

Fiscal Year 2014-15 Supplemental Operating Budget - General Fund Ceiling  
 Department of Education  
 HB1700 HD1 SD1

EDN	DESCRIPTION	ACT 134, SLH 2013 Budget Act	GOVERNOR'S DECISION		HOUSE DRAFT (HB1700 HD1)		SENATE DRAFT (HB1700 HD1 SD1)	
			FY 2014-15 Supplemental Budget Request	FY 2014-15 Supplemental Budget Total	FY 2014-15 Supplemental Budget Request	FY 2014-15 Supplemental Budget Total	FY 2014-15 Supplemental Budget Request	FY 2014-15 Supplemental Budget Total
EDN 100	School Based Budgeting	794,398,920	14,999,924	809,398,844	15,280,538	809,679,458	17,000,000	811,398,920
EDN 150	Special Education and Student Support Services	321,843,969	3,664,694	325,508,663	-	321,843,969	3,664,694	325,508,663
EDN 200	Instructional Support	44,132,348	4,926,786	49,059,134	4,035,172	48,167,520	3,192,000	47,324,348
EDN 300	State Administration	42,276,161	2,793,108	45,069,269	5,217,108	47,493,269	579,208	42,855,369
EDN 400	School Support	162,218,522	9,000,000	171,218,522	9,000,000	171,218,522	9,000,000	171,218,522
EDN 500	School Community Services	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
<b>Fiscal Year 2014-15 Supplemental Budget General Fund Total</b>		<b>1,367,369,920</b>	<b>35,384,512</b>	<b>1,402,754,432</b>	<b>33,532,818</b>	<b>1,400,902,738</b>	<b>33,435,902</b>	<b>1,400,805,822</b>

Board of Education  
 Finance and Infrastructure Committee  
 April 15, 2014

DEPARTMENT OF EDUCATION  
 FISCAL YEAR 2014-15 SUPPLEMENTAL OPERATING BUDGET ADJUSTMENTS  
 IMPACT STATEMENT ON THE SENATE DRAFT OF THE BUDGET (HB1700 HD1 SD1)

Prog ID/Org	Description of Request	MOF	GOVERNOR'S DECISION			HOUSE DRAFT (HB1700 HD1)			SENATE DRAFT (HB1700 HD1 SD1)		
			Perm	Temp	\$ Amount	Perm	Temp	\$ Amount	Perm	Temp	\$ Amount
EDN100/CB	WASC Accreditation - to transfer 2.0 permanent FTEs from EDN 100/CB to EDN 200/GD to provide administrative support to facilitate school improvement efforts through the WASC accreditation process.	A	(2.00)	-	-	(2.00)	-	-	-	-	-
EDN100/AA	Weighted Student Formula - increase in base funding at each school to help address: funding adequacy at all schools and the additional demands being placed on school staff around implementation of educator effectiveness, student data assessment, induction and mentoring, Elementary and Secondary Education Act (ESEA) Flex, information technology support, and Hawaii Common Core standards.	A	-	-	14,000,000	-	-	14,482,086	-	-	15,000,000
EDN100/BJ	High Core / Storefront - operating expenses, instructional materials, and funding for (8) part-time teachers and a counselor to allow for an extended day and night school program.	A	-	-	120,545	-	-	120,545	-	-	-
EDN100/BX	Advanced Placement - operating expenses and funding for 1.0 permanent state level resource teacher position to help administer student support programs.	A	-	-	554,379	-	-	554,379	-	-	-
EDN100/CB	WASC Accreditation - operating expenses including substitute teachers, membership fees, and visitation expenses to facilitate school improvement efforts through the accreditation process.	A	-	-	265,000	-	-	-	-	-	-
EDN100/CQ	Strive HI accountability system - to expand existing services to support data validation work and yearly processing and modifying ESEA accountability analyses and reports.	A	-	-	60,000	-	-	60,000	-	-	-
EDN 100	Dorm Attendants - Add (2) positions and funds to EDN 100/BX for Lahainaluna High School. (HOUSE ADD-ON)	A	-	-	-	2.00	-	63,528	-	-	-
EDN100	Athletics. (SENATE ADD-ON)	A	-	-	-	-	-	-	-	-	2,000,000
<b>EDN100 Total</b>			<b>(2.00)</b>	<b>-</b>	<b>14,999,924</b>	<b>-</b>	<b>-</b>	<b>15,280,538</b>	<b>-</b>	<b>-</b>	<b>17,000,000</b>
EDN150/FA	Special Education Services - Resources to address additional requirement for special education services in response to US Court or Appeals for the Ninth Circuit decision.	A	-	-	3,664,694	-	-	-	-	-	3,664,694
<b>EDN150 Total</b>			<b>-</b>	<b>-</b>	<b>3,664,694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,664,694</b>
EDN200/GD	WASC Accreditation - to transfer 2.0 permanent FTEs from EDN 100/CB to EDN 200/GD to provide administrative support to facilitate school improvement efforts through the WASC accreditation process.	A	2.00	-	-	-	-	-	-	-	-

