

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Education and Early Development
Executive Administration
Budget Request Unit Budget Summary**

Executive Administration Budget Request Unit

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BRU Mission

To support the development of lifelong learners.

BRU Services Provided

This BRU provides leadership and support to divisions and programs within the Department of Education & Early Development.

BRU Goals and Strategies

1. To have culturally and developmentally appropriate high quality early care and education programs that improve the well being of young children statewide, ages 0-4, in which children, families, and communities are active partners.

- Strengthen family connections between the program and home.
- Prepare parents to recognize the opportunities and responsibilities they have for the care and learning of their children.
- Increase community involvement and promote cooperative services for young children and their families.
- Provide professional development to improve the knowledge and skills of providers of early care and education programs and require that they be held to high standards.
- Develop rigorous, standards-based licensing programs for early care and education providers.
- Develop incentives for child care providers and facilities to become licensed.

2. To have clear, rigorous, credible student standards and assessments.

- Provide state student performance standards in reading, writing, and mathematics.
- Provide assistance to school districts in aligning curriculum to state standards.
- Provide a developmental profile for each child entering kindergarten or first grade.
- Provide standards-based assessments in reading, writing, and mathematics at grades 3, 6, and 8.
- Provide norm-referenced testing in grades 4, 5, 7 and 9.
- Provide the High School Graduation Qualifying Examination.

3. To have a credible system of academic and fiscal accountability for students, professionals, schools and districts.

- Award Quality Schools/Learning Opportunity Grants so schools and communities can determine local solutions to improve student learning such as summer school, individual tutoring, lower class size, special classes, and before and after school programs.
- Develop school designations based on student performance and other measures.
- Provide support to schools and assistance in developing school improvement plans.
- Establish criteria for consistent allocation of instructional costs and uniform reporting of school district financial data.

4. To have highly qualified school professionals who have met rigorous and credible standards and assessments.

- Provide rigorous educator standards by which school districts will evaluate professionals.
- Develop and administer a standards-based licensure system for educators.
- Provide professional development opportunities for standards-based instruction.
- Encourage local school boards to adopt culturally responsive educator standards.
- Encourage efforts towards recruitment and retention of quality teachers.
- Encourage efforts towards quality mentoring systems for new teachers and administrators.

5. To have schools in which students, staff, families, business, and communities are active partners in learning.

- Promote research-based family involvement models and community orientations.

- Promote and support school-based Family Involvement Centers.
- Encourage and support business and school partnerships.

6. To have an adequate, stable and secure source of funding for schools.

- Secure adequate funding to develop and maintain an accountable system of high quality public schools.
- Secure adequate funding to meet school districts' construction and major maintenance needs.
- Analyze differences in the costs of operating schools taking into consideration school size and location.
- Analyze and recommend better business practices to local school boards of education and superintendents.

Key BRU Issues for FY2003 – 2004

QUALITY SCHOOLS INITIATIVE www.eed.state.ak.us/qschools/

The Quality Schools Initiative (QSI) is designed to increase the quality of public education. The QSI is based on high student academic standards and assessment, safe and respectful schools and communities, quality professional standards, and school excellence based on standards.

All Alaskan schools have adopted state-mandated academic standards in reading, writing, and mathematics. Schools will test each child early and often in these subjects throughout their school careers to make sure they are on target to meet the standards. Schools are required to test students at the 3rd, 6th, and 8th grades. If they are falling behind, schools will provide special help to children so they can catch up. The state assessment system also includes norm-referenced tests in grades 4, 5, 7, and 9, so we know how our students perform compared to national rankings. The final part of the comprehensive student assessment system is the High School Graduation Qualifying Examination. This assessment system will give the state and communities solid information to hold schools and communities accountable for the academic achievement of children. Each year, all schools will report certain information to their communities and state about their progress.

Closing the Achievement Gap

The Quality Schools Initiative has created tremendous change to the state's public schools; they are becoming increasingly performance based. In order for QSI to fulfill its promise to all children, targeted resources need to be aimed at low performing children. If not accomplished, QSI will fall short and the achievement gap will persist. For this to happen, the state needs to increase the Public School Funding Program (Foundation Program) and provide resources for direct student intervention programs through quality schools grants. In addition to increases to the foundation program, two items in particular are key to closing the achievement gap: funding on an ongoing basis for a Center for School Excellence to help low performing schools improve; and grant funding to support schools designated as low performing and grants for incentives for schools designated as high performing through the state's school accountability system.

