

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE Division of Legislative Finance



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MEMORANDUM

DATE: December 2, 2015
TO: Legislative Budget and Audit Committee
FROM: David Teal, Director
SUBJECT: Preparation for the December 7, 2015 LB&A Meeting

OMB submitted the following FY16 RPL for consideration at the December 7, 2015 Legislative Budget and Audit Committee meeting. This RPL, along with Legislative Finance comments, is posted on our web site at <http://www.legfin.akleg.gov>.

RPL#	Agency	Subject	Amount	Fund Source
05-6-0111 Operating	Education and Early Development	Child Nutrition Programs	\$8,700,000	Federal Receipts (1002)

If you have any questions that you want an agency to address at the meeting, please call us so we can help ensure the agency has a response prepared.

**Department of Education & Early Development
Teaching and Learning Support
Child Nutrition**

Subject of RPL: Child Nutrition Programs (CNP)	ADN/RPL #: 05-6-0111
Amount requested: \$ 8,700,000	Appropriation Authority: Sec 1, Ch 16, SLA 2014, Pg 12 Ln, 16
Funding source: \$ 8,700,000 Federal Receipts (1002) Operating	Statutory Authority: AS 14.50.010-.080

PURPOSE

The Division of Teaching and Learning Support, Child Nutrition Programs (CNP) anticipates receiving federal funds totaling \$61,025.2 in FY2016 from the United States Department of Agriculture (USDA). This funding will provide support for significant growth experienced within the USDA Federal Nutrition Services Block Grant. The current FY2016 CNP federal receipt authorization is \$52,325.2. The Department of Education and Early Development, Division of Teaching and Learning Support, CNP is requesting an increase of \$8,700.0 in federal receipt authority to receive additional USDA grant funds for a FY2016 CNS total federal receipt authority of \$61,025.2.

The specific USDA Federal Nutrition Services Block Grant programs impacted are: the administrative and operational funding for program operators of the National School Lunch Program, Child and Adult Care Food Program (CACFP), and Summer Food Service Program; CACFP Sponsor Administrative funding, which provides oversight funds to sponsors of Family Day Care Home Providers; CACFP Cash-in-Lieu, which is funding provided to Child and Adult Care programs electing additional funds instead of USDA commodity foods; State Administrative Expense, which is the general operating funds for the state agency and makes up approximately 1.5% of the overall CNP budget; the Emergency Food Assistance Program, which provides funds to food banks for the administration, operation, and distribution of USDA foods for food pantries and emergency feeding operators; and, the Fresh Fruit and Vegetable Program, which provides competitive grant funding for fresh produce for snacks at low-income school districts.

PREVIOUS LEGISLATIVE CONSIDERATION

In FY2012, the Division of Teaching & Learning Support, Child Nutrition Services component received an additional \$15,000.0 in federal receipt authority to record federal grant awards and to post expenditures to current and carry-forward allocations. The level of reimbursements for the Food and Nutrition programs have increased significantly with the largest impact related to the National School Lunch Program, and the Fresh Fruits and Vegetables program which was added in FY2009.

TIMING ISSUES

Due to unexpected growth in the CNP this was not included in the original FY2016 budget request. This growth is largely within the Anchorage School District and is expected to continue beyond 2016. The funds are from a block grant, which is the claim reimbursement money to schools, child care facilities, and other CNP servicing providers. These funds are not issued by grant award. Instead, the department receives incremental receipts throughout the year based on USDA estimates

on the department's CNP actuals. The federal receipts are received by weekly draws based on these actuals.

BUDGETARY ISSUES

These receipts are 100% USDA funds and does not require an increase in state general funds. This request takes into consideration the CNP long term planning and anticipated continued increase in participation in food programs across the state. Additionally, the programs have been further impacted by an overall shift in economic status of children served; with an increase of children meeting the Alaska adjusted poverty guidelines, and, as a result, the federal reimbursement rate has increased substantially. This budget will be allocated as claim reimbursements and allows the department to reimburse local agencies for food program expenditures. The department has existing, 100% federally-funded positions, which provide oversight and management for the various food programs, and no additional staff will be required.

Without this additional authority, the department will not be able to accept the grant or provide reimbursements to Alaska school districts and other agencies for food and nutrition programs.

Affected services and recipients include statewide food service programs that provide meals to economically disadvantaged Alaskans.

Legislative Fiscal Analyst Comment: This RPL is intended to give FY16 federal receipt authorization (to the Child Nutrition program) that is sufficient to support growth of the USDA Federal Nutrition Services Block Grant. Approval would increase the FY16 Enacted federal receipts budget within this allocation from \$52,325.2 to \$61,025.2.

No general funds are required and no additional staff is needed. There are no technical issues with this RPL. It was previously considered by the committee on November 17.

	Appropriation	General	Other
	Allocations	Items	Funds
			Funds
1			
2			
3	It is the intent of the legislature that the Department of Education and Early Development, in		
4	cooperation with the University of Alaska Southeast, develop a plan to make the Alaska		
5	Learning Network self-sustainable and report their progress to the finance committees by the		
6	first day of the Twenty-ninth Alaska State Legislature. In addition, the Department shall		
7	monitor the coursework delivered by the University of Alaska Southeast through the Alaska		
8	Learning Network to ensure the coursework will reduce the need for remediation for		
9	incoming freshmen who have participated in this program.		
10	State System of Support	1,962,500	
11	Statewide Mentoring Program	2,300,000	
12	Teacher Certification	920,600	
13	The amount allocated for Teacher Certification includes the unexpended and unobligated		
14	balance on June 30, 2014, of the Department of Education and Early Development receipts		
15	from teacher certification fees under AS 14.20.020(c).		
16	Child Nutrition	52,701,800	
17	Early Learning Coordination	9,461,100	
18	Pre-Kindergarten Grants	2,000,000	
19	Commissions and Boards	2,370,900	1,113,800
20	Professional Teaching	299,800	
21	Practices Commission		
22	It is the intent of the legislature that no later than FY2016, the Professional Teaching Practices		
23	Commission be entirely funded by receipts collected from teacher certification fees under AS		
24	14.20.020(c).		
25	Alaska State Council on the	2,071,100	
26	Arts		
27	Mt. Edgecumbe Boarding School	10,775,600	4,680,100
28	Mt. Edgecumbe Boarding	10,775,600	
29	School		
30	State Facilities Maintenance	3,309,500	2,098,200
31	State Facilities	1,185,300	
32	Maintenance		
33	EED State Facilities Rent	2,124,200	