Municipal Perspective on School Funding

Alaska Municipal League

2026

So many topics to cover…

Achievement

- Educational Outcomes
- Testing and Attendance

Who pays:

- Impact Aid
- Local Contribution

Facilities

- School Bond Debt Reimbursement
- School Construction and Major Maintenance

ALASKA MUNICIPAL LEAGUE 1950-2025

Capital Planning Dashboards

System		Anticipated Replacement Year										
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Totals
SITE IMPROVEMENTS	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SITE UTILITIES	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FOUNDATION/SUBSTRUCT.	Est. Cost to Replace	$212,578,888	$11,614,642	$9,512,315	$17,236,541	$32,178,719	$24,911,580	$8,928,342	$58,368,244	$31,101,007	$27,948,439	$434,378,718
SUPERSTRUCTURE	Est. Cost to Replace	$324,252,479	$20,875,337	$16,618,151	$26,923,265	$56,740,879	$38,765,843	$9,366,581	$86,660,130	$45,984,519	$61,941,468	$688,128,652
EXTERIOR WALL SYSTEM	Est. Cost to Replace	$509,411,426	$27,286,410	$23,934,484	$31,269,148	$30,072,504	$25,367,976	$22,545,232	$36,368,143	$20,724,024	$25,017,618	$751,996,965
EXTERIOR WINDOWS	Est. Cost to Replace	$100,236,515	$5,948,330	$2,694,129	$4,536,055	$6,230,996	$6,270,433	$10,174,184	$12,694,243	$11,043,954	$9,608,900	$169,437,738
EXTERIOR DOORS	Est. Cost to Replace	$34,364,483	$1,029,627	$1,397,936	$1,680,442	$1,188,992	$399,221	$176,168	$900,765	$432,558	$1,730,558	$43,300,749
ROOF SYSTEMS	Est. Cost to Replace	$293,364,265	$13,265,968	$25,376,659	$15,874,154	$11,550,551	$6,317,861	$23,714,307	$12,297,061	$8,646,139	$23,170,206	$433,577,170
INTERIOR PARTITIONS	Est. Cost to Replace	$82,119,685	$7,499,307	$5,909,902	$9,845,145	$15,358,637	$14,291,774	$4,099,984	$30,443,316	$17,449,215	$24,122,068	$211,139,032
INTERIOR DOORS	Est. Cost to Replace	$85,261,709	$4,310,013	$2,733,974	$1,615,568	$4,925,012	$4,687,437	$4,832,652	$5,610,844	$8,203,302	$5,486,073	$127,666,585
FLOOR FINISHES	Est. Cost to Replace	$103,319,513	$122,331	$1,295,714	$200,403	$2,732,496	$1,569,790	$377,923	$131,823	$0	$0	$109,749,993
INTERIOR WALL FINISHES	Est. Cost to Replace	$98,744,760	$10,393,729	$11,548,672	$14,003,478	$10,285,723	$9,699,555	$6,807,043	$9,690,143	$8,109,225	$9,882,113	$189,164,440
CEILING FINISHES	Est. Cost to Replace	$237,180,309	$9,400,837	$18,776,444	$24,190,894	$17,585,722	$11,629,146	$14,476,494	$12,889,398	$10,545,113	$12,422,964	$369,097,320
SPECIALTIES	Est. Cost to Replace	$81,697,407	$7,357,861	$11,124,271	$1,681,593	$4,242,572	$6,065,320	$6,397,909	$2,657,773	$3,092,350	$10,497,768	$134,814,823
CONVEYING SYSTEMS	Est. Cost to Replace	$3,039,313	$125,178	$742,560	$8,053	$58,637	$0	$81,115	$0	$719,137	$386,468	$5,160,462
PLUMBING PIPING	Est. Cost to Replace	$182,940,245	$8,027,126	$8,291,443	$2,984,247	$9,894,216	$8,767,811	$14,090,475	$14,799,733	$15,262,568	$14,628,889	$279,686,752
PLUMBING FIXTURES	Est. Cost to Replace	$75,584,512	$3,762,081	$4,782,678	$2,211,676	$5,924,079	$3,973,503	$5,317,415	$8,334,831	$8,804,319	$6,909,138	$125,604,232
HVAC DISTRIBUTION	Est. Cost to Replace	$136,733,458	$14,268,375	$18,647,039	$3,541,859	$9,211,797	$5,759,047	$13,654,510	$2,249,533	$5,202,989	$18,817,548	$228,086,156
HVAC EQUIPMENT	Est. Cost to Replace	$412,877,820	$41,983,403	$27,906,824	$13,946,039	$40,867,834	$39,828,839	$44,732,848	$49,240,262	$59,568,900	$66,788,137	$797,740,904
HVAC CONTROLS	Est. Cost to Replace	$150,016,294	$5,532,049	$8,420,248	$9,468,939	$4,376,692	$1,799,661	$6,074,291	$5,155,813	$2,756,858	$7,611,710	$201,212,555
FIRE PROTECT./SUPPRES.	Est. Cost to Replace	$94,738,176	$5,973,457	$4,617,451	$5,032,150	$12,239,230	$6,482,954	$14,119,087	$12,394,903	$13,459,714	$10,099,627	$179,156,750
ELECTRICAL DISTRIBUTION	Est. Cost to Replace	$21,949,519	$3,099,116	$3,021,079	$4,434,086	$6,564,436	$5,769,219	$1,933,238	$14,923,994	$8,433,451	$12,514,392	$82,642,530
ELECTRICAL LIGHTING	Est. Cost to Replace	$251,103,202	$18,014,404	$33,130,348	$34,329,202	$38,821,155	$18,063,996	$20,236,111	$23,989,892	$24,303,037	$24,484,543	$486,475,889
ELECTRICAL SERV./GEN.	Est. Cost to Replace	$61,196,708	$6,435,679	$8,992,369	$896,862	$1,418,286	$4,117,267	$5,072,989	$1,072,970	$4,727,119	$5,764,419	$99,694,668
SPECIAL ELECTRICAL	Est. Cost to Replace	$212,275,068	$968,696	$5,792,102	$3,281,693	$10,471,846	$4,953,422	$2,394,887	$651,985	$1,782,795	$0	$242,572,494
EQUIP AND FURNISHINGS	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals		$3,764,985,753	$227,293,952	$255,266,792	$229,191,493	$332,941,010	$249,491,653	$239,603,787	$401,525,800	$310,352,291	$379,833,044	$6,390,485,575

