

Agency of Education FY21 Budget Presentation

January 29, 2020

Agenda

- Message from the Secretary
- Executive Summary
- High Level Budget Book Overview
- Agency Ups & Downs. A Deeper Dive
- Ed Fund
- Questions

Message from the Secretary

- The Agency went through significant restructuring last year to better align organizational structures with the policy context.
- The policy context has also stabilized to a certain extent.
 - Act 46, has largely been resolved
 - Act 173 which will be a multi-year effort
- The Agency is not seeking additional positions
- Three organizational divisions, (Legal, Data & Finance) rely almost exclusively on General Fund revenues. These three divisions also have the greatest amount of interoperability with school districts.
- The Agency embarked on a mission/vision process this year which ultimately resulted in the creation of an agency “purpose statement”

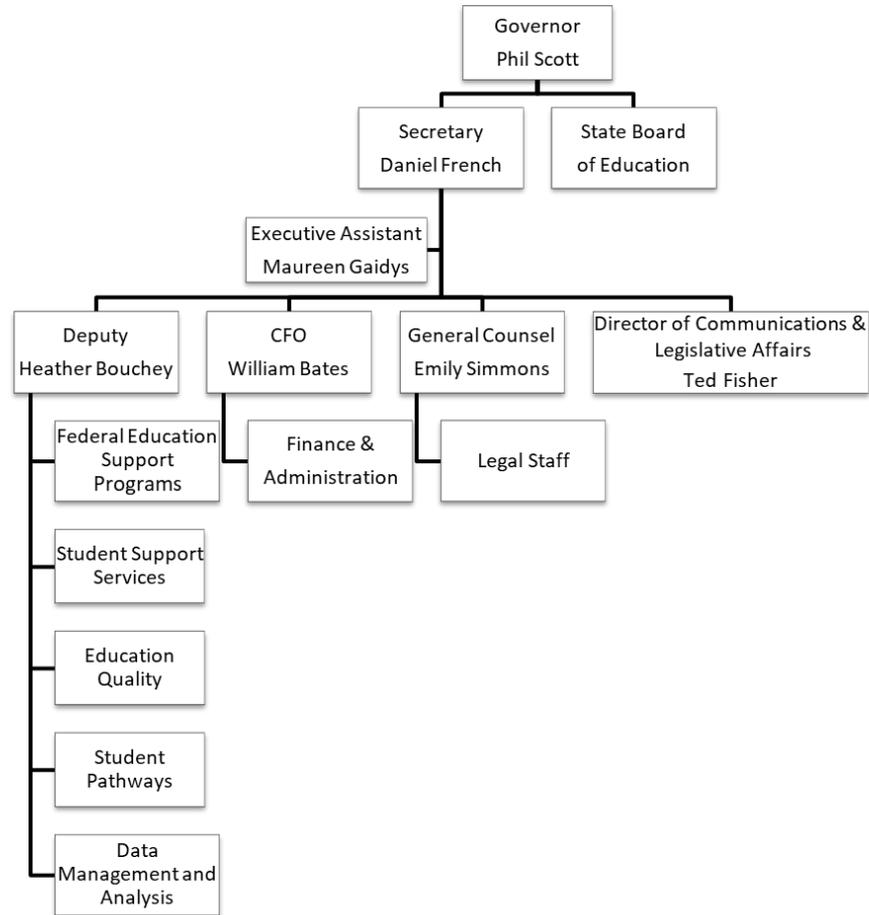
Executive Summary

- Agency employs 159 resources
- Governor Recommended FY 2021 budget is \$1,977M across all AOE 12 Appropriations.
 - This represents a \$90.8M or 4.8% increase over FY 2020
 - \$8.4M or 9% of total increase related to F&A and ES
 - Of this amount only \$147,867 is for operations
 - The remainder, \$8,167,534 are Grant dollars
 - \$82.4M or 91% of total increase comes from Ed Fund Appropriations

