



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Education
and Early Development**

Office of the Commissioner

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MEMORANDUM NUMBER 2014-010

To: Superintendents
Business Managers

From: Mike Hanley, Commissioner

Date: May 14, 2014

Subject: 2014 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.

FY2015 Operating Budget ~ Awaiting Transmittal to Governor

House Bill 266 contains the department's operating budget for FY2015. Attached is a schedule titled "FY2015 Projected State Program Allocations based on Legislative Appropriations." This schedule totaling \$1.4 billion includes FY2015 estimated funding levels, by district, for the following programs: Foundation, \$42.9 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 Retirement. The funding levels listed by district are projected allocations and are subject to change based on actual FY2015 average daily membership and/or individual program requirements.

HB 266 also provides \$11 million to the Alaska Performance Scholarship and \$2 million to the Pre-Kindergarten grants program which are continuation grants from FY2014.

FY2015 Capital Budget ~ Awaiting Transmittal to Governor

Senate Bill 119 includes over \$43 million in appropriations for the renovation and/or replacement of schools in Kwethluk and Saint Mary's. SB 119 also appropriates \$37,500,000 for the Statewide Library, Archives and Museum (SLAM) Facility and \$1.7 million for deferred maintenance at Mt. Edgecumbe High School. The one page attachment titled, "FY2015 Capital Grants for School Districts - Summary" provides detail for these grants.

Additionally, SB 119 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 continue to 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; and
- 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:

The Alaska Learning Network was funded at \$850.0, a \$250.0 reduction. The Alaska Statewide Mentor Project/Alaska Administrator coaching project was reduced by \$700.0 to \$2,300.0.

Free Conference Committee Substitute for House Bill No. 278 Education ~ Signed by the Governor

FCCS for House Bill 278 is the Governor's comprehensive education legislation introduced this session. The legislation provides new educational opportunities, such as charter, correspondence and residential schools, and vocational training. The bill also includes an increase to school funding.

FCCS HB278 increased the base student allocation (BSA) to a total of \$150 million over three years: \$150 in 2015, to \$5,830; another \$50 in 2016, to \$5,880; and another \$50 in 2017, to \$5,930. The legislation also provides an additional \$95,101,400 in funding for schools outside the BSA: \$42,953,500 in 2015; \$32,243,700 in 2016; and \$19,904,200 in 2017.

FCCS HB278 repeals the existing High School Graduation Qualifying Exam (HSGQE) and replaces it with the requirement to participate in the SAT, ACT, or WorkKeys. The state will pay for one exam per student in the last two years of high school. FCCS HB278 also allows for the issuance of retroactive diplomas for students who completed all other graduation requirements, but did not pass the exit exam.

FCCS HB278 changes the appeal process for charter schools to allow applicants to appeal to the Commissioner of Education & Early Development as well as the State Board of Education & Early Development. FCCS HB278 also provides a one-time \$500 per student start-up grant to new charter schools; provides a funding boost to charter schools by decreasing the minimum number of students required to establish the funding rate for a school over the first three years or in the previous year; and requires districts to provide transportation to charter school students where transportation services are already being provided to neighborhood schools.

In addition, FCCS HB278 increases the per-pupil monthly room and board stipend to residential schools. The new rates beginning in FY2015 are Region I - \$1,230; Region II - \$1,200; Region III - \$1,452;

Region IV - \$1,509; and Region V - \$1,776. FCCS HB278 also increases state funding for correspondence students by increasing the multiplier from .80 to .90 of the BSA (a 10% increase).

In addition, FCCS HB278 changes the reimbursement rate for costs of school construction debt from a 60% state reimbursement and 40% local to 50% state reimbursement and 50% local.

Another component of FCCS HB278 will be four cost studies that will provide legislators with information to make future policy decisions related to education. The Department of Administration is tasked with preparing a statewide school district salary and benefits proposal to include a review of teacher tenure. The Department of Education & Early Development will submit a report detailing the use of prototypes in school design and construction. The Legislative Budget & Audit Committee will procure two studies, one to evaluate the state's current education funding systems and recommend changes or an alternate model; the second study is to provide updated data for the school size factor and the district cost factors. All reports are due to the legislature by June 15, 2015.

Other key provisions in FCCS HB278 include a three-year pilot program for underserved middle school students to participate in programs like Alaska Native Science and Engineering Program (ANSEP); allow students to test out of courses they have mastered and earn credits to apply toward graduation and the Alaska Performance Scholarship; when determining the maximum voluntary local contribution, the municipality may include funding distributed outside the BSA; funding for eligible schools to increase internet download speed; increases to the technical and vocational education program (TVEP) funding and adds Ilisagvik College as a participant; requires school districts to report to the department on the performance and attendance of students whose parents or guardians are in the active duty military; and extensively expands education tax credits.

