



## MEMORANDUM

**To:** State Board of Education & Early Development  
**Date:** November 11, 2022

**Thru:** Acting Commissioner Heidi Teshner  
**Telephone:** (907) 465-8665

**From:** Elwin Blackwell  
School Finance Manager  
**Subject:** Agenda 16C. Division of Finance and Support Services Standing Report

### Child Nutrition Programs

#### Waivers for Meal Program Flexibility at Lower Kuskokwim School District

At the request of Child Nutrition Programs, the U.S. Department of Agriculture (USDA) has approved a waiver to allow for meal flexibility because of the school closure due to the community water system breakage. Meals provided to students at home will qualify for federal reimbursement; a subsequent waiver has been submitted for meal flexibility in Kipnuk, at the time of this report that waiver has not yet been approved.

#### Grant Funding for School Nutrition Programs

Child Nutrition Programs has been approved for an additional \$1,295,545 in Supply Chain Assistance funding for non-competitive grants to schools to purchase minimally processed, American grown food for school nutrition programs, since January 2022 this bring us to a total of \$6,377,651.

Child Nutrition Programs has also been approved for a USDA grant in the amount of \$520,635 to provide subgrants to school districts for purchasing local, Alaskan foods for use in school nutrition programs; \$659,589 to fund a four-year Farm/Fish/Fauna to School program to include state agency staffing, and additional funding for the annual equipment grant for a total of \$202,379 for school kitchen equipment.

Child Nutrition Programs is in the process of granting state funding for school breakfast start-up and expansion grants with the goal of increasing overall school breakfast participation by utilizing best practices such as breakfast in the classroom, grab and go breakfast, and second chance breakfast.

#### Pandemic-Electronic Benefits Transfers (P-EBT) Program

Our partner agency, the Department of Health and Social Services (DHSS) Division of Public Assistance (DPA), began distribution of P-EBT benefits for the 2020-2021 school year at the end of

November 2022; delays were incurred due to the DHSS cyberattack. DHSS DPA’s distribution has been slower than anticipated as the benefits are still being issued for school closures 2020-2021; after these benefits are issued, DHSS DPA will issue benefits for the summer 2021. To date, the State of Alaska has elected not to continue the P-EBT program for further school years.

**School Finance**

**Foundation Funding Program**

- The 20-day count period ended on October 28, 2022 and districts have until November 11, 2022, to input their counts into the State Reporting Manager (SRM) portal. School Finance will be reconciling the counts to ensure that all duplicated students are counted as a single full time equivalent (FTE). The reconciliation is estimated to be completed in December 2022.
- The projections for FY2024 were received by the department on November 5, 2022. The FY2024 projection compared to the FY2023 Authorized average daily membership (ADM) is as follows:

	FY2023 <i>Authorized</i>	FY2024 <i>Projected</i>	Difference	% Change
Regular ADM	107,437.12	108,205.55	768.43	0.7%
Correspondence ADM	19,366.55	20,373.95	1,007.40	5.2%
Total ADM	126,803.67	128,579.50	1,775.83	1.4%
Adjusted ADM	256,424.61	257,185.83	761.22	0.3%

**Pupil Transportation Program**

- For FY2023, 47 districts are participating in the program. The department will disburse the second payment of the FY2023 pupil transportation grant funding in December 2022.
- The state contract school bus inspectors will begin the second round of inspections starting in January 2023.

**Residential Schools**

- The residential school program has nine residential schools in eight communities.
- The approved residential school programs will be submitting their residential counts to the department by December 1, 2022, with grant payments being issued by the end of December 2022.

**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 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 received the final FY2021 audit on September 8, 2022 and all withheld funding has been released. The department, at the time of the report, has received 20 FY2022 district audited financial statements.
- The school districts will be submitting their Indirect Cost Rates Proposals during the month of December 2022 with the department completing the approvals by March 31, 2023. The

department is responsible and has been delegated the authority by the U.S. Department of Education to review and approve district restricted indirect cost rates.