DEPARTMENT OF EDUCATION  
FISCAL YEAR 2014-15 SUPPLEMENTAL OPERATING BUDGET ADJUSTMENTS  
IMPACT STATEMENT ON THE SENATE DRAFT OF THE BUDGET (HB1700 HD1 SD1)

Prog ID/Org	Description of Request	MOF	GOVERNOR'S DECISION			HOUSE DRAFT (HB1700 HD1)			SENATE DRAFT (HB1700 HD1 SD1)		
			Perm	Temp	\$ Amount	Perm	Temp	\$ Amount	Perm	Temp	\$ Amount
EDN200/GD	WASC Accreditation - Request for operating funds and funding for 2.0 appropriated but unfunded permanent positions to provide administrative services to facilitate school improvement efforts through the accreditation process.	A	-	-	217,086	-	-	-	-	-	-
EDN200/GC	Formative Instruction - operating funds to support school level professional development costs related to transportation, supplies, and state membership to a multi-state working group on formative instruction.	A	-	-	250,000	-	-	250,000	-	-	-
EDN200/GD	Strive HI - for 22.0 temporary positions and funds to serve necessary support functions for Focus and Priority schools and contracts for support services for implementation of the Strive HI Performance System.	A	-	22.00	2,000,000	-	21.00	1,925,472	-	22.00	2,000,000
EDN200/GD	Education Effectiveness System (EES) - for the student perception survey, train and certify administrators on the classroom observation framework, maintain and modify the PDE3 system, and travel expenses.	A	-	-	1,267,700	-	-	1,267,700	-	-	600,000
EDN200/GH	Sabbatical Leave - to meet the Department's obligation to provide sabbatical leaves per the HSTA contract.	A	-	-	592,000	-	-	592,000	-	-	592,000
EDN200/GG	Access Learning (Digital Curriculum) Pilot - to contract technology support services and provide professional development for the digital pilot schools.	A	-	3.00	600,000	-	-	-	-	-	-
<b>EDN200 Total</b>			<b>2.00</b>	<b>25.00</b>	<b>4,926,786</b>	<b>-</b>	<b>21.00</b>	<b>4,035,172</b>	<b>-</b>	<b>22.00</b>	<b>3,192,000</b>
EDN300/KD	Council of Chief State School Officers (CCSSO) - to cover the cost of annual membership in the national educational organization for the nation's chief state school officers leading state educational agencies.	A	-	-	36,000	-	-	-	-	-	-
EDN300/KD	Communications and Community Affairs Office - to fund personnel (5.0 permanent positions) and operating expenses for the strategic needs of the Department's communication arm.	A	-	-	431,037	-	-	396,037	-	-	-
EDN300/KH	Civil Rights Compliance Office - for (2.0) temporary FTEs to assist in meeting the most immediate needs of the Department with respect to compliance in the area of Title VI of the Civil Rights Act and federal audits.	A	-	2.00	130,360	-	2.00	130,360	-	-	-
EDN300/KO	HR Executive Assistant - to fund position to improve HR support to the field through streamlined recruitment, onboarding and alignment initiatives.	A	(1.00)	-	100,503	-	-	100,503	-	-	-

