

AS 14.17.410. Public School Funding.

(a) A district is eligible for public school funding in an amount equal to the sum calculated under (b) and (c) of this section.

(b) *Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:*

(1) state aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum obtained under (D) of this paragraph, multiplied by the base student allocation set out in AS [14.17.470](#) ; district adjusted ADM is calculated as follows:

(A) the ADM of each school in the district is calculated by applying the school size factor to the student count as set out in AS [14.17.450](#) ;

(B) the number obtained under (A) of this paragraph is multiplied by the district cost factor described in AS [14.17.460](#) ;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added; the sum is then multiplied by the special needs factor set out in AS [14.17.420](#) (a)(1);

(D) the number obtained for intensive services under AS [14.17.420](#)(a)(2) and the number obtained for correspondence study under AS [14.17.430](#) are added to the number obtained under (C) of this paragraph;

(2) the required local contribution of a city or borough school district is the equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS [14.17.510](#) and AS [29.45.110](#) , not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

(c) In addition to the local contribution required under (b)(2) of this section, a city or borough school district in a fiscal year may make a local contribution of not more than the greater of

(1) the equivalent of a two mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS [14.17.510](#) and AS [29.45.110](#) ; or

- (2) 23 percent of the district's basic need for the fiscal year under (b)(1) of this section.
- (d) State aid may not be provided to a city or borough school district if the local contributions required under (b)(2) of this section have not been made.
- (e) If a city or borough school district is established after July 1, 1998, for the first three fiscal years in which the city or borough school district operates schools, local contributions may be less than the amount that would otherwise be required under (b)(2) of this section, except that
- (1) in the second fiscal year of operations, local contributions must be at least the greater of
- (A) the local contributions, excluding federal impact aid, for the previous fiscal year; or
- (B) the sum of 10 percent of the district's eligible federal impact aid for that year and the equivalent of a two mill tax levy on the full and true value of the taxable real and personal property in the city or borough school district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS [14.17.510](#) and AS [29.45.110](#) ; and
- (2) in the third year of operation, local contributions must be at least the greater of
- (A) the local contributions, excluding federal impact aid, for the previous fiscal year; or
- (B) the sum of 10 percent of the district's eligible federal impact aid for that year and the equivalent of a three mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS [14.17.510](#) and AS [29.45.110](#) .
- (f) A school district is eligible for additional state aid in the amount by which the local contributions that would otherwise have been required under (b)(2) of this section exceed the district's actual local contributions under (e) of this section.