



## MEMORANDUM

**To:** State Board of Education & Early Development  
**Date:** February 28, 2024

**Thru:** Dr. Deena Bishop, Commissioner  
**Telephone:** (907) 465-2785

**From:** Karen Morrison  
Finance & Support Services Director  
**Subject:** Agenda 4D. Division of Finance & Support Services Standing Report

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### Child Nutrition Programs

#### School Meal Programs

- We are more than half-way through the 2023-2024 school year. School meal program operators have served 2.01 million lunches and 1.07 million breakfasts between July and October 2023 (the last reconciled month). This is an increase from 1.97 million and 1.08 million, respectively, for the same period last year but a decrease from prior school years. The average number of meals served from FY2016 – FY2020 for the same period was 2.51 million and 1.27 million lunches and breakfasts, respectively.

#### Grant Funding for School Nutrition Programs

- **Meals to You Summer Children's Food Demonstration Project:** Alaska was awarded \$5.9 million from USDA Summer Children's Food Demonstration Project funds to implement Alaska Meals to You (M2Y). M2Y enhances the existing Summer Food Service Program (SFSP) by establishing alternative service and delivery options to reach rural Alaskan children. M2Y replaces a program with the same name previously operated by Baylor Collaborative on Hunger and Poverty no longer funded by USDA. The goal of M2Y is to serve rural Alaskan children who would not otherwise have access to an SFSP site due to limited staffing, high cost of food, or difficult logistical challenges. M2Y will be built upon the success of, and in consultation with, Baylor's team.
- **School Breakfast Startup and Expansion Grant:** DEED has awarded \$146,000 of Alaska's School Breakfast Startup and Expansion Grant to five school districts supporting 32 schools. The School Breakfast Startup and Expansion Grant provides legislatively appropriated funding to start new school breakfast programs or to enhance existing programs with the goal of ensuring more Alaskan children start their school day with a nutritious school breakfast.

- **Farm to School Grant:** DEED has awarded \$44,000 from the Federal Farm to School formula grant to nine recipients supporting 13 sites. The Farm to School formula grant is a non-competitive award intended to help States, school districts, and local organizations as they initiate, expand, and institutionalize farm-to-school and farm-to-child nutrition efforts.

**School Finance**

**Foundation Funding Program:**

- The FY2024 average daily membership (ADM) totals have been finalized. The below chart summarizes the statewide changes in brick-and-mortar ADM and correspondence ADM from the FY2023 actual ADM and the FY2024 projected ADM:

	FY2023 Actual	FY2024 Projected	FY2024 Actual	FY2024 OASIS vs FY2024 Projected	% Change	FY2024 OASIS vs FY2023 Actual	% Change
Regular ADM	107,311.49	108,205.55	105,748.03	(2,457.52)	-2.3%	(1,563.46)	-1.5%
Correspondence ADM	20,926.55	20,373.95	22,289.30	1,915.35	9.4%	1,362.75	6.5%
Total ADM	128,238.04	128,579.50	128,037.33	(542.17)	-0.4%	(200.71)	-0.2%
Adjusted ADM	258,567.71	257,185.83	257,954.44	768.61	0.3%	(613.27)	-0.2%

- By the end of March 2024, 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.
- The federal Impact Aid Program Disparity test will be completed and submitted by the March 3, 2024 deadline.

**Pupil Transportation Program:**

- For FY2024, 46 districts are participating in the program. The first two grant payments have been made to districts, with the third and final payment estimated to be paid in March 2024.
- The next school bus driver instructor training will be held in May - June 2024 at the Alaska Vocational Technical Center (AVTEC) in Seward. The school bus driver instructors who 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.
- The state-contracted school bus inspectors have been performing the two annual inspections of school buses. As of December 1, 2023, thirty-one districts received an inspection this fiscal year for a total of 881 buses inspected, not including buses that received follow-up inspections. Inspection notes indicate at least two school bus contractors are considering retirement. Some locations are experiencing a lack of CDL driver shortages.

### Residential Schools

- There are nine DEED-approved residential school programs in eight school districts, all but one was in operation in FY2023 (school year 2023-2024).
- The approved residential school programs submitted their residential counts and the grant payments for FY2024 were made in February 2024. On the December 1 count date, the residential school programs had 454 eligible students in attendance.

### School Debt Reimbursement

- The request for FY2025 bond reimbursement allocation is due to the department no later than October 15.

