



MEMORANDUM

To: State Board of Education & Early Development
Date: February 7, 2022

Thru: Commissioner Michael Johnson
Telephone: (907) 465-2875

From: Heidi Teshner
Acting Deputy Commissioner
Subject: Agenda 14C. Division of Finance and Support Services Standing Report

Child Nutrition Programs

Supply Chain Assistance Grants

On December 17, 2021 the U.S. Department of Agriculture (USDA) announced federal funding to assist schools with purchasing difficulties as a result of supply chain issues. Alaska's allocation is \$2,603,175 to distribute by formula to the 44 school districts and 14 Residential Child Care Institutions participating in the federal school nutrition programs. These funds will be distributed in early February 2022 and are earmarked for minimally processed foods for school meal programs.

Pandemic-Electronic Benefits Transfers (P-EBT) Program

Our partner agency, the Department of Health and Social Services (DHSS) Division of Public Assistance (DPA), was able to begin distribution of P-EBT benefits for last school year at the end of November 2021; delays were incurred due to the DHSS cyberattack. DHSS DPA is only able to issue approximately 600 cards a day and are still working on distribution of prior year data. Alaska's P-EBT plan for the current school year has not yet been approved.

Waivers for Meal Program Flexibility

The current federal waivers supporting flexibility during the pandemic are set to expire June 30, 2022. The Child Nutrition unit is in the process of drafting state-level waivers to support transition of local program operations and allow deviations from normal program operations as needed.

Local Food for Schools Cooperative Agreement

USDA has recently announced \$200 million for cooperative agreements to purchase local foods for distribution to schools. Details on this program are still in clearance with USDA and the Alaska allocation is unknown at this point.

School Finance

Foundation Funding Program:

- The FY2022 average daily membership (ADM) totals have been finalized. The below chart summarizes the statewide changes in brick-and-mortar ADM and correspondence ADM from FY2021 actual ADM and the FY2022 projected ADM.

	FY2021 Actual	FY2022 Projected	FY2022 OASIS Update as of 1/21/2022	FY2022 OASIS vs FY2022 Projected	% Change	FY2022 OASIS vs FY2021 Actual	% Change
Regular ADM	99,410.54	108,133.22	106,290.26	(1,842.96)	-1.7%	6,879.72	6.9%
Correspondence ADM	27,604.76	18,798.30	21,295.87	2,497.57	13.3%	(6,308.89)	-22.9%
Total ADM	127,015.30	126,931.52	127,586.13	654.61	0.5%	570.83	0.4%
Adjusted ADM	265,114.07	258,585.13	260,077.33	1,492.20	0.6%	(5,036.74)	-1.9%

- By the end of March 2022, the department will update local contribution information and federal Impact Aid receipts that will be applied to the current year. The department will then finalize the foundation calculations and notify districts of what the final three payments will be for the fiscal year.

Pupil Transportation Program:

- For FY2022, 48 districts are participating in the program. The first two grant payments have been made to districts, with the third and final payment estimated to be paid out in March 2022.
- The next school bus driver instructor training will be held in May 2022 at the Alaska Vocational Technical Center (AVTEC) in Seward. There will be two workshops this year: one to train and recertify existing school bus driver training instructors and one workshop that will initially train and certify new school bus driver training instructors. Each class is limited to a total of eighteen (18) students. The school bus driver instructors that complete the AVTEC training are certified to train new school bus drivers in the state. A school bus driver trainer certificate is good for three years and must be renewed through a refresher course paid for by the department through AVTEC.

Residential Schools:

Of the nine residential school programs in eight school districts, all but two are operating a program in FY2022 (school year 2021-2022). The two districts that are not operating programs are Bering Strait and North Slope.

Boarding Home:

For FY2022, there is currently still one student being served under this program in the Kuspuks School District.

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. The department is still waiting on two past due audits.