DEPARTMENT OF EDUCATION  
FISCAL YEAR 2014-15 SUPPLEMENTAL OPERATING BUDGET ADJUSTMENTS  
IMPACT STATEMENT ON THE SENATE DRAFT OF THE BUDGET (HB1700 HD1 SD1)

Prog ID/Org	Description of Request	MOF	GOVERNOR'S DECISION			HOUSE DRAFT (HB1700 HD1)			SENATE DRAFT (HB1700 HD1 SD1)		
			Perm	Temp	\$ Amount	Perm	Temp	\$ Amount	Perm	Temp	\$ Amount
EDN300/KO	Alternative Teacher Route - to extend the current alternative route teaching contract to recruit and place teacher candidates.	A	-	-	870,000			435,000			
EDN300/KO	Electronic Human Resources (eHR) - to maintain technical production support for the existing system that is business critical to the Department.	A	-	-	300,000			300,000			
EDN300/KO	Professional Development Management System (PDMS) - to maintain the subscription for the PDE3 technology platform, a secure, on-line, portal that connects educations with professional development opportunities tied to their education effectiveness data.	A	-	-	599,208			599,208			579,208
EDN300/KO	Teacher Mentor Program - to provide research-based mentor training; beginning teacher, mentor, and induction leadership professional development; cross state professional development opportunities; consultation and support complex areas; training materials; office supplies; and travel.	A	-	-	256,000			256,000			
EDN300/UA	OITS positions - for 16.0 Permanent FTEs for the Office of Information Technology Services: 1.0 DPSA V for the Network Design Section; 3.0 DPSA IV positions to support school level technology integration; 7.0 IT Specialist III to improve the quality and responsiveness of information technology services and support to the schools, complex areas, and state administrative; 1.0 DPSA IV to fulfill the role of the Information Systems Training Unit (ISTU) Head; 1.0 DPSA VI for to Data Management Section to lead database development, administration, and maintenance; 2.0 DPSA IV to provide programming/integration for educational technology systems and the development maintenance, administration, and management of all School systems; and 1.0 Data Processing Specialist II to serve as IT Project Manager.	A	16.00	-	-	-	15.00	-	10.00		
EDN300/KD	Early Learning Coordinator - to fund position to support early childhood education policies, curriculum, and assessment relating to kindergarten and other pre-kindergarten programs.	A	1.00	-	70,000	-		-			
EDN300	Prekindergarten Program - Add funds for Department of Education pre-kindergarten classes/school readiness program. (HOUSE ADD-ON)	A	-	-	-			3,000,000			
<b>EDN300 Total</b>			<b>16.00</b>	<b>2.00</b>	<b>2,793,108</b>	<b>-</b>	<b>17.00</b>	<b>5,217,108</b>	<b>10.00</b>	<b>-</b>	<b>579,208</b>
EDN400/OE	Utilities - to account for the projected shortfall in the utility budget, which covers the cost of electricity, gas, water and sewer expenses.	A	-	-	9,000,000			9,000,000			9,000,000
<b>EDN400 Total</b>			<b>-</b>	<b>-</b>	<b>9,000,000</b>	<b>-</b>	<b>-</b>	<b>9,000,000</b>	<b>-</b>	<b>-</b>	<b>9,000,000</b>
<b>Grand Total</b>			<b>16.00</b>	<b>27.00</b>	<b>35,384,512</b>	<b>-</b>	<b>38.00</b>	<b>33,532,818</b>	<b>10.00</b>	<b>22.00</b>	<b>33,435,902</b>

