

EXECUTIVE SUMMARY

In accordance with House Bill 30 (Chapter 19, SLA 2013), a performance review was conducted on the Alaska Department of Education and Early Development (DEED). The review began in June 2015 and concluded in May 2016. Through a competitive bidding process, the Alaska Division of Legislative Audit (DLA) selected Public Works, LLC to conduct the DEED performance review, with subcontractor JJC and Associates, LLC managing the project.

Methodology

Public Works provided an objective and thorough examination of the department's performance in fulfilling its statutory obligations and stated mission across all core services. The process included identification of areas where departmental operations could be streamlined to increase efficiency and reduce costs, while continuously improving the quality of the standards-based education provided to the youth of Alaska.

The Public Works review analyzed hundreds of documents in support of the review, including those concerning DEED's strategic plan, State Board structure, State Board policies and procedures, staff responsibilities, operations, personnel, management systems, and other divisions and functions under review. The review team analyzed data including, but not limited to, strategic plans, State Board documents, data on performance measures, performance metrics, and workload/productivity measures, operational policies, procedures, and processes and relevant statutes or regulations, organizational structure, and staffing of key DEED divisions.

The Public Works review team conducted:

- Site visits to eight school districts, these included a minimum of one district in each of the five regions of Alaska, in both rural and urban areas. The school district site visits included central office interviews, focus groups of administrators and staff, and tours of a number of schools within each district.
- Over 250 individual interviews. These included interviews with DEED management and staff; a majority of State Board members; selected state senators and representatives; and leaders of numerous statewide educational leadership organizations.

- Numerous focus groups, held both at DEED and within the school districts.
- Surveys of DEED professional staff and all 54 school district superintendents

Additionally, members of the review team attended the Alaska Association of School Business Officials (ALASBO) Conference in December 2015 to interview numerous school district business officials. The review team also listened to the October 2015 State Board Meeting by teleconference.

Best practices research was conducted on a wide variety of topics including the organization of education departments in other states, state board policies and procedures, strategic planning, performance measures, teacher certification, teacher evaluation, technology strategies, and professional teaching practices.

The full report provides a total of 77 recommendations. Each recommendation is labeled as a Tier 1, Tier 2, or Tier 3 recommendation. This refers to the suggested level of importance or urgency of the implementation of the recommendation.

DEED Efforts and Unique Challenges

The Public Works team recognizes that Alaska faces unique challenges in providing efficient and effective services to its member school districts. Those challenges include, but are not limited to the following:

- Of Alaska's 54 school districts, the largest five enroll 71.3 percent of Alaska's students, and the largest seven enroll 78.2 percent, while 39 school districts each enroll less than one percent of the student population.
- Alaska has a large number of very small schools, each with only a handful of teachers. Of 507 schools, 123 schools have fewer than 50 students and 78 enroll 25 or fewer students. More than half of the total schools (298, or 58.7 percent) are Title IA schools. Three or fewer teachers are employed in 87 (17 percent) of the total schools (38 schools employ one teacher; 25 schools employ two teachers; and 37 schools employ three teachers).
- Alaska faces a key challenge in ensuring that its educational leaders have an understanding of the culture of Alaska Native students, and that teachers are well equipped with the necessary cross-cultural knowledge and skills (including linguistic skills) to effectively teach Alaska Native

students in a way that is relevant and appropriate to their communities. Alaska has 29,450 Alaska Native students out of a total K-12 enrollment of more than 131,882 (or 22.3 percent). With the inclusion of 1,693 American Indian students, the total Alaska Native/American Indian enrollment is 31,143 (or 23.6 percent of the total student population). In many villages, English is not the primary language. Alaska is home to at least 20 distinct indigenous languages. The challenge for DEED is to ensure that educational leaders acknowledge the state's tremendous diversity, and that teachers are well prepared to teach to in a cross-cultural context.