House Committee Substitute for Committee Substitute for Senate Bill No. 128 Electronic Bullying ~ Awaiting Transmittal to Governor

House CS for CS for Senate Bill 128 amends AS 11.61.120(a) by adding a new subsection making repeated sending or publishing of electronic communications that taunt, insult, challenges, or intimidates any person under 18 years of age a misdemeanor. The bill requires that the electronic communication must place the person in reasonable fear of physical injury and allows for punishment outside the school system.

Committee Substitute for House Bill No. 210 Schools: Restraint, Seclusion, Crisis Training ~ Awaiting Transmittal to Governor

CS for House Bill 210 amends several subsections of AS 14.33 by requiring a school district's safety plan be made available to parents, legal guardians, students and the public. If an incident of restraint or seclusion occurs, the student's parents or legal guardians need to be informed the same day as the incident. With the exception of emergency situations, only those who have undergone training in crisis intervention on restraint, escort, and seclusion, approved by the Department of Education & Early Development, can engage in physical restraint or seclusion. Each school district needs to report all instances of restraint and seclusion on an annual basis to the Department of Education & Early Development.

Senate Committee Substitute for Committee Substitute for House Bill No. 211 Employment of Persons with Disabilities ~ Awaiting Transmittal to Governor

Senate CS for CS for House Bill 211 makes Alaska an Employment First state. The bill amends AS 14.30.278 by adding two new subsections, one to direct school districts, when working with students over 15 years of age through transition services, to help students become gainfully employed or enrolled in postsecondary education; the second subsection defines gainfully employed. Public resources are to be synchronized to educate, train, and craft an individualized learning plan for these individuals to succeed in the job market. This information will be reported annually to the Alaska Mental Health Trust Authority by EED. The information is currently gathered voluntarily under the Part B State Performance Plan Indicator #14; Secondary Transition/Post-School Outcomes – Competitive Employment, Enrolled in School.

Attachments:

1. FY2015 Projected State Program Allocations based on Legislative Appropriations
2. FY2015 Capital Grants for School Districts – Summary

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

Marcy Herman, Legislative Liaison
Office of the Commissioner

Heidi Teshner, Director
Division of Administrative Services

Alaska Department of Education & Early Development
FY2015 Projected State Program Allocations based on Legislative Appropriations
Allocations are subject to adjustment based on individual program requirements.

