

# **Department of Education & Early Development**

## Overview

“It is the policy of the state that the purpose of education is to help ensure that all students will succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them.” (AS 14.03.015). With the funds appropriated by the legislature, the Department of Education & Early Development (EED) provides resources and technical assistance to Alaska’s 53 school districts to assist them in delivering educational programs and services as state policy envisions.

The State Board of Education & Early Development is committed to develop, maintain, and continuously improve a comprehensive, quality public education system. The mission of the Department of Education & Early Development is to ensure quality standards-based instruction to improve academic achievement for all students. There are four specific goals designed to achieve the mission:

1. continuous academic growth for all students, including closing the achievement gap in reading, writing and math;
2. continue to refine state assessment and accountability systems;
3. promote the continuous growth of professionals and paraprofessionals to provide effective standards-based instruction; and
4. increase effective instructional time.

The department has approximately 338 budgeted positions in its 4 divisions including School Finance, Teaching & Learning Support, State Libraries Archives and Museums, and Mt. Edgecumbe High School, and 3 commissions including the Professional Teaching Practices Commission, the Alaska State Council on the Arts, and the Alaska Commission on Postsecondary Education. The majority of the positions are located in Juneau, with a small number in Anchorage and Sitka.

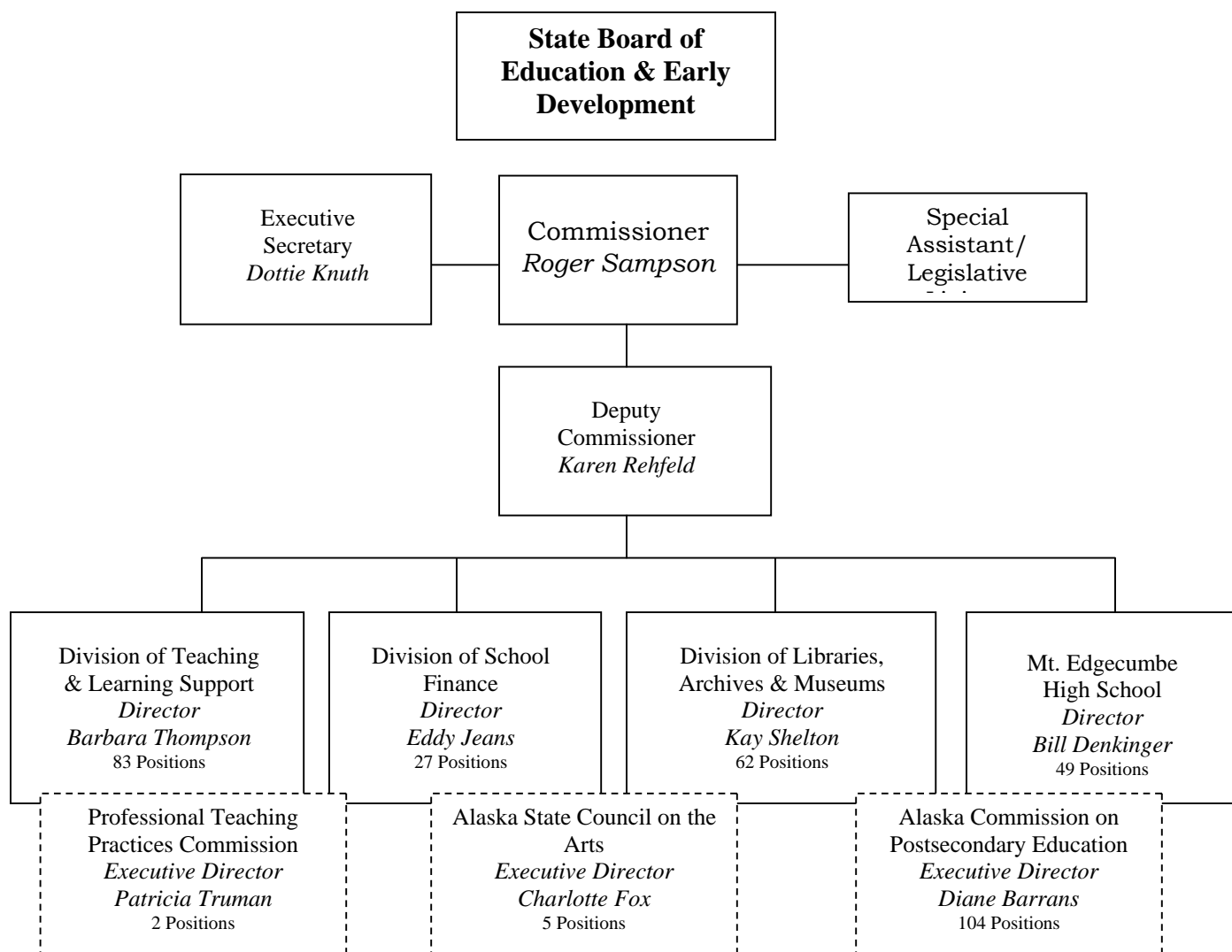
The seven-member State Board of Education & Early Development is the head of the agency. The state board members are appointed by the governor, subject to legislative confirmation. The commissioner is appointed by the state board, subject to approval by the governor. The board establishes statewide goals and education policy through adopting regulations to implement education laws.

