

State of Alaska
FY2004 Governor's Operating Budget

Department of Education and Early Development
Education Support Services
Budget Request Unit Budget Summary

Education Support Services Budget Request Unit

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BRU Mission

To provide support services to departmental programs and the operation of public schools.

BRU Services Provided

Administrative Services provides services to the department in payroll, personnel, training, budget preparation and implementation, federal and state reporting, accounting, procurement and contracting.

Information Services provides research, maintenance, training and overall support for the department's Local Area Network, and PC's.

District Support Services manages the distribution of public school foundation, tuition, boarding home, and pupil transportation program funds through the collection, analysis and aggregation of data.

Educational Facilities Support provides oversight for the statewide school construction program.

BRU Goals and Strategies

1. Provide timely and accurate financial management services
 - * Budget preparation and implementation
 - * Revenue collection
 - * Federal and state reporting
 - * Process and certify payments
 - * Grant awards
 - * Reimbursable services agreements
2. Provide timely and accurate personnel/payroll services
 - * Payroll
 - * Recruitment
 - * Training
3. Provide purchasing and procurement services within state and federal requirements
 - * Purchasing of supplies
 - * Contracting for professional services
 - * Inventory and leasing
 - * Mail services
4. Provide reliable, efficient computing resources
5. Provide timely and accurate payments to school districts
6. Secure an adequate level of funding to meet school districts' school construction and major maintenance needs

Key BRU Issues for FY2003 – 2004

Continuing to improve service delivery in support of department programs.

- * improving the annual ranking process for capital project and bond reimbursement requests.
- * developing school construction standards.
- * securing a long-term stable source of funding for school construction and major maintenance projects.

Major BRU Accomplishments in 2002

- * Maintained timely and accurate financial management services
- * Conducted quarterly division staff/training meetings
- * Provided professional level procurement services
- * Maintained high level of timely and accurate payroll services
- * Provided training opportunities for managers, supervisors and employees
- * Developed performance standards and measures for employees
- * Completed annual CIP prioritized list in accordance with statute

Key Performance Measures for FY2004

Measure:

Upon consideration of the advice provided through the consultation services of Craig Holt, the Department of Education & Early Development recommends all measures in this component be deleted and not replaced. The change is reflected under the tab reserved for Alaska's Target & Progress.

Alaska's Target & Progress:

[THE NUMBER OF LATE PENALTIES FOR PAYROLL OR VENDOR PAYMENTS;]

Sec 52(b)(1) Ch 124, SLA 2002(HB 515)

[THE COST OF ADMINISTRATIVE SERVICES PERSONNEL COMPARED TO THE TOTAL PERSONNEL COSTS FOR THE DEPARTMENT;]

Sec 52(b)(2) Ch 124, SLA 2002(HB 515)

[THE NUMBER OF DEPARTMENT DECISIONS ON THE ANNUAL SCHOOL CONSTRUCTION AND MAJOR MAINTENANCE LISTS UPHELD BY THE STATE BOARD OF EDUCATION AND EARLY DEVELOPMENT COMPARED TO THE NUMBER OF APPEALS;]

Sec 52(b)(3) Ch 124, SLA 2002(HB 515)

[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 to the Executive Administration Budget Request Unit.

New text underlined [DELETED TEXT BRACKETED]

Measure:

the number of late penalties for payroll or vendor payments;

Sec 52(b)(1) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

There were no penalty payments for payroll or vendor payments in FY2002.

Benchmark Comparisons:

Penalty Payments	FY2000	FY2001	FY2002
Payroll	0	0	0
Vendor	0	0	0

Background and Strategies:

The Division of Education and Support Services monitors payroll and vendor payments very carefully. Staff is held to performance standards requiring accurate and timely certification of payroll and payment of invoices within a five-day turnaround time.

Measure:

the cost of administrative services personnel compared to the total personnel costs for the department;
 Sec 52(b)(2) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

FY2003 Personal Services costs totaled \$29,336,100. Administrative Services personnel costs were \$899,900 or 3.1%.

Background and Strategies:

The data used is the FY2003 authorized appropriated amounts for personal services. The department had 412 full time and 115 part time positions approved by the Conference Committee. Administrative Services has 17 full time positions.

Measure:

the number of department decisions on the annual school construction and major maintenance lists upheld by the State Board of Education and Early Development compared to the number of appeals;
 Sec 52(b)(3) Ch 124, SLA 2002(HB 51)

Alaska's Target & Progress:

There were four appeals considered by the state board in April of 2002. The state board upheld the department's decision on all four appeals.