- 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. Annually, states are required to include the per-pupil expenditures of Federal, State, and Local funds for each district and each school within the district on their annual report cards. The FY2021 per-pupil expenditure data has been included in the 2020-2021 School Year Report Cards to the Public and was posted to the department’s website in January 2022.
- Maintenance of Effort (MOE) – federal programs, such as ESEA/ESSA and Special Education, that pass through the department contain an MOE provision. The federal COVID relief funds also contain this provision.
 - For the Coronavirus Aid, Relief, and Economic Security (CARES) Act, it applies to the Elementary and Secondary School Emergency Relief (ESSER) Fund and the Governor’s Emergency Education Relief (GEER) Fund and is for FY2020 and FY2021. The FY2021 data was submitted to the U.S. Department of Education on December 30, 2021. The State of Alaska meets the MOE on levels of State support for elementary and secondary education for FY2021 based on the aggregate basis. In addition, the State of Alaska meets the MOE on levels of State support for higher education for FY2021 based on the full-time equivalent (FTE) enrollment basis.
 - For the Coronavirus Response and Relief Supplement Appropriations (CRRSA) Act, it applies to ESSER II, GEER II, and the Emergency Assistance to Non-Public (EANS) program and is for FY2022 only. The FY2022 interim data was submitted to the U.S. Department of Education on December 30, 2021. In FY2022, the State of Alaska has maintained state support for elementary and secondary education as well as maintained state support for higher education.
 - For the American Rescue Plan (ARP) Act, it applies to ARP ESSER only, but is for FY2022 and FY2023. The FY2022 interim data submitted to the U.S. Department of Education on December 30, 2021 also applies to the ARP Act.
- Maintenance of Equity (MOEquity) –On December 29, 2021, the U.S. Department of Education posted a revised proposal of this new reporting requirement on their website and published it in the Federal Register on January 3, 2022. Comments were due by February 2, 2022. Under the revised proposal, it stated that by March 31, 2022 (for the 2021-2022 school year) and by November 1, 2022 (for the 2022-2023 school year), states must publish the identity of each district that is excepted from MOEquity requirements; as well as publish a list of the high-poverty schools for each district that is not excepted. Department staff are continuing to monitor this new reporting requirement and upcoming deadlines.
- Local Educational Agency (LEA) Indirect Cost Rate Proposals - The department is responsible and has been delegated the authority by the U.S. Department of Education to review and approve LEA restricted indirect cost rates. A district that wishes to receive an indirect cost rate must provide the financial information from the prior year on a form provided by the department. All indirect cost rate proposals were due to the department by December 31 and the department issues the next years approved indirect cost rates by March 31.

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 grant funding for school capital projects ranging in size from \$50,000 to \$60,000,000.

- The section is currently managing 30 active capital projects with grant funding and eight active projects with debt funding.
- Issued a Project Agreement for a FY2022 \$9,000,000 grant to the Matanuska-Susitna Borough for a portion of the Houston Middle School Replacement project. The total project is \$43,000,000 with \$16,000,000 coming from insurance and \$18,000,000 from FEMA (Federal Emergency Management Agency).
- Updated the draft Project Agreement for a FY2022 grant from the REAA Fund to the Lower Kuskokwim School District for the William N. Miller Memorial K-12 School Replacement, Napakiak. The grant will fund phased demolition of the existing school. \$3,132,000 state share; \$62,640 local share.
- The initial FY2023 CIP School Construction and Major Maintenance Grant Fund priority lists were finalized on January 14, 2022 following the required appeals period. No appeals were received from school districts by the January 5, 2022 deadline. The final lists are in the current State Board of Education packet for approval.
- The FY2024 CIP cycle officially begins on February 1, 2022 with the issuance of the Attendance Area report (4 AAC 31.016). This report annually sets out attendance areas and their respective feeder schools to establish eligibility for additional school space based on student populations. Districts have until March 1, 2022 to review the report and request modifications through the Commissioner.

Land:

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

- 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 Department of Natural Resources (DNR) took action to remove a reverter clause requiring public access in support of a condition of sale.
- 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.
- Drafted a Quit Claim Deed to DNR for Lot 15G (Millerville) and Penrod Hall at MEHS as requested by the Governor's office.
- Responding to inquiries on land use at the old Bureau of Indian Affairs (BIA) site in Pilot Station, the section has entered discussion with the City of Pilot Station regarding a transfer of this property to the city. Pilot Station was incorporated in 1969 as a second-class city and is eligible to receive excess land from the department.
- 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.