High School Graduation Qualifying Exam (HSGQE)

Alaska's education reform movement is on the right track. We are raising academic standards, seeking new resources and demanding accountability. The high-stakes consequences of the High School Graduation Qualifying Exam will be implemented for students graduating in the spring of 2004. Through the combined efforts of the governor and the legislature, the HSGQE was refined in order to measure the "minimum competency in essential skills" for all high school graduates.

The commissioner convened a committee of approximately 45 educators to work with the department and the department's test contractor, CTB McGraw-Hill, in refocusing the High School Graduation Qualifying Exam on essential skills. Subcommittees in each of the content areas, reading, writing, and mathematics, reviewed test items used to measure essential skills. The refocused test questions were field-tested in the spring of 2002 and new cut scores determined in late summer of 2002.

The delay of the high stakes consequences of the HSGQE until the spring of 2004, while continuing to administer the benchmark exams in grades 3, 6, and 8, will give us the tools and the time needed to be sure the standards reflect what Alaskans think is important, the test is a good measure and students are adequately prepared. The additional time will assure that all students, including those with learning disabilities and those in highly mobile families who move in and out of our schools, will have had a reasonable opportunity to learn what's tested.

School Accountability

Parents, community leaders, state legislators and many other Alaskans want to know about the quality of education in their local schools. They also want to be able to improve the schools that need help and to ensure that each and every school is accountable for producing results. Beginning in September of 2004, the Alaska School Designators system

will be implemented. Enacted into law in 1998 the system will label every public school in Alaska as distinguished, successful, deficient, or in-crisis.

The designator system is a critically important part of our Quality Schools Initiative, which aims to improve the academic achievement of all our children. QSI establishes new standards for our students, our educators and our schools.

Alaska's school designators system will be based on measurable student achievement and improvements in test scores year to year. While graduation rates, drop-out rates and statistics on the number of students going on to college have traditionally served as indicators of a school's performance, the new designation system will focus on how students measure up against academic standards.

While all Alaskans support school accountability, and making sure that all children are meeting state standards, our ability to collect meaningful data is limited by the assessment data that we have been able to collect over the past two years. With the refocusing of the high school graduation qualifying exam and new cut scores, the data from the 2000 and 2001 assessments will not be comparable to the new test information that will be available in the spring of 2002. The Governor and the legislature worked together to change the implementation date for the school accountability system to September 2004.

NO CHILD LEFT BEHIND

The federal No Child Left Behind (NCLB) legislation, requires that a Statewide Accountability Plan be developed and administered. This plan must include all statewide assessments, whether state or federally mandated, data collection and reporting requirements, a system for designating schools in need of improvement and schools that are highly successful. This is a complex plan and will require collaboration with districts, professional educational organizations, parents and community groups, and other departments within the state.

NCLB requires a new and higher level of monitoring and accountability for school district programs, student achievement, and teacher and paraprofessional qualifications.

NCLB requires that school districts with schools identified as needing improvement provide supplemental educational services and/or school choice options for students in the school improvement site. This is a challenge for Alaska's rural and remote schools, where these providers and options do not currently exist.

NCLB requires that all students be proficient in reading English by the end of third grade. This requirement, while supported by educators in Alaska, has presented issues for our immersion programs that support the maintenance of Alaska heritage languages.

NCLB requires that teachers and paraprofessionals meet the federal "highly qualified" definition. Many teachers will be required to either take state-administered, rigorous tests that demonstrate proficiency in specific content areas. Many paraprofessionals will be required to take a state-administered, rigorous test that demonstrates competency in key subject areas such as reading, writing and mathematics.

NCLB requires the department to review teacher preparation and reading endorsement programs in the state to ensure compliance and alignment with NCLB.

NCLB requires the state to offer alternative routes to teacher certification. This will require significant regulation changes.

The department must continue to align state regulations with the 1997 reauthorized Individuals with Disabilities Education Act (IDEA), related to special education. The reauthorization process begins in 2003 and will create new demands for Alaska educators.