**OPERATING BUDGET**

The Governor’s total general fund operating budget request for the Department is \$35,384,512. This includes the Governor’s original operating budget request of \$31,719,818 and the February 24, 2014 Governor’s Message for an additional \$3,664,694. The House draft of the supplemental operating budget provides an additional \$33,532,818. The Senate draft provides \$33,435,902 in general funds which includes \$31,435,902 for requests included in the Governor’s budget and also adds \$2,000,000 for an additional item (athletics) not requested in the Governor’s budget for the Department. Details of the adjustments made in the Senate draft of the budget are shown in the table to follow.

While some of the budget requests were approved in the Senate draft of the budget, many were denied. Given that the projects for which funding was reduced or eliminated would have provided money directly to schools or offered a direct service to schools, the Department has concerns about diminishing these supports.

**CONCERNS**

**Information Technology Positions (IT)**

(GOV: 16.0 perm positions; HD1: 15.0 temp positions; SD1: 10.0 perm positions)

The Department is very grateful for the inclusion of 10.0 FTE permanent positions in the Senate draft. However, the Department is concerned with the reduction in positions from 16 to 10. The need for additional technology support for complex areas and schools has amplified, as school and complex area demand for technology integration has increased. The reduction of these positions would hamper the Department’s ability to maintain the security of the network, implement system improvements, and provide support to schools and complex areas as they add/increase the technological presence on their campuses.

**Educator Effectiveness System (EES)**

(GOV: \$1,267,000; HD1: \$1,267,000; SD1: \$600,000)

The Department is grateful for the inclusion of some funds to support implementation of the Educator Effectiveness System agreed to in the collective bargaining agreement negotiated between the Department and Hawaii State Teachers Association (HSTA). However, the Department is very concerned about the reduction of funds by over 50% for this line item. The Tripod student survey is a research-based student perception survey that has been developed and refined for over a decade. Research has shown that the survey must be administered multiple times during the school year in order to ensure the data are of sufficient validity and reliability for inclusion in the EES. The targeted reduction of funds and the proviso language would prevent the Department from conducting sufficient administrations of the survey. This would then put the Department out of compliance with agreements with HSTA, as the survey data would not be of sufficient validity and reliability. Furthermore, maintaining consistency on the type of student survey feedback over multiple years will provide schools with stability as they work hard to put the new system in place.

### Professional Development Management System (PDMS)

(GOV: \$599,728; HD1: \$599,728; SD1: \$579,728)

The Department is grateful for the inclusion of some funds to support implementation of the PDMS. However, the Department is concerned with the impact of the \$20,000 reduction and the Section 19.2 proviso in the Senate draft related to PDMS. This reduction is targeted to eliminate the training environment component that was incorporated into the existing contract for PDMS based on feedback from the 81 EES pilot schools to have a safe place for teachers and administrators to train and practice on the PDMS without impacting actual data. The PDMS is a critical component of the EES that provides the support for teacher improvement as required by the collective bargaining agreement with HSTA.

The reduction of \$20,000 for the training environment that mirrors the functionality of the production PDMS (PDE3) system would deny those teachers and administrators that have discomfort with the technology from being able to train and practice in the system without impacting or displaying real data.

### Advanced Placement (AP)

(GOV: \$554,379; HD1: \$554,379; SD1: \$0)

The Department is very concerned with the denial of funds in the Senate draft to support operating expenses and student/teacher support programs related to AP courses. Students and schools across the state are demanding access to AP courses and supports for achieving success in those courses. With this program, AP participation and student achievement in AP courses have steadily improved, particularly for traditionally underserved student populations. Funding for this request would sustain efforts to expand AP course offerings and promote college readiness for all students.