Statewide

GSF	Current ADM	Total Insured Value	Insured Cost per SF	Est. Construction Cost	GSF per ADM
25,221,336	98,985.18	$11,580,278,774	$459	$19,230,805,379	254.80

Selected District

Alaska Gateway

District	Current ADM	GSF	Total Insured Value	Insured Cost per SF	GSF per ADM	Est. Construction Cost per GSF	Est. Construction Cost
Alaska Gateway	307.55	215,102	$90,079,387	$419	699.40	676.17	$145,445,519

By Attendance Area In Selected District

ADM_GSF_COST_AttendanceArea (Text)	Current ADM	GSF	Total Insured Value	Insured Cost per SF	GSF per ADM	Est. Construction Cost per GSF	Est. Construction Cost
TOK	163.80	126,408	$51,758,777	$409	771.72	676.17	$85,473,297
MENTASTA LAKE	29.00	11,360	$3,040,204	$268	391.72	676.17	$7,681,291
NORTHWAY	55.00	30,830	$14,134,136	$458	560.55	676.17	$20,846,321
DOT LAKE	10.00	11,970	$3,061,786	$256	1197.00	676.17	$8,093,755
EAGLE	10.00	15,140	$8,725,182	$576	1514.00	676.17	$10,237,214
TANACROSS	5.75	7,618	$2,051,942	$269	1324.87	676.17	$5,151,063
TETLIN	34.00	11,776	$7,307,361	$621	346.35	676.17	$7,962,578

ADM_GSF_COST_AttendanceArea (Text)	Const. Cost Factor	Base Cost per SF
TOK	0.10	614.70
MENTASTA LAKE	0.10	614.70
NORTHWAY	0.10	614.70
DOT LAKE	0.10	614.70
EAGLE	0.10	614.70

