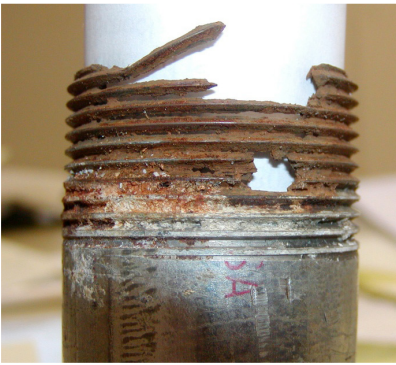


## BUDGET NARRATIVE

# Increasing Resilience of Rural, Disadvantaged School Districts in Alaska



## **Budget Narrative: Increasing Resilience of Rural, Disadvantaged School Districts in Alaska**

### **Budget Detail**

Applicants should provide a detailed breakout for each GHG reduction measure in their application by funding type included in the proper budget category for each activity requesting funds.

DEED has provided a detailed breakout for its single GHG reduction measure, including funding type by budget category for each activity. To implement its measure, DEED's budget includes costs for:

- DEED program management and staff needs for providing technical assistance.
- Building materials, equipment, and construction costs, including under Other as subawards to school districts.
- Subaward funding to the Alaska Municipal League (a nonprofit, nongovernmental organization) to support reporting, monitoring, workforce development, and stakeholder engagement.

All funds are included as federal funds, as part of the request to EPA for CPRG implementation grant funding. Total project funding is \$49,211,694.

This project is scalable – if grant awards were less than this amount then DEED would work with districts based on facility priority

### **Budget by Cost Category**

#### **Personnel – Total Personnel Budget over 5 years \$422,379**

This grant requires one temporary Program Coordinator 2 position that is 100% (1 FTE) assigned to this grant program. The starting salary is \$76,440 with projected 5% increase (COLA plus merit, which is standard budgeting for DEED) over years 2 through 5. The total cost for the budget period over the five years is \$422,379.

#### **Fringe Benefits – Total Fringe Benefits Budget over 5 years \$157,033**

Fringe benefits on the one Program Coordinator 2 position are 37%; provided by the Alaska Department of Education and Early Development's Human Resources Department. The benefits include retirement benefits, employee insurance benefits, and paid leave.

#### **Travel – Total Travel Budget over 5 years \$19,020**

In state Travel: Juneau/Anchorage based staff will travel to one subrecipient awarded school district per year as part of the project administration and/or closeout of the CIP process. DEED has budgeted \$3,804 annually for this, for two travelers for approximately two days/three nights. The lodging rate used for Anchorage is \$279/night, flights are budgeted at \$750 each. The State of Alaska per diem rates are \$50/day for travel days and \$65/day for non-travel days; 3-day per diem is estimated to be \$165 per traveler per trip. Due to the geographical locations and remoteness of several of these school districts, travel costs are estimated based on the community accessibility via commercial jet service and charter services and available accommodations (some communities have dorms or teacher housing for accommodations).

#### **Equipment – Total Equipment Budget over 5 years \$2,000**

One-time cost for equipment (laptop, monitors, headset, keyboards) for the Program Coordinator 2 position for administering the grant program.

#### **Supplies – Total Supplies Budget over 5 years \$3,000**

One-time cost for supplies for the Program Coordinator 2 position for administering the grant program.

#### **Contractual – None**

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There are no contractual expenses. These will fall under individual subaward project budgets, included within Other.

### **Other – Subrecipient Awards**

Alaska Municipal League Support- total award over 5 years \$226,364

Cost Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Personnel	\$15,000	\$15,375	\$15,759	\$16,153	\$16,557	\$78,844
Fringe Benefits	\$4,650	\$4,766	\$4,885	\$5,008	\$5,133	\$24,442
Travel	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500
Contractual	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$90,000
Total Direct Charges	\$72,150	\$32,641	\$33,144	\$33,661	\$34,190	\$205,786
Indirect Charges	\$7,215	\$3,264	\$3,314	\$3,366	\$3,419	\$20,578
Total Other	\$79,365	\$35,905	\$36,458	\$37,027	\$37,609	\$226,364

