

An Overview of the Foundation Formula

Alaska's original Foundation Formula did not consider individual member categories or the varying costs of operating schools in different regions of the state. It grouped school districts into "funding communities" resulting in unfair underfunding for many districts.

To address these issues, a task force was convened in 1996-1997 which led to the passage of [SB 36](#) in 1998. This legislation introduced the current foundation formula that takes into account individual member needs and diverse variables within school districts based on their size and locations. The current foundation formula is outlined in [AS 14.17, State Aid to Public Schools](#).

Steps used to determine a district's annual Basic Need funding. Click links to view statutes.

1	ADM - Average Daily Membership	The number of students enrolled during a 20-day count period in October of each school year, for each school. Does not include correspondence school enrollment - see Step 7.
2	SSA - School Size Adjustment	Accounts for the varying instructional costs of delivering educational services to different sized schools within a district.
3	DCF - District Cost Factor	A cost factor assigned to each district to account for varying costs of operating schools in diverse locations and differing size communities within the state.
4	SNF - Special Needs Factor	To account for costs associated with members receiving district-provided special needs services, including special ed, gifted and talented ed, vocational ed, & bilingual/bicultural ed.
5	CTEF - Career & Technical Education Factor	To account for costs associated with members enrolled in CTE courses.
6	INF - Intensive Needs Factor	The number of members requiring extraordinary assistance, such as one-on-one aides or significant support throughout the school day. Calculated separately from Special Needs.
7	CPF - Correspondence Program Factor	The number of members enrolled in district-provided correspondence programs.
8	Final Adjusted ADM - Total after all adjustment factors have been applied to the ADM	The Final Adjusted ADM is multiplied by the Base Student Allocation (\$6,660 in FY26) to calculate the district's Basic Need funding amount.

The funding formula calculation

- + ADM total of October count of members enrolled in each school within the district
- * SSA multiply ADM by School Size Adjustment formula listed in [AS 14.17.450](#)
- * DCF multiply ADM by District Cost Factor listed in [AS 14.17.460](#)
- * SNF multiply ADM by Special Needs Factor of 1.20
- * CTEF multiply ADM by Career & Technical Education Factor of 1.015
- + INF multiply # of intensive needs members by Intensive Needs Factor of 13, add to ADM
- + CPF multiply # of correspondence members by Correspondence Program Factor of .90, add to ADM
- = Final Adjusted ADM
- * BSA multiply Final Adjusted ADM by BSA (\$6,660 in FY2026)
- = Basic Need funding amount required for State Aid

Following Legislative passage of the operating budget and the Governor signing it into law, the Basic Need funding amounts are distributed to each school district in 12 monthly payments.