



MEMORANDUM

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

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

From: Elwin Blackwell
Acting Director
Subject: Agenda 10C. Division of Finance and Support Services Standing Report

Child Nutrition Programs

Waivers for Meal Program Flexibility

USDA has extended several federal waivers supporting flexibility during the pandemic for another school year or 30 days after the public health emergency expires; however, USDA did not extend the area-eligibility waiver which allowed schools to serve meals to all students at no charge. School districts who normally receive applications for free or reduced-price meals are encouraged to conduct outreach; students have received all school meals at no charge for two years and families will need prompting to resume the application processes.

Grant Funding for Food Purchasing

DEED Child Nutrition received \$2,458,262 in Supply Chain Assistance funding for non-competitive grants to schools to purchase minimally processed, American grown food for school nutrition programs; these funds will be distributed in September 2022. This is in addition to the grant for the same amount received in January 2022. Additionally, will be applying for a USDA grant in the amount of \$520,635 to provide subgrants to school districts for purchasing local foods for use in school nutrition programs.

DEED Child Nutrition also received a grant in the amount of \$334,148 for the Emergency Food Assistance Program for Food Bank agencies; our target goal is to add nine new food pantries to the program and increase capacity for food distribution at another nine sites.

Pandemic-Electronic Benefits Transfers (P-EBT) Program

Our partner agency, the Department of Health (DOH) Division of Public Assistance (DPA), began distribution of P-EBT benefits for the 2020-2021 school year at the end of November 2021; delays were incurred due to the DOH cyberattack. DOH DPA's distribution was reduced to only 150 cards a day and are still working on distribution of prior year data.

Juneau School District Meal Service Incident

DEED Child Nutrition conducted a review of the Juneau School District's accidental service of floor sealant instead of milk in the summer Rally program which concluded July 28, 2022. Through the stages of handling the product in storage, this was a result of inventory management. The district has revised policies and procedures to address this issue.

School Finance

Foundation Funding Program

- The 20-day count period ends on the fourth Friday of October each year. For FY2023 the 20-day count will run from October 3 through October 28, 2022.
- Projections for FY2024 are due to the department by November 5, 2022.

Pupil Transportation Program

- For FY2023, 47 districts are participating in the program. The department will disburse the first payment of the FY2023 pupil transportation grant funding in August.
- The state contracted school bus inspectors began the first of two annual inspections of school buses in July 2022. The Mat-Su School District entered into a contract with a new transportation contractor for FY2023 which has kept the state school bus inspectors busy doing initial inspections on the new fleet of buses.

Residential Schools

- The department is anticipating that all nine of the approved residential school programs will be in full operation in FY2023.
- The department did not receive any new residential school applications or modifications to current programs during the open enrollment that ended on June 30, 2022.

School Debt Reimbursement

The department received funding in the operating budget to fully fund the eligible school debt reimbursement that was cut in FY2017, FY2020, and FY2021. In addition, a supplemental appropriation was received to fully fund the FY2022 school debt reimbursement program. The additional funding for FY2017, FY2020, FY2021, and FY2022 totaled \$220,839,660.

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 is still waiting on one past due FY2021 audit and is continuing to withhold funding.
- School district operating fund budgets were due to the department by July 15, 2022. The department is in the process of reviewing school district operating fund budgets for compliance with statutes and regulations. 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. When funded, the section administers state-aid for school capital projects ranging in size from \$50,000 to \$60,000,000.

Active Grant Projects	Total State Share	Active Debt Projects	Total Approved Amount
24	\$235,681,372	19	\$80,222,302

- Annually, grant recipients provide status reports on a department form for project tracking. Received and reviewed 13 annual reports from eight districts. Worked with recipients to resolve project status and financial questions.
- Issued one Project Agreement and provided two draft Project Agreements for FY2023 grants from the Regional Educational Attendance Area and Small Municipal School District School Fund (REAA Fund) to the following School Construction projects:

District	Project	State Share
LKSD	William N. Miller Memorial K-12 School Replacement, Napakiak	\$54,895,500
LKSD	Newtok K-12 School Relocation/Replacement, Mertarvik	\$25,000,000
YKSD	Minto K-12 School Renovation/Addition	\$11,849,624

