

Date: March 21, 2023  
To: LPSD School Board  
From: Laura Hylton, Finance Director  
RE: March Board Report

## **Internet Bids & ERATE**

LPSD received 6 bids for internet services in response to our ERATE form 470 request for services. Bids are evaluated based on predefined criteria by a team of LPSD staff. Bids were diverse and cost and services varied from Starlink equipment only bids to full service education support and filtering firewalls. Based on the evaluation criteria DRS providing low earth orbit satellite service from OneWeb with redundant backup provided over existing GEO satellite equipment scored the highest to win the bid.

GCI's proposal was very good and provided terra service from King Salmon north to Port Alsworth. Terra service is expected for Chignik Bay in 2023-2024 and Perryville, Chignik Lagoon, Chignik Lake in 2025. Terra service to Port Heiden and Pilot Point are not planned at this time.

Due to the diversity of the proposals and the continued expected advances in the market place a one year contract is being issued to DRS for the LEO OneWeb configuration for all schools. King Salmon service will be direct from Starlink equipment and service with a backup BBTC microwave line.

All preschools will have a dedicated Starlink 2 terabyte connection as PK is not ERATE eligible due to Alaska not funding PK currently as a grade. This will allow further testing of the platform and provide another connection so schools should not experience complete outages.

A one year contract allows LPSD to request proposals again in the fall of 2024 and make adjustments to our RFP and evaluation process to better address the changes and diversity now available. This contract is equitable to all schools and I believe it will provide much improved service as compared to our current internet service.

## **Impact Aid Monitoring**

Impact Aid monitoring and review of claimed property resulted in a loss of eligible property. Due to COVID flexibility Impact Aid staff have applied the loss to FY21, FY22 and the FY23 applications resulting in a \$629,567 over payment from FY21 and FY22 applications. I have submitted a forgiveness request for FY21 and FY22 and provided a copy of the request and information to Senator Murkowski's office. The Senator's office provided feedback that it was not the intent of Congress for the COVID flexibility to negatively impact three years of applications. Property audits typically only affect the current year under audit. Copy of the request is attached for your information.

## **Legislative Session**

SB52 raising the Base student allocation by \$1,000 from \$5,960 to \$6,960 has passed out of the Senate Education Committee. The House Education co-chair Allard is opposed to a BSA increase without a full foundation formula rewrite. It will be interesting to see where the negotiations go and if there is enough consensus to get any addition through the House and the Governor. While the Governor's bill for teacher retention tries to address the teacher shortage in Alaska it does not recognize or address the flat funding of education and the inflation school districts are experiencing.

I encourage all our community members to reach out to our legislators and the governor to advocate for our children's education. The power to change education funding is in all our hands.

**Legislative Contacts:**

**Senator Lyman Hoffman**

[Senator.Lyman.Hoffman@akleg.gov](mailto:Senator.Lyman.Hoffman@akleg.gov)

**State Capitol Room 508**

**Juneau, AK 99801**

**907-465-4453**

**866-465-4453**

**Representative Bryce Edgemon**

[Representative.Bryce.Edgemon@akleg.gov](mailto:Representative.Bryce.Edgemon@akleg.gov)