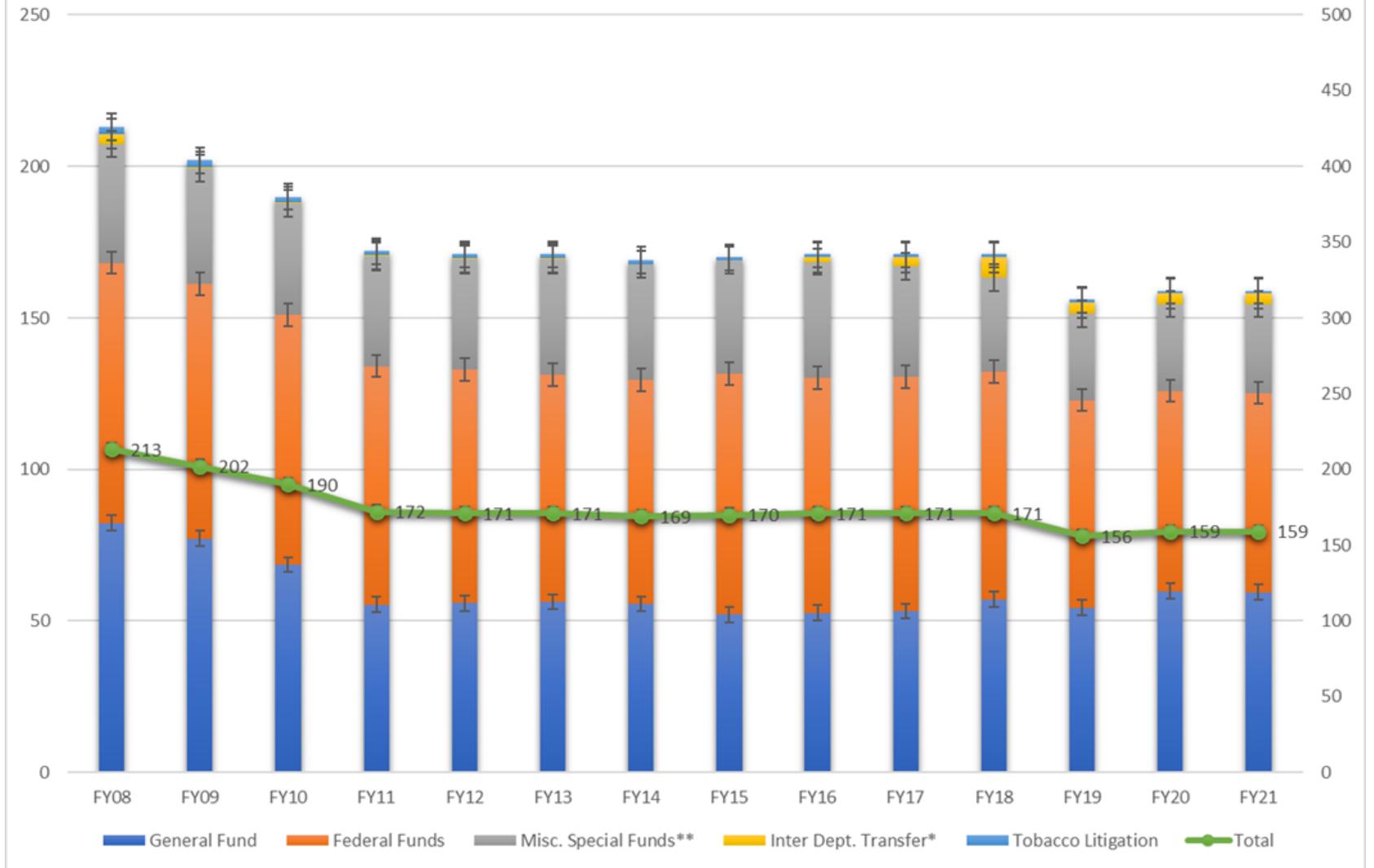
High Level Budget Book Overview

- Agency Structure and Staffing
- Agency Operations
 - B.500 Finance & Administration
 - B.501 Education Services

Agency Structure



Positions by Funding Source at the AOE 2008-21 budget request



Agency Operations

- Two appropriations support the operations of the AOE
 - B.500 – Finance and Administration
 - Secretary's Office – including Communications; Legal; Finance & Admin
 - 45 Positions or 28% of total agency staff
 - B.501 – Education Services
 - Federal Education and Support Programs; Student Support Services; Data Management; Education Quality; Student Pathways
 - 114 Positions or 72% of total agency staff

B. 500 – Finance and Administration

- Total FY 2021 Budget Request - \$28.14M
 1. Increase associated with Pay Act and changes in Internal Services Funds.
 2. An anticipated increase in Medicaid Reimbursement to school districts of \$2.5M.
 3. Position and Operating changes associated with a position moving from Education Services to Finance and Administration (net neutral to the Agency).