- Alaska further faces the challenge of retaining qualified educators and educational leaders who are prepared to teach in villages and areas that are geographically remote from the state's population centers and from urban infrastructure. Between 2013 and 2015, 30 (55.5 percent) of Alaska districts had a new superintendent, while of all schools, 88 (17 percent) had a turnover rate of 30 percent or higher.
- Alaska faces higher costs and more complicated logistics than those faced by other states for delivering education and professional development, and for transporting students, staff, and technical support professionals. This is because most of Alaska's schools are located in remote regions, many with no roads or other nearby education opportunities for children. For example:
 - The North Slope Borough School District, with an enrollment of fewer than 2,050 students attending 11 schools, is the nation's largest geographic school district, covering 88,000 square miles. The schools are not connected by roads. If the North Slope were an individual state, it would be our nation's 11th largest.
 - The Lower Kuskokwim School District, with an enrollment of 4,285 Yup'ik Eskimo students attending 28 schools, covers 23,792 square miles, an area roughly the size of Maryland, Vermont, and Connecticut combined. The schools are not connected by roads.
 - Kenai Peninsula Borough School District is one of the major "urban" organized school districts in Alaska. It enrolls 9,150 students in 43 schools in 17 communities in a geographic area covering 25,600 square miles, larger than Rhode Island, Connecticut,

Massachusetts, and New Hampshire combined. Four villages in the district do not have road access.

- Yukon-Koyukuk School District, with 10 schools and a student body of 283, and an additional 1,212 students enrolled in its statewide correspondence school program, encompasses nearly 62,000 square miles in Interior Alaska. Two communities have road access. If this district were a state, it would be the 21st largest in the nation.¹

Introduction and Overview

Defined in Alaska Constitution Article 7, Sec. 1; AS 14.17, the mission of DEED is to ensure high-quality standards-based instruction to improve academic achievement for all students. DEED provides four core services:

1. Public School Funding
2. Fiscal Accountability, Compliance and Oversight
3. School Effectiveness Programs
4. Active Partnerships

Six distinct themes emerged from the performance review and were identified by the Public Works review team. Each presents an area of challenge for the department:

1. Lack of clarity with regard to mission, vision, and strategic plan;
2. Local control balanced with the need for state leadership and technical assistance;
3. High staff turnover;
4. Insufficient use of data to drive decision-making;
5. Technology challenges; and
6. Lack of proactive engagement with the legislature to provide the data and information needed to garner appropriate funding and support for various education initiatives

The review team found that DEED has done an adequate job of ensuring that funding is appropriately distributed to districts based on legislative appropriation, by statute, and in accordance with the foundation formula, other formula programs, or legislative intent for funding outside the primary funding formulas.

¹ Unique Challenges Facing Alaska, Division of Teaching and Learning document provided by DEED, 2016.

We did not find any major issues with the department's management of state, federal, and other funding by providing comprehensive fiscal and administrative services.

However, the review team recommends that the State Board of Education and DEED finalize the new strategic plan to ensure there is clarity and focus to DEED's core mission and goals. This is particularly important to ensure the effective implementation of School Effectiveness Programs. Additionally, the state is lacking a clear vision in its strategic plan for innovative use of technology to enhance the effectiveness and efficiency of educational opportunities and operational functions.

Three significant areas in which the review team found DEED to be deficient in accomplishing its mission are: 1) communicating a clear and coherent mission, vision, and strategic plan; 2) maximizing opportunities for collaboration and active partnerships with government entities, and other public and private organizations in pursuit of state educational goals; and 3) assisting school districts by providing programs, technical on-site and distance-delivery support, and early intervention services in efforts to increase the statewide graduation rate.