PREPARED 5/7/14

	FY2015 Projected ADM	Projected Total Foundation @ \$5.830	HB 278 Projected One-time Grant \$42.9M on AADM	Projected Boarding Home	Residential Boarding Program	Youth in Detention	Projected Special Schools	Projected Pupil Transportation	Projected Debt Retirement	PROJECTED FY2015 TOTALS
ALASKA GATEWAY	381	7,765,142	237,067							
ALEUTIAN REGION	31	1,301,211	39,011					742,545		8,744,754
ALEUTIANS EAST	219	4,861,044	167,165					0		1,340,222
ANCHORAGE	47,879	327,732,819	12,807,120		45,600	512,252	1,281,400	22,106,918	712,598	5,814,112
ANNETTE ISLANDS	292	3,060,284	131,719					73,305		415,858,416
BERING STRAIT	1,654	30,598,409	1,168,563		431,184			57,506		3,249,509
BRISTOL BAY	125	1,458,318	69,222					86,632		32,284,788
CHATHAM	143	3,105,107	95,434					361,143		1,888,683
CHUGACH	302	2,835,143	84,860		273,600			42,687		3,243,228
COPPER RIVER	445	6,471,314	199,260					0		3,193,603
CORDOVA	309	3,554,514	129,131					687,222		7,357,796
CRAIG	577	4,900,905	180,616					111,998	966,117	4,761,760
DELTA/GREELY	868	9,905,408	303,086					133,672		5,195,193
DENALI	857	6,647,737	215,794					1,365,971		11,574,465
DILLINGHAM	490	6,585,119	217,561	34,310				404,629		7,268,160
FAIRBANKS	14,066	120,417,882	4,570,318					634,683	823,059	8,294,732
GALENA	3,835	22,621,583	670,328		3,517,074	112,797		12,183,919	11,621,820	148,906,736
HAINES	244	2,640,171	107,933					78,519		26,887,504
HOONAH	105	2,209,113	72,730					158,352	990,016	3,896,472
HYDABURG	67	1,506,656	46,289					33,878	68,819	2,384,540
IDITAROD	291	5,677,299	174,336	21,300				0		1,552,945
JUNEAU	4,803	38,488,231	1,518,985					43,618		5,916,553
KAKE	99	1,749,234	58,289			89,733		3,092,783	14,120,698	57,310,430
KASHUNAMIUT	312	3,784,035	162,592					29,038		1,836,561
KENAI	8,773	77,592,424	2,987,202	26,960				1,634		3,948,261
KETCHIKAN	2,218	23,411,450	822,167			69,143		7,924,942	3,084,544	91,685,215
KLAWOCK	129	2,032,955	72,142			69,081		1,673,461	2,804,199	28,780,356
KODIAK	2,470	25,888,305	900,085					81,486		2,186,583
KUSPUK	331	6,071,436	227,154	7,540				2,047,228	4,190,420	33,026,038
LAKE AND PENINSULA	318	8,614,715	276,483					234,049		6,540,179
LOWER KUSKOKWIM	4,072	60,519,505	2,225,783		493,376	98,193		127,768	1,901,415	10,920,381
LOWER YUKON	2,001	31,192,985	1,193,214					1,219,968		64,556,825
MAT-SU	17,594	149,257,877	5,173,411	4,920				2,096		32,388,295
NENANA	917	6,940,281	207,195		1,213,756	63,181		15,518,054	23,135,501	193,152,944
NOME	724	8,916,860	293,796			85,620		137,755		8,498,987
NORTH SLOPE	1,750	16,905,273	914,545					480,108	222,509	9,998,893
NORTHWEST ARCTIC	1,881	35,791,166	1,147,964	17,120	799,794			2,119,194		19,939,012
PELICAN	10	465,180	12,295					51,231	4,228,145	42,035,420
PETERSBURG	424	5,783,962	195,988					775		478,250
PRIBILOF	87	1,611,409	60,891					171,446	492,518	6,643,914
SAINT MARY'S	180	3,474,422	103,614					0		1,672,300
SITKA	1,341	14,140,446	508,622					37,523		3,615,559
SKAGWAY	85	750,812	35,696					605,279	2,519,241	17,773,588
SOUTHEAST	210	5,729,782	169,153					3,295		789,803
SOUTHWEST	610	9,858,959	388,530	68,630				260,974		6,159,909
TANANA	42	1,022,742	35,085					394,266		10,710,385
UNALASKA	420	4,606,711	180,361					21,691		1,079,518
VALDEZ	607	4,400,420	233,139					294,341	688,179	5,769,592
WRANGELL	273	3,273,018	112,649					482,620	1,685,751	6,801,930
YAKUTAT	97	1,377,252	48,508					206,764	205,940	3,798,371
YUKON FLATS	248	7,101,197	228,840					72,407		1,498,167
YUKON/KOYUKUK	1,368	12,821,417	405,237	5,120				70,664		7,400,701
YUPIIT	431	6,575,183	267,878					102,934		13,334,708
Mt. EDGE CUMBE	400	3,109,409	118,464					903		6,843,964
OTHER	11	26,027,300								3,227,873
Sub Totals	128,405	1,185,141,531	42,953,500	185,900	6,774,384	1,100,000	2,411,900	76,773,874	808,600	29,247,800
TOTALS	128,405	\$1,185,141,531	\$42,953,500	\$185,900	\$6,774,384	\$1,100,000	\$3,693,300	\$76,773,874	\$126,642,396	\$1,443,264,885

11 OTHER INCLUDES OTHER ADJUSTMENTS.

12 OTHER INCLUDES ALLOCATION TO SPECIAL EDUCATION SERVICE AGENCY (SESA).

13 OTHER INCLUDES ESTIMATED DEBT REIMBURSEMENT PROGRAM OVERHEAD.

Alaska Department of Education & Early Development
FY2015 Capital Grants for School Districts - Summary

District	Project Description	Amount
SB119 - Capital Budget		

Department of Education & Early Development

School Construction Grant Fund (AS 14.11.005)

Lower Kuskokwim	Kwethluk K-12 Replacement School Design, Planning, Foundation / Final funding	31,516,900
St. Mary's	Andreafski High School Gym	11,762,891
	Total	43,279,791

Department of Education & Early Development

Alaska Digital Teaching Initiative Three-Year Demonstration Project
Alaska Native Science & Engineering Program (ANSEP)
State Library, Archives and Museum Facility Construction Funding
Mount Edgecumbe High School Deferred Maintenance

4,000,000
1,000,000
37,500,000
1,700,000
44,200,000

Grand Total Capital Grants for Schools

87,479,791