**State Capitol Room 410**

**Juneau, AK 99801**

**907-465-4451**

**800-898-4451**

**Financial Report attached.**

**Lake and Peninsula School District**

**100 Board Report**  
**Fiscal Year: 2022-2023**

From Date: 7/1/2022 To Date: 3/21/2023

| Account Description                       | Account Number      | GL Budget           | YTD                    | Balance               | Encumbrance           | Budget Balance       | % Budget     |
|---|---------------------|---------------------|------------------------|-----------------------|-----------------------|----------------------|--------------|
| Instruction                               | 100.000.100.000.000 | \$4,558,026.70      | \$2,816,021.35         | \$1,742,005.35        | \$1,645,513.47        | \$ 96,491.88         | 2.12%        |
| Lake View Home School                     | 100.000.140.000.000 | \$10,270.09         | \$7,342.04             | \$ 2,928.05           | \$2,872.05            | \$ 56.00             | 0.55%        |
| CTE                                       | 100.000.160.000.000 | \$489,940.17        | \$583,909.42           | -\$ 93,969.25         | \$118,021.61          | -\$211,990.86        | -43.27%      |
| SPED direct instruction                   | 100.000.200.000.000 | \$1,291,397.88      | \$610,352.96           | \$ 681,044.92         | \$309,785.61          | \$371,259.31         | 28.75%       |
| SPED special services                     | 100.000.220.000.000 | \$225,789.31        | \$135,669.62           | \$ 90,119.69          | \$88,556.83           | \$ 1,562.86          | 0.69%        |
| Student support                           | 100.000.300.000.000 | \$92,396.00         | \$52,136.77            | \$ 40,259.23          | \$20,414.99           | \$ 19,844.24         | 21.48%       |
| Instructional Support                     | 100.000.350.000.000 | \$608,268.90        | \$448,967.97           | \$ 159,300.93         | \$171,093.27          | -\$ 11,792.34        | -1.94%       |
| Instructional Technology                  | 100.000.360.000.000 | \$2,779,047.58      | \$1,718,334.36         | \$1,060,713.22        | \$1,085,268.83        | -\$ 24,555.61        | -0.88%       |
| School Admin - Principals                 | 100.000.400.000.000 | \$780,167.57        | \$517,036.60           | \$ 263,130.97         | \$286,701.82          | -\$ 23,570.85        | -3.02%       |
| School Support - Secretaries              | 100.000.450.000.000 | \$111,188.78        | \$72,515.38            | \$ 38,673.40          | \$32,375.87           | \$ 6,297.53          | 5.66%        |
| District Admin - Superintendent and Board | 100.000.510.000.000 | \$581,994.36        | \$403,582.59           | \$ 178,411.77         | \$63,419.54           | \$114,992.23         | 19.76%       |
| District Admin - Business Services        | 100.000.550.000.000 | \$655,865.14        | \$579,835.56           | \$ 76,029.58          | \$158,032.94          | -\$ 82,003.36        | -12.50%      |
| Maintenance and Operations                | 100.000.600.000.000 | \$2,923,406.51      | \$2,105,973.36         | \$ 817,433.15         | \$519,700.26          | \$297,732.89         | 10.18%       |
| Student Activities                        | 100.000.700.000.000 | \$405,298.80        | \$362,959.44           | \$ 42,339.36          | \$50,908.43           | -\$ 8,569.07         | -2.11%       |
| Other Fund TERS & PERS OB                 | 100.000.760.000.000 | \$0.00              | \$0.00                 | \$ 0.00               | \$0.00                | \$ 0.00              | 0.00%        |
| Other Fund TERS & PERS OB                 | 100.000.790.000.000 | \$0.00              | \$0.00                 | \$ 0.00               | \$0.00                | \$ 0.00              | 0.00%        |
| Food Service Transfer                     | 100.000.900.000.000 | \$400,000.00        | \$0.00                 | \$ 400,000.00         | \$0.00                | \$400,000.00         | 100.00%      |
| <b>Grand Total:</b>                       |                     | <b>\$15,913,058</b> | <b>\$10,414,637.42</b> | <b>\$5,498,420.37</b> | <b>\$4,552,665.52</b> | <b>\$ 945,754.85</b> | <b>5.94%</b> |

| Bidder            | Total | Average | Weighted Average |
|-------------------|-------|---------|------------------|
| 1 DRS/SES         | 120   | 15.000  | 15.00            |
| 2 OptimERA xG     | 73    | 9.125   | 11.20            |
| 3 Seaport Telecom | 29    | 3.625   | 5.55             |
| 4 ACS             | 100   | 12.500  | 11.65            |
| 5 Micorcom        | 77    | 9.625   | 10.05            |
| 6 GCI             | 115   | 14.375  | 13.50            |