### State and Federal Reporting Requirements

- School District Audits – certified audits were 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 four past-due audits and has been withholding state funding since December 2023.
- The school districts are submitting their Indirect Cost Rates Proposals for FY2025 and the department is in the process of reviewing and approving the indirect cost rate proposals under authority delegated by the U.S. Department of Education.
- 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 42 districts per pupil expenditure by school reports on their annual report cards for FY2023. The department has received and is awaiting verification of the per-pupil expenditure by school data for three districts, and eight districts have yet to submit their information.

The School Finance team welcomed a new position to oversee the School Broadband Assistance Grant and provide E-Rate support. These functions have been provided by the Division of Libraries, Archives, and Museums through a contractor, this contract terms June 30, 2024.

### School Broadband Assistance Grant (BAG)

- Iditarod Area and North Slope Borough School Districts requested administrative appeals of their FY2024 BAG awards. After the department's administrative review decided in favor of the department's awards, both districts requested a hearing. School Finance is working with the Department of Law in preparation for the hearing.
- BAG will be migrated to the department's Grant Management System (GMS) for the FY2025 cycle, including distribution, district submittal, and awards. The BAG application period is anticipated to open in mid-March, with a tentative due date of April 30, 2024.

- Continuing to provide information in support of SB140 and HB193, which propose to increase download speed for BAG, during the 2024 legislative session.

**E-Rate Assistance**

- School E-Rate Support -- assisted Lake and Peninsula School with its appeal to E-Rate audit cases. Provided review and feedback to school districts on FCC Form 470 and school NSLP updates during the administrative window.
- Library Support -- assisted small and rural public libraries in completing FCC Form 470 and 471, soliciting Internet Service bids, and selecting bids.
- Tribal Library Support -- In July 2023, Tribal colleges and universities acting as public libraries became eligible for E-Rate funding. SF is working to determine the best model of support to provide these libraries with the E-Rate backing.

**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.

<b>Project-Related Statistics for This Quarter</b>	<b>Debt Reimbursement</b>	<b>Grant</b>
Project agreements issued	0	0
Deliverables reviewed under 4 AAC 31.030, 4 AAC 31.040, and for "pre-CIP" projects	2	10
Project agreement close outs	1	0
Total active projects	11	44
Total active project value (debt approved principal and grant state share)	\$28,683,892	\$361,187,092

- The initial FY2025 CIP School Construction and Major Maintenance Grant Fund priority lists were finalized on January 12, 2024, following the required reconsideration and appeal periods. 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 FY2026 CIP eligibility. Districts due to be visited on this five-year cycle: Bering Strait, Bristol Bay, Iditarod, Lake & Peninsula, Lower Kuskokwim, Lower Yukon, Skagway St. Mary’s, Yukon Flats and Yukon-Koyukuk. Two districts, Lower Yukon and Yukon-Koyukuk, have had site visits performed this year.

- The annual update to the DEED Program Demand Cost Model for Alaska Schools is underway. 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 will be provided by the statutory deadline of February 29, 2024.

### Land

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

- 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. This sale will be completed in conjunction with the sale of Tract C and C1.
- USCG has provided a draft purchase agreement for the potential negotiated sale of MEHS parcels ASLS 88-62 Tracts C and C-1 the proposal is under review and pending site assessment processes before the purchase can be completed. USCG has removed its interest in Tract F-1, which will remain available for student recreation and park uses.
- Coordinating with the Division of Libraries, Archives, and Museums regarding the process for disposal of the Stratton Library property.

### Special Projects:

- The Facilities section has 2 of 5 positions currently filled and is actively recruiting the open positions.
- The department received an 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 a facility condition assessment and a six-year program needs list for deferred maintenance, capital renewal, and new construction.
- The department received an 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 Interface is underway with the contractor.
- Facilities continues 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. The department is working with the Iditarod School District to provide water testing to six schools, but no work has been done this year. This grant was scheduled to end September 30, 2023, but the department has received a one-year no-cost extension of this grant.
- Facilities, in conjunction with DOTPF and the Department of Environmental Conservation (DEC), has awarded a contract for completion of the site characterization at the former Pitka's

Point school site. The goal of the site characterization activity is to close data gaps for DEC so that they will sign off on site closure, with or without institutional controls. Ultimately, DEED wants to be able to terminate our lease with the Municipal Land Trust in good faith so that the parcel is available for other community uses. Drilling is anticipated to begin this year to ascertain the extent of hazardous materials at the site.