



MEMORANDUM

To: State Board of Education & Early Development
Date: March 11, 2025

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

From: Heather Heineken, Director
Finance & Support Services
Subject: Agenda 17C Division Standing Report

School Facilities

Capital Improvement Projects (CIP)

The Facilities section annually reviews applications for state aid for school construction and major maintenance producing statewide priority lists (see details below). When funded, the section administers state aid for school capital projects ranging in size from \$50,000 to \$90,000,000.

Project-Related Statistics for This Quarter	Debt Reimbursement	Grant
Project agreements issued	1	0
Deliverables reviewed under 4 AAC 31.030, 4 AAC 31.040, and for "pre-CIP" projects	4	10
Project agreement close outs	1	3
Total active projects	8	65
Total active project value (debt approved principal and grant state share)	\$19,213,381	\$536,804,526



Figure 1: Chevak School in the Kashunamiut School District is one of many schools visited during the Preventative Maintenance Program site inspections conducted statewide.

- **Preventative Maintenance (PM) Program:** PM site visits and assessments of district compliance in five areas of maintenance and facilities management are being conducted for FY2027 CIP eligibility. Between September 1, 2024 and January 31, 2025, seven visits were completed.

- **Applications:** For FY2026, 31 of 52 school districts submitted a total of 105 applications for the first year of the districts' revised six-year plans; 75 of the applications were scored, and the districts requested that 30 application scores be re-used for the FY2026 list. DEED determined that 4 applications were ineligible, modified the category of 2 projects that resulted in a change of list, and adjusted the budgets of approximately 30 projects under provisions of AS 14.11.
- **FY2027 CIP Application:** The BRGR Committee formed a workgroup to assess the need for updates to the CIP application. Between May and October 2024, the workgroup held meetings and recommended minor edits to the existing application. However, it identified the need for a web-based format which can be accomplished with the existing vendor in a format similar to existing grant applications in the Grant Management System (GMS). A GMS-based application would streamline the process by ensuring applications are complete with all required attachments before submission.

Land

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

- The sale of MEHS parcels ASLS 88-62 Tracts C and C-1 to USCG is being finalized.
- The lease for SEARHC on Mt. Edgumbe High School (MEHS) Millerville Property has been extended.
- Facilities is working with the Department of Natural Resources regarding the Quitclaim Deed (QCD) for Millerville Lot 15 Japonski Island (MEHS) property transfer to SEARHC.
- The lease terms for AT&T control tower site location are being renegotiated with MEHS and AT&T.
- A QCD has been issued to Lower Kuskokwim School District for Atmautluak school.
- Customer support was provided to various outside partners regarding land and lease inquiries. Media outlet inquiries into land ownership were also fielded.
- Assistance continues to be provided to the Division of Libraries, Archives, and Museums with the disposal process for the Stratton Library property.

Special Projects

- 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. The final products are nearing completion and will be available for use by the end of FY2025.

School Finance

Foundation Funding Program

- March will see the closeout of the FY2025 Foundation formula, and the final three payments determined for April, May, and June.

	FY2024 Actual	FY2025 Projected	FY2025 Prelim	FY2025 Prelim vs FY2025 Projected	% Change	FY2025 Prelim vs FY2024 Actual	% Change
Regular ADM	105,985.83	105,616.67	103,110.40	(369.16)	-2.37%	(2,875.43)	-2.71%
Correspondence ADM	22,289.30	21,861.36	23,621.29	(427.94)	8.05%	1,331.99	5.98%
Total ADM	128,275.13	127,478.03	126,731.69	(797.10)	-0.59%	(1,543.44)	-1.20%
Adjusted ADM	257,781.94	256,814.02	255,863.88	(967.92)	-0.37%	(1,918.06)	-0.74%

- Districts have 30 days to appeal the fall 2024 OASIS reconciliation, with a deadline of February 6, 2025. One appeal was received by the deadline.
- The federal Impact Aid Program (IAP) provided its determination of the FY2025 disparity test on November 20, 2024. The state is approved to consider a portion of district IAP funds in the FY2025 state entitlement funding. The FY2026 disparity test will be completed and submitted by the March 3, 2025, deadline.

