,997	57,859,785	1,299,705	1,074,145		334,931	98,193			1,176,607		61,843,366
LOWER YUKON	2,004	32,385,151	720,588	606,381						2,019		33,714,139
MAT-SU	17,283	136,146,042	2,864,272	2,410,327	4,920		63,181			14,891,298	22,833,788	179,213,828
NENANA	910	6,447,578	115,703	97,361		830,428				127,305		7,618,375
NOME	714	8,400,725	163,988	137,993			85,620			447,894	227,456	9,463,676
NORTH SLOPE	1,650	14,914,044	509,694	428,911						1,952,004	7,269,667	25,074,320
NORTHWEST ARCTIC	1,912	33,437,961	661,991	557,071	17,120					49,107	4,419,584	39,142,834
PELICAN	15	451,363	7,203	3,634						1,119		463,319
PETERSBURG	442	5,776,984	118,444	99,667						178,525	496,743	6,670,363
PRIBILOF	87	1,428,656	34,335	28,888						0		1,491,879
SAINT MARY'S	168	3,125,531	56,077	47,185						37,225		3,266,018
SITKA	1,354	13,420,832	292,329	245,994						578,223	2,523,860	17,061,238
SKAGWAY	68	595,750	18,120	15,243						2,429		631,542
SOUTHEAST	193	5,131,412	91,013	76,584						232,118		5,531,127
SOUTHWEST	597	9,634,146	231,201	194,555	68,630					371,044		10,499,576
TANANA	49	1,086,087	21,115	17,763						24,508		1,149,473
UNALASKA	420	4,479,950	105,578	88,840						284,267	827,546	5,786,181
VALDEZ	638	4,206,003	138,138	116,240						495,298	2,030,545	6,986,224
WRANGELL	373	3,985,247	79,041	66,509						224,842	212,450	4,568,089

Alaska Department of Education & Early Development
FY2014 Projected State Program Allocations based on Legislative Appropriations

Allocations are subject to adjustment based on individual program requirements.

PREPARED 4/15/13

	FY2014 Projected ADM	Projected Total Foundation @ \$5,680	HB 65 Projected One-time Grant \$25M on AADM	SB 18 Projected Capital Grant \$21M on AADM	Projected Boarding Home	Residential Boarding Program	Youth in Detention	Projected Special Schools	AK Challenge Youth Academy	Projected Pupil Transportation	Projected Debt Retirement	PROJECTED FY2014 TOTALS
YAKUTAT	99	1,399,146	29,085	24,470						69,470		1,522,171
YUKON FLATS	256	7,352,719	139,464	117,356						72,864		7,682,403
YUKON/KOYUKUK	1,282	11,816,205	216,797	182,433	5,120					94,083		12,314,638
YUPIIT	449	6,485,327	161,551	135,943						892		6,783,713
Mt. EDGECUMBE	400	3,132,493	69,347	57,879						0		3,259,719
OTHER	\1	26,027,300						2,410,337	4,791,368		797,600	34,026,605
Sub Totals	129,323	1,147,038,858	25,000,000	21,000,000	185,900	3,563,553	1,100,000	3,691,737	4,791,368	75,465,948	128,263,143	1,410,100,507
TOTALS	129,323	\$1,147,038,858	\$25,000,000	\$21,000,000	\$185,900	\$3,563,553	\$1,100,000	\$3,691,737	\$4,791,368	\$75,465,948	\$128,263,143	\$1,410,100,507

- \1 OTHER INCLUDES OTHER ADJUSTMENTS.
\2 OTHER INCLUDES ALLOCATION TO SPECIAL EDUCATION SERVICE AGENCY (SESA).
\3 OTHER INCLUDES ESTIMATED ALASKA MILITARY YOUTH ACADEMY.
\4 OTHER INCLUDES ESTIMATED DEBT REIMBURSEMENT PROGRAM OVERHEAD.
\5 FUNDS FOR STUDENT SAFETY AND SECURITY ENHANCEMENT; UNLESS DISTRICT HAS ADM OF LESS THAN 4,500, THEN ALSO FOR FIXED COSTS AND ENERGY RELIEF.

**Alaska Department of Education & Early Development
FY2014 Capital Grants for School Districts - Summary**

District	Project Description	Amount
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SB18 - Capital Budget

Department of Education & Early Development

Major Maintenance Grant Fund (AS 14.11.007)

Valdez	Valdez High School Roof Replacement	916,162
Annette Island	Metlakatla Elementary School Renovation	14,515,982
Petersburg	Petersburg Elementary School Exterior Wall Renovation	2,152,775
Nenana	Nenana K-12 School South ADA Access Improvements	903,785
Chatham	Tenakee K-12 School HVAC Controls Renovation	31,966
Nome	Nome-Beltz Building D Fire Sprinkler Replacement and Fire Alarm Installation	417,350
Iditarod	Holy Cross K-12 School Roof Replacement	287,873
Kake	Kake High School Boiler Replacement	45,643
Denali	Cantwell K-12 School Sprinkler and Fire Alarm Upgrades	704,863
Valdez	Valdez High School Fire Alarm and Sprinkler Upgrades	682,905
Galena	Galena Interior Learning Academy Composite Building Roof Renovation	1,019,387
Nome	Nome-Beltz Jr/Sr High School HVAC Control Upgrades	584,428
Lower Kuskokwim	** Tununak K-12 School Major Maintenance (Total: \$16,381,389)	727,938
Total		22,991,057

School Construction Grant Fund (AS 14.11.005)

Lower Kuskokwim	Nightmute School Renovation/Addition	32,965,301
Lower Kuskokwim	Kuinerranmiut Elitnaurviat K-12 Renovation/Addition, Quinhagak / <i>Final funding</i>	13,207,081
Lower Kuskokwim	Kwethluk K-12 Replacement School Design, Planning, Foundation / <i>Partial funding</i>	25,008,100
Total		71,180,482

Department of Education & Early Development

*** Mount Edgecumbe High School Heating Plant Boilers & Utilidor Piping Replacement (Total: \$1,500,000)	1,000,000
State Library, Archives and Museum Facility Construction Funding	20,000,000
Mount Edgecumbe High School Deferred Maintenance	1,845,000
	22,845,000

Grand Total Capital Grants for Schools

117,016,539

** Total funding \$16,381,389 (\$727,938 direct appropriation; \$15,653,451 reappropriated to the major maintenance grant fund for payment as a grant under AS 14.11.007 (Section 27(a))).

*** Total funding \$1,500,000 (\$1,000,000 direct appropriation to DEED; \$500,000 reappropriated to DCCED (Section 41(j))).