STATEWIDE ASSESSMENT SYSTEM

All Alaskan schools have adopted state-mandated academic standards in reading, writing, and mathematics. Schools will test each child early and often in these subjects throughout their school careers to make sure they are on target to meet the standards. Schools are required to test students at the 3rd, 6th, and 8th grades. If they are falling behind, schools will provide special help to children so they can catch up. The state assessment system also includes norm-referenced tests in grades 4, 5, 7, and 9, so we know how our students perform compared to national rankings. The final part of the comprehensive student assessment system is the High School Graduation Qualifying Examination. This assessment system will give the state and communities solid information to hold schools and communities accountable

for the academic achievement of children. Each year, all schools will report certain information to their communities and state about their progress.

SCHOOL ACCOUNTABILITY/DESIGNATOR SYSTEM

Beginning in September of 2004, the Alaska School Designators system will be implemented. Enacted into law in 1998, the system will label every public school in Alaska as distinguished, successful, deficient, or in-crisis.

Alaska's school designators system will be based on measurable student achievement and improvements in test scores year to year. While graduation rates, drop-out rates and statistics on the number of students going on to college have traditionally served as indicators of a school's performance, the new designation system will focus on how students measure up against academic standards.

While all Alaskans support school accountability, and making sure that all children are meeting state standards, our ability to collect meaningful data is limited by the assessment data that we have been able to collect over the past two years. With the refocusing of the high school graduation qualifying exam and new cut scores, the data from the 2000 and 2001 assessments will not be comparable to the new test information that will be available in the spring of 2002.

The department is struggling to implement the state's school designator system and mesh the state's requirements with the federal requirements under No Child Left Behind (NCLB). The department lacks the capacity to meet state and federal reporting requirements regarding student performance and school accountability. The department also lacks the capacity to provide support and services to schools that are deficient or in-crisis in implementing school improvement plans.

PUBLIC SCHOOL FUNDING PROGRAM

The department's FY2004 budget requests full funding for the public school foundation program.

Quality Schools Grants

The Quality Schools Grant is part of the state's public school funding program to help students meet higher academic standards in reading, writing, and mathematics. Student achievement needs to be measured against rigorous standards in these areas at appropriate age levels. The Quality Schools Grants provide resources to schools and school districts to develop intervention plans and programs for students at risk of not meeting these standards. If a student is not making adequate progress, swift and intensive intervention is needed to get the student back on track.

The FY2004 budget includes \$20 million for supplemental grants outside the school funding formula to support targeted student intervention programs.

TEACHER PREPARATION, RECRUITMENT, AND RETENTION

Many strategies will need to be employed to address the teacher shortage in Alaska and to meet the NCLB requirements for highly qualified teachers and paraprofessionals. Working with Alaska's universities and teacher preparation programs and Alaska's school districts to develop training and mentoring programs, incentives, adequate housing in many of the rural areas, and incentives to retain teachers will be critical to delivering the high quality instruction to all Alaska's students. The department lacks the capacity to provide the leadership and support for these efforts on a statewide basis.

EARLY DEVELOPMENT www.eed.state.ak.us/EarlyDev/

The FY2004 budget transfers Child Care Assistance and Licensing programs to the Department of Health and Social Services. This restructuring better aligns programs for more effective service delivery.

Early Literacy – Ages 0-8

The department is launching an initiative to enhance the literacy of children ages 0-8. This is being done primarily for two reasons: Alaska now requires children to learn to higher standards and students are tested in these areas with the benchmark exams and the high school graduation qualifying exam. In addition, it's time to apply new research about the brain development of young children and its relationship to learning. The department will pool resources from existing programs to train parents, caregivers, educators, and paraprofessionals in age appropriate early literacy instruction. Family literacy and community engagement will be major components. Programs targeted for participation include Head Start, Even Start, Right Start, Title I School Improvement, Special Education, Safe and Drug Free Schools, Bilingual,

Migrant, Reading Excellence Act, Vocational Education, and other programs. Each of these programs focuses on improving learning for disadvantaged children.