1 Bidder: DRS/SES

| wgt. | Criteria                                  | Reviewer 1 | Reviewer 2 | Reviewer 3 |        |
|------|---|------------|------------|------------|--------|
| 30%  | 1 Price of eligible products and services | 5          | 5          | 5          | 15     |
| 20%  | 2 Management capabilities & Support       | 5          | 5          | 5          | 15     |
| 20%  | 3 Technical Support                       | 5          | 5          | 5          | 15     |
| 10%  | 4 Reliability - Uptime                    | 5          | 5          | 5          | 15     |
| 5%   | 5 Personnel qualifications                | 5          | 5          | 5          | 15     |
| 5%   | 6 Prior experience - Rural Alaska         | 5          | 5          | 5          | 15     |
| 5%   | 7 References                              | 5          | 5          | 5          | 15     |
| 5%   | 8 Quality of proposal                     | 5          | 5          | 5          | 15     |
| 100% | Total                                     | 40         | 40         | 40         | 120    |
|      | Average                                   | 5.000      | 5.000      | 5.000      | 15.000 |
|      | Weighted Average                          | 5.000      | 5.000      | 5.000      | 15.000 |

2 Bidder: OptimERA xG

| wgt. | Criteria                                  | Reviewer 1 | Reviewer 2 | Reviewer 3 |        |
|------|---|------------|------------|------------|--------|
| 30%  | 1 Price of eligible products and services | 5          | 5          | 4          | 14     |
| 20%  | 2 Management capabilities & Support       | 4          | 3          | 4          | 11     |
| 20%  | 3 Technical Support                       | 4          | 3          | 4          | 11     |
| 10%  | 4 Reliability - Uptime                    | 5          | 5          | 5          | 15     |
| 5%   | 5 Personnel qualifications                | 3          | 0          | 5          | 8      |
| 5%   | 6 Prior experience - Rural Alaska         | 3          | 2          | 0          | 5      |
| 5%   | 7 References                              | 0          | 0          | 0          | 0      |
| 5%   | 8 Quality of proposal                     | 3          | 3          | 3          | 9      |
| 1    | Total                                     | 27         | 21         | 25         | 73     |
|      | Average                                   | 3.375      | 2.625      | 3.125      | 9.125  |
|      | Weighted Average                          | 4.050      | 3.450      | 3.700      | 11.200 |

3 Bidder: Seaport Telecom

| wgt. | Criteria                                  | Reviewer 1 | Reviewer 2 | Reviewer 3 |    |
|------|---|------------|------------|------------|----|
| 30%  | 1 Price of eligible products and services | 5          | 4          | 5          | 14 |
| 20%  | 2 Management capabilities & Support       | 0          | 1          | 0          | 1  |
| 20%  | 3 Technical Support                       | 0          | 1          | 0          | 1  |
| 10%  | 4 Reliability - Uptime                    | 4          | 0          | 2          | 6  |

|    |   |                                 |       |       |       |       |
|----|---|---------------------------------|-------|-------|-------|-------|
| 5% | 5 | Personnel qualifications        | 0     | 0     | 0     | 0     |
| 5% | 6 | Prior experience - Rural Alaska | 3     | 1     | 0     | 4     |
| 5% | 7 | References                      | 0     | 0     | 0     | 0     |
| 5% | 8 | Quality of proposal             | 1     | 1     | 1     | 3     |
| 1  |   | Total                           | 13    | 8     | 8     | 29    |
|    |   | Average                         | 1.625 | 1.000 | 1.000 | 3.625 |
|    |   | Weighted Average                | 2.100 | 1.700 | 1.750 | 5.550 |