- Personnel: The personnel budget includes COLA increases of 2.5% annually, with total costs for this item are \$78,844. AML has budgeted for a Program coordinator (approx. .15 FTE of annual salary of \$90,000) – responsible for implementation of project award. This is estimated to start at \$15,000 a year.
- Fringe: AML budgets an average fringe rate of 31% applied to each personnel line item, for a total of \$24,442 in fringe benefits. AML has calculated its fringe to include contributions to retirement, full coverage of health insurance, leave and holidays, and workers comp and other insurance, as well as federal taxes. The breakdown of fringe calculations is as follows Social Security (6.20%), Medicare (1.45%), Unemployment (1%), Health and Life Insurance (15%), Retirement (5%), and PTO/Holidays (1.81%).
- Travel: Juneau-based staff will travel to Anchorage for monitoring and engagement activities. AML has budgeted \$2,500 annually for this, with two travelers for three days/two nights. The lodging rate used for Anchorage is \$229-279/night, flights ranging from \$385-450. A 3-day per diem rate in Anchorage is estimated to be \$435. Rates are based on GSA standards.
- Contractual: AML maintains a robust contract/subrecipient monitoring system for measuring accountability, evaluating actual costs against budgets submitted, as well as by performance metrics based on scopes of work. Regular meetings with contractors and subrecipients ensure that the project is on track and milestones met. AML will follow 2 CFR 200 and its procurement policy to secure subrecipients and contractors, as necessary. AML will work with current contractors supporting the State's CPRG GHG emissions inventory activities to produce a statewide monitoring dashboard for progress under CPRG, which successful awardees can contribute to. This expands the scope of the current activities, with up-front costs for development and then maintenance costs budgeted for the following years. Costs have been pro-rated across applicants.
- Indirect: AML does not have a negotiated indirect rate, and has applied a de minimis rate of 10% to all direct costs (MTDC), including the first \$25,000 of each contract or subrecipient.

### **Other – School District Subawards**

## Budget Narrative: Increasing Resilience of Rural, Disadvantaged School Districts in Alaska

DEED has provided the following budget estimates from school districts, and in its budget submission included the following assumptions: 20% of needed funds in first year, 60% between years two and three, 15% in the fourth year, and 5% in year five.

DEED used its standard operating procedure for allocating costs across different line items:

- Construction Management (by consultant) – 2-4%
- Design Services – 6-10%
- Equipment and Technology – up to 4%
- District Indirect costs – up to 9%
- Project Contingency – 5%

### Aleutians East Borough/ Sand Point K-12 School Major Maintenance- Total Budget \$ \$3,842,819

This project is ranked number one on the district's FY2025-2030 Six Year Capital Improvement Plan and has been categorized under AS 14.11.135(7) as needed protection of structure.

Project Budget Category	Current Project Request
CM- By Consultant	\$121,710
Design Services	\$310,000
Construction	\$3,100,000
District Administration Overhead	\$156,109
Project Contingency	\$155,000
<b>Project Total</b>	<b>\$3,842,819</b>

### Kuspuk/Johnnie John Sr. K-12 School Major Maintenance, Crooked Creek- Total Budget \$1,989,549

Project Budget Category	Current Project Request
CM- By Consultant	\$46,761
Design Services	\$155,870
Construction	\$1,558,700
Equipment	\$10,000
District Administration Overhead	\$140,283
Project Contingency	\$77,935
<b>Project Total</b>	<b>\$1,989,549</b>

### Lower Kuskokwim/ Akula Elitnavik K-12 School Renovation, Kasigluk-Akula- Total Budget \$2,021,461

Project Budget Category	Current Project Request
CM- By Consultant	\$32,604
Design Services	\$163,021
Construction	\$1,630,210
District Administration Overhead	\$114,115
Project Contingency	\$81,511

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<b>Project Total</b>	<b>\$2,021,461</b>
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Lower Yukon/ Kotlik and Pilot Station K-12 Schools Renewal and Repair -Total Budget \$3,868,159

<b>Project Budget Category</b>	<b>Current Project Request</b>
<b>CM- By Consultant</b>	<b>\$93,373</b>
<b>Design Services</b>	<b>\$311,244</b>
<b>Construction</b>	<b>\$3,121,174</b>
<b>District Administration Overhead</b>	<b>\$186,746</b>
<b>Project Contingency</b>	<b>\$155,622</b>
<b>Project Total</b>	<b>\$3,868,159</b>

Northwest Arctic Borough/ Davis-Ramoth K-12 School Renovation - Total Budget \$9,424,172

<b>Project Budget Category</b>	<b>Current Project Request</b>
<b>CM- By Consultant</b>	<b>\$153,213</b>
<b>Design Services</b>	<b>\$612,852</b>
<b>Construction</b>	<b>\$7,660,649</b>
<b>Equipment &amp; Technology</b>	<b>\$154,787</b>
<b>District Administration Overhead</b>	<b>\$459,639</b>
<b>Project Contingency</b>	<b>\$383,032</b>
<b>Project Total</b>	<b>\$9,424,172</b>

Southeast Island/ Thorne Bay K-12 School Mechanical Control Upgrades- Total Budget \$1,438,929

<b>Project Budget Category</b>	<b>Current Project Request</b>
<b>CM- By Consultant</b>	<b>\$34,813</b>
<b>Design Services</b>	<b>\$116,043</b>
<b>Construction</b>	<b>\$1,160,426</b>
<b>District Administration Overhead</b>	<b>\$69,626</b>
<b>Project Contingency</b>	<b>\$58,021</b>
<b>Project Total</b>	<b>\$1,438,929</b>