- Per Pupil Expenditure Reporting – Under the Every Student Succeeds Act (ESSA), school districts are required to report pe-pupil spending at both the district and school level. The department will collect the data from school districts in December 2022 and will post to the department’s website in January 2023.

**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	24
Deliverables reviewed under 4 AAC 31.030 and for "pre-CIP" projects	0	13
Project agreement close outs	0	0
Total active projects	19	48
Total active project value (debt approved principal and grant state share)	\$80,222,302	\$383,869,359

- Annually in October, debt recipients provide status reports on a department form for project tracking. Received and reviewed 18 annual reports from four school districts. Worked with recipients to resolve project status and financial questions.
- Participated in a value analysis on the GR-23-023 Newtok Relocation/Replacement School, Mertarvik, in October 2022.
- Annually, capital improvement project (CIP) grant requests are due September 1 from eligible school districts. For the FY2024 CIP application cycle, the department received a total of 118 applications from 29 districts – a 7% increase from the prior year in spite of 24 projects receiving FY2023 funding. On 35 of those applications, districts requested to reuse scores from the prior year. The remaining 83 applications were reviewed and evaluated by department Facilities staff over a six-week period, expending over 900 staff hours.

Participating districts and the number of applications submitted by each are shown below:

Alaska Gateway	4	Juneau Boro	2	Nome City	4
Aleutians East Boro	4	Kake City	4	Northwest Arctic Boro	3
Anchorage	17	Kenai Peninsula Boro	4	Saint Mary’s City	1
Bering Strait	1	Ketchikan Boro	5	Sitka Boro	1
Bristol Bay Boro	1	Kodiak Island Boro	5	Southeast Island	6
Denali Boro	4	Kuspuk	1	Southwest Region	3
Fairbanks N.Star Boro	10	Lower Kuskokwim	10	Valdez City	2
Haines Boro	2	Lower Yukon	8	Yukon-Koyukuk	2
Hoonah City	2	Mat-Su Boro	7	Yupiit	3
Iditarod Area	2	Nenana City	3		

- The initial FY2024 CIP School Construction and Major Maintenance Grant Fund priority lists were made public on November 4, 2022. The School Construction list included 17 projects at a state share total of \$195,666,783 and the Major Maintenance list included 97 projects at a state share total of \$215,103,328. The State Board of Education will see the final lists at the March 2023 quarterly meeting.
- Facilities staff is attending the ALASBO annual conference December 5-7, 2022, and presenting two sectionals on “Successful DEED Capital Project Administration” and “Capital Planning for Alaska School Districts” and a roundtable on “DEED Capital Project Grant Rankings”.
- The Bond Reimbursement and Grant Review Committee (BRGR) approved an update to its 2004 policy on Prototype Designs for Educational Facilities at its September 1, 2022 meeting.

### Land

The Facilities section manages state owned land in support of school facilities, several REAA districts, and Mt. Edgecumbe High School (MEHS). The section regularly assists school districts and other state agencies on real property that the department has, or had, a property interest in, including providing information on chain of title, receiving title under AS 14.08.151, and excessing state-owned school property.

- Managing the ongoing transaction to sell Lot 15A, MEHS land on Japonski Island, to the City & Borough of Sitka (CBS) in support of a Federal Aviation Administration (FAA)-funded seaplane base. Offer stands at \$753,125. CBS provided an executed Purchase and Sale Agreement as required by the FAA and placed \$10,000 in an escrow account subject to release to the department if the purchase is not made by December 31, 2022. CBS is working on a re-plat to subdivide Lot 15A; the section provided input in the last quarter.
- 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. Further action is pending the subdivision of Lot 15A.
- Drafted and issued preliminary best interest findings for the transfer of MEHS parcels USS 1496 Lot 15G (Millerville) and ASLS 97-63 (Penrod Hall) to the Department of Natural Resources. DEED lacks the authority to act on a request by the Southeast Alaska Regional Health Consortium (SEARHC) to purchase these parcels. Public comment closed November 7, 2022. If transferred to DNR, DNR will conduct a best interest finding for disposal. If the parcels are not disposed of to SEARHC, the parcels will return to DEED.