The department issues the prioritized school construction and major maintenance lists on November 5, as required by statute. There is a period of reconsideration where school districts may ask the department to review the scoring decisions. A new list is issued on December 15 based on the reconsideration. School districts may choose to appeal the department's decision and a hearing officer is appointed to consider any appeals.

Benchmark Comparisons:

	FY01 CIP List	FY02 CIP List	FY03 CIP List
Number of Appeal Hearings	1	0	4
Upheld by Board	1	0	4

Background and Strategies:

Ongoing efforts to improve the consistency and validity of the rating process and to clarify elements of the process impact the number of formal CIP appeals. The department works with school districts and the statutory Bond Reimbursement and Grant Review Committee to resolve issues and make improvements to the process. The department annually provides training to school districts in preparing the CIP applications, which has contributed significantly to the quality of the application process.

Measure:

the percentage of school districts meeting the minimum expenditure for instruction.
 Sec 52(b)(4) Ch 124, SLA 2002(HB 51)

Alaska's Target & Progress:

In FY2003, 26 of 53 school districts met the 70% minimum expenditure for instruction requirement based on their approved budgets. 27 school districts requested and received a waiver of the requirement from the State Board of Education and Early Development in accordance with AS 14.17.520(d).

Benchmark Comparisons:

In 1998 the legislature passed the new public school funding formula. The law includes a requirement for school districts to spend 70% of the school operating fund on instruction. The 70% requirement is in law at AS 14.17.520 and was phased in over a three-year period beginning with FY99. The minimum expenditure for instruction requirement was 60% in FY99, 65% in FY2000, and 70% in FY2001 and thereafter. Concurrently, the districts and department were required to improve statewide comparability and consistency in data reporting.

- Statewide the districts have shown continued improvement towards directing revenues towards instruction. In FY99 only eight districts budgeted 70% on instruction, this year 26 districts have budgeted 70% on instruction.
- On an individual basis 48 of the 53 school districts have increased the instructional percentage since FY99. Of the four that have not shown an increase two were affected by data reporting requirements and two are small districts with declining enrollments.

Background and Strategies:

Districts have reported progress towards the 70% for instruction by reducing non-instructional staff and cutting back on other non-instructional expenditures.

The department's internal auditors review the individual districts twice a year; one budget review and one financial statement review. The reviews encompass a wide range of items and include individual correspondence to each district regarding expenditures.

The table on the following page titled "Minimum Expenditure for Instruction Summary"; illustrates

Operating Fund Minimum Expenditure for Instruction and Summary

	60%	60%	65%	65%	70%	70%	70%	70%
	FY 1999	FY 1999	FY 2000	FY 2000	FY 2001	FY 2001	FY 2002	FY 2003
	Budget	Audit	Budget	Audit	Budget	Audit	Budget	Budget
Alaska Gateway	62%	63%	65%	68%	69%	71%	65%	65%
Aleutian Region	56	62	62	62	65	65	67	70
Aleutians East Borough	50	58	64	62	69	67	67	65
Anchorage	75	72	74	72	81	79	78	77
Annette Island	65	63	65	57	69	65	61	66
Bering Strait	61	63	65	65	70	70	70	70
Bristol Bay Borough	64	65	65	65	69	70	69	68
Chatham	75	70	67	64	68	66	69	69
Chugach	67	75	70	76	72	82	74	76
Copper River	67	65	66	66	69	73	69	69
Cordova City	65	69	66	66	75	75	70	70
Craig City	67	70	71	72	73	81	75	78
Delta Greely	66	71	72	70	77	76	73	74
Denali Borough	64	63	66	67	72	73	68	68
Dillingham City	73	67	71	67	78	73	74	69
Fairbanks North Star Borough	73	73	72	72	79	79	77	76
Galena City	67	72	73	69	82	80	75	70
Haines Borough	67	66	67	68	76	76	73	72
Hoonah City	61	55	62	59	65	64	67	59
Hydaburg City	46	47	65	61	65	63	64	66
Iditarod Area	55	59	65	67	75	72	69	68
Juneau Borough	74	73	74	74	82	81	78	77
Kake City	54	57	63	60	63	63	62	64
Kashunamiut	59	58	61	69	74	73	74	73
Kenai Peninsula Borough	68	68	68	68	76	76	73	73
Ketchikan Gateway Borough	69	69	70	69	78	78	76	76
Klawock City	63	61	69	65	74	71	70	65
Kodiak Island Borough	68	69	70	70	76	76	74	74
Kuspuk	61	62	65	65	73	72	68	69
Lake & Peninsula Borough	55	64	72	70	69	70	67	66
Lower Kuskokwim	66	64	67	66	75	76	73	70
Lower Yukon	60	61	63	62	69	68	68	66
Matanuska Susitna Borough	73	74	72	73	81	81	77	76
Nenana City	69	69	75	74	75	82	76	72
Nome City	61	63	64	64	68	68	68	66
North Slope Borough	56	57	64	63	66	66	65	64
Northwest Arctic Borough	55	56	59	58	66	64	65	65
Pelican City	62	61	69	68	68	60	58	59
Petersburg City	69	69	68	69	74	74	75	71
Pribilof Islands	57	56	58	61	62	58	61	65
Sitka Borough	76	75	76	76	84	84	81	79
Skagway City	58	58	62	60	69	61	66	67
Southeast Island	66	71	65	68	69	68	69	70
Southwest Region	62	65	68	66	74	72	69	68
St. Mary's City	65	60	66	65	69	82	68	70
Tanana City	61	52	45	46	50	54	47	50
Unalaska City	64	64	66	61	72	70	72	71
Valdez City	69	68	70	68	77	78	74	75
Wrangell City	70	69	70	70	76	76	74	73
Yakutat City	65	60	62	62	69	71	69	67
Yukon Flats	52	54	52	54	57	55	61	62
Yukon/Koyukuk	63	63	63	64	69	73	68	68
Yupiit	53	51	62	59	72	70	63	72
Total Waivers	13	2	16	4	24	0	29	27

