



MEMORANDUM

To: Superintendents and Business Managers

From: Dr. Michael Johnson, Commissioner

Handwritten signature of Michael Johnson in black ink.

Date: July 26, 2021

Subject: 2021 Regular & Special Legislative Sessions

The purpose of this memorandum is to provide a summary of education related legislation passed during the regular and special sessions. The formula funding information is preliminary.

Appropriation Budget Bill:

FY2021 Supplemental and FY2022 Operating and Capital Budgets – Conference Committee Substitute for House Bill 69 – Signed by the Governor on June 30, 2021 (Chapter 1, SSSLA 21)

Conference Committee Substitute for House Bill 69 (CCS HB 69(BRF SUP MAJ FLD H/S)) contains the Department of Education and Early Development's (DEED) operating budget for FY2022. Enclosed is a schedule titled "FY2022 Projected State Program Allocations based on Enacted Budget," which includes FY2022 estimated funding levels, by district, for the following programs: Foundation, Permanent Fund Dividend Raffle Grant, Boarding Home Stipends, Residential Boarding Program, Youth in Detention, Special Schools, Pupil Transportation, and School Debt Reimbursement for a total funding level of approximately \$1.3 billion. The funding levels listed by district are projected allocations and are subject to change based on actual FY2022 average daily membership and/or individual program requirements.

CCS HB 69(BRF SUP MAJ FLD H/S) also provides \$11.5 million for Pre-Kindergarten and Early Learning programs (\$6.8 million for Head Start, \$3.2 million for Pre-Kindergarten, \$0.5 million for Parents as Teachers, and \$0.3 million for Best Beginnings); and \$7.8 million for the School Broadband Assistance Grants. In addition, there is federal receipt authority totaling \$369,767,723 for the American Rescue Plan (ARP) Act COVID Relief funding (\$5,793,000 for the Emergency Assistance for Non-Public Schools (EANS) program; \$2,159,300 for the Institute of Museum and Library Services; \$758,700 for the National Endowment for the Arts; \$358,707,000 for the Elementary and Secondary Education Relief (ESSER) III program; and \$2,349,723 for the ESSER Homeless Children and Youth program).

CCS HB 69(BRF SUP MAJ FLD H/S) also provides \$30,799,500 for the School Debt Reimbursement Program and a 50% deposit of \$17,119,000 to the Regional Educational Attendance Area (REAA) and Small Municipal School District School Fund.

Due to a lack of a reverse sweep, all Higher Education Investment Funds (HEIF) are not currently funded in FY2022. DEED programs funded with HEIF include: \$138,200 for the Live Homework Help program; \$6.3 million for the Alaska Education Grants; \$3.3 million for the WWAMI Medical Education program;

and \$11.75 million for the Alaska Performance Scholarship Awards. In addition, items funded with the Statutory Budget Reserve Fund (SBRF) are also affected by the lack of a reverse sweep, and thus not currently funded in FY2022. The DEED items funded with SBRF include: \$9 million for the Houston Middle School Replacement and \$4.15 million for the School Debt Reimbursement Program. These funds will not be available for expenditure until the Legislature addresses the reverse sweep.

Lastly, in CCS HB 69(BRF SUP MAJ FLD H/S), two sections of intent language were directed to DEED:

- It is the intent of the legislature that federal funds be used to create statewide standards for instruction in social and emotional learning and that no appropriation of state or federal funds be used to mandate implementation of a statewide standards for instruction in social and emotional learning.
- It is the intent of the legislature that a baseline assessment of current practice in Alaska's 53 School Districts, including but not limited to adopted K-3 reading curriculum and assessment tools; Dyslexia screening tools; intervention strategies and timeline; frequency of parent teacher conferences for those students experiencing reading deficits; teacher and staff training offered to support K-3 reading instruction; and number of certificated K-3 teachers with reading endorsement be submitted to the legislature. The Department is to provide a report of findings to the Finance co-chairs and the Legislative Finance Division on or before December 1, 2021, and notify the Legislature that the report is available.

Additional Legislation:

FY2022 Mental Health Budget – Conference Committee Substitute for House Bill 71 – Signed by the Governor on June 30, 2021 (Chapter 1, FSSLA 21)

Conference Committee Substitute for House Bill 71 (CCS HB 71) includes \$627,800 for department student and school achievement efforts.

