An excellent education for every student every day.

Mission, Vision, and Purpose

<table>
<thead>
<tr>
<th>Mission</th>
<th>Vision</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>An excellent education for every student every day.</td>
<td>All students will succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them.</td>
<td>DEED exists to provide information, resources, and leadership to support an excellent education for every student every day.</td>
</tr>
</tbody>
</table>

PUBLIC SCHOOL FUNDING FORMULA

The current state public school funding formula was adopted under SB 36 in 1998; implemented in 1999.
The public school funding formula is defined in Alaska Statute 14.17.
Providing an Overview

1. October count and Average Daily Membership (ADM).
2. Calculations of Adjusted Average Daily Membership (AADM).
3. Calculation of Basic Need.
4. Funding Components of Basic Need (Who Pays).
5. Additional Funds above Basic Need.

Average Daily Membership

ADM Reporting Requirements

- Average Daily Membership is the number of enrolled students during the 20 school-day count period ending on the fourth Friday of October. (AS 14.17.600)
- Reports are due within two weeks after the end of the 20 school-day count period. (AS 14.17.600)
- Projected student count reports are due November 5. (AS 14.17.500)

Who Qualifies as a Student?

Eligibility for State Foundation Funding:

- A child who is 6 years of age on or before September 1, and under the age of 20, and has not completed the 12th grade. (AS 14.03.070)
- A child who is 5 years of age on or before September 1, may enter kindergarten. (AS 14.03.080 (d))
- A child with a disability and an active Individualized Education Program (IEP) may attend school if at the age of 3 or if under the age of 22 by July 1. (AS 14.30.180 (1))
**6 Steps to DISTRICT ADJUSTED ADM**

Step 1. **Adjust**: ADM for School Size  
Step 2. **Apply**: District Cost Factor  
Step 3. **Apply**: Special Needs Factor  
Step 4. **Apply**: Vocational & Technical Factor (CTE)  
Step 5. **Add**: Intensive Services Count  
Step 6. **Add**: Correspondence Student Count  

= District Adjusted ADM  

Used to calculate ENTITLEMENT

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### Step 1. Adjust the ADM for School Size

<table>
<thead>
<tr>
<th>Reference School Size</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-19.99</td>
<td>39.60</td>
</tr>
<tr>
<td>20-29.99</td>
<td>39.60 + (1.62 * (ADM - 20))</td>
</tr>
<tr>
<td>30-74.99</td>
<td>55.80 + (1.49 * (ADM - 30))</td>
</tr>
<tr>
<td>75-149.99</td>
<td>122.85 + (1.27 * (ADM - 75))</td>
</tr>
<tr>
<td>150-249.99</td>
<td>218.10 + (1.08 * (ADM - 150))</td>
</tr>
<tr>
<td>250-399.99</td>
<td>326.10 + (0.97 * (ADM - 250))</td>
</tr>
<tr>
<td>400-749.99</td>
<td>471.60 + (0.92 * (ADM - 400))</td>
</tr>
<tr>
<td>Over 750</td>
<td>793.60 + (0.84 * (ADM - 750))</td>
</tr>
</tbody>
</table>

**A Community with an ADM:**  
1. Under 10 - Added to the smallest school with an ADM greater than 10.  
2. 10 through 149.99 - Grades K-12 ADM is combined and adjusted once; adjusted as one school.  
3. 150-425 - ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.  
4. Greater than 425 - The ADM of each facility, administered as a separate school, is adjusted; unless it is a single site facility, then it adjusts as two schools.  

AS 14.17.805

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### Step 1. Adjust the ADM for School Size (continued)

* **Alternative** school with an ADM of 175 or greater and administered as a separate facility the ADM will be adjusted separately, unless:  
1. It is in the 1st year of service with ADM between 120 to 175 it receives an adjustment of 1.33.  
2. It had an ADM of 175 or greater in the prior year but drops below 175 in the current fiscal year it will receive an adjustment of 1.33.  
3. It has an ADM of less than 175 it shall be counted as a part of the school in the district with the highest ADM.  

* **Charter** school with an ADM of 150 or greater is adjusted as a separate facility unless:  
1. It is in the 1st year of service with ADM between 75 to 150 it receives an adjustment of 1.45.  
2. It had an ADM of 175 or greater in the prior year but drops below this in the current fiscal year it will receive an adjustment of 1.45.  
3. It continues to stay below 75 ADM then it receives an adjustment of 1.38.  