- While many of the units within DEED provide high-quality services, there is a "cry" from many districts (particularly rural districts) for more technical assistance, professional development, and training. Districts appreciate the flexibility of local control, but are requesting more support from DEED, not only in improving student achievement, but also in addressing technical and operational challenges.
- Alaska has higher than average total revenue, per pupil spending, and teacher salaries in comparison with selected peer states, but disappointingly, has lower test scores and graduation rates. This discrepancy underlines the need for state support in struggling schools.
- Significant gaps in achievement exist among subgroups of Alaskan students, evidenced in state assessment scores and the National Assessment of Educational Progress (NAEP).
- DEED is more heavily focused on compliance and monitoring than its peer state education agencies due to its large number of federally funded positions (relative to the size of the agency). Additionally, DEED is heavily

focused on state-mandated programs initiated by the Alaska State Legislature. As a result, DEED's role has become primarily one of administering state and federal funds.

In summary, the review team finds DEED to be only partially successful in achieving its mission through effectively and efficiently delivering its core services, goals, programs, and objectives. Much remains to be accomplished, including the completion of a focused strategic plan for DEED and a re-thinking of DEED's methods of delivering services to school districts. DEED's success, however, is also dependent upon the legislature's support for a data-driven approach to improving the educational opportunities for all Alaska public school students. The recommendations of the Public Works review team are intended to assist the state in carrying out its constitutional mission to ensure quality standards-based instruction to improve academic achievement for all students.

Summary of Findings by Objective

This performance review report is organized by the 14 objectives established in the RFP. Detailed information regarding the findings and recommendations for each objective are included in the full report. A brief overview of the conclusions from each of the 14 objectives is presented below. Because some of the objectives are closely related – and their findings interconnected – the review team has combined some of the objectives under one section for the purpose of the report.

Summary of Findings for Objective 1

For Objective 1, Public Works evaluated DEED's success in achieving its mission through effectively and efficiently delivering its core services, goals, programs, and objectives.

The Public Works review team found a lack of clarity and agreement within DEED as to what DEED's mission and strategic plan consist of and, therefore, the team found DEED to be only partially successful in the full accomplishment of its mission.

Two significant areas in which the review team found DEED to be deficient in accomplishing its mission are: 1) assisting school districts by providing programs, on-site and distance-delivery technical support, and early intervention services to increase the statewide graduation rate; and 2) maximizing opportunities for collaboration and active partnerships with government entities and other public

and private organizations in pursuit of state educational goals. The review team provides several recommendations to remedy these deficiencies.

The review team identified ambiguity in the current governance structure of the Alaska State Board of Education (State Board), which does not explicitly define the roles of the State Board, the governor, the commissioner of education, and the legislature with respect to leadership, oversight, and authority over the state's K-12 education policies and activities. As a result, the review team recommends that the current governance structure of DEED be altered in such a way as to ensure role clarity and to establish a clear reporting structure for the commissioner of education position.

Summary of Findings for Objective 2

For Objective 2, Public Works determined whether the department's results-based measures demonstrate effectiveness and efficiency of the department's core services, goals, programs, and objectives.

The performance measures in place in Alaska represent a traditional set of initiatives that lack clarity and a logical sequence to effectively measure success.

DEED is caught between two policy and philosophical views. On the one hand, the United States Department of Education (USDOE) imposes absolute requirements that must be met in order to receive millions of dollars in federal aid. Alaska must create a performance measurement system that meets certain guidelines for approval by USDOE. At the other end of the spectrum are state leaders who represent the view that Alaska should determine its own policies without interference from the federal government, and believe the USDOE requirements are overreaching in nature. DEED is challenged by the need to be responsive to both of these two different policy and philosophical views.

Given the changes in state educational leadership, DEED has a unique opportunity at this time to address the weaknesses of its performance measures and assessment programs, and to build on the strengths of what works to positively impact student performance. These opportunities include:

- A new State Board of Education appointed by the governor with a mandate fostered in part by the governor's priorities and expectations.

- The retirement of the previous commissioner and the opportunity to hire a new commissioner who is likely to be philosophically aligned with the governor and State Board of Education.
- The enactment of a new federal approach through reauthorization of the Elementary and Secondary Act, giving states much wider latitude for state and local control of the use of federal funds.
- The opportunity to create a new assessment system that meets federal guidelines and replaces the recently-eliminated federally required standardized testing program.
- The development of a new strategic plan by the State Board of Education that has the potential to bring coordination and alignment and a focus on student performance as a priority to Alaska.