R&R Forecast: Bering Straits - Saint Michael

System		Anticipated Replacement Year										
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Totals
SITE IMPROVEMENTS	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SITE UTILITIES	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FOUNDATION/SUBSTRUCT.	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SUPERSTRUCTURE	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EXTERIOR WALL SYSTEM	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$4,620,540	$0	$0	$4,620,540
EXTERIOR WINDOWS	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EXTERIOR DOORS	Est. Cost to Replace	$0	$0	$201,972	$0	$0	$0	$0	$0	$0	$0	$201,972
ROOF SYSTEMS	Est. Cost to Replace	$0	$0	$1,952,396	$0	$0	$0	$0	$0	$0	$0	$1,952,396
INTERIOR PARTITIONS	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
INTERIOR DOORS	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FLOOR FINISHES	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
INTERIOR WALL FINISHES	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$1,051,046	$0	$0	$1,051,046
CEILING FINISHES	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$1,766,976	$0	$0	$1,766,976
SPECIALTIES	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CONVEYING SYSTEMS	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PLUMBING PIPING	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PLUMBING FIXTURES	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
HVAC DISTRIBUTION	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
HVAC EQUIPMENT	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
HVAC CONTROLS	Est. Cost to Replace	$0	$0	$904,666	$0	$0	$0	$0	$0	$0	$0	$904,666
FIRE PROTECT./SUPPRES.	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ELECTRICAL DISTRIBUTION	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ELECTRICAL LIGHTING	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$2,838,332	$0	$0	$2,838,332
ELECTRICAL SERV./GEN.	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SPECIAL ELECTRICAL	Est. Cost to Replace	$940,361	$0	$0	$0	$0	$0	$0	$0	$0	$0	$940,361
EQUIP AND FURNISHINGS	Est. Cost to Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Totals		$940,361	$0	$3,059,034	$0	$0	$0	$0	$10,276,894	$0	$0	$14,276,288

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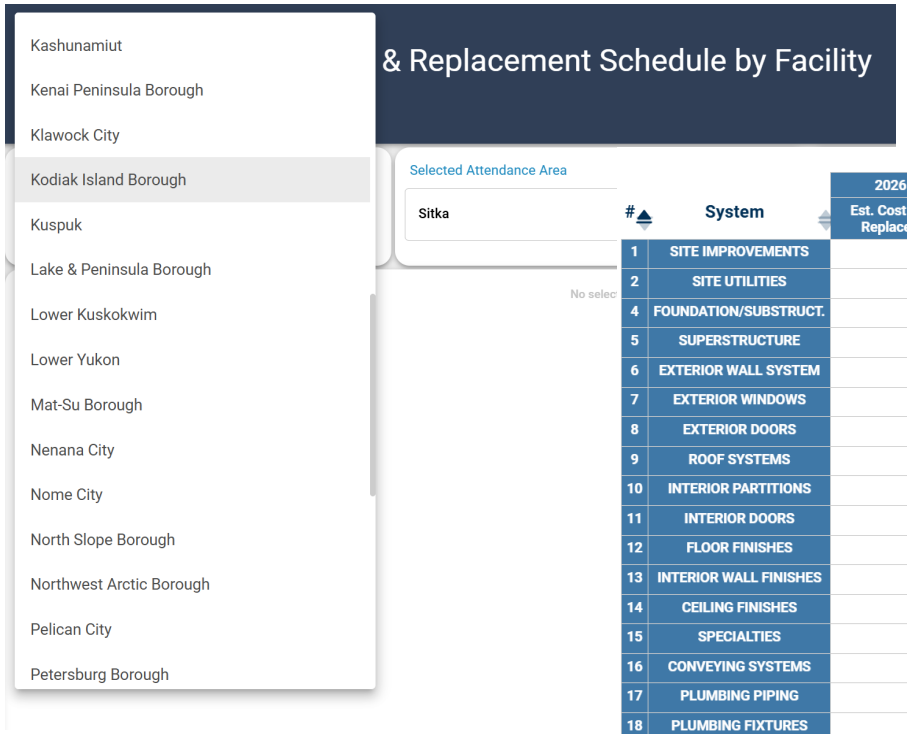
R&R Forecast – Mt. Edgecumbe