AS 14.17.820
Step 1: Example: NOME PUBLIC SCHOOLS
Projected FY2024 ADM by School

- Nome Elementary School…………………330.00
- Nome-Beltz Jr/Sr High School………………300.00
- Anvil City Science Academy………………60.00
- Extension Correspondence…………………25.00

Total ADM…………………………715.00

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### Reference

<table>
<thead>
<tr>
<th>Reference</th>
<th>School Size</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20-49.99</td>
<td>39.60 * (ADM - 20)</td>
</tr>
<tr>
<td>2</td>
<td>50-99.99</td>
<td>39.60 + (1.62 * (ADM - 50))</td>
</tr>
<tr>
<td>3</td>
<td>100-300</td>
<td>55.80 + (1.49 * (ADM - 100))</td>
</tr>
<tr>
<td>4</td>
<td>301-500</td>
<td>122.85 + (1.27 * (ADM - 301))</td>
</tr>
<tr>
<td>5</td>
<td>501-750</td>
<td>218.10 + (1.08 * (ADM - 501))</td>
</tr>
<tr>
<td>6</td>
<td>751-1000</td>
<td>326.10 + (.97 * (ADM - 751))</td>
</tr>
</tbody>
</table>

### Adjusted ADM's

- K-6 Adjusted ADM's
  - (Ref. 6) \[336.10 + (0.97 \times (330.00 - 250))\] 403.70
- 7-12 Adjusted ADM's
  - (Ref. 6) \[326.10 + (0.97 \times (300.00 - 250))\] 374.60

### School Size Adjusted ADM

- Anvil Charter School
  - 60 * 1.18 + 70.80 849.10

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### HOLD HARMLESS PROVISION

Enacted in 2008, House Bill 273 established a Hold Harmless provision for those school districts experiencing a reduction in their brick and mortar school(s) ADM after it has been adjusted for school size. The sum total adjusted for school size ADM is compared to the prior fiscal year’s to determine if a decrease of 5% or greater has occurred. If the answer is “yes”, then the prior fiscal year is locked in as the “base year” for the next three years.

**Available up to 3 years if district stays below the base year**

- 1st year 75% of difference to the base year is retained.
- 2nd year 50% of difference to the base year is retained.
- 3rd year 25% of difference to the base year is retained.

AS 14.17.410 (b)(1)(E)

Nome Public Schools: HOLD HARMLESS PROVISION.

Nome just completed the hold harmless three-year step-down provision in FY2023 and is now transitioned to the lower ADM.

Has the district decreased by 3% or greater when compared to FY2023 school size adjusted total and eligible to restart the hold harmless provision? No.

FY2024 Total School Size Adj. ADM  849.10  
FY2023 Total School Size Adj. ADM  824.85 (base year)  
DIFFERENCE:  24.25

RESULT: District proceeds through formula without hold harmless provision; total school size adjusted ADM remains 849.10.

Step 2. DISTRICT COST FACTORS

Cost Factors were modified based on a 2005 ISER study and implemented over five years, FY2009 – FY2013. They are specific to each school district and range from 1.000 (Anchorage) to 2.116 (Yukon Flats).

Multiply the School Size Adjusted ADM by the District Cost Factor for Nome:

\[ 849.10 \times 1.450 = 1,231.20 \]

AS 14.17.460

Step 3. SPECIAL NEEDS FUNDING

Includes special education (except intensive), vocational education, gifted/talented and bilingual/bicultural. These are block funded at 20%.

AS 14.17.420(a)(3)
Step 3. Example: NOME PUBLIC SCHOOLS

Multiply the Adjusted ADM (from Step 2) by the Special Needs Factor

\[ 1,231.20 \times 1.20 = 1,477.44 \]

Step 4. VOCATIONAL & TECHNICAL FUNDING

Career & Technical Education (CTE) is funded at a factor of 1.015.

It is intended to assist districts in providing career and technical education services in grades seven through 12.

This excludes costs associated with administrative expenses and instruction in general literacy, mathematics, and job readiness skills.