The Department of Education & Early Development is responsible for funding and regulating the state’s K-12 schools as well as administering school debt reimbursement and grants for school construction and major maintenance. The department is also responsible for collecting, protecting, and connecting Alaska history and culture through the state libraries, archives, and museums.

One deputy commissioner, an executive secretary, and a special assistant support the Commissioner. An organization chart of the department follows.

The Department of Education & Early Development's FY 2007 operating budget is \$1,368,793,500 including about \$1.1 billion from general funds, \$214.4 million from federal funds, and the balance from other funding sources. Ninety-seven percent of the total agency budget, and 95% of the department's general fund budget, is allocated through grants to school districts, non-profit organizations and individuals across the state.

### Department of Education & Early Development Organization Chart







<b>EED Funding Summary*</b>									
<b>K-12 Formula Programs</b>	<b>FY1999</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>
Foundation Program	680,728.2	689,054.3	669,335.8	684,012.8	676,642.5	701,768.9	775,307.2	832,344.7	955,448.2
Pupil Transportation	38,082.1	39,775.1	44,702.1	50,564.0	53,933.8	53,933.8	53,557.2	54,968.6	54,707.2
School Debt	76,133.6	71,923.3	52,818.9	57,020.5	56,378.4	66,024.1	81,870.1	86,463.5	93,935.0
Other K-12 Programs**	7,208.8	7,451.4	14,513.3	20,698.2	41,689.6	7,583.1	9,776.3	9,235.2	16,963.8
<b>Subtotals</b>	<b>802,152.7</b>	<b>808,204.1</b>	<b>781,370.1</b>	<b>812,295.5</b>	<b>828,644.3</b>	<b>829,309.9</b>	<b>920,510.8</b>	<b>983,012.0</b>	<b>1,121,054.2</b>
<b>Average Daily Membership</b>	<b>132,904.81</b>	<b>131,696.48</b>	<b>132,256.25</b>	<b>132,669.66</b>	<b>132,484.79</b>	<b>131,622.55</b>	<b>130,927.70</b>	<b>131,263.47</b>	<b>132,038.78</b>
Base Student Allocation	\$3,940	\$3,940	\$3,940	\$4,010	\$4,010	\$4,169	\$4,576	\$4,919	\$5,380
<b>Agency Operations</b>	<b>164,723.4</b>	<b>176,358.2</b>	<b>187,281.0</b>	<b>216,262.4</b>	<b>240,876.9</b>	<b>188,566.4</b>	<b>193,810.1</b>	<b>240,635.2</b>	<b>248,080.8</b>
Positions	569	476	470	487	527	385	328	332	338
<b>Total</b>	<b>966,876.1</b>	<b>984,562.3</b>	<b>968,651.1</b>	<b>1,028,557.9</b>	<b>1,069,521.2</b>	<b>1,017,876.3</b>	<b>1,114,320.9</b>	<b>1,223,647.2</b>	<b>1,369,135.0</b>
General Funds	708,796.2	733,880.2	724,997.7	754,449.7	768,954.7	753,343.0	830,516.1	891,696.9	1,023,584.1
Federal/Other Funds	258,079.9	250,682.1	243,653.4	274,108.2	300,566.5	264,533.3	283,804.8	331,950.3	345,550.9
<b>Total</b>	<b>966,876.1</b>	<b>984,562.3</b>	<b>968,651.1</b>	<b>1,028,557.9</b>	<b>1,069,521.2</b>	<b>1,017,876.3</b>	<b>1,114,320.9</b>	<b>1,223,647.2</b>	<b>1,369,135.0</b>
*Authorized Budgets									
**FY2001 includes one-time funding for Learning Opportunity Grants \$6.2 million									
**FY2002 includes one-time funding for Learning Opportunity Grants \$12.4 million									
**FY2003 includes one-time funding for Learning Opportunity Grants \$23.3 million and other K-12 grants \$7.4 million									
**FY2005 includes one-time hold harmless funding of \$1.5 million									

## **ISSUES NEEDING ACTION WITHIN 30 DAYS**

### **Foundation Program PERS/TRS Shortfall**

Changes to the PERS/TRS rates for FY2008 will result in a \$207 million increase in the costs for school districts. The department has estimated that the base student allocation in the Public School Funding Program would need to be increased by \$985, from \$5,380 to \$6,365, in order to cover this additional cost. Legislation would be needed to increase the base student allocation to provide recurring state funding to cover the increased PERS/TRS costs.

