

**To: Members of the State Board of
Education & Early Development**

January 25, 2023

From: Heidi Teshner, Acting Commissioner

Agenda Item: 1

◆ ISSUE

The board will be provided an update on the Department of Education & Early Development's (DEED) FY2024 operating budget.

◆ BACKGROUND

- AS 14.07.150 gives the Commissioner of Education & Early Development the responsibility and authority for preparing and executing the budget, subject to the approval of the State Board of Education & Early Development. The development of the education budget is part of the annual executive budget process.
- The Governor's Office of Management and Budget prepares annual budget requests, issues instructions to all state agencies for budget development, and worked with the department on the FY2024 operating and capital budgets.
- The FY2024 Governor's budget was released on December 15, 2022.
- The total FY2024 operating budget (all fund sources) is \$1.6 billion and reflects a total decrease of \$366 million when compared to the FY2023 Management Plan.
- The agency and program operations portion of the FY2024 operating budget (all fund sources) is \$348 million and reflects a total decrease of \$306 million when compared to the FY2023 Management Plan.
 - The budget reflects a technical removal of \$316 million of federal COVID-19 relief funds that was appropriated during the last legislative session. The amount available to carry forward from FY2023 into FY2024 will be added back into the budget once FY2023 is closed and the final amount is known.
- Highlights of budget changes include:
 - All formula programs are fully funded. The Base Student Allocation (BSA) increased from \$5,930 to \$5,960.
 - School Debt Reimbursement and the Regional Educational Attendance Area (REAA) and Small Municipal School District School Fund are fully funded based on the statutory calculation, totaling \$67.1 million and \$27.9 million, respectively.
- Behind this cover memo is the FY2024 operating budget detail.
- Sabrina Javier, Administrative Services Director, will be present to brief the board.

◆ OPTIONS

This is an information update. No action is required.