Improving Early Learning Programs

To better support children and families, the department is moving forward with its early learning initiatives including:

Creating benchmarks for measuring the success of programs and services for children from birth through 8 years old;

Working with schools to implement a developmental profile for kindergarten and first grade students. This profile reveals the skill levels for each child and helps determine the appropriate instructional program.

Creating a comprehensive system of education and training for early childhood educators in collaboration with the University of Alaska;

Major BRU Accomplishments in 2002

Successfully refocused the High School Graduation Qualifying Exam to assess student achievement of essential skills to align with legislation passed in 2001 that delays implementing the high states consequences of the HSGQE until the Spring of 2004.

Administered the High School Graduation Qualifying Exam and the benchmark assessments in grades 3, 6, and 8 in October of 2001 and again in March 2002 and completed and implemented the Developmental Profile for incoming kindergarten or first grade students.

Implemented an individualized student identification system to measure student assessment results more accurately.

Completed the public process for creating waivers and appeals related to the High School Qualifying Examination.

Implemented the Reading Excellence Act grant by issuing reading grants to over 30 districts and by providing technical assistance and professional development for reading teachers across the state.

The Special Education Continuous Improvement Monitoring Process is well underway. This system of self-monitoring by the state will ensure better student outcomes for students with disabilities.

Amended and improved the state regulations related to Charter Schools and Statewide Correspondence Programs. Several new Charter Schools and Statewide Correspondence programs were established in 2002.

Held the first No Child Left Behind conference for school district staff.

Provided standards-based professional development to approximately 2,000 Alaska educators.

Provided resources to school districts to assist in program evaluation and student intervention programs relating to meeting performance standards in reading, writing, and math.

Established Alaska's first Troops to Teachers office on Elmendorf Air Force Base.

Revised and implemented new childcare licensing regulations to improve quality, support school readiness, and provide safer environments for children.

Provided childcare subsidy in over 30 Alaskan communities through local non-profit or municipal program administrators and subsidized childcare costs for approximately 5,400 children per month.

Supported child care providers in improving their staff training programs or facility through the child care grant program.

Key Performance Measures for FY2004

Measure:

1) Upon consideration of the advice provided by the consultation services of Craig Holt, the Department of Education & Early Development recommends the measure cited as Sec 49(b)(1) Ch 124, SLA 2002(HB 515) be deleted and replaced with the measure currently assigned to Teaching and Learning Support and cited as Sec 50(b)(1)(A)(B)(C)(D) Ch 124, SLA 2002(HB 515) to align this BRU with the statewide mission of the department. See tab for Alaska's Target & Progress.

Alaska's Target & Progress:

[THE PERCENTAGE OF DIVISIONS THAT MEET ASSIGNED PERFORMANCE MEASURES;]

Sec 49(b)(1) Ch 124, SLA 2002(HB 515)

the percentage of students who meet the proficiency level in benchmark assessments in grades 3, 6, and 8 reported for all students (A) on a statewide basis; (B) in major racial and ethnic groups; (C) with disabilities; (D) with limited English proficiency; (E) economically disadvantaged.

Sec 50(b)(1)(A)(B)(C)(D) Ch 124, SLA 2002(HB 515)

New text underlined [DELETED TEXT BRACKETED]

Measure:

2) Upon consideration of the advice provided by the consultation services of Craig Holt, the Department of Education & Early Development recommends the measure cited as Sec 49(b)(2) Ch 124 SLA 2002(HB 515) be deleted and replaced with the measure currently assigned to Teaching and Learning Support and cited as Sec 50(b)(2)(A)(B)(C)(D) Ch 124, SLA 2002(HB 515) to align this BRU with the statewide mission of the department. See tab for Alaska's Target & Progress.

Alaska's Target & Progress:

[THE CHANGE IN THE PERCENTAGE OF STUDENTS MEETING PROFICIENCY LEVELS IN UNIFORMLY ADMINISTERED BENCHMARK TESTS IN GRADES 3, 6, AND 8 PER STUDENT EXPENDITURE FOR K-12 SUPPORT (PUBLIC SCHOOL FUNDING) AND PER THE AMOUNT REPORTED ON THE DISTRICT AUDITED FINANCIAL STATEMENTS;]

Sec 49(b)(2) Ch 124 SLA 2002(HB 515)

the percentage of students performing above the national average on state-adopted norm-referenced tests for all students (A) on a statewide basis; (B) in major racial and ethnic groups; (C) with disabilities; (D) with limited English proficiency; (E) economically disadvantaged.