PERS and TRS cost increases for the Special Education Service Agency and the Southeast Regional Resource Center are not included in the school funding formula.

Contact: Eddy Jeans, Director of School Finance, 465-8679

### **Foundation Program One-Time Items**

House Bill 13 passed by the 2006 legislature included \$24 million in one-time funding for public schools by adjusting the district cost factors in FY2007 by  $\frac{1}{4}$  of the increased amount recommended by the Institute of Social & Economic Research Study, and almost \$11 million through school improvement grants distributed to school districts based on average daily membership.

This funding will not be available to school districts in FY2008 unless the base student allocation in the Public School Funding Formula is adjusted by approximately \$167. Legislation would be necessary to increase the base student allocation.

Contact: Eddy Jeans, Director of School Finance, 465-8679

### **Moore v State**

The Moore lawsuit was filed on August 9, 2004. The plaintiffs are the National Education Association, the Bering Strait, Yupiit, and Kuspuk school districts, an organization called the Citizens for the Educational Advancement of Alaska's Children (CEAAC), parents, specifically Kristine Moore, and children from different regions of the state. A four-week trial was held in October 2006. The case is assigned to Judge Sharon Gleason. A decision in the case is not anticipated until May 2007.

The plaintiffs claim that the state has failed to meet the constitutional requirement for providing a system of public education, specifically to provide an adequate education. Plaintiffs also claim the state has failed to determine the true cost of an adequate education.

The state’s defense is that Alaska provides an opportunity for an adequate education—children in every school and from all socio-economic backgrounds are learning and are performing successfully on assessments. The state made the case that spending more money does not result in improved student learning. Many factors influence whether children learn, including factors beyond the school’s control, such as parental support, drug or alcohol abuse, or attendance. In addition, education funding has greatly increased in the last four years demonstrating that the state has met its constitutional obligation.

The costs for the state’s case are estimated at \$1 million in the current fiscal year. There is a FY2007 supplemental funding need of approximately \$500,000 and it could be greater in the event of delays or additional work necessary to resolve the litigation.

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**Alaska Statewide Mentor Project**

The goals for the Alaska Statewide Mentor Project (ASMP) are to attract and retain more teachers and administrators, develop educational leaders, and improve student achievement. The ASMP is a partnership with the University of Alaska. The project started three years ago, with a combination of federal funds, to help new teachers and principals quickly gain the skills that may otherwise take years to acquire. Trained master teachers work with first-year and second-year teachers and their students. The program brings effective teaching strategies into over 400 classrooms every school day. As a result of mentoring, more beginning teachers are remaining in their districts. The retention rate for beginning teachers in participating districts went from 68% to 77% after the first year. Coaches work with new principals and superintendents. The following chart highlights participation in the ASMP:

<b>Teacher Mentoring</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
Mentors	22	24	27
Beginning Teachers	339	381	400
School Districts	31	36	40
Schools	136	169	190
<b>Principal Coaching</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
Coaches	7	9	9
Principals	45	81	59
School Districts	25	27	21
Schools	45	81	59

In FY2007, the department requested \$5 million in state general funds to support the ASMP. A combination of funds, including some one-time money, was approved at \$4.5 million, with the University investing \$500,000 in the project. To continue the project in FY2008 the department will need to secure \$2.7 million to replace the one-time funds in order for the program to continue.

Contact: Barbara Thompson, Director of Teaching & Learning Support,  
465-8727

### **School Construction & Major Maintenance Grant Program**

The school construction and major maintenance grant program is established in AS 14.11. School districts annually submit project applications for evaluation and ranking according to specific criteria outlined in statutes and further defined in regulations. The department produces two lists, school construction and major maintenance, outlining the state share for the requested projects in priority order. These lists are provided to the governor and legislature for funding consideration each budget cycle.

The department annually advocates for \$100 million for school construction and major maintenance grant projects.