### Communications and Community Affairs Office (CCAO)

(GOV: \$431,037; HD1: \$396,037; SD1: \$0)

The Department is very concerned with the denial of funds for 5.0 unfunded permanent but appropriated FTEs and operational expenses within the Communications and Community Affairs Office. This request was borne out of resounding feedback from schools and complex areas that the Department needed to greatly improve the internal and external communications with schools and staff, and that there be greater investment in providing information and links to tools and services for them to do their job better. The Department found a temporary means to fill the 5.0 permanent FTEs this current fiscal year to address this effort, and those staff constantly work on improving these critical lines of communication. The need for dedicated funded positions to continue to be responsive and put essential information in the hands of school staff and our school communities is a recurring demand we need to address. We, therefore, request funds for the 5.0 FTE positions and operational expenses for CCAO.

### Electronic Human Resources System (eHR)

(GOV: \$300,000; HD1: \$300,000; SD1: \$0)

The Department is very concerned with the total reduction of funds from the Senate draft of the budget. The eHR system is the core application for the Department's Office of Human Resources. This system is critical to the Department for conducting business on a daily basis, as it provides the basic HR functions as well as many processes and functions (e.g., payroll process, highly qualified teacher monitoring/tracking, and teacher assignment and transfer) unique to the Department in a secure, centralized, online

environment. The eHR system also helps to integrate and automate information previously contained in different manual forms, processes and electronic applications. These funds would enable the Department to maintain the eHR system to reduce administrative burden.

#### Western Association of Schools and Colleges (WASC) Accreditation

GOV: move 2.0 perm pos from 100 to 200; HD1: cut 2.0 pos from 100; SD1: no change

GOV: \$265,000 in 100; HD1: \$0; SD1: \$0)

GOV: \$217,086 in 200; HD1: \$0; SD1: \$0)

The Department has concerns regarding the total reduction of funds for WASC Accreditation for all schools which is a Board of Education mandate. WASC accreditation happens on a cyclical basis, meaning that schools will be on different schedules for accreditation. In any given year, most schools will have no WASC costs, and others will have to pay the WASC fees. Putting the money in the WSF would mean that some schools have money they don't need for WASC in a given year, and the others would be underfunded relative to the fees. This is why the Department believes that funding this service centrally makes more sense. The Committee on Weights has recommended that WSF funds only be used for programs that lend themselves to formula funding. The Department is concerned that the irregular nature of WASC costs at the individual school level year to year does not lend itself to distribution via formula. Therefore, we would ask reconsideration by both bodies of our original request for \$265,000 in EDN 100/CB, related to operating expenses to provide centralized support services to schools for the accreditation process for the external validation of school improvement.

#### High Core Program

(GOV: \$120,545; HD1: \$120,545; SD1: \$0)

The Department was disappointed with the denial of additional funds in the Senate draft to support the High Core Alternative Learning Center. Specifically, the Department is concerned that an unfunded mandate has been placed on the Department by requiring a level of funding for the High Core Program, without also appropriating those funds.

High Core is one of many successful programs in the State's alternative learning portfolio. At this time, the Department is concerned that it is not possible to fund High Core at the mandated level without creating a negative impact on the other alternative learning centers and peer education programs across the state that rely on the same source of funds.

#### Access Learning

(GOV: \$600,000; HD1: \$0; SD1: \$0)

The Department was disappointed that the funding to provide continued support to the schools in the Access Learning Pilot Project was denied. This request was based on direct feedback from the school principals and staff regarding their needs to sustain and improve implementation efforts. Specifically, this will restrict the Department's ability to provide targeted professional development that the schools requested and the schools will have limited, if any, funds to purchase additional professional development and technology support. The direct feedback and recognition of the current level of support was echoed at the legislative site visit to Moanalua Middle School, in the principals' testimony during the joint education committee informational briefing, and in the baseline evaluation findings.

### Formative Instruction

(GOV: \$250,000; HD1: \$250,000; SD1: \$0)

The Department was disappointed with the denial of funds in the Senate draft to support schools on formative instruction, which could have a negative impact on student achievement and learning. The formative instruction process combines the use of student data and teacher collaboration to inform changes to instruction that support students' needs and accelerate student learning.

