# Funding Alaska Public Schools

## A BRIEF EXPLANATION OF THE FOUNDATION FORMULA

Norm Wooten

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# Education Funding Formula

- Provides foundation funding to objectively distribute state money to districts
- Recognizes differences between districts and adjusts state funding accordingly
- Funds basic school district costs
- Ensures equity across all districts – federally mandated (disparity test)

# Current Foundation Formula

## Funding formula adopted in 1998
- Fourth formula adopted by the Legislature.

## Distributed on a per student basis
- Prior plans were based on a complicated "instructional unit."

## Based on actual education costs
- Cost differences were based on McDowell Study.

# Factors in the Foundation Formula

## Student Count
- Average Daily Membership (ADM) established in October

## School Size
- Size of school impacts the cost of a K-12 education

## District Cost Factor
- Location impacts the cost of a K-12 education

## Special Needs Factors
- Funds for spec. ed., cte., gifted & bilingual students

# Factors in the Foundation Formula

## CTE Factor
- Dollars to help provide career education in grades 7-12

## Intensive Services
- Recognizes extra cost for intensive services

## Correspondence Programs
- Counts student in correspondence @ 90%

## Adjusted ADM
- Formula calculations equals an Adjusted ADM

# Calculations to Adjusted ADM

**Start with ADM**

Apply

School Size & Hold Harmless

X

District Cost Factor

X

Special Needs Factor

X

Voc & Technical Factor

+

Intensive Services Counts

+

Corres Student Counts

**Equals AADM**

# Basic Need

## Adjusted ADM

- The Adjusted Average Daily Membership (AADM) count is the basis for school funding.

## Basic Need

- Basic Need is the revenue needed by districts to provide a basic education.
- AADM X $5,880

= BASIC NEED

( $5,880 = base student allocation)

Statutory increase for FY 16

## State Aid

- **State Aid** is the money provided by the state to help fund local school districts.

## Calculation

Basic Need

−

Local Support*

−

Impact Aid**

=

**State Aid**

\* <u>Required</u> Local Support
\*\* 90% of deductible impact aid funds

## City School District with 727 Students

| | |
|---|---:|
| Adjusted Student Count | 1,670 |
| Per Student Dollar Amount (BSA) | x  $5,830 |
| BASIC NEED | $9,736,100 |
| | |
| Required Local Support | - $866,390 |
| Deductible Impact Aid | - $16,853 |

**STATE AID TO SCHOOL DISTRICT    $8,602,584**

# Changes Since 1998

## New District Cost Factor
Five-year phase-in (FY13)

## New Intensive Services
Three-year phase-in (FY11)

## New Career Factor
Effective FY13

## Required Local Support
Effective FY09

## Hold Harmless
Effective FY09

## Increase to Correspondence
Effective FY15

## Increase to Foundation Formula
Effective FY15 - 17

## Local Contribution Changes
Effective FY15

# School Size Factor

| If the student count in a school is | | The adjusted student count is | | | |
|---|---|---|---|---|---|
| At least | But less than | Base | Multiplier | | The number of students in excess of |
| 10 | – 20 | 39.6 | | | |
| 20 (1.98) | – 30 | 39.6 + | (1.62 | x | 20) |
| 30 (1.86) | – 75 | 55.8 + | (1.49 | x | 30) |
| 75 (1.638) | – 150 | 122.85 + | (1.27 | x | 75) |
| 150 (1.454) | – 250 | 218.1 + | (1.08 | x | 150) |
| 250 (1.3044) | – 400 | 326.1 + | (0.97 | x | 250) |
| 400 (1.179) | – 750 | 471.6 + | (0.92 | x | 400) |
| 750 or over | | 793.6 + | (0.84 | x | 750). |