- Provided draft Project Agreements for six FY2023 grants from the REAA Fund to the following Major Maintenance projects:

District	Project	State Share
Kake	Kake Schools Heating Upgrades	\$191,618
Chugach	Chenga Bay K-12 School Renovation	\$5,759,942
CRSD	Copper River District Office Roof Replacement	\$581,556
LYSD	Sheldon Point K-12 School Foundation Cooling & Repairs, Nunam Iqua	\$3,157,373
Iditarod	David-Louis Memorial K-12 School HVAC Control Upgrades, Grayling	\$113,750
Iditarod	Blackwell K-12 School Fire Alarm Upgrades, Anvik	\$79,975

- Issued two Project Agreements and provided draft Project Agreements for 13 FY2023 grants from the Major Maintenance Grant Fund to the following Major Maintenance projects:

District	Project	State Share
Galena	Galena Interior Learning Academy Composite Building Renovation	\$5,904,081
Craig	Craig Middle School Rehabilitation	\$5,668,124
Anchorage	Eagle River Elementary School Improvements	\$3,937,972
Denali	Anderson K-12 School Partial Roof Replacement	\$1,015,574
Craig	Craig Elementary School Rehabilitation	\$1,905,489
Chugach	Tatitlek K-12 School Renovation	\$6,972,263
Anchorage	West High School Partial Roof Replacement	\$4,322,259
Valdez	Valdez HS, Hermon Hutchens ES Domestic Water Piping Replacement	\$830,671
Anchorage	Taku Elementary School Roof Replacement	\$2,315,754
Juneau	Sayéik: Gastineau Community School Partial Roof Replacement	\$1,039,438
AEBSD	Sand Point K-12 School Major Maintenance	\$1,929,575
BBBSD	Bristol Bay School Elementary and Gym Roof Replacement	\$1,679,510
YKSD	YKSD District Office Roof Replacement	\$157,119
Nome	Nome-Beltz Jr/Sr High School Boiler Replacement	\$71,999

Nome	Anvil City Charter School Restroom Renovation	\$258,551
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- Each grant/debt project includes 15-30 progress deliverables for review and approval by the department to ensure conformance with approved scope and budget. Received and reviewed 12 progress submittals (95% Construction Documents, Change Order Logs, etc.) on five grant projects and three debt reimbursement projects.
- Participated in one substantial completion inspection on the GR-18-002 Shishmaref K-12 School Addition/Renovation on May 24-26, 2022.
- Performed project close out on five grant and zero debt reimbursement projects and issued Termination Agreements.
- The Bond Reimbursement and Grant Review Committee (BRGR) met June 27, 2022 and took action to update its 2004 policy on Prototype Designs for Educational Facilities; a period of public comment was opened on that document. The BRGR also reviewed briefing papers on projects with insufficient funding and on space allocation standards.
- Facilities staff prepared and hosted an in-person full day training on the department's CIP application process in Anchorage on May 12, 2022, attended by 35 participants from school districts, municipalities, design firms, and grant writing entities.
- Alaska Council of School Administrators requested a professional development webinar on the CIP application process for its membership. Facilities staff prepared and provided a 2-hour presentation on August 2, 2022, attended by 65 Zoom participants.
- 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 Facilities Database. All districts provided the required documentation by the July 15 deadline.

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 in support of a Federal Aviation Administration (FAA)-funded seaplane base. Offer stands at \$753,125. The City and Borough of Sitka (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 re-plat of Lot 15A; the section provided input.
- The U.S. Coast Guard (USCG) hosted an appraiser from the General Services Administration (GSA) on January 18, 2022, to review a residual piece of Lot 15A earmarked for USCG use. The USCG has expressed an interest in purchasing this -0.19-acre parcel. No further action this quarter.
- Participated in a working-level meeting requested by the USCG regarding purchase of MEHS parcels Tract C, Tract C-1, and Tract F-1 (total approximately 2 acres) in support of a new Fast

Cutter home porting. Noted the USCG timeline of securing land interest and completing uplands work prior to September 30, 2024.