### Teacher Mentor Program

(GOV: \$256,000; HD1: \$256,000; SD1: \$0)

The Department was disappointed with the denial of additional funds in the Senate draft to provide support and resources to new teachers via the teacher mentor program. With a shortage of trained and effective instructional mentors, there is an urgent need to build capacity to support the approximately 1,600 beginning teachers each year.

### Civil Rights Compliance Office (CRCO)

(GOV: 2.0 temp/\$130,360; HD1: 2.0 temp/\$130,360; SD1: 0.0 temp/\$0)

The Department was disappointed with the denial of positions and funds in the Senate draft. The CRCO performs functions critical to maintaining compliance with federal laws and reducing the Department's exposure to lawsuits. The request for positions and funding for CRCO is needed to address the increased number of cases for investigation and enforcement response with respect to civil rights compliance in the area of Title VI and federal audits. The current caseload of roughly 275 cases per year is handled by 1.0 FTE, leaving no staff resources to support complex area superintendents and principals with federal audits and corrective action plans.

### HR Executive Assistant

(GOV: \$100,503; HD1: \$100,503; SD1: \$0)

The Department is disappointed with the denial of funds in the Senate draft for the HR executive assistant position. This position would provide support to the Assistant Superintendent of the Office of Human Resources (OHR) to support the field with streamlined recruitment, onboarding, and alignment initiatives. This position was appropriated in the FB 2013-15 biennium budget but with no funding.

### Alternative Certification

(GOV: \$870,000; HD1: \$435,000; SD1: \$0)

The Department is disappointed with the denial of funds from the Senate draft to support alternate routes to teacher certification which will have a negative impact on teacher recruitment in hard to staff content areas and geographic regions of the State. Specifically, this refers to special education and geographic regions such as Hawaii Island and portions of the Leeward coast of Oahu. The alternative certification program has recruited and placed roughly 100 teachers into high-needs, hard to staff schools. One-third of these candidates are kama`aina returning to Hawaii. In addition, internal analysis indicates that this program produces teachers with among the highest student survey and growth scores.

### Strive HI Accountability Reporting

(GOV: \$60,000; HD1: \$60,000; SD1: \$0)

The Department is disappointed with the denial of funding in the Senate draft to support building internal Department capacity related to data validation and reporting – key components of the Strive HI Performance System.



### Early Learning Coordinator

(GOV: 1.0 perm/\$70,000; HD1: \$0; SD1: \$0)

The Department is very appreciative of the funds to support early learning initiatives. However, the Department is concerned with the denial of a dedicated position to support such a program.

### Council of Chief State School Officers

(GOV: \$36,000; HD1: \$0; SD1: \$0)

The Department is disappointed with the denial of funding in the Senate draft to support membership in the Council of Chief State School Officers (CCSSO). CCSSO provides significant professional development and other resources to member states. In addition, membership provides an opportunity for Hawaii and other states to share best practices with each other in an effort to promote student success in the classroom.

## **REQUESTS SUPPORTED IN THE SENATE DRAFT**

Despite the concerns previously mentioned, the Department is very grateful for the support for education as contained in the Senate draft of the supplemental budget. The Department is hopeful that it will continue to receive similar support for schools and student success in the following areas:

### Weighted Student Formula (WSF)

(GOV: \$14,000,000; HD1: \$14,482,086; SD1: \$15,000,000)

The Department is very grateful for both the Senate's and House's recognition of the need for increased WSF funds. This increase is in line with feedback and recommendations from the Committee on Weights.

### Special Education Services

(GOV: \$3,664,694; HD1: \$0; SD1: \$3,664,694)

The Department is very grateful to the Senate for fully funding the Governor's request for funds to provide special education services to students to age 22, in response to the US Court of Appeals for the Ninth Circuit decision.