Summary of Findings for Objectives 3, 4, and 10

For Objective 3, Public Works identified DEED's authority to collect fees, conduct inspections, enforce state law, or impose penalties.

For Objective 4, Public Works recommended improvements to agency practices and procedures, including the means to decrease regulatory burdens or restrictions without decreasing public service.

For Objective 10, Public Works identified the extent to which DEED performs all of its statutorily defined duties and the extent to which statutory, regulatory, budgetary or other changes are necessary to enable the agency better to serve the public's interest, and to correct problems identified during the review.

Due to the interconnectedness of findings related to Objectives 3, 4, and 10, for the purposes of this report, the review team has combined findings and recommendations for these objectives.

DEED places a high priority on statutory compliance and meeting all of the duties prescribed for state education agencies in state and federal law. In austere budget times, Department leaders often reference statutory mandates to ensure that legal requirements are met while making cuts to discretionary programs and services. During this review, the review team did not identify any areas of statutory non-compliance by DEED.

Several DEED offices – including the Child Nutrition Program; Alaska State Council on the Arts; Division of Libraries, Archives and Museums; and Mt. Edgecombe High School – currently charge fees to support programs and services. Current fee amounts, structures, policies, procedures, and statutes were reviewed for this report.

The project team reviewed current inspection policies, procedures, regulations, and statutes in preparation of this report. No deficiencies were noted in DEED's inspection and penalty operations and oversight.

The need for statutory and regulatory modifications was discussed in virtually every interview and meeting conducted for this review. The legislature and the Department have made, and should continue to make incremental changes to statutes and regulations as needed to reflect changes in policy and emerging practices in the field. This report has identified several areas where statutory modifications could lead to greater departmental effectiveness or efficiency.

Summary of Findings for Objectives 5 and 6

For Objective 5, Public Works identified areas in which agency programs and jurisdictions overlap, and to assess the quality of interagency cooperation in those areas.

For Objective 6, Public Works identified services provided by programs and functions duplicated by another government agency or private entity, and recommended the most effective and efficient way to perform those services.

Due to the interconnectedness of findings related to Objectives 5 and 6, for the purposes of this report, the review team has combined findings and recommendations these objectives. Objective 9 is also closely related to these findings; specific examples of program overlap and functional duplication are addressed under Objective 9 in the context of program and functional consolidation.

Analysis of DEED's partnerships finds the agency has been partially successful in furthering its mission through effective interagency cooperation and high-quality partnerships. The level of partnership development is strong in some instances, and weak in others.



The findings and recommendations provided in this report reflect the opportunity to improve partnerships that are apparently either poorly managed or are non-substantive (i.e. exist on paper only). At the same time, DEED is to be commended for a number of highly effective partnerships. Building on what works and making improvements in challenging areas will be critical to the future success of DEED and its many partners.

The need for stronger communication processes with DEED partners – and especially with school personnel and organizations – is noteworthy. The need for stronger communication lines between DEED personnel and the State Board of Education is also addressed under Objective 1. Communications processes generally should be prioritized for significant improvement as the organization transitions under a new commissioner.

An important limitation in evaluating many of DEED's partnerships is the lack of quantifiable data to assess their effectiveness; several so-called partnerships are in effect simply funding streams, and it is left to the beneficiary partner to document success, or lack thereof.

Public Works identified one key area of overlap/duplication of effort in the management of educator licensing responsibilities between the Professional Teaching Practices Commission (PTPC) and DEED's Teacher Certification Office. The PTPC also duplicates some services of the University of Alaska's teacher education programs, such as providing professional ethics training to candidates for graduation from these programs. These duplications of effort generate unnecessary costs to DEED in personnel time, travel, and facilities expenses. The review team finds that Alaska addresses educator misconduct through a system that is unnecessarily expensive and elaborate given the relatively small population of educators, and the significant fiscal challenges faced by the state.

