



MEMORANDUM

To: State Board of Education & Early Development
Date: September 5, 2024

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

From: Lori Weed, Acting Director, Finance & Support Services
Subject: Agenda 19C. Division Standing Report

School Finance, Facilities, and Child Nutrition Services provided program guidance and information to districts suffering from disasters over the summer: Bering Strait School District in the aftermath of the Stebbins School fire June 26, 2024, and Lower Kuskokwim School District following intense August storms that eroded the riverbank to within feet of the back of the school, necessitating immediate demolition of the remaining school building for student and community safety.



Photo courtesy of LKSD

Child Nutrition Services

Summer Food Service; Meals to You Alaska

- During the first summer of Meals to You Alaska (MTYA), the Food Bank of Alaska distributed approximately 58,000 meal boxes containing 580,000 meals to 5,200 children in 12 school districts. Preliminary numbers indicate that this will result in a 300% increase in the Summer Food Service Program (SFSP) from historical averages.
- MTYA is a Summer Food for Children Demonstration Project awarded by the US. Department of Agriculture (USDA). DEED's goal is to expand upon a similar project spearheaded by Baylor Collaborative on Hunger and Poverty that delivered summer meals in 39 states, including Alaska, from 2018 – 2023. DEED intends for this to become a permanent fixture of the SFSP.

Grant Funding for School Nutrition Programs

- **Fresh Fruit and Vegetable Program (FFVP):** DEED received \$2,560,849 for the FFVP. \$2,490,849 will be distributed to participating schools as a formula (non-competitive) grant to reimburse purchases fresh fruits and vegetables to elementary school children. FFVP is served as

a supplement to the existing school nutrition programs, providing additional fruits and vegetables to school children.

- **Equipment Assistance Grant (EAG):** DEED received \$28,216 from the National School Lunch Program (NSLP) Equipment Assistance Grant, which will be distributed to School Food Authorities via competitive award for the purchase of equipment that supports NSLP. Federal priorities shifted toward other nutrition initiatives, which resulted in this grant being reduced to approximately a third of previous years' grants.
- **The Emergency Food Assistance Program (TEFAP) Reach and Resiliency Grant:** DEED received \$269,262 that was paid to Food Bank of Alaska, who uses it to pay for shipping to rural Alaska, providing mini grants to subagencies for their warehouse improvements, freezers, and shelving for subagencies and travel to train new TEFAP agencies in rural areas.

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	2	29
Deliverables reviewed under 4 AAC 31.030, 4 AAC 31.040, and for "pre-CIP" projects	1	7
Project agreement close outs	0	3
Total active projects	13	68
Total active project value (debt approved principal and grant state share)	\$35,207,892	\$558,199,157

- **Grant Awards:** With the FY2025 appropriations totaling \$62,761,729 to the major maintenance grant fund, the top 26 major maintenance projects were awarded funding; four of these projects were originally awarded funds in FY2019 and FY2023 and were seeking supplemental funding for increased construction costs. A direct appropriation and the regional educational attendance area and small municipal school district school fund (REAA Fund) appropriation of \$26,978,000 provided funding for the top three ranked school construction projects, supplementing FY2023 grant awards and partially funding the Nelson Island School Replacement, Toksook Bay project, which will require additional funding in FY2026 to fully fund the approved project cost.
- **Insurance:** In accordance with AS 14.03.150, each district is required to provide proof of adequate property insurance for the replacement cost of all school facilities and equipment. The Facilities section receives district documentation by July 15 and enters ~800 building records into our School Facilities Database. All districts provided the required documentation by the July 15 deadline.
- **Preventive Maintenance (PM) Program:** The final certification report was issued by the August 15, 2024 deadline. Districts with a certified program are eligible to participate in the upcoming capital improvement project application cycle for FY2026 funding. PM site visits and

assessments of district compliance in five areas of maintenance and facilities management are being conducted for FY2027 CIP eligibility.

- **Applications:** Deadline for districts to submit FY2026 Capital Improvement Project grant applications was September 1, 2024. Initial priority grant lists will be issued November 5, 2024.

