



MEMORANDUM

To: State Board of Education & Early Development
Date: February 13, 2023

Thru: Heidi Teshner, Acting Commissioner
Telephone: (907) 465-8665

From: Elwin Blackwell
School Finance Manager
Subject: Agenda 14C. Division of Finance and Support Services Standing Report

Child Nutrition Programs

Grant Funding for School Nutrition Programs

Child Nutrition Programs has been approved for an additional \$1,295,545 in Supply Chain Assistance funding for non-competitive grants to schools to purchase minimally processed, American grown food for school nutrition programs, since January 2022, this brings us to a total of \$6,377,651.

Child Nutrition Programs has also been approved for a USDA grant in the amount of \$520,635 to provide subgrants to school districts for purchasing local, Alaskan foods for use in school nutrition programs; \$659,589 to fund a four-year Farm/Fish/Fauna to School program to include state agency staffing, and additional funding for the annual equipment grant for a total of \$202,379 for school kitchen equipment.

Child Nutrition Programs received \$600,00 in state funding for school breakfast start-up and expansion grants with the goal of increasing overall school breakfast participation by utilizing best practices such as breakfast in the classroom, grab and go breakfast, and second chance breakfast. The first round awarded \$162,100 in grant funds to the Anchorage School District in the amount of \$12,300, the Petersburg School District in the amount of \$19,400 and the Matanuska-Susitna School District in the amount of \$130,400. The second round of grant awards are being reviewed and will be awarded by July 1, 2023.

Child Nutrition Programs received \$520,635 for the Local Foods for Schools grant. The Local Food for Schools (LFS) Grant's goal is to improve the purchasing of domestic, locally grown foods from local producers, small businesses, and socially disadvantaged farmers/producers for distribution in schools. The purpose of this grant is to provide an opportunity for Alaska to strengthen our local and regional food system while we help support local, small, and socially

disadvantaged farmers/producers through building economic opportunities. Doing so will help establish and broaden partnerships with farmers/producers and schools to ensure distribution of fresh and nutrition foods.

Pandemic-Electronic Benefits Transfers (P-EBT) Program

Our partner agency, the Department of Health (DOH) Division of Public Assistance (DPA), began distribution of P-EBT benefits for the 2020-2021 school year at the end of November 2022; delays were incurred due to the DOH cyberattack. DOH DPA’s distribution has been slower than anticipated as the benefits are still being issued for school closures 2020-2021; after these benefits are issued, DOH DPA will issue benefits for the summer 2021. To date, the State of Alaska has elected not to continue the P-EBT program for further school years.

School Finance

Foundation Funding Program

- The FY2023 average daily membership (ADM) totals have been finalized. The below chart summarizes the statewide changes in brick-and-mortar ADM and correspondence ADM from FY2022 actual ADM and the FY2023 projected ADM:

	FY2022 Actual	FY2023 Projected	FY2023 OASIS Update as of 12/19/2022	FY2023 OASIS vs FY2023 Projected	% Change	FY2023 OASIS vs FY2022 Actual	% Change
Regular ADM	106,290.26	107,437.12	107,309.34	(127.78)	-0.1%	1,019.08	1.0%
Correspondence ADM	21,294.62	19,366.55	20,926.55	1,560.00	8.1%	(368.07)	-1.7%
Total ADM	127,584.88	126,806.67	128,235.89	1,429.22	1.1%	651.01	0.5%
Adjusted ADM	259,606.18	256,242.52	259,014.88	2,772.36	1.1%	(591.30)	-0.2%

- By the end of March 2023, the department will update local contribution information and federal Impact Aid receipts that will be applied to the current year. The department will then finalize the foundation calculations and notify districts of what the final payments will be for the fiscal year.

Pupil Transportation Program

- For FY2023, 47 districts are participating in the program. The first two grant payments have been made to districts, with the third and final payment is estimated to be paid out in March 2023.
- The next school bus driver instructor training will be held in May 2023 at the Alaska Vocational Technical Center (AVTEC) in Seward. There will be one workshop this year will train and recertify existing school bus driver training instructors. The class is limited to a total of eighteen (18) students. The school bus driver instructors that complete the AVTEC training are certified to train new school bus drivers in the state. A school bus driver training certificate is good for three years and must be renewed through a refresher course paid for by the department through AVTEC.

Residential Schools

- The residential school program has nine residential schools in eight communities.

- The approved residential school programs submitted their residential counts and the grant payments for FY2023 were made in January 2023. On the December 1 count date, the residential school programs had 416 eligible students in attendance.