Facilities and Preventive Maintenance (PM) Assessments:

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

- Conducted on-going work with three school districts on provisional certification of data submission deadlines. Received and reviewed data from the Bristol Bay Borough School District (energy monitoring), Kake City School District (energy monitoring), and Yakutat City School District (energy monitoring and maintenance training).
- There are scheduled site visits to 12 school districts in FY2022. One staff member is set to perform PM assessments on the following districts in the February through March 2022 time period:
 - *Matanuska-Susitna School District – February 1-3*
 - *Sitka School District – March 1-2*
- The department issued assessment reports to three school districts, one of which was certified as meeting minimum requirements (Southeast Island), and two that were not (Hydaburg and Klawock). Non-certified districts have until June 1, 2022 to take corrective action on deficiencies in order to gain provisional certification under 4 AAC 31.014(h).

Publications:

The Facilities section manages 13 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.

- Received a recommendation from the Bond Reimbursement and Grant Review Committee (BRGR) to approve final edits to the *Guidelines for School Equipment Purchases – 2021 Edition* and the *Site Selection Criteria and Evaluation Handbook -2021 Edition* and to publish these editions. Both documents are referenced in regulation and require a regulation update to finalize; draft regulations to go out for public comment are in the current State Board of Education packet.
- In preparation for a planned update to the *Capital Project Administration Handbook*, last revised in 2017, the department released a validation and feedback survey to districts and interested parties; 18 responses were received. Using response comments, the department has prepared an update of the handbook for BRGR review with a recommendation to release the initial draft for a period of public comment.
- By the November 22, 2022 close of the comment period on our 14th publication, *Alaska School Design and Construction Standards*, the department received over 1100 individual comments. This publication is in response to HB212 (Chapter 79 SLA2018) requiring development and periodic update of regionally based building system standards and design ratios for cost-effective school construction in Alaska. It includes Baseline, Provisional, and Premium (read ‘not permitted’) standards for building systems and school spaces. The department and the Model School Subcommittee of the BRGR are processing responses to each comment and will recommend edits to the initial draft at the February 28, 2022 BRGR meeting. Due to substantive revisions, a second period of public comment is being recommended.
- A validation survey for the *Project Delivery Method Handbook* will be issued by January 31. This publication is scheduled for its 5-year update in 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. Tim was elected to a second term as Board Treasurer at the organization's annual meeting in December 2021 and will be helping guide the organization to fiscal sustainability following the hiring of its first Executive Director.
- Building Management Specialist, Wayne Marquis, currently serves as the Commissioner Designee for the Military Interstate Children's Compact Commission (MIC3) for Alaska. Wayne has worked to achieve a full membership for the State Council on Educational Opportunity for Military Children. Participation in the MIC3 involves the operation of the State Council on Educational Opportunity for Military Children. As a non-voting member on the council, Wayne's role for the Department is that of Superintendent of Education / Executive Branch. He has been working on the planning of a virtual Council meeting to be hosted on February 10, 2022.
- Wayne Marquis is also the Advisory Board Coordinator for the Alaska Purple Star School Designation Award. The Purple Star Award for military-friendly schools recognizes schools that show a major commitment to students and families connected to our nation's military. The application process is on-going with deadline submittals set for January 31, 2022. Nine schools have applied so far. The Advisory Board will review the applications during February and March 2022. An award ceremony, which will include Commissioner Johnson, is planned for April 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. Tim Mearig and Wayne Norlund attended and presented at the chapter's annual conference February 3-4, 2022.

Special Projects:

- Architect Assistant, Wayne Norland, completed work, in conjunction with the department's procurements staff, to establish a five-year term contract for annual updates to the DEED Cost Model for Alaskan Schools. This spreadsheet-based tool allows school districts and other planning and design professionals to craft accurate cost estimates for school capital projects. The tool is owned by the department and is updated by cost professionals at HMS, Inc.
- The department received an FY2022 appropriation to accomplish a new facilities master plan for the Mt. Edgecumbe High School (MEHS). Tim Mearig is in the final stages of preparing a Request for Proposal (RFP) for the professional services needed for this project. The department will be executing the work through a Reimbursable Services Agreement (RSA) with the Department of Transportation and Public Facilities (DOT/PF), Division of Facility Services.
- 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. A Request for Information (RFI) will be issued to help identify the consultant needs for the planned scope of work.