

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

January 26, 2022

From: Dr. Michael Johnson, Commissioner

Agenda Item: 1

◆ ISSUE

The board will be provided an update on the Department of Education & Early Development's (DEED) FY2023 operating and capital budgets.

◆ 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 FY2023 operating and capital budgets.
- The FY2023 Governor's budget was released on December 15, 2021.
- The total FY2023 operating budget (all fund sources) is \$1.7 billion and reflects a total decrease of \$358 million when compared to the FY2022 Management Plan.
- The agency and program operations portion of the FY2023 operating budget (all fund sources) is \$332 million and reflects a total decrease of \$384 million when compared to the FY2022 Management Plan.
 - The budget reflects a technical removal of \$384 million of federal COVID-19 relief funds that was appropriated during the last legislative session. The amount available to carry forward from FY2022 into FY2023 will be added back into the budget once FY2022 is closed and the final amount is known.
- Highlights of budget changes include:
 - All formula programs are fully funded. The Base Student Allocation (BSA) remains at \$5,930.
 - School Debt Reimbursement and the Regional Educational Attendance Area (REAA) and Small Municipal School District School Fund are fully based on the statutory calculation, totaling \$82.7 million and \$32.8 million respectively.
- Behind this cover memo are: 1) the FY2023 operating and capital budget detail, and 2) part of the NAACP's draft response on DEED's FY2023 budget.
- Lacey Sanders, Administrative Services Director, will be present to brief the board.

◆ OPTIONS

This is an information update. No action is required.