Bold = Waiver Requested and Approved

SUMMARY OF PERCENTAGES BY CATEGORY

Districts below 60%	13	13	4	6	2	3	2	3
Districts between [60% - 65%]	14	16	12	13	2	4	6	3
Districts between [65% - 70%]	18	13	21	22	20	10	21	21
Districts at 70% and above	8	11	16	12	29	36	24	26
	53	53	53	53	53	53	53	53

meeting this requirement since its inception in FY99. 53 the districts

Education Support Services
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>												
Administrative Services	686.5	0.0	416.4	1,102.9	617.6	145.0	463.1	1,225.7	524.1	145.0	471.4	1,140.5
Information Services	359.1	0.0	241.5	600.6	325.1	0.0	281.2	606.3	327.4	0.0	340.6	668.0
District Support Services	1,027.6	0.0	0.0	1,027.6	1,027.6	0.0	0.0	1,027.6	1,033.6	0.0	0.0	1,033.6
Educational Facilities Support	0.0	0.0	603.3	603.3	0.0	0.0	695.3	695.3	0.0	0.0	703.4	703.4
Totals	2,073.2	0.0	1,261.2	3,334.4	1,970.3	145.0	1,439.6	3,554.9	1,885.1	145.0	1,515.4	3,545.5

Education Support Services

Proposed Changes in Levels of Service for FY2004

Improved services and efficiencies (-\$100.0)

Savings will be realized through reorganization and increased efficiencies within a new organizational structure and eliminating programs. A total of two positions will also be deleted.

Analyst Programmer From Head Start (\$54.4)

Transfer position from Head Start component to Information Services to centralize information technology support.

Fund source change I/A to CIP (\$120.2 I/A to CIP)

Adjust CIP receipts for increased grant funded projects. 1.05% off grants management fee.

Annualize FY2003 COLA increase for General Government and Supervisory Bargaining Units (\$10.8)

In FY2003 COLA increases were not in effect for the entire year for the General Government, Confidential and Supervisory bargaining units. This request adds funding to pay the COLA for these bargaining units for the full year in FY2004.

\$75 per Month Health Insurance for Non-covered Staff (\$25.4)

The employer contribution to health insurance for non-covered staff will increase by \$75.00 from \$630.00 per month to \$705.00 per month.

Education Support Services

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	1,970.3	145.0	1,439.6	3,554.9
Adjustments which will continue current level of service:				
-Administrative Services	6.5	0.0	8.3	14.8
-Information Services	2.3	0.0	59.4	61.7
-District Support Services	6.0	0.0	0.0	6.0
-Educational Facilities Support	0.0	0.0	8.1	8.1
Proposed budget decreases:				
-Administrative Services	-100.0	0.0	0.0	-100.0
FY2004 Governor	1,885.1	145.0	1,515.4	3,545.5