



MEMORANDUM

To: State Board of Education & Early Development
Date: May 8, 2023

Thru: Acting Commissioner Heidi Teshler
Telephone: (907) 465-2785

From: Lori Weed
School Finance Manager
Subject: Agenda 16C. Division of Finance and Support Services Standing Report

Child Nutrition Programs

Summer Food Service

- The Summer Food Service Program (SFSP) is a federally funded program administered by DEED to reimburse program operators who serve free healthy meals and snacks to children and teens in low-income areas.
- Child Nutrition Programs is preparing to offer summer food service meals to school-age children throughout Alaska. We expect 14 program sponsors to operate 83 sites in 33 urban and rural communities across the state. Summer operations have returned to usual operations after three years of pandemic-related enhancements meant to improve accessibility. Non-congregate (take-away) meal service was made permanent with the passage of the Consolidated Appropriations Act, 2023, which has the potential to make summer meals accessible to more rural Alaskan children.

Grant Funding for School Nutrition Programs

- **Supply Chain Assistance Grant:** Approximately \$63,000 in unused Supply Chain Assistance funds is being reallocated to eligible school districts across the State. The Supply Chain Assistance grant is a noncompetitive federal award for schools to purchase minimally processed, American grown foods to be used in the National School Lunch and School Breakfast programs. Alaska has received approximately \$6.4 million in Supply Chain Assistance grants since January 2022.
- **Breakfast Start-up and Expansion Grants:** Approximately \$314,000 has been awarded to 23 schools to expand existing school breakfast programs. The breakfast start-up and expansion grants are a three-year state-funded grant intended to increase school breakfast access and participation by implementing best practices such as breakfast in the classroom, grab and go breakfast, and second chance breakfast. \$600,000 was appropriated for the three-year grant.

- **Equipment Assistance Grant:** Approximately \$84,000 has been awarded to 10 schools to purchase or replace equipment in school food service facilities. The equipment assistance grant is a federal award made available to schools to purchase new or replacement equipment to support school meal operations and efficiency. The grant funding was made available through the Consolidated Appropriations Act, 2022.
- **Local Foods for Schools Grant:** Over \$260,000 has been awarded to schools participating in the National School Lunch and/or School Breakfast programs in the first round of funding for the new Local Foods for Schools Grant. The Local Food for Schools Grant is a federal award intended to support purchases of domestic, locally grown foods from local producers, small businesses, and socially disadvantaged farmers/producers for distribution in schools. The grant is expected to strengthen our local and regional food system while we help support local, small, and socially disadvantaged farmers/producers. Alaska received approximately \$521,000 to be distributed in two rounds to Alaska schools.

School Finance

Foundation Funding Program:

- March saw the closeout of the FY2023 Foundation formula, and the final three payments are being issued for April, May, and June. The Districts, Division of Finance/Department of Revenue have also been updated on the final monthly transfer schedule.
- Federal Impact Aid voucher payments, based on the FY2023 application, are coming in and will be applied to next fiscal year. Currently they have paid at 90% of the Learning Opportunity Threshold (LOT), which is typical. If they pay up to 100% it will likely not be until later in FY2024 or FY2025.

Pupil Transportation Program:

- For FY2023, 48 districts are participating in the program. The department has disbursed all the grant funding to the districts providing pupil transportation services.
- This year's school bus driver instructor training will be held May 30 – June 2, 2023 at the Alaska Vocational Technical Center (AVTEC) in Seward. There is one workshop this year to 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 is renewed through a refresher course paid for by the department through AVTEC.

Residential Schools

- There are nine DEED-approved residential school programs in eight school districts, all but one were in operation in FY2023 (school year 2022-2023). The program that did not operate is in North Slope. The department has distributed all applicable grant funding to the residential school programs in operation in FY2023.
- The department has opened a period of open enrollment from May 1 to June 30 for districts to submit residential school applications for new programs or to modify a current program.

Boarding Home

- For FY2023, there are currently two students being served under this program in the Yukon Koyukuk School District.

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, then the department withholds state funding until the audit is received, at which point the withheld funds are released to the district. As of March 10, 2023, the department received FY2022 audited financial statements from all 53 school districts.
- 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 47 districts per-pupil expenditure by school reports on the annual report cards. The department has received and are awaiting verification of the per-pupil expenditure by school data for four districts and two 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	0
Deliverables reviewed under 4 AAC 31.030, 4 AAC 31.040, and for "pre-CIP" projects	3	19
Project agreement close outs	8	2
Total active projects	13	43
Total active project value (debt approved principal and grant state share)	\$40,667,302	\$382,605,408

- The Bond Reimbursement and Grant Review Committee (BRGR) met April 19 and 20, 2023 and approved the FY2025 CIP application, instructions, and other support materials for districts to submit by the September 1, 2023 grant application deadline.
- Facilities hosted its annual CIP application workshop on May 2, 2023 in Anchorage. This workshop is typically attended by 30-40 persons from school districts, municipalities, design firms, and grant writing entities.
- 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. Preliminary report is issued June 1, 2023. Non-certified districts have until August 1, 2023 to

take corrective action on deficiencies in order to gain provisional certification under 4 AAC 31.013(h).

- 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).

- 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:

- Two positions became open and have recruitments in process: the Facilities Manager and the School Finance Specialist II (Land Management Specialist).
- 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 Interface is underway with the contractor.
- 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 child care facilities. As part of participation this quarter, the department worked with Iditarod School District to provide water testing to its schools.