Since the review team recommends consolidation of duplicative or overlapping functions, this finding is addressed in further detail under Objective 9 (see **Chapter 7 Consolidation or Reductions**).

Summary of Findings for Objective 7

For Objective 7, Public Works evaluated whether DEED promptly and effectively addresses complaints.

Few concerns are registered against the Department of Education and Early Development via the formal mechanism of complaint to the Office of the State Ombudsman. These issues are consistently addressed in a timely and effective fashion by DEED.

Personnel in the Office of the State Ombudsman compiled complaints about DEED that were received from 2006 to the present. During this ten-year period, 35 contacts about DEED were initiated. Seventeen of these contacts were actual complaints. Other contacts were resolved as informational referrals; e.g., individuals who needed information about where to address a concern, individuals who were frustrated with local districts, etc.

There were no discernible thematic patterns in the 17 contacts that were actual complaints. Further, there were very few complaints that would rise to a matter of significant concern. Once assisted or referred to a resource to address their issues, no complainants further redress from the Office of the State Ombudsman.

Summary of Findings for Objective 8

For Objective 8, Public Works evaluated DEED's process for implementing technology and recommended new types or uses of technology to improve agency efficiency and effectiveness.

Within its internal operations, DEED uses technology in a manner consistent with most state education agencies. These uses lie primarily in the area of improving internal agency efficiency and communications and collecting district and school data for the purposes of federal and state reporting as well as calculating funding allocations. For these purposes, DEED's use of technology is adequate. At the same time, there are areas where improvements should be made. These are spelled out in the body of the report.

Lastly, while the use of technology *within* DEED is consistent with most state education agencies, some states are offering services to school districts that go far beyond what is in currently in place, or planned by DEED. Even in strong local control states, education agencies offer such services to districts as:

- Statewide internet and broadband services;
- Instructional management systems;
- Digital content libraries;
- Longitudinal data systems and dashboards for teachers and administrators; and

- Opt-in student information systems and IEP systems.

Summary of Findings for Objective 9

For Objective 9, Public Works identified agencies that could be terminated or consolidated, cost reductions, and potential program- or cost- reductions based on policy changes.

Public Works found one key area where DEED could consolidate offices for cost reductions: The review team recommends that DEED eliminate duplication of work processes between the PTPC, university teacher preparation programs, and DEED, and that the legislature amend AS Title 14, Chapter 20, Article 5. Professional Teaching Practices Act to consolidate the PTPC's work into the Teacher Certification Office's work.

Summary of Findings for Objective 11

For Objective 11. Public Works evaluated DEED's process for developing capital projects.

The process DEED uses to review capital projects is systematic and effective at incorporating a variety of criteria provided by the legislature into its project evaluation and priority ranking system. Additionally, the application requirements DEED imposes on districts encourage districts to follow best practices for the capital programs.

Overall, the review team found that DEED has a robust process for reviewing capital projects. However, there is a perception among some superintendents that the process is cumbersome and expensive. Although DEED's Grant Committee Review worked to improve the grant review process in 2012, additional revisions could be made to make the application process less cumbersome and scoring more straightforward.

Summary of Findings for Objectives 12 and 13

For Objective 12, Public Works evaluated the appropriateness of the budget reductions proposed by DEED in response to AS 44.66.020(c)(2).

For Objective 13, Public Works evaluated whether DEED's priorities reported to the legislature under AS 37.07.050(a)(13) and the list of programs or elements of programs provided under AS 44.66.020(c)(2) are consistent with the results of the review.

Due to the interconnectedness of findings related to Objectives 12 and 13, for the purposes of this report the review team has combined findings and recommendations for these objectives.

For Objective 12, the review team evaluated whether:

- The agency prioritized in accordance with AS 44.66.020(c)(2) when it developed the recommended cuts provided to the review team; and
- The department acted in good faith when recommending activities that can effectively be reduced without threatening the department's ability to meet its mission.

