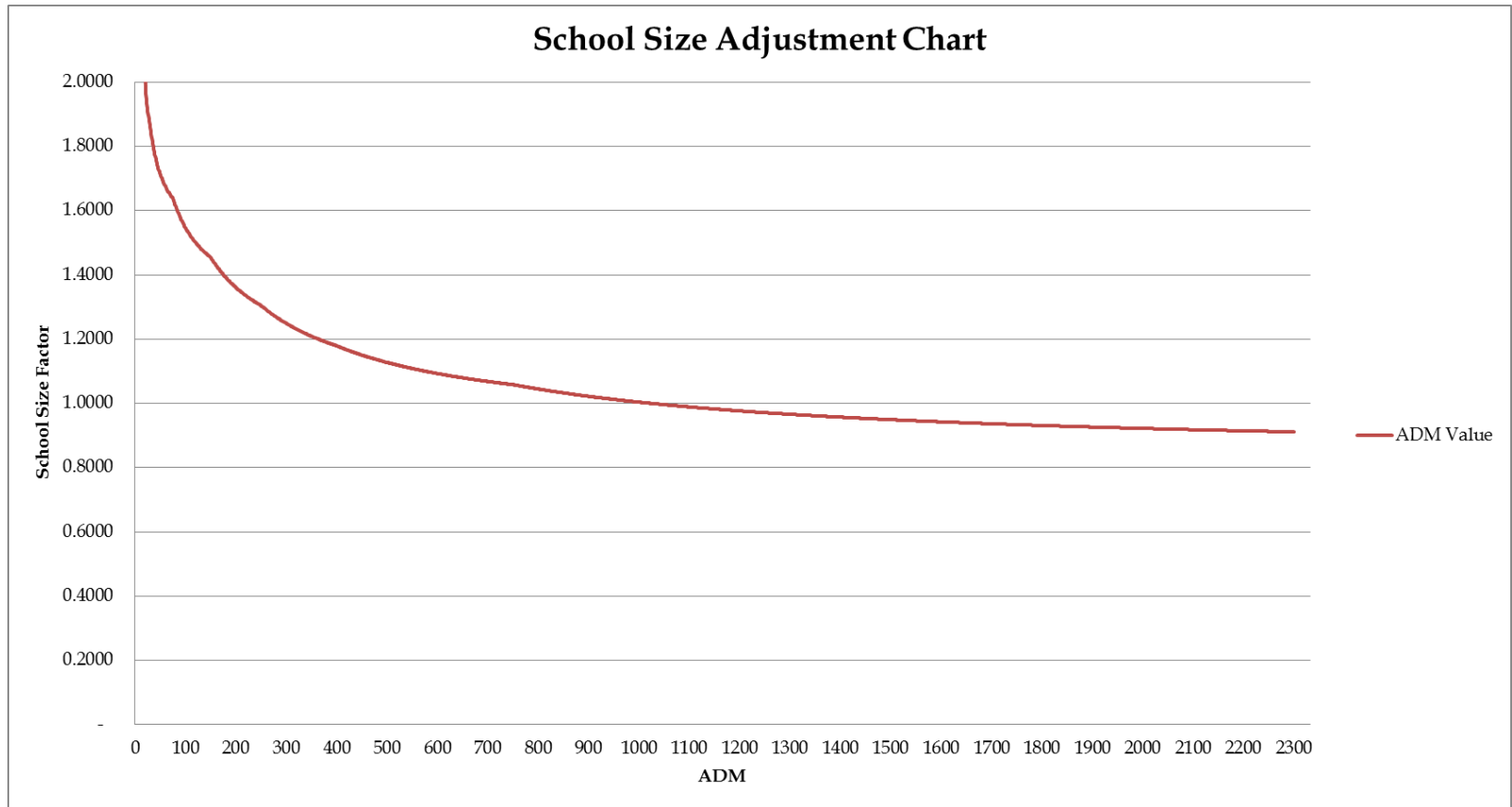


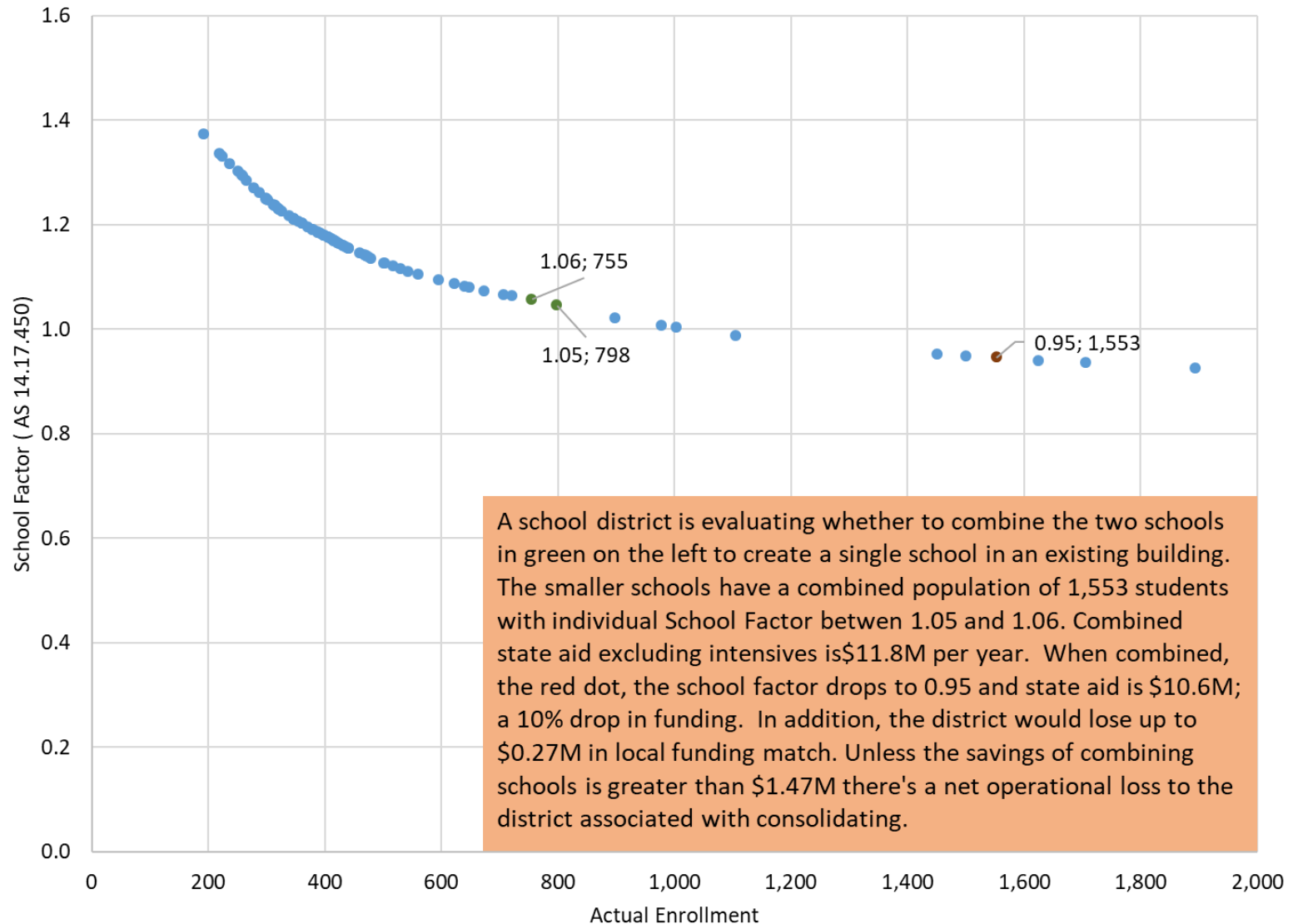
Alaska's School Size Factor Adjustment

AS 14.17.150(a)



Effect of the School Size Factor on Consolidation

Example 1



Consolidation Example 2

In the example below, consolidating 5 elementary schools into 4 elementary schools reduces state aid to the district by \$647,000 and total aid by \$798,000. The district is unlikely to consolidate unless net savings are higher than that latter amount.