Pupil Transportation Program

- This year’s school bus driver instructor trainings will be held in May and June at the Alaska Vocational Technical Center (AVTEC) in Seward. There will be two workshops to recertify existing school bus driver training instructors, scheduled for May 27-30, 2025, and June 2-5, 2025. 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 required twice annual inspection of school buses. As of January 31, 2025, 38 districts received an inspection in the Fall cycle of this fiscal year for a total 921 buses inspected, not including buses that received follow-up inspections. The department contract for school bus inspections is being solicited this year.

Residential Schools

- The department has distributed all applicable grant funding to the DEED-approved residential school programs in operation in FY2025, including one-time funding grants.
- The department will open 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.

State and Federal Reporting Requirements

- **School District Audits:** Certified audits were due to the department by November 15 in accordance with AS 14.14.050, or state funding is withheld until the audit is received. As of January 31, 2025, the department was still waiting on one past due audit.
- **Fund Balance Reporting:** Final reports for HB268 and HB76 were transmitted to the Alaska State Legislature by February 15, 2025. HB268 was legislative intent language requesting a report 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 FY2025 to FY2026; this is the final year of this reporting requirement.

- **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 their annual report cards for FY2024. The department has received and is awaiting verification of the per pupil expenditure by school data for two districts, and four districts have yet to submit their information.

School Broadband Assistance Grant (BAG)

- BAG issued FY2025 supplemental awards funding in January to 138 schools in 25 school districts, fulfilling the full eligible award amount of \$20,455,500.

E-Rate Support

- Providing bi-weekly question and answer meetings for schools and libraries and monthly DEED E-Rate Update newsletter for E-Rate contacts.
- Kicking off E-Rate FY2025 in October 2024 with the competitive bidding processes through FCC Form 470 for schools and libraries that are seeking new internet service providers or extension agreement for existing service contracts.
- Closely monitoring the Fifth Circuit ruling on USF and the pending review by the Supreme Court. Aiding LAW to complete the Alaska’s amicus brief for the E-Rate program.
- Providing information and support on the new Cybersecurity Pilot Program. For FY2025, four Alaska school districts are selected as the Cybersecurity Pilot program participants with full budget: Yupiit School District, Dillingham City School District, Bering Strait School District, and Alaska Gateway School District.

Child Nutrition

On-Site Monitoring and Support

- DEED is required by Federal statute to perform on-site monitoring at schools and other locations where school meal and child nutrition programs are operated. DEED staff utilized these trips as an opportunity to visit schools and performed the required monitoring while also seeking to gain a better understanding of the programs and support their needs. DEED staff have traveled to Anchorage, Aniak, Bethel, Galena, Ketchikan, and Sitka to perform on-site monitoring. DEED staff spent 26 days supporting schools in addition to the time performed by DEED’s contracted review partner.



Figure 2: Photo of Mount Edgecumbe High School campus taken from the Baranof Castle in Sitka by Child Nutrition Program staff during a December 2024 technical assistance trip.

Summer 2025 and Meals to You Alaska

- DEED is preparing for the largest Summer Food Service Program (SFSP) participation in history. During the summer of 2024, operators served nearly 775,000 SFSP meals, a nearly five-fold increase from just under 158,000 meals in the Summer of 2023. DEED’s launch partner, the Food Bank of Alaska is planning expansions throughout Alaska’s rural communities and DEED has begun soliciting new sponsors to start a bulk meal program that would include foods like dried pastas, beans, rice, and dehydrated or freeze-dried meats that are delivered and stored at ambient temperature.

Grant Funding for School Nutrition Programs

- **Team Nutrition Grant:** DEED will receive \$150,000 through the US Department of Agriculture’s Team Nutrition Grant. DEED received the grant in partnership with Wyoming Department of Education (WDE), the lead agency, to support school nutrition director retention and mentorship opportunities in

Alaska and Wyoming, the grant directly supports training opportunities including travel scholarships and stipends for mentors. WDE will develop resources to support future trainings and mentorship programs for both states that will be used after the grant period ends.

- **Non-Competitive Technology Innovation Grant (nTIG):** DEED received a \$746,268 non-competitive Technology Innovation Grant from the US Department of Agriculture. The grant will support ongoing efforts to develop and procure technology systems to replace and enhance existing systems that supports the administration and payment of child nutrition programs throughout the great State of Alaska. Replacing the existing system will improve efficiencies for school and child nutrition program administrators and DEED staff as well