4 Bidder: ACS

| wgt. | Criteria                                  | Reviewer 1 | Reviewer 2 | Reviewer 3 |        |
|------|---|------------|------------|------------|--------|
| 30%  | 1 Price of eligible products and services | 3          | 4          | 3          | 10     |
| 20%  | 2 Management capabilities & Support       | 5          | 5          | 5          | 15     |
| 20%  | 3 Technical Support                       | 2          | 4          | 2          | 8      |
| 10%  | 4 Reliability - Uptime                    | 4          | 5          | 5          | 14     |
| 5%   | 5 Personnel qualifications                | 5          | 5          | 5          | 15     |
| 5%   | 6 Prior experience - Rural Alaska         | 4          | 3          | 4          | 11     |
| 5%   | 7 References                              | 5          | 4          | 5          | 14     |
| 5%   | 8 Quality of proposal                     | 4          | 5          | 4          | 13     |
| 1    | Total                                     | 32         | 35         | 33         | 100    |
|      | Average                                   | 4.000      | 4.375      | 4.125      | 12.500 |
|      | Weighted Average                          | 3.600      | 4.350      | 3.700      | 11.650 |

5 Bidder: GCI

| wgt. | Criteria                                  | Reviewer 1 | Reviewer 2 | Reviewer 3 |        |
|------|---|------------|------------|------------|--------|
| 30%  | 1 Price of eligible products and services | 3          | 3          | 4          | 10     |
| 20%  | 2 Management capabilities & Support       | 5          | 5          | 5          | 15     |
| 20%  | 3 Technical Support                       | 5          | 5          | 5          | 15     |
| 10%  | 4 Reliability - Uptime                    | 5          | 5          | 5          | 15     |
| 5%   | 5 Personnel qualifications                | 5          | 5          | 5          | 15     |
| 5%   | 6 Prior experience - Rural Alaska         | 5          | 5          | 5          | 15     |
| 5%   | 7 References                              | 5          | 5          | 5          | 15     |
| 5%   | 8 Quality of proposal                     | 5          | 5          | 5          | 15     |
| 1    | Total                                     | 38         | 38         | 39         | 115    |
|      | Average                                   | 4.750      | 4.750      | 4.875      | 14.375 |
|      | Weighted Average                          | 4.400      | 4.400      | 4.700      | 13.500 |

6 Bidder: Micorcom

| wgt. | Criteria                                   | Reviewer 1 | Reviewer 2 | Reviewer 3 |    |
|------|--|------------|------------|------------|----|
| 30%  | 14 Price of eligible products and services | 4          | 4          | 3          | 11 |
| 20%  | 15 Management capabilities & Support       | 4          | 2          | 4          | 10 |
| 20%  | 16 Technical Support                       | 3          | 2          | 3          | 8  |
| 10%  | 17 Reliability - Uptime                    | 5          | 5          | 5          | 15 |
| 5%   | 18 Personnel qualifications                | 4          | 4          | 4          | 12 |
| 5%   | 19 Prior experience - Rural Alaska         | 4          | 4          | 4          | 12 |

|                           |                  |       |       |       |        |
|---------------------------|------------------|-------|-------|-------|--------|
| 5% 20 References          |                  | 0     | 0     | 0     | 0      |
| 5% 21 Quality of proposal |                  | 3     | 3     | 3     | 9      |
| 1                         | Total            | 27    | 24    | 26    | 77     |
|                           | Average          | 3.375 | 3.000 | 3.250 | 9.625  |
|                           | Weighted Average | 3.650 | 3.050 | 3.350 | 10.050 |

Reviewer Laura Hylton, Finance Director Date: February 27, 2023

Reviewer Sam Rigby, Systems Analyst Date: February 27, 2023

Reviewer Jim Dube, Technology Principal Date: February 27, 2023



# THE LAKE AND PENINSULA SCHOOL DISTRICT

101 Jensen Drive  
King Salmon, AK 99613  
907-313-3841

1617 S Industrial Way #1  
Palmer, AK 99645  
907-745-7090



March 10, 2023

Fattimah Muhammad  
Impact Aid Program, Director  
Fattimah.muhammad@ed.gov

**RE: Request for forgiveness for Impact Aid overpayment for FY2021, and FY2022**

Dear Ms. Muhammad:

The Lake and Peninsula School District (LPSD) is requesting forgiveness for the overpayments received for the FY2021 and FY2022 Impact Aid applications resulting from monitoring of our FY2023 application. LPSD utilized the flexibilities offered through the Coronavirus Relief Acts to carry forward our data from the FY2021 Impact Aid application to cover the FY2022 and FY2023 application years. Utilizing Coronavirus flexibility, the monitoring results of the FY2023 application affected three years of funding. Adjustments to property eligibility typically affect only one application cycle; COVID flexibility effects three applications and is an undue hardship on the district severely impacting our financial situation.

LPSD is a small, remote district in the southwest Alaska encompassing 26,652 square miles of land and 7,125 square miles of water making it the geographic 7<sup>th</sup> largest school district in the nation. LPSD is roughly the size of West Virginia extending 400 Miles from north to south, a map at <https://www.lpsd.com/lpsd.html> show our area. The borough consists of 13 village communities not accessible by road; all aspects of operational costs are driven by location and logistics to provide goods and services.

Current inflation drastically surpasses those of districts accessible by road. State of Alaska School District Cost Study updated in 2005 by the Alaska Institute and Economic Research University of Alaska Anchorage established it costs LPSD 1.994 times more to operate than it does in Anchorage. LPSD's established Cost Factor is the second highest in the state.

Repayment of these funds results in undue financial hardship for the district as defined by 34 CFR 222.17 resulting in a cash flow deficiency. Per paragraph (a) (1)(i) LPSD's overpayment of \$629,567 far exceeds the \$10,000 minimum requirement. Per

Chignik Bay • Chignik Lagoon • Chignik Lake • Igiugig • Kokhanok • Levelock  
Newhalen • Nondalton • Perryville • Pilot Point • Port Alsworth • Port Heiden

paragraph (a) (2)(ii) LPSDs APPE exceeds 125% of the State APPE for these years further demonstrating the hardship (calculated below). Our geographic location and demonstrated higher cost than Alaska urban centers will never allow us to operate at less than 125% of the state wide average APPE.

Per 34 CFR 22.16 (a)(1) LPSD Financial Statements for FY20, FY21 and FY22 are attached for reference further demonstrating financial hardship. The District continues to operate with deficit spending to maintain basic programs.

Per 34 CFR 222.16(a)(3) school districts in Alaska do not have taxing authority, Lake and Peninsula Borough holds taxing authority. Due to the composition of the land within the Lake and Peninsula borough primarily consisting of ANCSA, Tribal and National Park land all holding non-taxable status Lake and Peninsula Borough does not levy taxes. Letter from Lake and Peninsula Borough attached.

Per 34 CFR 222.16(a)(4) LPSD APPE as provided by State of Alaska F-33 Annual Survey of School System Finances submission data; Per 34 CFR 222.16(a)(5) APPE is listed below from State of Alaska submissions to National Public Education Financial Survey (NPEFS) database:

| APPE - | LPSD -   | Alaska   | 125% state APPE |
|--------|----------|----------|-----------------|
| FY20   | \$45,280 | \$19,563 | \$24,454        |
| FY21   | \$52,349 | \$20,753 | \$25,941        |

In 2017-2018 LPSD reduced the number of school days in an effort to balance the budget and stretch fund balance. These cost saving measures, in conjunction with the exacerbated effect of inflation on our rural locations, keep the district operating at a loss to provide basic education programs.

COVID carryover flexibility while a benefit in the short-term has created financial hardship in applying property loss to three Impact Aid applications. I am respectfully requesting consideration of forgiveness for the reductions to the 2021 and 2022 applications.

Thank you,



Laura Hylton  
Finance Director

cc Nicholas Di Taranto, Alaska Impact Aid Analyst  
Karen McCarthy, Senior Legislative Assistant Senator Lisa Murkowski  
Kasie Luke, LPSD Superintendent  
Mindy Lobaugh, AK Dept. of Education Impact Aid Rep.