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## **ISSUES NEEDING ACTION WITHIN 60 DAYS**

### **Revisions to the Public School Funding Program**

The current Public School Funding Program was enacted in 1998. The department anticipates legislation will be introduced to revise specific components of the foundation program or to rewrite the funding formula. It is likely a complete rewrite of the funding formula would take two legislative sessions.

Areas of the formula that may be considered for revision include the base student allocation, district cost factors, special education funding, intensive funding, block (categorical) funding, required local effort, hold harmless provisions for declining enrollment, the minimum expenditure for instruction requirement, funding for the Special Education Service Agency, and the Alaska Challenge Youth Academy.

Contact: Eddy Jeans, Director of School Finance, 465-8679

### **Return of Capital Initiative/AlaskAdvantage Endowment Proposal**

In FY04, the Alaska Student Loan Corporation (ASLC) began a three-phased initiative to return to the state a substantial portion of the value of assets it received to start its operation in 1988. When it created ASLC, the legislature transferred approximately \$260 million in education loan assets to the corporation. These assets were used to collateralize ASLC's subsequent annual bond issues which thereafter finance education loans and fund ASLC and the Alaska Commission on Postsecondary Education (ACPE) operations. Through FY2006, the first two phases of the initiative were completed resulting in a total of \$160 million being returned to the state. ASLC has most recently projected that it could return a total of approximately \$220 million.

In 2006, the Murkowski administration proposed legislation to allocate \$20 million of ASLC receipts to the AlaskAdvantage Education Grant fund. The fund would then serve as an endowment. ASLC projects the fund would earn approximately \$1 million annually which would be allocated to low-income students attending postsecondary programs in Alaska. Conceptually, this allocation of funds would represent a portion of the Phase III return to the state. Subject to approval from Ambac, the corporation's bond insurer, ASLC anticipates it will have the capacity to execute its final issue of State Project Bonds in the first quarter of FY08 with funds available for use by the state in FY08 but no earlier than September 2007. We anticipate bond proceeds from this final phase of the Return of Capital plan would total \$40 million.

Contact: Diane Barrans, Executive Director, 465-2113

### **Expanding Alaska's Participation in the WWAMI Medical Education Program**

In August 2006, a report published by the Alaska Physician Supply Task Force contained a variety of recommended steps for Alaska to take to address the increasing shortage of physicians in the state. One key recommendation was to double Alaska's participation in the University of Washington School of Medicine's regional medical training program, WWAMI (named for the participating states: Washington, Wyoming, Alaska, Montana, and Idaho). The Alaska Commission on Postsecondary Education currently serves as the fiscal agent for the state costs for the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> years of the program. This is the only general fund item in ACPE's budget and the budget request for FY08 is projected to be \$1,698,000.

Alaska's healthcare community appears to have fully embraced this recommendation and intends to seek support for the program from both the Alaska legislature and the administration.

Contact: Diane Barrans, Executive Director, 465-2113

### **ISSUES NEEDING ACTION WITHIN 90 DAYS**

#### **Public School Performance Incentive Program**

The Alaska Public School Performance Incentive Program is a new statutory requirement signed into law after the most recent regular legislative session. The program is a 3-year pilot capped at 850 certified staff. The program rewards all employees within schools where the performance of students on the standards based assessments demonstrates significant growth or advanced performance when compared to the performance the previous year. The amount of the bonuses ranges from \$2,500 to \$5,500 for certified staff, and from \$1,000 to \$2,500 for noncertified staff. The department has worked with consultants and stakeholders in the design of the program, and the State Board adopted regulations in September to implement the program.

The department is collecting the necessary school staff data and establishing additional data collections to implement the program. Districts must provide the department more details regarding all staff than they have previously provided. The first payments will be made by September 2007.

Contact: Les Morse, Director of Assessment & Accountability, 465-8691

#### **Reauthorization of No Child Left Behind**

Federal reauthorization of No Child Left Behind is scheduled for the 2007 Congress. Issues to be addressed include changes to the requirements for highly qualified teachers particularly those impacting teachers in rural, remote areas who are tasked with teaching multi-subjects and multi-grade levels. Important issues for Alaska include adequate yearly progress for special education and limited English proficient students, and using individual student growth as a component of adequate yearly progress. Revision in the federal law could require state regulation, budget or statutory changes.

Contact: Barbara Thompson, Director of Teaching & Learning Support, 465-8727

#### **Growth Model Pilot for Adequate Yearly Progress**

Alaska has always had interest in measuring school and district performance based on growth in student performance, but under the current design of adequate yearly progress under NCLB that has not been allowed. Growth is measuring student achievement in the current year relative to the performance of the same student the previous year.