For Objective 13, the review team was asked to:

- Determine whether the findings of the review indicated that DEED focuses upon the mission statement, goals and results-based measures that are reported to the legislature and profiled in the state's Office of Management and Budget key performance indicators; and
- Offer a conclusion as to whether the budget reductions addressed under Objective 12 comport with DEED's mission statement, goals and results-based measures.

The review team evaluated how the proposed funding reductions would affect DEED's ability to meet its legislated priorities, and whether alternate funding reductions might be more aligned with the department's strategic priorities.

Overall, the review team found that DEED acted in good faith when recommending funding reductions that totaled ten percent of its available General Fund. The majority of the activities the department selected for funding reduction can effectively be reduced without significantly threatening the department's ability to complete its mission, although that does not mean that the cuts will not have an impact on quality or effectiveness. However, four of the selected reductions address a current need, and one of those may be considered critical for the department to meet its mission.

The four proposed budget reductions that may affect the department's ability to meet its mission are:

- Removing college and career readiness assessment funding;
- Eliminating Parents as Teachers and Best Beginnings grants;
- Eliminating Pre-K funding for a pilot project; and
- Reducing broadband funding for school districts.

As alternatives to these proposed reductions, the review team identified other potential long-term cost reductions during the course of the review. These proposed changes are identified at the end of Chapter 9 in **Exhibit 9-3**. Given the timing of this report's release, DEED and the legislature have already made the proposed cuts that the review team was asked to evaluate; however, the review team recommends that DEED seek to restore funding for Parents as Teachers, Best Beginnings, and Pre-K services, that was eliminated in the 2016 legislative session.

DEED appears, in large part, to organize its work in a manner consistent with the mission, goals, and performance-based measures that are reported to the legislature and profiled in the state's Office of Management and Budget key performance indicators. Such goals and measures constitute an important dimension of public accountability.

Summary of Findings for Objective 14

For Objective 14, Public Works identified other elements appropriate to the performance review that were not specifically related to Objectives 1 through 13; however, the review team's findings demonstrate that the following topics are important for DEED to consider and/or address to enhance its efficiency and effectiveness.

The performance review found that DEED is not capitalizing on potential statewide savings found in school district transportation. For example, DEED does not:

- Reimburse districts for the cost of adult crossing guards if they can be provided more economically than school bus service;
- Develop age and mileage standards for bus replacement;
- Require districts to track the cost of field trips and activity buses;
- Monitor whether districts are enforcing 1.5 mile walk zones for schools; or

- Encourage or require school districts to include a fuel cap clause in school transportation contracts.

The review team recommends that DEED implement policies and procedures to assist districts in reducing transportation costs.

This section of the report also addresses DEED's Uniform Chart of Accounts for Alaska School Districts. The current process does not adequately address 21st Century technology and services. Public Works' recommendations are intended to assist DEED in making its Chart of Accounts more clear, consistent and informative for parents and policymakers regarding Alaska's school finance efforts.

Additionally, this section also includes findings and recommendations related to the Library, Archives, and Museum (LAM) unit, Mt. Edgecumbe High School (MEHS), and a recommendation to assist DEED in more actively evaluating programs to make sound data-driven program decisions.

Commendations

In addition to providing recommendations, the Public Works report also identifies 22 areas where DEED is performing well, implementing best practices, and addressing inefficiencies. Those areas include, but are not limited to:

- The State Board of Education's work on initiating a more robust and visible strategic plan;
- DEED's successful implementation of the requirements of the Alaska Safe Children's Act (HB44);
- DEED's strong partnerships with other state entities to improve its Career and Technical Education initiatives;
- Formal complaints are processed in a timely and appropriate manner;
- Significant improvement in DEED's Teacher Certification section;
- DEED's use of software tools for improving data collections from districts; and
- DEED's efforts to improve food and nutrition services to districts.