Elementary Consolidation Model			DCF					
			1.00					
			Current School ADM Revenue Allocation					
Line #	Rel. Stat.		School #1	School #2	School #3	School #4	School #5	Total
1	14.17.410(1)(A)	Unadjusted ADM (Student Count)	360	340	320	375	325	1,720
2	14.17.410(1)(A)	School Size Adjustment (Line 1*Formula)	433	413	394	447	399	2,086
3	14.17.410(1)(B)	District Cost Factor Adj (Line 2*\$D\$2)	433	413	394	447	399	2,086
4	14.17.410(1)(C)	SPED Adjustment (line 2 x 1.2)	519	496	473	537	479	2,504
5	14.17.410(1)(C)	CTE Adjustment (line 3 x 1.015)	527	504	480	545	486	2,541
6	14.17.410(1)	Basic Need (line 4 x \$5,930)	\$ 3,126,002	\$ 2,985,881	\$ 2,845,760	\$ 3,231,093	\$ 2,880,790	\$ 15,069,525
			School Consolidation Revenue Allocation					
			School #1	School #2	School #3	School #4	School #5	Total
7	14.17.410(1)(A)	Unadjusted ADM (Student Count)	-	440	440	420	420	1,720
8	14.17.410(1)(A)	School Size Adjustment (Line 1*Formula)	-	508	508	490	490	1,997
9	14.17.410(1)(B)	District Cost Factor Adj (Line 2*\$J\$7)	-	508	508	490	490	1,997
9	14.17.410(1)(C)	SPED Adjustment (line 2 x 1.2)	-	610	610	588	588	2,396
11	14.17.410(1)(C)	CTE Adjustment (line 3 x 1.015)	-	619	619	597	597	2,432
12	14.17.410(1)	Basic Need (line 4 x \$5,930)	\$ -	\$ 3,672,041	\$ 3,672,041	\$ 3,539,143	\$ 3,539,143	\$ 14,422,367
13		Distribution of displaced students	(360)	100	120	45	95	-
14		Change in Revenue after Consolidation						
15		Change in Formula Funding (line 5 - line 10)	\$ (647,158)					
16		Change in Local Funding	(149,248)					
17		Change in Quality Schools Grant	(1,746)					
18		Total Change in Funding (Sum 15-17)	\$ (798,151)					

Expected State Savings Example 2, Continued

- A district with a District Cost Factor of 1.0 consolidates 5 schools with 1,720 students into 4 schools
 - Total state aid (pre-consolidation excluding intensive services factor) is \$15.07M per year.
 - After consolidation, state aid continues at \$15.07M in Years 1 and 2.
 - In Years 3, 4 and 5, state aid adjusts in equal increments until it reaches the natural level of \$14.42M per year for the 1,720 students.

State Savings Over a Five Year Cycle

Year	Schools	State Aid (\$M)	Annual
			Reduction in State Aid (\$M)
Base	5	15.07	\$0.00
1	4	15.07	\$0.00
2	4	15.07	\$0.00
3	4	14.85	\$0.22
4	4	14.64	\$0.43
5	4	14.42	\$0.65