### Utilities

(GOV: \$9,000,000; HD1: \$9,000,000; SD1: \$9,000,000)

The Department is very grateful to the Senate for fully funding the request to cover utilities costs due to the shortfall caused by delays in implementation of renewable energy generation on school facilities.

### Strive HI Performance System

(GOV: 22.0 perm/\$2,000,000; HD1: 21.0 perm/\$1,925,472; SD1: 22.0 perm/\$2,000,000)

The Department is very grateful to the Senate for fully funding the Department's request to implement the Strive HI Performance System. The Department has some reservations regarding the proviso related to the ESEA waiver.

### Sabbatical Leave

(GOV: \$592,000; HD1: \$592,000; SD1: \$592,000)

The Department is very grateful to the Senate for fully funding the Department's request to support sabbatical leave for teachers, per requirements in the teacher contract with HSTA.

### Athletics

(GOV: \$0; HD1: \$0; SD1: \$2,000,000)

Although not one of the Department's requests or highest priorities, the Department appreciates the Senate's interest in adding additional funds for athletics programs.

## **CAPITAL IMPROVEMENTS BUDGET**

The Department appreciates the support of the Senate for CIP projects included in the Senate draft of the supplemental budget. In particular, the Department appreciates the support of the facilities priorities as represented in our Key Performance Indicators as this is a key part of the Department's ongoing efforts to improve our CIP system.

In addition, this draft contains support for other facilities opportunities, including providing the state match for a federal grant to rebuild Solomon Elementary School. This is a second opportunity in two years and will greatly improve facilities at Solomon Elementary School. Last year, due to the support of the Legislature, the Department received a \$27 million federal grant to renovate and expand Hale Kula Elementary School, which began construction last year.

## PROVISIONS

### **(10) By amending section 18 to read:**

"SECTION 18. Provided that of the general fund appropriation for school-based budgeting (EDN100), ~~[the sum of] at least \$535,423 [or so much thereof as may be necessary]~~ for fiscal year 2013-14 and ~~[the sum of] at least \$535,423 [or so much thereof as may be necessary]~~ for fiscal year 2014-15 shall be expended for the operation of the high core (storefront) alternative learning center[-]; provided that if the department of education determines that the appropriation for at risk programs (EDN100/BJ) for fiscal year 2014-2015 is not sufficient to fund the high core alternative learning center at the minimum \$535,423 for fiscal year 2014-2015 without jeopardizing the operation of other alternative learning centers, the department shall transfer from state administration (EDN300) to EDN100/BJ the amount necessary to make up the shortfall."

The Department has concerns with this proviso. However, as the Chair of WAM has indicated a willingness to discuss the provisos further with the Department, we therefore would like to take that opportunity first before responding in writing. With your patience we will submit a response to FIN at a near future date.

### **(11) By adding a new section to read:**

"SECTION 19.1 Provided that of the general fund appropriation for instructional support (EDN200) for fiscal year 2014-2015:

(1) The sum of \$600,000 or so much thereof as may be necessary shall be expended for a student perception survey during the school year 2014-2015 to measure teacher effectiveness as part of the educator effectiveness evaluation; and

(2) The department of education shall propose to the legislature a less costly student perception survey for implementation during the school year 2015-2016. The department shall submit the proposal in a report to the legislature at least twenty days prior to the convening of the regular session of 2015."

The Department has serious concerns with this proviso. However, as the Chair of WAM has indicated a willingness to discuss the provisos further with the Department, we therefore would like to take that opportunity first before responding in writing. With your patience we will submit a response to FIN at a near future date.