Sec 50(b)(2)(A)(B)(C)(D) Ch 124, SLA 2002(HB 515)

New text underlined [DELETED TEXT BRACKETED]

Measure:

3) Upon consideration of the advice provided by the consultation services of Craig Holt, the Department of Education & Early Development recommends the measure cited as Sec 49(b)(3) Ch 124, SLA 2002(HB 515) be deleted and replaced with the measure currently assigned to Teaching and Learning Support and cited as Sec 50(b)(3)(A)(B)(C)(D) Ch 124, SLA 2002(HB 515) to align this BRU with the statewide mission of the department. See tab for Alaska's Target & Progress.

Alaska's Target & Progress:

[THE CHANGE IN THE PERCENTAGE OF STUDENTS PASSING THE HIGH SCHOOL GRADUATION QUALIFYING EXAM PER CHANGE IN PER-STUDENT EXPENDITURE FOR K-12 SUPPORT (PUBLIC SCHOOL FUNDING) AND PER THE AMOUNT REPORTED ON THE DISTRICT AUDITED FINANCIAL STATEMENTS; AND]

Sec 49(b)(3) Ch 124, SLA 2002(HB 515)

the percentage of students who took and passed the state high school graduation qualifying exam in the current school year for all students (A) on a statewide basis; (B) in major racial and ethnic groups; (C) with disabilities; (D) with limited English proficiency; (E) economically disadvantaged.

Sec 50(b)(3)(A)(B)(C)(D) Ch 124, SLA 2002(HB 515)

New text underlined [DELETED TEXT BRACKETED]

Measure:

4) Upon consideration of the advice provided by the consultation services of Craig Holt, the Department of Education & Early Development recommends the measure cited as Sec 49(b)(4) Ch 124, SLA 2002(HB 515) be deleted and replaced with the measure currently assigned to Teaching and Learning Support and cited as Sec 50(b)(4)(A)(B)(C)(D) Ch 124, SLA 2002(HB 515) to align this BRU with the statewide mission of the department. See tab for Alaska's Target & Progress.

Alaska's Target & Progress:

[THE AVERAGE TIME TAKEN TO RESPOND TO COMPLAINTS AND QUESTIONS THAT HAVE BEEN ELEVATED TO THE COMMISSIONER'S OFFICE.]

Sec 49(b)(4) Ch 124, SLA 2002(HB 515)

the percentage of students in a high school cohort group (graduating class) who pass the state high school graduation qualifying exam on a cumulative basis.

Sec 50(b)(4) Ch 124, SLA 2002(HB 515)

New text underlined [DELETED TEXT BRACKETED]

Measure:

5) the percentage of school districts meeting the minimum expenditure for instruction.

Sec 52(b)(4) Ch 124, SLA 2002(HB 515)

This measure is being moved from Education Support Services

Measure:

the percentage of divisions that meet assigned performance measures;

Sec 49(b)(1) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

Of the department's 7 divisions, all report progress in meeting assigned performance measures. Of 47 measures, 87% either meet the assigned measure or are on track.

Benchmark Comparisons:

This information will continue to be refined as the data collected for each measure becomes more consistent and comparable.

Background and Strategies:

The Commissioner has met with every division director to review the measures, progress to date and data to be used in reporting the measure. The three agencies within the department's budget that report to their own board/commission are not included; the Alaska State Council on the Arts, the Professional Teaching Practices Commission, and the Alaska Commission on Postsecondary Education.