Year 1-2 Calculations Based on Example 2

Year 1-2 Calculation			
Calculation Line	Bill Line	Notation	Calculation
A	Pg. 3, Ln 22/23	Adjusted Base Year ADM (Line 5)	2541.24
B	Pg. 3, Ln 23/24	Unadjusted Base Year ADM (Line 1)	1720.00
C	Pg. 3, Ln 21	<i>Line A/Line B</i>	<i>1.48</i>
D	Pg. 3, Ln 26/27	Adjusted Current Year ADM (Line 11)	2432.10
E	Pg. 3, Ln 27/28	Unadjusted Current Year ADM (Line 7)	1720.00
F	Pg. 3, Ln 25	<i>Line D/Line E</i>	<i>1.41</i>
G	Pg. 3, Ln 25	<i>Line C-Line F</i>	<i>0.06</i>
H	Pg. 3, Ln 30/31	<i>Line B*Line G</i>	<i>109.13</i>
I	Pg. 3/4, Ln 31/1	<i>Line D+Line H</i>	<i>2541.24</i>
J	Pg 1, Line 10	Base Student Allocation	\$5,930
Line K	Pg 1, Line 10	Line J*Line I	\$15,069,525
Prior Funding Amount		Line 6	\$15,069,525
Difference in Funding From Consolidation (Proposed 14.17.410(1)(H))			\$0

Year 3 Calculations Based on Example 2

Year 3 Calculation			
Calculation Line	Bill Line	Notation	Calculation
A	Pg. 3, Ln 22/23	Adjusted Base Year ADM (Line 5)	2541.24
B	Pg. 3, Ln 23/24	Unadjusted Base Year ADM (Line 1)	1720.00
C	Pg. 3, Ln 21	<i>Line A/Line B</i>	<i>1.48</i>
D	Pg. 3, Ln 26/27	Adjusted Current Year ADM (Line 11)	2432.10
E	Pg. 3, Ln 27/28	Unadjusted Current Year ADM (Line 7)	1720.00
F	Pg. 3, Ln 25	<i>Line D/Line E</i>	<i>1.41</i>
G	Pg. 3, Ln 25	<i>Line C-Line F</i>	<i>0.06</i>
H	Pg. 3, Ln 30/31	<i>Line B*Line G</i>	<i>109.13</i>
<i>h</i>	Pg. 4, Ln XX	<i>Line H*.66</i>	<i>72.03</i>
<i>I</i>	Pg. 3/4, Ln 31/1	<i>Line D+Line h</i>	<i>2504.13</i>
J	Pg 1, Line 10	Base Student Allocation	\$5,930
Line K	Pg 1, Line 10	Line J*Line I	\$14,849,491
Prior Funding Amount		Current Year Funding+66% of BY-CY	\$14,849,491
Difference in Funding From Consolidation (Proposed 14.17.410(1)(H))			\$0

Year 4 Calculations Based on Example 2

Year 4 Calculation			
Calculation Line	Bill Line	Notation	Calculation
A	Pg. 3, Ln 22/23	Adjusted Base Year ADM (Line 5)	2541.24
B	Pg. 3, Ln 23/24	Unadjusted Base Year ADM (Line 1)	1720.00
C	Pg. 3, Ln 21	<i>Line A/Line B</i>	<i>1.48</i>
D	Pg. 3, Ln 26/27	Adjusted Current Year ADM (Line 11)	2432.10
E	Pg. 3, Ln 27/28	Unadjusted Current Year ADM (Line 7)	1720.00
F	Pg. 3, Ln 25	<i>Line D/Line E</i>	<i>1.41</i>
G	Pg. 3, Ln 25	<i>Line C-Line F</i>	<i>0.06</i>
H	Pg. 3, Ln 30/31	<i>Line B*Line G</i>	<i>109.13</i>
h	Pg. 4, Ln XX	<i>Line H*.33</i>	<i>36.01</i>
I	Pg. 3/4, Ln 31/1	<i>Line D+Line h</i>	<i>2468.12</i>
J	Pg 1, Line 10	Base Student Allocation	\$5,930
Line K	Pg 1, Line 10	Line J*Line I	\$14,635,929
Prior Funding Amount	0	Current Year Funding+3% of BY-CY	\$14,635,929
Difference in Funding From Consolidation (Proposed 14.17.410(1)(H))			\$0