When the U.S. Department of Education in November 2005 announced that a limited number of states would be allowed to use growth within their accountability systems to measure adequate yearly progress, Alaska applied. Alaska was one of eight states that applied and had its application reviewed in April 2006 by a team who advised the U.S. Department of Education. The U.S. Department of Education granted approval for two states, and provided feedback to the six states that were not approved. Those six states including Alaska were invited to resubmit revised applications in September and not approved in November 2006. However, the state again was invited to re-submit the application in December..

Contact: Les Morse, Director of Assessment & Accountability, 465-8691

### **Preschool Programs – Quality and Access**

The department has the responsibility to exercise general supervision over pre-elementary schools that receive direct state or federal funding under AS 14.07.020(8). Statutory and regulatory changes are needed to coordinate the preschool certification process under the Department of Education & Early Development (EED) with the child care licensing programs under the Department of Health & Social Services (DHSS). Sanitation inspections of facilities formerly conducted by the Department of Environmental Conservation (DEC) are no longer occurring. Neither EED nor DHSS has staff capacity or resources to pay for or contract for inspections and it is unclear which agency should be conducting this work. A coordinated effort to clearly define the responsibilities for each agency to address safety and health issues is needed. A single approval process for licensing, and possibly a separate review for the educational program of some preschools, may be an approach.

Recommendations from the Ready to Read, Ready to Learn Task Force include components for EED in the area of increasing literacy, distributing the early learning guidelines, providing professional development for early childhood educators, developing a statewide system of early childhood education, and generating a sustainable source of funding. These are valuable elements of a comprehensive preschool program and one that EED should assist in developing. EED is requesting FY2008 budget approval for \$150,000 for a position to support this effort.

Contact: Barbara Thompson, Director of Teaching & Learning Support, 465-8727

## **LONG-TERM ISSUES**

### **Alaska's Comprehensive Statewide Assessment System and School District Accountability**

### **Standards-based Assessments Grades 3 - 10**

In 2005, Alaska implemented the new standards based assessments (SBAs) in grades 3-9, adding grade 10 in 2006. This assessment, administered annually in April, meets the state and federal requirements to have assessments that determine student proficiency relative to the state standards. Alaska is in the process of developing the science SBA for grades 4, 8 and 10, and includes field testing of 40% of the students in April 2007 and which will be operational by April 2008. The department will need to make decisions in the coming months regarding development of new test questions to “refresh” the tests and gain more valid results on improvement of student achievement. The department is also exploring the ability to deliver assessments online. These assessments are used to determine adequate yearly progress, and therefore required federal approval, which was granted in September 2006.

### **Alternate Assessments**

No Child Left Behind requires an alternate assessment for students with severe cognitive disabilities. Alaska is implementing a new alternate assessment for students who have severe cognitive disabilities. The previous assessment was via a portfolio model and the new assessment is via performance tasks administered and scored by teachers of the students. Teachers conducting the assessment must be trained in administering and scoring the assessment before the test is given in the spring. This assessment includes more academic content as required by federal law, and will be more challenging for the students who take the exam. This new assessment will have to be approved by the U.S. Department of Education.

### **English Language Proficiency Assessment**

NCLB also requires an English language proficiency (ELP) assessment. Alaska’s ELP assessment is in year two of implementation, designed to determine if limited English proficient students are acquiring English proficiency at an appropriate pace.

### **National Assessment of Educational Progress**

Biennial administration of the federally required National Assessment of Educational Progress (NAEP) in grades 4 and 8. The next administration of the NAEP in Alaska will take place between January 22 and March 2, 2007.

### **High School Graduation Qualifying Examination**

The High School Graduation Qualifying Examination (HSGQE) is a state-required examination given to students in 10<sup>th</sup> grade and higher until they pass. Passing the exam is one element required to earn a diploma. The state is in the process of completing the design of four forms of the exam, with a plan to repeat the use of each form twice. The department is in the process of developing new forms of the exam and examining on-line computerized testing.

**Norm-referenced Assessments**

Alaska gives a norm-referenced test (NRT) in grades 5 and 7 to determine how students are performing relative to a norm group, or group of students who took the exam who represent a cross section of the country. The results are reported by percentile rank and in quartiles. Alaska has given an exam called TerraNova. The department is evaluating whether to continue utilizing the TerraNova or to put the NRT program out to bid for spring 2008.

**Formative Assessments Grades 3 – 10**

The department has developed formative assessments in reading, writing, and math based on Alaska standards and grade level expectations for grades 3 – 10. Formative assessments are given in the classroom and help teachers adjust instruction to meet students' needs. Formative assessments are a critical component of required school and school district improvement plans.

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