



MEMORANDUM

To: State Board of Education & Early Development
Date: May 21, 2024

Thru: Dr. Deena Bishop, Commissioner
Telephone: (907) 465-2276

From: Karen Morrison
Finance & Support Services Director
Subject: Agenda 9D. Division of Finance & Support Services Standing Report

Child Nutrition Programs

Summer Food Service Program

- Preparations for the 2024 summer are underway. The introduction of the Alaska Meals to You (MTY) demonstration project and non-congregate meal service options in the Summer Food Service Program (SFSP) are expected to substantially and sustainably increase participation in SFSP, ensuring more children throughout Alaska receive nutritious meals during the summer.

School Meal Programs

- We are preparing a significant expansion of our annual training program for school nutrition programs. DEED will host the Introduction to School Nutrition Leadership (ISNL) alongside the Institute of Child Nutrition (ICN). ISNL is a robust training program for school nutrition directors and managers; this training will allow participants to better understand all facets of school nutrition programs and operations and emerging trends and equip them to face new and ongoing challenges to ensure Alaska's school children are well nourished.

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 Meals to You (MTY) in a three-year demonstration project intended to lead to a permanent expansion of the Summer Food Service Program (SFSP). DEED is working with the Food Bank of Alaska as the initial launch sponsor for MTY. We anticipate over 4,000 children will receive meals through MTY in the first year. MTY was previously operated by Baylor Collaborative on Hunger and Poverty (BCHP); the BCHP program has ended, allowing DEED to work with USDA to make the program permanent for Alaska.

School Breakfast Startup and Expansion Grant: DEED is in the final stages of awarding the remaining \$153,000 in Alaska Breakfast Startup and Expansion Grant funds. These funds support activities including equipment and small ware (pots, pans, utensils, trays, etc.) purchases and staff training and time to implement breakfast in Alaska's schools, ensuring that children start their school day with a nutritious meal.

School Finance

Foundation Funding Program:

- March saw the closeout of the FY2024 Foundation formula, and the final three payments are being issued for April, May, and June. The Districts, Division of Finance, and Department of Revenue have also been updated on the final monthly transfer schedule.

Pupil Transportation Program:

- For FY2024, 46 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 in May - June 2024 at the Alaska Vocational Technical Center (AVTEC) in Seward. A workshop to recertify existing school bus driver training instructors is scheduled for May 28 -31, 2024. The class is limited to a total of eighteen (18) students. A workshop is offered every other year to certify new school bus driver training instructors. This class is scheduled for June 3 – 14, 2024. Due to demand, the class size was increased to accommodate twenty-two (22) students. 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 April 25, 2024, twenty-one districts received an inspection in the Spring cycle of this fiscal year for a total of 705 buses inspected, not including buses that received follow-up inspections. Inspection notes indicate multiple entities received new buses in the last year, but many buses need warranty work from dealerships that have a work backlog. Some districts have a shortage of mechanics and hired more mechanics or are having mechanics travel from other districts to perform preventive maintenance; inspectors provided training/coaching to mechanics in some smaller districts. A few districts have inquired about using vans instead of school buses; the department's school bus inspection contract does not cover vans.

Residential Schools

- Nine DEED-approved residential school programs are in eight school districts; all but one were in operation in FY2024 (school year 2023-2024). The department has distributed all applicable grant funding to the residential school programs in operation in FY2024.
- 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 FY2024, there is currently one student being served under this program in the Yukon Koyukuk School District.

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. As of April 30, 2024, the department is still waiting on one past due audit and has been withholding state funding since December 2023.
- Fund Balance Reporting – Final reports for HB39 and HB76 were transmitted to the Alaska State Legislature by February 15, 2024. HB39 reported on school district fund balances for each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, and 4) other governmental funds. HB76 reported on the amount of the unreserved portion of the year-end operating fund balance that each school district forecasted to carry over from FY2024 to FY2025.
- 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 43 districts per pupil expenditure by school reports on their annual report cards for FY2023. The department has received and are awaiting verification of the per pupil expenditure by school data for four districts, and seven districts have yet to submit their information.
- School district FY2025 budgets are due to the department by July 15, 2024.

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

School Broadband Assistance Grant (BAG)

- Appeals of FY2024 BAG awards by Iditarod Area and North Slope Borough School Districts are ongoing. 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 was successfully migrated to the department's Grant Management System (GMS) for the FY2025 cycle, including distribution, district submittal, and awards. The BAG application was opened to all school districts in GMS on April 5, 2024, ahead of the tentative due date of April 30, 2024. Providing weekly Q&A sessions to assist school districts with BAG FY2025 applications.
- After the enactment of HB193 (Ch. 1, SLA 24), which increased the eligible download speed for BAG to 100Mbps, the regulation changes are being prepared to 4 AAC 33.600-.690.

E-Rate Assistance

- School E-Rate Support: Aided school districts with modifying their E-Rate application to increase internet download speed to 100Mbps in a tight schedule.
- Library Support: Aided small and rural public libraries in completing FCC Form 471 before the E-Rate 471 window closed on March 27, 2024.

- Tribal Library Support: In July 2023, Tribal colleges and universities acting as public libraries became eligible for E-Rate funding. A support model was determined for assisting during E-Rate funding year 2024. Assistance was provided in completing Form 470 for 12 tribal libraries and Form 471 for 10 tribal libraries.

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	0	4
Project agreement close outs	0	1
Total active projects	11	43
Total active project value (debt approved principal and grant state share)	\$ 28,683,892	\$394,386,092

- The Bond Reimbursement and Grant Review Committee (BRGR) met on April 10 and 11, 2024, and approved the FY2026 CIP application, instructions, and other support materials for districts to submit by the September 1, 2024, grant application deadline.
- Facilities hosted its annual CIP application workshop in Anchorage on April 26, 2024. Thirty people from school districts, municipalities, design firms, and grant-writing entities attended.
- Preventive Maintenance (PM) site visits and assessments of district compliance in five maintenance and facilities management areas are being conducted for FY2026 CIP eligibility. Districts being visited on this five-year cycle: Yukon Flats, St. Mary’s, Lake and Peninsula, Bristol Bay Borough, Lower Yukon, and Yukon-Koyukuk. Bering Strait, Iditarod, Lower Kuskokwim, and Skagway were due for visits in the current cycle, but due to a lack of staffing availability, they will be visited in the next cycle. The preliminary report will be issued June 1, 2024. Non-certified districts have until August 1, 2024, to take corrective action on deficiencies 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 February 29, 2024, statutory deadline.
- Facilities will work with BRGR to review and rewrite the CIP application and supporting documents for the FY2027 cycle.

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.
- In early May, drafted and issued final finding and determination for the potential negotiated sale of MEHS parcels ASLS 88-62 Tracts C and C-1 to USCG. The USCG has withdrawn interest in Tract F-1 and will be retained for MEHS. The sale is moving forward and anticipated to take place in the first quarter of FY2025.
- Assisted with issuance of the best interesting finding for disposal of the Stratton Library property on behalf of Division of Libraries, Archives, and Museums. Public comments due May 16, 2024.

Personnel:

The Facilities section will be fully staffed as of May 13, 2024.

- The new Building Management Specialist started on April 1, 2024.
- The new School Facilities Manager started on April 4, 2024.
- The new Land Management Specialist will start on May 13, 2024.

Special Projects:

- 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 facility condition assessment and a six-year program needs list for deferred maintenance, capital renewal, and new construction. Final master plan anticipated in May 2024.
- 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 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. Due to lack of staffing, there was no action in the last quarter.