Land

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

- The sale of MEHS parcels ASLS 88-62 Tracts C and C-1 to USCG is underway, with final USCG processes wrapping up and the purchase agreement to be finalized.
- Continuing to assist 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 the year.

School Finance

Foundation Funding Program

- The 20-day count period ends on the fourth Friday of October each year. For FY2025 the 20-day count will run from September 30 to October 24, 2024.
- Projections for FY2026 are due to the department by November 5, 2024.
- The federal Impact Aid Program (IAP) has not yet provided its determination of the FY2025 disparity test, which will determine whether the state can consider a portion of district IAP funds in state entitlement funding. A predetermination hearing was requested by a district and held June 3, 2024.

Pupil Transportation Program:

- For FY2025, 48 districts are participating in the program with 20 district-operated, 21 contractor-operated, and 19 fee-in-lieu-of operations. Some districts operate a combination of programs. The first payment of FY2025 was issued in August.
- The state contracted school bus inspectors began the first of two annual inspections of school buses in July 2023. Eight districts received an inspection as of the beginning of the fiscal year with 694 initial bus inspections as of August 12.

Residential Schools

- There are nine DEED-approved residential school programs in eight school districts, all but one were in operation in FY2023 (school year 2023-2024). The department has distributed all applicable grant funding to the residential school programs in operation in FY2024. The program considered not in operation is expected to begin reporting and received funding in FY2025.
- The department received a residential school program application from Bristol Bay Borough School District during the open enrollment through June 30, 2024; the application is under review.
- The approved residential school programs will be submitting their residential counts to the department by December 1, 2024, with grant payments being issued January 2025.

School Debt Reimbursement

- The request for FY2026 bond reimbursement allocations is due to the department no later than October 15.

State and Federal Reporting Requirements

- **District Budget Approval:** School district operating fund budgets are due to the department annually by July 15. The department reviewed FY2025 school district operating fund budgets for compliance with statutes and regulations. The review and approval of school district budgets was completed at the end of August; all district budgets met regulation requirements and were approved.
- **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.
- **Special Education Maintenance of Effort (SPED MOE) Compliance Test:** The SPED MOE Compliance Test assesses whether districts are meeting federal requirements by comparing audited SPED expenditures from the two most recent fiscal years available (FY2023 and FY2022). All but two districts have successfully passed the FY2023 Compliance Test, and DEED is currently assisting those districts in documenting their compliance. If a district ultimately fails to meet the SPED MOE requirements, then DEED will be liable to return an amount to US ED equal to the shortfall in the district's special education expenditures.
- **SPED MOE Eligibility Test:** The SPED MOE Eligibility Test ensures that the district's current fiscal year budget for SPED expenditures meets or exceeds the most recent audited expenditures, determining eligibility for the IDEA entitlement grant. This test will be conducted in September.
- **Federal Reporting:** The Department completed and submitted the FY2023 National Public Education Finance Survey and the Local Education Agency Finance Survey (F-33) Reports.

School Broadband Assistance Grant (BAG)

- North Slope Borough School District's appeal of FY2024 BAG awards was settled, and the case was closed according to a court order dated August 28, 2024.
- School Finance processed all BAG FY2025 applications in GMS. After collecting and processing the applications, School Finance notified all applicants of their eligibility and award amounts on July 1, 2024.
- BAG FY2025 awarded funding to 138 schools in 25 school districts, distributing \$20,411,500 to all school districts in August 2024.
- Regulation changes to 4 AAC 33.600-.690, in response to the enactment of HB 193 (Ch. 1, SLA 24), completed the public comment period and are ready for State Board adoption.

E-Rate Support

- Aided school districts with program integrity assurance review inquiries. Supported small and rural public libraries in meeting FCC and USAC compliance forms and deadlines. Met with public libraries to add DEED to their accounts to help with their E-Rate FY2025 applications. Monitored and assisted MurelNet in its work with Alaska Tribal libraries through the E-Rate process.
- E-Rate data has been migrated from previous contractors' to the DEED file system.
- Commenced a weekly DEED E-Rate Update newsletter for E-Rate contacts in August 2024.