



## MEMORANDUM

**To:** State Board of Education & Early Development  
**Date:** June 22, 2023

**Thru:** Heidi Teshner, Acting Commissioner  
**Telephone:** (907) 465-2785

**From:** Lori Weed  
School Finance Manager  
**Subject:** Agenda 14C. Division of Finance and Support Services Standing Report

### Child Nutrition Programs

#### Summer Food Service

- The Summer Food Service Program (SFSP) provides meals to community children in many parts of Alaska ensuring children have access to nutritious meals in lieu of school meals. The SFSP is a federally funded program administered by DEED to reimburse program operators who serve free healthy meals and snacks to children in low-income areas.
- This year, 17 program sponsors provide meals at over 100 summer food service sites to children ages 18 and under. In addition, 13 rural school districts have partnered with Baylor University to offer the Meals to You Program. Families in these districts can register to receive meals delivered by mail for their eligible children. Rural districts and sponsors are often unable to operate a traditional summer food program due to the high cost or difficulty finding staff to operate the meal sites; this program provides a vital stopgap for the families served.

#### Grant Funding for School Nutrition Programs

- **Supply Chain Assistance Grant:** Alaska will receive nearly \$3.2 million of additional Supply Chain Assistance funds which will be distributed 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. With the upcoming distribution, Alaska will have received approximately \$9.2 million in Supply Chain Assistance grants since January 2022. (Errata: We previously reported having received \$6.4 million in total, the total should have been \$6.0 million before this most recent announcement.)

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## **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, Dept of Finance, and Dept 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 the FY2024 or FY2025.

### **Pupil Transportation Program:**

- For FY2023, 48 districts participated in the program. The department disbursed all grant funding to the districts providing pupil transportation services.
- This year's school bus driver instructor training was held May 30 – June 2, 2023 at the Alaska Vocational Technical Center (AVTEC) in Seward to recertify existing school bus driver training instructors. The class was limited to a total of eighteen (18) students. Eight students signed up and five students received their certificates, enabling them 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. Next year, the training will cover both recertifying instructors (refresher course) and certifying new instructors.

### **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 department has distributed all applicable grant funding to the residential school programs in operation in FY2023.
- The department anticipates receiving a new residential school program application from Bristol Bay Borough School District during the open enrollment through June 30, 2023.

### **Boarding Home**

- For FY2023, two students were served under this program in the Yukon Koyukuk School District.

### **School Debt Reimbursement**

- The department received funding in the FY2024 operating budget to fully fund the eligible school debt reimbursement for the prior fiscal year.

### **State and Federal Reporting Requirements**

- Per Pupil Expenditure Reporting – Under the Every Student Succeeds Act (ESSA), school districts are required to annually report per-pupil spending at both the district and school level. For the FY2022 reporting period, the department has received, verified, and posted 50 districts' per-pupil expenditure by school reports on the annual report cards. The department has received and is awaiting verification of the per-pupil expenditure by school data for one district and two districts have yet to submit their information.

- School district operating fund budgets are due to the department by July 15, 2023. The department is in the process of reviewing FY24 school district operating fund budgets for compliance with statutes and regulations. DEED has currently received 12 budgets for review. The review and approval of school district budgets will be completed by the end of August.

## **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	0
Deliverables reviewed under 4 AAC 31.030, 4 AAC 31.040, and for "pre-CIP" projects	0	2
Project agreement close outs	4	1
Total active projects	12	42
Total active project value (debt approved principal and grant state share)	\$34,717,302	\$382,023,492

- Facilities will be preparing and issuing project agreements and project agreement amendments based on the FY2024 budget appropriations to the Major Maintenance Grant Fund and Regional Educational Attendance Area and Small Municipal School District School Fund and the FY2024 Capital Improvement Project Final Rankings.
- Preventive Maintenance (PM) program issued the preliminary certification report on 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). All seven district programs that were on provisional status have gained full certification status for the final August 15 report.

### **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.
- Dept. of Transportation and Public Facilities is pursuing action on the 2005 memorandum of agreement that states DEED will convey for fair market value certain MEHS property (Lot 15F) when DOTPF determines the parcel is needed for airport uses.

- Two department-owned sites in the Lower Kuskokwim School District had easements issued in support of community playground improvement projects.

#### 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.
- 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 continues 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. The department is working with Iditarod School District to provide water testing to six schools, which will continue when school is back in session in September. This grant was scheduled to end September 30, 2023 but the department has requested a one-year no-cost extension of this grant.