AS 14.17.420 (a)(j)

Step 4. Example: NOME PUBLIC SCHOOLS

Multiply the Adjusted ADM (from Step 3) by the Career & Technical Education Factor

\[ 1,477.44 \times 1.015 = 1,499.60 \]
CONSORTIUM OF SCHOOLS

This provision is for districts choosing to consolidate one or more schools within a community. Each of the affected schools' ADM in the base year (the year prior to consolidation) and the current year are adjusted through the vocational and technical factor, the result of each calculation is divided by its respective fiscal year's ADM total to arrive at the quotients. The difference between these two quotients is added back to the district's ADM being adjusted in the current fiscal year.

- First two fiscal years following consolidation is 100% offset of the reduction in basic need for the affected schools.
- Third fiscal year is 66% offset of those funds in basic need of the affected schools.
- Fourth fiscal year is 33% offset of those funds in basic need of the affected schools.

A district may not use this provision to offset the decrease of a new facility is constructed, reopen the school being consolidated, and not more than once every seven years.

Step 5.

INTENSIVE SERVICES FUNDING

A school district will receive funding for intensive services students that:
1. Are receiving intensive services and;
2. Enrolled on the last day of the 20-school-day count period and;
3. Meet intensive qualifications for each intensive services student.

(Intensive Student Count) x 13 = Intensive Student Funding

An Intensive Services student generates $77,480

AS 14.17.420(a)(2)

Step 5. Example:

NOME PUBLIC SCHOOLS

Multiply the Intensive Student Count by 13 & add to the adjusted ADM (from Step 4)

Nome Public Schools has 15 Intensive Students

15 x 13 = 195

1,499.60 + 195 = 1,694.60
Step 6. CORRESPONDENCE PROGRAMS

Districts offering correspondence programs receive funding based on 90% of the Correspondence ADM.

\[(\text{Correspondence ADM} \times .90) = \text{Level of}\]

Each Correspondence ADM generates $5,364.

**AS 14.17.430**

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Step 6. EXAMPLE: NOME PUBLIC SCHOOLS

Multiply the Correspondence Student ADM by 90% and add to the Adjusted ADM (from Step 5) to get Final District Adjusted ADM (AADM).

Nome Public Schools has 25 Correspondence ADM

\[25 \times .90 = 22.50\]

\[1,694.60 + 22.50 = 1,717.10\]

**AS 14.17.430**

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BASIC NEED Entitlement

Multiply the district adjusted ADM by the base student allocation (BSA) = BASIC NEED

\[1,717.10 \times \$5,960 = \$10,233,916\]

**AS 14.17.470**
**Components of Basic Need**

(Who pays?)

- Required Local Contribution
- Federal Impact Aid
- State Aid

**Full & True Value / Local Effort Calculation**

Current year full & true value, as provided annually by the State Assessor’s Office, is multiplied by 2.65 mils for the purposes of calculating the Required Local Effort for foundation funding.
CALCULATING REQUIRED LOCAL CONTRIBUTION

Example: Nome Public Schools

The lesser of the equivalent of 2.65 mils of the full & true value for 2022 calendar year, but not to exceed 45% of the school district's prior year basic need.

\[
\begin{align*}
0.00265 & \text{ of full & true value Tax Base} \\
0.00265 \times 503,895,691 & = 1,335,324 \\
\text{or} \\
45\% \text{ of Prior Year Basic Need} & \\
0.45 \times 9,906,955 & = 4,458,130
\end{align*}
\]

AS 14.17.410(b)(2)

Title VII
FEDERAL IMPACT AID PAYMENTS

Title VII Federal Impact Aid Payments received from March 1 through the last day of February are used as payment for Basic Need.

The State must first deduct out the federal funding for special education (SPED), 1/5th Native lands, and construction funds.

Example: Nome Public Schools

Payments received by the Nome Public Schools from March 1 through the end of February. There are no SPED, Native lands, or construction funds included in their payments therefore the total received is eligible.