State and Federal Reporting Requirements

- School District Audits – certified audits are due to the department by November 15 each year in accordance with AS 14.14.050. If audits are not received by the due date the department withholds state funding until the audit is received, and the withheld funds are released to the district upon receipt of the audit. The department is still waiting on one past due audit and have been withholding state funding since December 2022.
- The school districts have submitted their Indirect Cost Rates Proposals for FY2024. The department is in the process of reviewing and approving the indirect cost rate proposals and will have them completed by March 31, 2023. The department is responsible and has been delegated the authority by the U.S. Department of Education to review and approve district restricted indirect cost rates.
- Per Pupil Expenditure Reporting – Under the Every Student Succeeds Act (ESSA), school districts are required to report per-pupil spending at both the district and school level. The department has received, verified, and posted 46 districts per pupil expenditure by school reports on their annual report cards. The department has received and are awaiting verification of the per pupil expenditure by school data for four districts and three districts have yet to submit their information.

School Facilities

Capital Improvement Projects (CIP)

The Facilities section annually reviews applications for state aid for school construction and major maintenance and produces statewide priority lists (additional detail below). When funded, the section administers state-aid for school capital projects ranging in size from \$50,000 to \$80,000,000.

Project-Related Statistics for This Quarter	Debt Reimbursement	Grant
Project agreements issued	0	1
Deliverables reviewed under 4 AAC 31.030, 4 AAC 31.040, and for "pre-CIP" projects	0	33
Project agreement close outs	8	1
Total active projects	19	48
Total active project value (debt approved principal and grant state share)	\$80,222,302	\$382,853,785

- The initial FY2024 CIP School Construction and Major Maintenance Grant Fund priority lists were finalized on January 14, 2022, following the required reconsideration and appeal periods. One appeal was received by the January 5, 2023, deadline and resolved by February 1, 2023. The final lists are in the current State Board of Education packet for approval.
- Preventive Maintenance (PM) site visits and assessments of district compliance in five areas of maintenance and facilities management are being conducted for FY2025 CIP eligibility. Districts being visited on this five-year cycle: Anchorage, Chugach, Fairbanks

Borough, Galena City, Kenai Peninsula Borough, North Slope Borough, Pelican City, Tanana City, and Valdez City.

- The annual update to the DEED Program Demand Cost Model for Alaska Schools is underway, with a special emphasis on updating the construction geographic area cost factor. This spreadsheet-based tool allows school districts and other planning and design professionals to craft accurate cost estimates for school capital projects.
- The annual School Capital Project Funding Report to the legislature under AS 14.11.035 was drafted and provided by the statutory deadline of February 28, 2023.

Land

The Facilities section manages state owned land in support of school facilities, several REAA districts, and Mt. Edgecumbe High School (MEHS).

- Final sale of Lot 15A, MEHS land on Japonski Island, to the City & Borough of Sitka (CBS) in support of a Federal Aviation Administration (FAA)-funded seaplane base was completed January 5, 2023. Final sale price was \$749,424.73.
- Drafted and issued final determination on the best interest findings for the transfer of MEHS parcel ASLS 97-63 (Penrod Hall) to the Department of Natural Resources, which will conduct a best interest finding for disposal. Property was transferred January 17, 2023. If the parcel is not disposed of to SEARHC, the parcel will return to DEED. The transfer of the Millerville parcel is still under review.
- The U.S. Coast Guard (USCG) continues to express an interest in purchasing a residual piece of Lot 15A (approx. 0.19-acres) earmarked for USCG use.
- Drafted and issued preliminary best interest findings for the potential negotiated sale of MEHS parcels ASLS 88-62 Tracts C, C-1, F-1 to USCG. Public comment closed January 13, 2023.

Special Projects:

- Facilities Manager, Tim Mearig, retired from state service November 30, 2023, and Joe Willhoite has joined the team as the new Facilities Manager.
- Staff attended and presented at the Alaska Chapter of the Association for Learning Environments (A4LE) annual conference February 16-17, 2023.
- The department received a FY2022 appropriation to accomplish a new facilities master plan for MEHS. The contractor has been performing Phase 1 of this three-phase project, which involved research, space inventory and assessment, and public engagement. Phase 2 will provide facility condition assessment and a six-year program needs list for deferred maintenance, capital renewal, and new construction.
- The department received a FY2022 appropriation to develop a capital funding forecast database. This database will document the statewide need for K-12 construction and capital renewal each year and will identify how existing funding mechanisms could meet that need. Phase 2 Database Development and User Inface is underway with the contractor, and due for completion at the end of March. Phase 3 Testing and Deployment is scheduled for completion by June 30, 2023.
- Facilities has continued to administer the Water Infrastructure Improvements for the Nation Act (WIIN Act) grant to assist with voluntary testing of lead in drinking water at schools and childcare facilities. As part of participation this quarter, the department is working with Iditarod School District to provide water testing to its schools.