

# Administrative Order #359

Alaska Department of Education and Early Development

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# Agenda

- What is Administrative Order #359?
- How will DEED meet the requirements?
- What will that look like for school districts?

# What is Administrative Order #359?

- Mandates an annual Government Efficiency Review
- Zero-base budgeting emphasis
- Highlights specific priorities to be addressed
- Provides more transparency
- Immediate and ongoing effect

# Mandates an annual Government Efficiency Review

AO 359 orders the Office of Management and Budget (OMB) to conduct a yearly, executive branch–wide evaluation of base budget expenditures and practices. The goal is to identify efficiency improvements, cost savings, and streamline operations across all executive agencies.

# Zero-base budgeting emphasis

This order notably calls for a shift from incremental base budgeting to a system where every expenditure must be justified and reviewed annually.

# Highlights specific priorities to be addressed

- Grant funding to non-state entities (like school districts).
- Accounts payable and administrative costs.
- Opportunities to modernize and integrate IT/AI.
- Identifying services suitable for outsourcing or process simplification.

# Provides More Transparency

The OMB must annually publish details of funds allocated by agency—including recipients and purposes of grants.

## Immediate and ongoing effect

AO 359 took effect on August 4, 2025, and remains in force until revoked.

# State-Wide Efforts

- All departments must participate
- The first round of process reviews will be completed by the end of November 2025 (Accounts Payable & Grant Management)
- The second round will focus on licensing and certification processes. We don't have a timeline yet.
- DEED has a dynamic team gathered to work with OMB. Led by Monique Siverly.



# Implications for School Districts

## Increased scrutiny of grant funding:

- Districts should anticipate **closer examination** of how state grants are spent—especially those directed to non-state entities like school districts.
- There may be requests for **detailed reporting**, including evidence of outcomes and alignment with state priorities.

## Administrative and operational efficiency expectations:

- School districts may be encouraged to evaluate internal processes—like procurement, payroll, invoicing, and services—and seek efficiencies or cost savings.
- There may be expectations or incentives to adopt technology or AI tools to reduce administrative overhead.

# Implications for School Districts

## **Transparency in funding use:**

- Districts should consider proactively documenting expenditures and effects of grant-funded activities.
- Prepare to answer inquiries about how funds were used, and be ready to show impact.

## **Potential for changes to budget cycles or processes:**

- The shift toward zero-based review may influence how districts approach state budget planning and justification.
- While AO 359 applies to the executive branch and not directly to school districts, school districts that receive state funding should anticipate that continued support may depend on transparent, efficient use of funds.

# Contact Information



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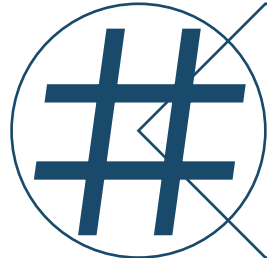
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