| Department of Education & Early Development | | | | | | | |
|---|----------------|-----------|----------------------|--|----------------|-----------|----------------------|
| Missions & Measures Comparison Chart | | | | | | | |
| Component | FY2002 - HB250 | | | | FY2003 - HB515 | | |
| | No. | On Track | Need Additional Work | | No. | On Track | Need Additional Work |
| Office of the Commissioner | 4 | 4 | | | 4 | 4 | |
| Teaching & Learning Support | 4 | 4 | | | 4 | 4 | |
| Early Development | 5 | 3 | 2 | | 5 | 3 | 2 |
| Education Support Services | 4 | 4 | | | 4 | 4 | |
| Alyeska Central School | 6 | 3 | 3 | | 6 | 4 | 2 |
| AK Vocational Technical Center | 5 | 3 | 2 | | 5 | 5 | |
| Mt. Edgecumbe High School | 6 | 5 | 1 | | 6 | 6 | |
| Libraries | 5 | 4 | 1 | | 5 | 4 | 1 |
| Archives | 4 | 3 | 1 | | 4 | 3 | 1 |
| Museums | 6 | 6 | | | 4 | 4 | |
| Subtotal Agency | 49 | 39 | 10 | | 47 | 41 | 6 |
| AK State Council on the Arts | 3 | 3 | | | 3 | 3 | |
| AK Commission on Postsecondary Education | 4 | 3 | 1 | | 4 | 3 | 1 |
| WWAMI Medical Education Program | 5 | 4 | 1 | | 5 | 4 | 1 |
| Subtotal Commissions | 12 | 10 | 2 | | 12 | 10 | 2 |
| Total EED | 61 | 49 | 12 | | 59 | 51 | 8 |

Measure:

the change in the percentage of students meeting proficiency levels in uniformly administered benchmark tests in grades 3, 6, and 8 per student expenditure for K-12 support (public school funding) and per the amount reported on the district audited financial statements;

Sec 49(b)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

The following chart illustrates the progress with current data.

Benchmark Examinations:

| | Spring 2001 | Spring 2002 | % Change |
|---------------------|-------------|-------------|----------|
| Grade 3 Reading | 71.2% | 74.6% | 4.7% |
| Grade 3 Writing | 53.5% | 58.0% | 8.5% |
| Grade 3 Mathematics | 66.3% | 70.8% | 6.8% |
| Grade 6 Reading | 69.4% | 69.8% | 0.5% |
| Grade 6 Writing | 73.0% | 75.5% | 3.4% |
| Grade 6 Mathematics | 62.9% | 63.9% | 1.6% |
| Grade 8 Reading | 82.5% | 81.6% | -1.1% |
| Grade 8 Writing | 67.9% | 66.3% | -2.3% |
| Grade 8 Mathematics | 39.5% | 40.2% | 1.7% |

| | FY2001 | FY2002 | % Change |
|--|------------|------------|----------|
| ADM | 132,256.25 | 132,669.66 | 0.3% |
| State Aid - Foundation Program | 672,386.00 | 677,181.90 | 0.7% |
| Per Student Expenditure | 5.10 | 5.10 | 0.0% |
| Audited Expenditures | | | |
| *FY2002 Audit Information not yet compiled | | | |

Measure:

the change in the percentage of students passing the high school graduation qualifying exam per change in per-student expenditure for K-12 support (public school funding) and per the amount reported on the district audited financial statements; and

Sec 49(b)(3) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

Please see chart on the following page.

High School Examinations:

| | Spring 2001 | Spring 2002 (HSGQE Refocused) | % Change |
|--|-------------|----------------------------------|----------|
| Reading | 65.9% | 70.2% | 6.5% |
| Writing | 46.6% | 84.6% | 81.5% |
| Mathematics | 44.0% | 64.0% | 45.5% |
| | | | |
| | FY2001 | FY2002 | % Change |
| ADM | 132,256.25 | 132,669.66 | 0.3% |
| State Aid - Foundation Program | 672,386.00 | 677,181.90 | 0.7% |
| Per Student Expenditure | 5.10 | 5.10 | 0.0% |
| | | | |
| Audited Expenditures | | | |
| *FY2002 Audit Information not yet compiled | | | |

Benchmark Comparisons:

This is the first year that comparative data is available. The timing of receipt of audited data does not allow it to be included at this time.

Measure:

the average time taken to respond to complaints and questions that have been elevated to the commissioner's office.

Sec 49(b)(4) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

The average time to respond to correspondence tracked in the commissioner's office was 27 days for FY2001. The average time taken to respond to correspondence tracked in the commissioner's office was reduced to 22 days in FY2002.

Benchmark Comparisons:

The correspondence tracking system has not been adequately maintained in prior years to provide a benchmark comparison this reporting cycle. This will be the benchmark for next year's report.