& Replacement Schedule by Facility

Selected Attendance Area

Sitka

No selec

		Anticipated Replacement Year										
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
#	System	Est. Cost to Replace	Est. Cost to Replace	Est. Cost to Replace	Est. Cost to Replace	Est. Cost to Replace	Est. Cost to Replace	Est. Cost to Replace	Est. Cost to Replace	Est. Cost to Replace	Est. Cost to Replace	Totals
1	SITE IMPROVEMENTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	SITE UTILITIES	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	FOUNDATION/SUBSTRUCT.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	SUPERSTRUCTURE	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	EXTERIOR WALL SYSTEM	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	EXTERIOR WINDOWS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	EXTERIOR DOORS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	ROOF SYSTEMS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10	INTERIOR PARTITIONS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	INTERIOR DOORS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	FLOOR FINISHES	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	INTERIOR WALL FINISHES	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	CEILING FINISHES	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	SPECIALTIES	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
16	CONVEYING SYSTEMS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
17	PLUMBING PIPING	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
18	PLUMBING FIXTURES	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
19	HVAC DISTRIBUTION	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
20	HVAC EQUIPMENT	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
21	HVAC CONTROLS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
22	FIRE PROTECT./SUPPRES.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
23	ELECTRICAL DISTRIBUTION	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
24	ELECTRICAL LIGHTING	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
25	ELECTRICAL SERV./GEN.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
26	SPECIAL ELECTRICAL	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
29	EQUIP AND FURNISHINGS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Totals	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

https://education.alaska.gov/facilities/capitalplanning

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So what? – 2025 Report has answers

- Though grant funding at $1,027,445,599 from the three statutory funds has been substantial over the fifteen-year period, it has only provided funding for a small portion of the expressed school capital funding need.
- A fair question would be, “What portion of the stated need for school capital projects was the state able to meet through fifteen years of grant funding?” The data presented in Table 4 does not provide a mechanism for calculating an exact response to this question; however, an analysis of the average grant funding as a percentage of the need each year indicates that a general answer would be approximately 15.88 percent.
- One observed outcome of SB64 is an increase in applications, particularly from the larger districts, vying for legislative funding on the school construction and major maintenance grant lists.

Alaska Statute 14.11.035 requires that, beginning February 2013, the Department of Education and Early Development provide to the Governor and the Legislature an annual report on school construction and major maintenance funding.

Trusting the Numbers

Prioritization on the school construction and major maintenance grant program lists are a reflection of the need as expressed by school districts and reviewed by the department during the CIP application process. The prioritization process recognizes criteria such as unhoused students, condition of facilities, and level of design work accomplished on behalf of the requested project. The more design work that is accomplished on behalf of a project, the more confidence the department has in the estimates provided in support of a project application.

Trusting the Numbers

- Industry standards indicate that two percent of the building value is needed, annually, to meet capital renewal needs of existing buildings. In addition, due to repeated funding shortfalls, industry standards suggest an additional one percent of replacement value should be programmed for deferred maintenance.
- At $11.8 billion, the annual amount for Alaska would be $353 million. The average annual funding documented in the fifteen-years of this report is $74.5 million, state and local share, through the grant program. Through debt reimbursement, another $48.2 million annually in project value is added for a total annual amount of $122.7 million.

* This capital system is essential, but its very design means it cannot reliably fund the continuous, annual needs of utilities, custodial staffing, preventative maintenance, and the small renewals that prevent major failures.

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Structural Mismatch

- **Facility O&M costs are driven by:**
  - Building inventory: total gross square footage, number of sites, and systems to maintain.
  - Lifecycle and condition: aging HVAC, roofs, envelopes, and code compliance needs create non-linear cost pressures.
  - Place-based cost drivers: freight, travel, labor logistics, and utilities—especially in rural/remote Alaska.
  - Climate: heating-dominant energy loads and weather-driven deterioration.
- These drivers do not scale linearly with ADM; in Alaska, small and remote schools can have much higher *per-student* facility costs because the minimum viable building system footprint is “lumpy.” A facilities allocation should therefore be inventory-based and place-adjusted rather than purely per-pupil.

What next?

- Recognize – Alaska school districts entirely dependent on State
  - The BSA can't carry all the need by itself
  - Unfair to achieving educational outcomes, student health and safety
- Base Facilities Allocation
  - Establish a formula and separate funding stream for operations and maintenance
  - Alaska's Uniform Chart of Accounts defines Function 600 – Operations and Maintenance of Plant as "activities of keeping buildings open and ready for use," including facilities management staff, custodial staff, utilities and energy, building rental expenses, property and vehicle insurance, and custodial/maintenance supplies
  - 1% of total insured value, dedicated for deferred maintenance = $115,802,787.74

Conclusion

- Persistent underfunding by the State
- Loss of purchasing power, increased shift in responsibility
- Local governments generally doing their part
- Again – so much else to talk about, including accountability, educational achievement, equity, and ultimately adequacy
- BSA increase last year helped but…
- Essential work of the Education Funding Task Force

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1950-2025