Extending COVID-19 Declaration Emergency – Senate Committee Substitute for Committee Substitute for House Bill 76 (FIN) Amended Senate – Signed by the Governor on April 30, 2021 (Chapter 2, SLA 21)

Senate Committee Substitute for Committee Substitute for House Bill 76 (SCS CSHB 76(FIN) AM S) includes one section related to DEED.

Section 10, School Operating Funds, includes a provision to extend the waiver of AS 14.17.505 on the ten percent limit on the unreserved fund balance a district may have in their operating fund year-end fund balance. This requirement, specifically AS 14.17.505 and 4 AAC 09.160, was waived by the Governor for FY2020 under the Public Health Disaster Emergency Declaration signed on March 11, 2020, and through this House Bill 76 it is waived through June 30, 2025 (for fiscal years 2021 through 2025).

In addition, language was added that requires DEED to prepare and submit a detailed report of the forecasted unreserved year-end operating fund balance of each school district to the legislature by February 15 each year.

Extend Workforce Invest Board Allocation – House Bill 100 (Chapter 4, SLA 2021) – Signed by the Governor on June 9, 2021 (Chapter 4, SLA 21)

House Bill 100 re-authorizes the Technical Vocational Education Program (TVEP) program for an additional three years to June 30, 2024. The TVEP program currently has ten recipients, which include the Galena Interior Learning Academy (GILA). DEED is responsible for distributing grant funding to the Galena City School District for GILA.

Extend Special Education Service Agency – Committee Substitute for Senate Bill 19 (FIN) – Signed by the Governor on June 29, 2021 (Chapter 12, SLA 21)

Senate Bill 19 (CSSB 19(FIN)) re-authorizes the Special Education Service Agency (also known as SESA) for an additional eight years to June 30, 2029. SB 19 also increases the funding allocation from \$18.65 to \$23.13 times the average daily membership in the preceding fiscal year; increasing their FY2022 appropriation by \$533,500 for a total projected appropriation of \$2,937,900.

Establish April 24 Alaska Constitution Day – House Committee Substitute for Committee Substitute for Senate Bill 28 (STA) – Awaiting Transmittal to the Governor

Senate Bill 28 (HCS CSSB 28(STA)) establishes April 24 of each year as Vic Fischer and Jack Coghill Constitution of the State of Alaska Day. This day will honor Jack Coghill, Vic Fischer, and the other delegates to the Alaska Constitutional Convention and commemorates the creation of the Constitution of the State of Alaska and may be observed at school assemblies.

Enclosure: FY2022 Projected State Program Allocations based on Enacted Budget

cc: Erin Hardin, Special Assistant to the Commissioner and Legislative Liaison
Lacey Sanders, Administrative Services Director
Heidi Teshner, Director of Finance and Support Services

Department of Education and Early Development
FY2022 Projected State Program Allocations based on Enacted Budget
Allocations are subject to adjustment based on individual program requirements
Prepared July 23, 2021