Background and Strategies:

Although the correspondence tracking system has been in place for sometime, the department had not implemented an electronic log until this reporting requirement was instituted. Additional effort will be necessary to maintain the log and provide accurate information.

**Executive Administration
BRU Financial Summary by Component**

All dollars in thousands

| | FY2002 Actuals | | | | FY2003 Authorized | | | | FY2004 Governor | | | |
|--|----------------|---------------|--------------|--------------|-------------------|---------------|--------------|--------------|-----------------|---------------|--------------|--------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| <u>Formula Expenditures</u> | None. | | | | | | | | | | | |
| <u>Non-Formula Expenditures</u> | | | | | | | | | | | | |
| State Board of Education | 0.0 | 0.0 | 197.4 | 197.4 | 0.0 | 0.0 | 146.3 | 146.3 | 0.0 | 0.0 | 147.7 | 147.7 |
| Commissioner's Office | 89.3 | 0.0 | 469.3 | 558.6 | 64.1 | 0.0 | 308.6 | 372.7 | 65.3 | 0.0 | 315.0 | 380.3 |
| Unallocated Reduction | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Totals | 89.3 | 0.0 | 666.7 | 756.0 | 64.1 | 0.0 | 454.9 | 519.0 | 65.3 | 0.0 | 462.7 | 528.0 |

Executive Administration

Proposed Changes in Levels of Service for FY2004

Administrative Savings

· \$595,000 in savings is proposed due to streamlined administrative processes and reduced technical support to department programs.

Funding for Schools

· *Education Formula* is fully funded in the proposed FY 04 budget. A \$4 million savings is anticipated based on student enrollment and a change in the required local effort and impact aid. The total FY 04 education formula will provide nearly \$670 million in funding to school districts around the state.

· *Alyeska Central School*, a centralized correspondence school program will be eliminated, resulting in a \$1.2 million savings and deletion of 48 positions. A state-run program is a duplication of other correspondence programs that are run by various school districts around the state. The state will continue to fund students that elect correspondence study through these other schools.

· *Learning Opportunity Grants (LOGS)* funding will be funded at \$20 million, which is a \$10 million drop from the supplemental amount approved by the Legislature last session. This funding is in addition to the education formula.

· *Pupil Transportation* funding will be reimbursed at 80% of the current year level, resulting in a savings of \$10.7 million (\$43.2 million will be distributed to schools in FY 04 under the proposed budget). Currently state law provides that the state will reimburse districts for 100% of their cost (48 of Alaska's 53 districts provide pupil transportation services). This program's cost has grown from \$25 million in FY 90 to an estimated cost of \$58 million in FY 04, for a 136% increase. There is no incentive for school districts to actively reduce or limit the growth in this program.

· *School Debt Reimbursement* will be prorated based on 90% of the amount due schools, resulting in a \$6.6 million savings to the state.

· *Community Schools* program is proposed for elimination, resulting in a \$500,000 savings.

Archives, Museum, and Libraries

· A \$312,000 savings, out of a combined general fund budget of \$5.4 million, is proposed from these three programs. Every effort will be made to maximize the savings from internal management in order to continue services to the public. Initial impacts indicate some reduced public access to the State Archives and reduced staff (four positions) and supplies from the state library. A \$29,000 savings from museum operations may result in reduced traveling and temporary exhibits, as well as an adjustment in winter hours.

Program Changes

· Child Care Assistance and Licensing is transferred to the Department of Health and Social Services

· Alaska State Community Service Commission is transferred to the Department of Community and Economic Development

· Alaska Vocational Training Education Center is transferred to the Department of Labor and Workforce Development

· Alaska youth Initiative and Out-of-State Placement programs are transferred to the Department of Health and Social Services

Executive Administration
Summary of BRU Budget Changes by Component
From FY2003 Authorized to FY2004 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2003 Authorized | 64.1 | 0.0 | 454.9 | 519.0 |
| Adjustments which will continue current level of service: | | | | |
| -State Board of Education | 0.0 | 0.0 | 1.4 | 1.4 |
| -Commissioner's Office | 1.2 | 0.0 | 6.4 | 7.6 |
| FY2004 Governor | 65.3 | 0.0 | 462.7 | 528.0 |