B. 500 – Finance and Administration

B. 500 – Education - Finance and Administration with Grants

	FY 2019 Actuals	FY2020 Budget	FY2021 Gov Rec	20-21 Change
Major Object				
Personal Services	\$7,301,069	\$7,196,440	\$7,478,156	\$ 281,716
Operating Expenses	3,839,225	3,695,315	3,891,166	195,851
Grants	16,065,042	14,270,700	16,770,700	2,500,000
TOTAL	\$27,205,336	\$25,162,455	\$28,140,022	\$ 2,977,567
Funds				
General Funds	\$3,688,128	\$3,747,829	\$3,936,539	\$188,710
Education Fund	995,597	3,367,483	3,400,878	33,395
Federal Funds	2,250,843	2,199,952	2,272,812	72,860
Special Funds	18,819,110	15,478,303	18,147,621	2,669,318
Interdepartmental Transfer	1,451,658	368,888	382,172	13,284
TOTAL	\$27,205,336	\$25,162,455	\$28,140,022	\$2,977,567

B. 501 – Education Services

- Total FY 2021 Budget Request - \$144.40M
 1. Increase associated with Pay Act and changes in Internal Services Funds.
 2. Position and Operating changes associated with a position moving from Education Services to Finance and Administration (net neutral to the Agency)
 3. Anticipated increases in sub-grant expenditures.

B. 501 – Education Services

B. 501 Education Services including Grants

	FY2019 Actuals	FY 2020 Budget	FY 2021 Gov Rec	20-21 Change
Major Object				
Personal Services	\$16,297,423	\$18,270,055	\$18,111,972	\$(158,083)
Operating Expenses	1,196,337	1,405,450	1,233,833	(171,617)
Grants	98,543,771	119,396,536	125,064,070	5,667,534
TOTAL	\$116,037,531	\$139,072,041	\$144,409,875	\$5,337,834
Funds				
General Funds	\$5,548,665	\$6,384,982	\$6,283,737	\$(101,245)
Federal Funds	106,755,412	128,522,557	133,928,641	5,406,084
Tobacco Litigation Funds	433,107	750,388	750,388	0
Special Funds	2,889,995	3,414,114	3,247,109	(167,005)
Interdepartmental Transfer	410,352	0	200,000	200,000
TOTAL	\$116,037,531	\$139,072,041	\$144,409,875	\$5,337,834

Agency Ops Ups & Downs. A Deeper Dive

In thousands	
Grants	8,167
Additional ADS Services	200
Lexile	200
Internal Service Funds	113
Workers Comp	52
Rent	50
Temp Employees	16
Vacancy Savings	(8)
Annualized Salaries and Benefits	(22)
Miscellaneous OE	(143)
Contractual Changes	(315)
Total	8,311

Ed Fund

Carryforwards

Carryforward

Annually the General Assembly authorizes the Commissioner of Finance and Management to allow unspent appropriations from the Education Fund to carryforward. The following table reflects the carryforward authorized by the Commissioner in FY20.

	FY 2020 Appropriation	Carryforward	% of FY 2020 Appropriation
Education Fund			
Special Education	212,956,000	14,173,076	6.66%
Flexible Pathways	7,706,500	1,766,458	22.92%
Education Payment	1,428,800,000	300,000	0.02%
Technical education	14,150,000	690,848	4.88%
Total	\$ 1,663,612,500	\$16,930,382	1.02%

Reversion History

Reversion History

Each fiscal year, the General Assembly grants the Commissioner of Finance and Management the authority to allow unexpended carryforward appropriations in the Education Fund to Carryforward. Any funds that do not carry forward are reverted to the Education Fund.

Reversion History

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Special Education	\$8,986,778	\$9,212,026	\$513,046	\$0	\$87,051
State-Placed Students	901,038	593,810	0	0	161,178
Adult Education & Literacy	338,137	1,397,950	9,484	0	0
Education Payment	3,855,610	341,880	4,577,182	8,443,806	5,692,154
Transportation	0	0	180,797	97,030	489
Small Schools	123,629	0	395,595	109,928	20,167
Capital Debt Service	0	100,447	8,636	25,000	0
Essential Early Education	3,606	209,219	220,782	89,451	19,276
Flexible Pathways	0	0	416,790	637,263	1,274,807
Technical Education	462,597	203,854	363,463	160,914	1,042,705
Grand Total	\$14,671,395	\$12,059,186	\$6,685,775	\$9,563,392	\$8,297,897

Education Fund Appropriations

	FY 2019	FY 2020	FY 2021
Education Grant	1,371.1	1,428.8	1,498.5
Special Education	198.5	213.0	223.7
Transportation Grants	19.2	19.8	20.5
State Placed Students	15.7	18.0	18.0
Technical Education	13.9	14.2	14.8
Small Schools Grants	7.6	8.4	8.2
Flexible Pathways	7.3	8.6	9.3
Essential Early Education Grant	6.6	6.8	7.0
Totals	1,639.9	1,717.6	1,800.0

Ed Fund Ups & Downs

In thousands	
Education Grant	69,720
Special Education	10,763
Transportation Grants	659
State Placed Students	0
Technical Education	666
Small Schools Grants	(200)
Flexible Pathways	686
Essential Early Education Grant	236
Totals	82,530

Questions