Southwest Region/ Twin Hills K-12 School Renovation -Total Budget \$6,738,352

<b>Project Budget Category</b>	<b>Current Project Request</b>
<b>CM- By Consultant</b>	<b>\$106,295</b>
<b>Design Services</b>	<b>\$531,472</b>
<b>Construction</b>	<b>\$5,314,728</b>
<b>Equipment &amp; Technology</b>	<b>\$212,589</b>

## Budget Narrative: Increasing Resilience of Rural, Disadvantaged School Districts in Alaska

District Administration Overhead	\$265,736
Project Contingency	\$307,532
Project Total	\$6,738,352

### Southwest Region/ Ekwok K-12 School Renovation - Total Budget \$8,498,325

Project Budget Category	Current Project Request
CM- By Consultant	\$134,360
Design Services	\$671,804
Construction	\$6,718,042
Equipment & Technology	\$268,721
District Administration Overhead	\$ 335,902
Project Contingency	\$ 369,496
Project Total	\$8,498,325

### Southwest Region/ Aleknagik K-12 School Renovation- Total Budget \$ 9,794,638

Project Budget Category	Current Project Request
CM- By Consultant	\$154,855
Design Services	\$774,279
Construction	\$7,742,798
Equipment & Technology	309,712
District Administration Overhead	\$387,140
Project Contingency	\$425,854
Project Total	\$9,794,638

### Yupiit/ Mechanical System Improvements, 3 Schools- Total Budget \$ 724,207

Project Budget Category	Current Project Request
Construction	\$724,207
Project Total	\$724,207

### Indirect Charges - - Total Budget \$41,286 over 5 years

DEED has a federally negotiated indirect rate of 4.7%, which is budgeted each year for administrative costs of the Department.

### **Expenditure of Awarded Funds**

DEED annually evaluates capital improvement project (CIP) grant applications that are submitted by school districts on or before September 1. Applications are ranked according to the criteria in AS 14.11

## Budget Narrative: Increasing Resilience of Rural, Disadvantaged School Districts in Alaska

and 4 AAC 31, with initial lists released on November 5. Final lists are released after any appeals to reconsideration are finalized. These CPRG measures are included in DEED's priority list of projects, and have been vetted both by districts and the department.

Projects have completed applications to DEED utilizing these instructions, and standards:

- [https://education.alaska.gov/facilities/cipforms/app\\_instructions.pdf](https://education.alaska.gov/facilities/cipforms/app_instructions.pdf)
- <https://education.alaska.gov/facilities/publications/ConstructionStandards2022.pdf>

To be eligible for funding, districts must have a six-year plan, a fixed asset inventory system, adequate property loss insurance, and a preventive maintenance and facility management program certified by the department.

Alaska DEED staff have included a detailed schedule within the work plan, in addition to the detailed budget broken down by project component, class category, and year. With these measures in place, DEED will expend funds expeditiously.

### Reasonableness of Costs

The cost estimate is based on historic costs and quotes secured within the last year. The budget includes contingency and risk mitigation measures, recognizing supply chain, workforce, and inflation effects that may impact the project schedule and delivery. The cost estimate is consistent with DEED practices, and DEED is confident in each component's success based on the budget.

Our proposed grant expenditures are tailored to achieve the outlined goals, objectives, and measurable environmental outcomes described in the application. By prioritizing energy efficiency initiatives within school facilities, DEED aims to significantly reduce GHG emissions while enhancing operational efficiency. These targeted expenditures are not only reasonable but also strategically aligned with DEED's commitment to sustainability and long-term environmental stewardship. DEED is confident that the proposed initiatives will yield tangible and measurable results, showcasing a clear path towards substantial energy savings and environmental impact reduction.

There are a number of considerations that impact higher costs in Alaska. [This resource](#) from the Alaska Department of Education covers the reasonableness of higher costs in Alaska. The Alaska Housing Finance Corporation, too, provides several resources:

- <https://www.ahfc.us/efficiency/commercial-buildings>
- This is related to schools, but has broad application
  - [https://www.ahfc.us/application/files/4114/1866/9804/Energy\\_Efficiency\\_of\\_Public\\_Buildings\\_in\\_Alaska\\_Schools.pdf](https://www.ahfc.us/application/files/4114/1866/9804/Energy_Efficiency_of_Public_Buildings_in_Alaska_Schools.pdf)
- There is clearly a return on this investment, according to this
  - [https://www.ahfc.us/application/files/9614/1866/9905/Potential\\_Paybacks\\_from\\_Retrofitting\\_Alaskas\\_Public\\_Buildings.pdf](https://www.ahfc.us/application/files/9614/1866/9905/Potential_Paybacks_from_Retrofitting_Alaskas_Public_Buildings.pdf)