- Proceeded with disposal of previously excessed former BIA Pilot Station school site under 4 AAC 31.085. Issued a quitclaim deed following public comment on the notice of intent to award to the City of Pilot Station.
- Responded to Bering Strait School District request to allow a residential housing construction project on a leased parcel supporting the Diomedes school. After review, lease was amended to relinquish requested area that was not supporting the educational program and lease was formally assigned to school district for future administration.

Facilities and Preventive Maintenance (PM) Assessments

The Facilities section conducts site visits and provides assessments of district compliance in six areas of maintenance and facilities management. Compliant districts are eligible to request state aid through the annual CIP process.

- Conducted on-going work with two school districts on provisional certification of data submission deadlines. After final review, re-certified Bristol Bay Borough School District (energy monitoring) and Kake City School District (energy monitoring) as having compliant programs.
- There are site visits to nine school districts scheduled in FY2023. These will begin with Pelican City Schools in November 2022 and complete with the North Slope Borough School District in May 2023. Other districts include Anchorage, Chugach, Kenai, Tanana, Galena, Fairbanks, and Valdez.
- On June 1, as required by statute, the department notified all districts of their compliance status with regard to maintenance and facility management (4 AAC 31.013). In that report, seven out of 53 districts were listed as non-compliant. An additional five districts were provisionally compliant and working to report 12 months of evidence.
- Between June 1 and August 1, 2022, three of the seven non-compliant district provided information to the department with corrective actions. The department has until August 15 to make final determinations regarding compliance and district eligibility to apply for FY2024 CIP funding.

Publications

The Facilities section manages 14 DEED publications providing guidance and tools for managing school facilities and capital projects with state aid. Publications are validated and updated on a 5-year cycle.

- The BRGR approved the April 2022 First Edition *Alaska School Design and Construction Standards* for release and added the publication as Appendix B to the CIP Application and Instructions forms. The department has had several instances where the Standard's guidance was used in response to project scope questions. On August 2, 2022, the department issued an analysis tool for calculating thresholds for Provisional and Premium scope items.
- The *Alaska School Facilities Preventive Maintenance Handbook* was also approved for a second round of public comment, which ended on May 31, 2022. One comment was received. Substantial, ongoing work to complete the 3rd Edition update to this publication is underway and will be reviewed at the BRGR meeting on September 1, 2022.
- A public comment period for the 3rd Edition *Project Delivery Method Handbook* ended in June 2022. No comments were received. The 3rd Edition will be reviewed by the BRGR for final use on September 1, 2022.

Aligned Organizations

- Facilities Manager, Tim Mearig, currently serves on the board of the National Council on School Facilities (NCSF). The NCSF membership is comprised of the 50 states' K-12 school facilities directors, and also those from U.S. Territories and the Department of Defense. He was elected to a second term as Board Treasurer at the organization's annual meeting in December 2021. Tim was also appointed to the ad-hoc Revenue Committee where he helped author a report to the NCSF Board in July 2022.
- Tim Mearig also fills a standing board seat reserved for the department's Facilities Manager on the Alaska Chapter of the Association for Learning Environments (A4LE). This organization's mission is: Leading innovation at the intersection of learning and place. The Alaska Chapter deals with real-world issues related to school planning, design, construction, and operation in our state and has been a vital partner in these areas.

Special Projects

- The department received an FY2022 appropriation to accomplish a new facilities master plan for MEHS. The department has executed a Reimbursable Services Agreement (RSA) with the DOT/PF in support of this project. DOT/PF issued a Notice to Proceed (NTP) to Nvision Architects for Phase 1 of this three-phase project for \$106,185 on July 8, 2022.
- 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. Following the receipt and evaluation of three proposals, the department awarded a contract in the amount of \$178,000 to QEngine LLC dba Inzata Analytics on June 10, 2022. Phase 1 work for data acquisition and validation completed on July 15, 2022. Phase 2 – Database Development and User Interface, is underway and due to complete at the end of November.