

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

**January 17, 2024**

**From: Dr. Deena Bishop, Commissioner**

**Agenda Item: 1**

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**◆ ISSUE**

The board will be provided an update on the Department of Education & Early Development's (DEED) FY2025 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 FY2025 operating and capital budgets.
- The FY2025 Governor's budget was released on December 15, 2023.
- The total FY2025 operating budget (all fund sources) is \$1.6 billion and reflects a total decrease of \$264.3 million when compared to the FY2024 Management Plan.
- The agency and program operations portion of the FY2025 operating budget (all fund sources) is \$384.3 million and reflects a total decrease of \$146.2 million when compared to the FY2024 Management Plan.
  - The budget reflects a technical removal of approximately \$150 million of federal COVID-19 relief funds that was appropriated during the last legislative session. The amount available to carry forward from FY2024 into FY2025 will be added back into the budget once FY2024 is closed and the final amount is known.
- Highlights of budget changes include:
  - All formula programs are fully funded. The Base Student Allocation (BSA) is \$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 \$57.5 million and \$26.9 million, respectively.
- Behind this cover memo is the FY2025 operating and capital budget detail.
- Tama Carson, Director of Administrative Services, will be present to brief the board.

**◆ OPTIONS**

This is an information update. No action is required.