	FY2022 Projected ADM	Projected Total Foundation @ \$5,930	Projected PFD Raffle Grant	Projected Boarding Home	Residential Boarding Program	Youth in Detention	Projected Special Schools	Projected Pupil Transportation	* Projected Municipal Debt Reimbursement	PROJECTED FY2022 TOTALS
ALASKA GATEWAY	389	\$ 8,692,677	\$ 3,216					\$ 756,371		\$ 9,452,264
ALEUTIAN REGION	25	1,329,054	481					0		1,329,535
ALEUTIANS EAST	210	4,816,255	2,121					72,030	246,478	5,136,884
ANCHORAGE	44,407	323,254,270	158,015			459,600	644,000	20,616,978	12,002,645	357,135,508
ANNETTE ISLANDS	303	4,419,401	2,072					60,903		4,482,376
BERING STRAIT	1,730	31,975,944	15,026		431,184			93,420		32,515,574
BRISTOL BAY	110	991,611	706					295,200		1,287,517
CHATHAM	159	3,450,276	1,262					48,050		3,499,588
CHUGACH	598	4,540,195	1,637		273,600			0		4,815,432
COPPER RIVER	407	6,486,804	2,414					460,601		6,949,819
CORDOVA	345	4,165,858	1,811					124,285	351,599	4,643,553
CRAIG	731	5,578,304	2,215					107,877		5,688,396
DELTA/GREELY	816	10,000,488	3,595					1,127,280		11,131,363
DENALI	1,116	7,634,915	3,091					431,352		8,069,358
DILLINGHAM	419	5,788,213	2,449	34,310				560,865	274,497	6,660,334
FAIRBANKS	11,336	102,275,879	50,921			137,600		9,376,290	2,910,037	114,750,727
GALENA	5,212	30,364,338	10,881		3,517,074			80,647		33,972,940
HAINES	250	2,449,370	1,368					152,932	332,076	2,935,746
HOONAH	127	2,545,989	987					41,910		2,588,886
HYDABURG	145	2,003,078	729					0		2,003,807
IDITAROD	306	5,891,682	2,262					38,844		5,932,788
JUNEAU	4,299	35,179,106	18,137			124,500		2,763,234	2,071,391	40,156,368
KAKE	114	2,294,656	892					34,200		2,329,748
KASHUNAMIUT	313	3,965,153	2,163					1,565		3,968,881
KENAI	7,861	71,390,909	36,199			113,500		6,644,292	941,964	79,126,864
KETCHIKAN	2,169	25,472,143	10,891					1,681,482	506,607	27,671,123
KLAWOCK	113	1,811,846	902					72,885		1,885,633
KODIAK	2,205	25,659,314	11,311					1,849,885	2,012,940	29,533,450
KUSPUK	363	6,498,139	3,192	6,060				262,086		6,769,477
LAKE AND PENINSULA	321	9,114,071	3,446					131,864	355,882	9,605,263
LOWER KUSKOKWIM	3,992	64,302,438	28,745		1,060,616	161,100		1,221,552		66,774,451
LOWER YUKON	2,059	33,551,331	15,720		570,000			2,059		34,139,110
MAT-SU	19,135	171,097,454	73,533			103,700		16,669,935	6,536,029	194,480,651
NENANA	1,685	10,822,796	3,908		1,382,572			120,065		12,329,341
NOME	690	8,800,166	3,569			-		432,180	58,583	9,294,498
NORTH SLOPE	2,039	19,262,514	13,537		331,680			2,522,243	27,698	22,157,672
NORTHWEST ARCTIC	1,960	38,169,427	15,002		663,360			52,407	790,513	39,690,709
PELICAN	12	458,345	179					0		458,524
PETERSBURG	426	5,741,245	2,557					176,364	170,915	6,091,081
PRIBILOF	54	827,863	491					0		828,354
SAINT MARY'S	185	3,570,037	1,304					39,405		3,610,746
SITKA	1,122	11,422,745	5,601					494,394	589,760	12,512,500
SKAGWAY	135	1,348,700	787					5,400		1,354,887
SOUTHEAST	156	4,717,735	1,616					192,676		4,912,027
SOUTHWEST	659	11,304,447	5,280	20,000				434,940		11,764,667
TANANA	30	929,663	296					15,810		945,769
UNALASKA	410	3,773,899	2,100					293,560		4,069,559
VALDEZ	660	4,963,161	3,290					446,337	619,886	6,032,674
WRANGELL	268	3,522,041	1,472					200,466		3,723,979
YAKUTAT	95	1,297,273	557					62,472		1,360,302
YUKON FLATS	197	5,023,098	2,267					57,378		5,082,743
YUKON/KOYUKUK	3,126	22,700,620	8,518	17,344				107,906		22,834,388
YUPIIT	508	7,172,043	3,733					1,016		7,176,792
Mt. EDGE CUMBE	430	3,419,941	1,546					0		3,421,487
OTHER	11	26,027,300					3,428,500			29,455,800
Sub Totals	126,932	1,214,266,220	550,000	77,714	8,230,086	1,100,000	4,072,500	71,435,893	30,799,500	1,299,732,413

11 OTHER INCLUDES SESA, OTHER ADJUSTMENTS.

* Due to a lack of a reverse sweep \$4.15 million is currently not funded in FY2022, thus is not reflected in the projected total. These funds will not be available for expenditure until the Legislature addresses the reverse sweep.