$30,807
(amount eligible for Deduction)

AS 14.17.410(e)(2)(B)
IMPACT AID PERCENTAGE

Required Local Contribution
divided by
Budgeted Local Contribution

Budgeted Local Contribution, for the purposes of calculating the Impact Aid percentage is found in the Budgets submitted on July 15 of each year and may consist of:
- Appropriations
- Investment Earnings
- In-Kind Services
- "Other" Local

Example: Nome Public Schools

Required Local: $1,335,324
Budgeted Local: $3,535,000 = 37.77%

(This percentage is only derived for City & Boroughs)

Title VII PERCENTAGE

Example: Nome Public Schools

Required Local: $1,335,324
Budgeted Local: $3,535,000 = 37.77%

(These percentages are only derived for City & Boroughs)

IMPACT AID

Example: Nome Public Schools

90% of the eligible Impact Aid received by a school district is multiplied by the Impact Aid percentage.

Nome's Deductible Impact Aid Calculation:

$30,807 x 37.77% x 90% = $10,472

Eligible Impact Aid x Title VII % x 90% = Deductible Impact Aid
**STATE AID**  
Nome Public Schools

<table>
<thead>
<tr>
<th>BASIC NEED:</th>
<th>$10,233,916</th>
</tr>
</thead>
<tbody>
<tr>
<td>(less) REQUIRED LOCAL:</td>
<td>(1,335,324)</td>
</tr>
<tr>
<td>(less) IMPACT AID:</td>
<td>(10,472)</td>
</tr>
<tr>
<td><strong>STATE AID</strong></td>
<td>$8,888,120</td>
</tr>
</tbody>
</table>

AS 14.17.410 (b)(1)

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**ADDITIONAL FUNDS**  
Above Basic Need

- Additional Local Contribution
- Quality Schools Grant

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**Calculating the ADDITIONAL LOCAL CONTRIBUTION**  
*Example: Nome public Schools*

The greater of 2 mills of the tax base or 23% of the district’s current year Basic Need and State funds calculated on AADM can be contributed, but not exceeded.

- **.002 of Full & True Value Tax Base:**  
  $.002 x $503,895,691 = $1,007,791

- **23% of Basic Need & funds calculated on AADM:**  
  .23 x ($10,233,916 + $27,474) < $2,360,120
MAXIMUM LOCAL CONTRIBUTION

Example: Nome City Schools

Required Local Contribution plus Additional Local Contribution

REQUIRED Local Contribution: $1,335,324
ADDITIONAL Local Contribution: $2,360,120
MAXIMUM Local Contribution: $3,695,444

AS 14.17.410(c)

QUALITY SCHOOLS GRANT

AS 14.17.480 provides a Quality School Grant based on the district's Adjusted ADM multiplied by $16.

Example: Nome Public Schools

1,717.10 x $16 = $27,474

https://education.alaska.gov/qa/quotaschools/

COMPONENTS OF STATE AID

A Permanent Funding Component of State Aid

Nome's total State Aid equals:

Calculated STATE AID $8,888,120
plus QUALITY SCHOOLS Grant 27,474
TOTAL STATE ENTITLEMENT $8,915,594

AS 14.17.410
**PLEASE NOTE:**
Prorating the Public School Funding Formula

If the amount appropriated by the legislature is insufficient to meet the total amount authorized, then all districts' Basic Need will be reduced pro rata.

AS 14.17.400(b)

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**AS 14.17.410**
Foundation Funding Formula
FY2024 Projection

- **Component of Funding**
  - State General Funds
  - Public School Trust Fund
  - Federal Impact Aid

- **Components and Multipliers**
  - Special Ed. Intensives
  - Vocation Education factor
  - Special Needs factor
  - District Cost Factor
  - School Size Table

- **Formula**
  
  \[
  \text{Projected Total} = \text{ADM} \times \text{Per Capita Funding} \\
  \text{Per Capita Funding} = \frac{\text{State General Funds} + \text{Public School Trust Fund} + \text{Federal Impact Aid}}{\text{ADM}}
  \]

- **FY2024 Projected Total**
  - $257,185.83
  - Adjusted ADM
  - $1,532,877,545

- **Adjustments**
  - $301,869,930
  - $73,276,627
  - $1,157,680,988

- **Impact Aid**
  - $4,114,972

- **Total**
  - $1,161,795,960

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**Contact Information**

Elwin Blackwell, School Finance Manager
Elwin.Blackwell@alaska.gov
(907) 465-8665

Mindy Lobaugh, School Finance Specialist
Mindy.Lobaugh@alaska.gov
(907) 465-2261
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- Main Line: (907) 465-2800
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