### **(12) By adding a new section to read:**

"SECTION 19.2 Provided that:

(1) Not more than \$579,208 of general or other funds shall be expended in fiscal year 2014-2015 by the department of education for the professional development management system annual subscription under the sole source supplemental contract funded in school administration (EDN300); and

(2) The department of education shall submit to the legislature by November 30, 2014, a report with the following information:

(A) A signed and dated copy of the supplemental contract of paragraph (1), with the certificate of availability of funds for the supplemental contract attached, and a signed and dated copy of the original contract;

(B) The reason for the sole source procurement of the supplemental contract for the system;

(C) Data on the number of users or other quantification of use of the system in each fiscal year under the supplemental contract and original contract;

(D) A determination of whether a less expensive tier of services for the professional development management system is available from the vendor; and

(E) The department's plan for procuring and providing a professional development management system after the expiration of the five-year period of the supplemental contract."

The Department has serious concerns with this proviso. However, as the Chair of WAM has indicated a willingness to discuss the provisos further with the Department, we therefore would like to take that opportunity first before responding in writing. With your patience we will submit a response to FIN at a near future date.

**(13) By adding a new section to read:**

"SECTION 19.3 Provided that of the general fund appropriation of \$9,000,000 added by this Act for fiscal year 2014-2015 for school support (EDN400):

(1) Not more than \$8,493,417 shall be expended for the projected "electricity shortfall" for fiscal year 2014-2015. "Electricity shortfall" means the amount necessary to pay for electricity consumed during fiscal year 2014-2015 that is in excess of the amount expended for electricity consumed during fiscal year 2013-2014;

(2) If a portion of the amount under paragraph (1) is not expended or encumbered for fiscal year 2014-2015, the unexpended and unencumbered portion shall not be expended or encumbered for any other purpose during fiscal year 2014-2015 and shall lapse into the general fund on June 30, 2015; and

(3) The department of education shall submit to the legislature a report on its utility costs that includes at least the following:

(A) Projected costs for electricity, water, sewer, and gas for each fiscal year through fiscal year 2019-2020;

(B) Projected cost savings during each of the same fiscal years from renewable energy and other projects planned to be implemented by the department; and

(C) Projected operating and capital costs, means of financing, and installation timeline for the renewable energy and other projects planned to be implemented by the department through fiscal year 2019-2020.

The department shall submit the report to the legislature not later than twenty days prior to the convening of the regular session of 2015."

The Department has serious concerns with this proviso. However, as the Chair of WAM has indicated a willingness to discuss the provisos further with the Department, we therefore would like to take that opportunity first before responding in writing. With your patience we will submit a response to FIN at a near future date.

**(5) By adding a new section to read:**

"SECTION 122.1 (a) For the purpose of this section, "ESEA waiver" means a waiver from any requirement of the federal Elementary and Secondary Education Act of 1965, as amended, under an ESEA flexibility request approved for the state department of education.

(b) At least thirty days before submitting to the United States Department of Education an application to extend any ESEA waiver beyond June 30, 2014, or to request a new waiver, the state department of education shall submit to the legislature a report that includes at least the following:

(1) Description of the waiver;

(2) Justification for the waiver;

(3) Cost to the State to comply with the waiver, including fringe benefit cost;

(4) Projected appropriation request, by means of financing and year of expenditure, beyond the department's base budget for fiscal year 2014-2015 that is necessary to fund the waiver; and

(5) Copy of the application.

(c) At least twenty days prior to submitting the application for the waiver to the United States Department of Education, but not before submitting the report required under subsection (b) to the legislature, the department shall hold a briefing on the waiver for the senate standing committee on education, the house standing committee on education, senate standing committee on ways and means, and house standing committee on finance."

The Department has serious concerns with this proviso. However, as the Chair of WAM has indicated a willingness to discuss the provisos further with the Department, we therefore would like to take that opportunity first before responding in writing. With your patience we will submit a response to FIN at a near future date.

**(6) By adding a new section to read:**

"SECTION 122.2 In carrying out their strategic plan and in the execution of their six priority strategies, the department of education shall consider workload and capacity issues at both the complex area and school level. Before additional districtwide requirements are considered that are not required for federal compliance or negotiated contract purposes, the department of education shall assess whether or not any such mandate can be accomplished given existing school-level resources."

The Department is in agreement with this proviso.