Funding Alaska Public Schools

A BRIEF EXPLANATION
OF THE FOUNDATION FORMULA

Senator Mike Dunleavy
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Why a Foundation Formula?

Education Funding Formula

- Provides the foundation to objectively distribute state money to districts
- Recognizes the differences between districts and state funding is adjusted accordingly
- Funds basic school district costs

Current Foundation Formula

Funding formula adopted in 1998

- Fourth formula adopted by the Legislature.

Distributed on a per student basis

- Prior plans were based on a complicated "instructional unit."

Based on actual education costs

- Cost differences were based on McDowell Study.

Factors in the Foundation Formula

Student Count
- Establish the Average Daily Membership (ADM) in Oct.

School Size
- Size of school impacts the cost of a K-12 education

District Cost Factor
- Location impacts the cost of a K-12 education

Special Needs Factor
- Dollars for spec ed, voc ed, gifted & bilingual students

Factors in the Foundation Formula

CTE Factor
- Dollars to help provide career educ in grades 7-12

Intensive Services
- Recognize extra cost for intensive services

Correspondence Programs
- Counts each student in a corres program at 80%

Adjusted ADM
- Formula calculations equals an Adjusted ADM

Calculations to Adjusted ADM

Start with ADM

Apply | School Size & Hold Harmless | X | District Cost Factor

X | Special Needs Factor | X | Voc & Technical Factor

+ | Intensive Services Counts | + | Corres Student Counts

Equals AADM

Adjusted ADM

The Adjusted Average Daily Membership (AADM) count is the basis for school funding

Basic Need

Basic Need is the revenue needed by districts to provide a basic education.

AADM X $5,680

= BASIC NEED

($5,680 = base student allocation)

State Aid

State Aid is the money provided by the state to help fund local school districts programs.

Calculation

Basic Need

−

Local Support*

−

Impact Aid**

=

State Aid

* Required Local Support
** 90% of deductible impact aid funds

City School District with 727 Students

Adjusted Student Count	1,670
Per Student Dollar Amount (BSA)	x $5,680
BASIC NEED	$9,485,827
Required Local Support	- $866,390
Deductible Impact Aid	- $16,853

STATE AID TO SCHOOL DISTRICT $8,602,584

Changes Since 1998

New District Cost Factor

Five-year phase-in (FY13)

New Intensive Services

Three-year phase-in (FY11)

Career Factor

Effective FY13

Hold Harmless

Effective FY09

Required Local Support

Effective FY13