

## Outdoor Site Committee

We will be meeting after school Tuesday February 5 at 3:45 in the lobby. There will be updates on the outbuildings, schoolyard habitat and other projects for this summer. Your input and participation is very welcome! Let's plan our gardens, trees, water courses and hobbit holes! Contact - Donna Mears [mears@alaska.net](mailto:mears@alaska.net) 632-6382

## How Charter Schools are Funded

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While most of us would much rather concentrate on more interesting things, financial realities sometimes force us to focus on aspects of our students' education that are more like getting your child to eat their broccoli. As we go into the season for some of our major fund raising efforts, it might be helpful to understand how charter schools are funded and why we need to raise extra funds.

Let's start out with the top level numbers. The Anchorage School district for the 2011/2012 school year had an income of \$835,234,718. The biggest single revenue source is the state of Alaska contribution of \$312 million, followed by the Municipality of Anchorage contribution at \$237 million. (Local municipalities are required to provide some funding and an additional amount is optional. Most cities and boroughs choose not to supplement the required funding.) The total population of the Anchorage School District in 2011 was 49,091 students.

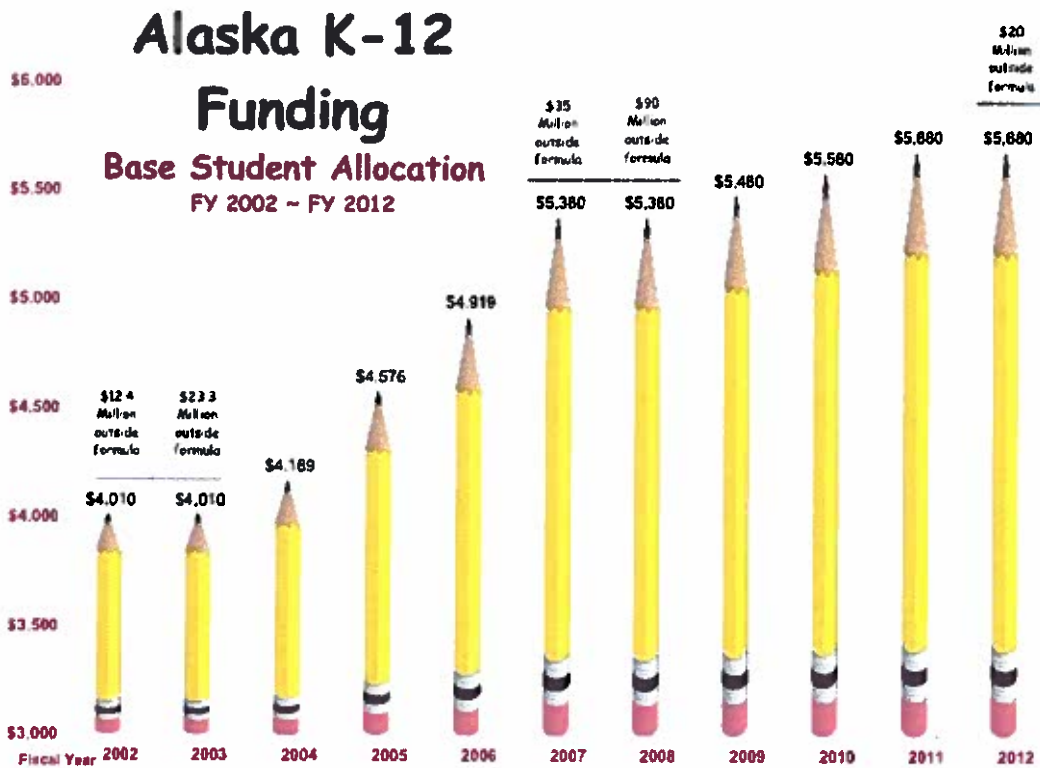
This means that for all programs, the district received \$17,014 dollars per student from all sources. This includes all the money that was earmarked for this, that, and the other, but that is the overall number.

Source, Anchorage School District Comprehensive Annual Fiscal Report, 2011-2012

As a charter school, Winterberry receives funding under the Alaska State statutes governing charter schools. The funding equations that generate program funding for charter schools are the same as those that generate program funding for the rest of the Anchorage school district, except that charter schools do not receive the out of program funding for things like buses and other special programs and capital matching. Our funding per student in 2011/2012 was \$8,832 per student for everything we do.

How do you arrive at this number? The minimum funding for any charter school is spelled out in the Alaska statutes.

It all starts with the "Base Student Allocation," an amount determined by the legislature, which was \$5680 per student for fiscal year in 2011 and remained unchanged for 2012. This number is under debate in the state legislature, as this article is being written, and it will very likely remain unchanged for 2013 as well.



This number is then multiplied by a variety of factors. These are canonized in several statutes, which I won't bore you with, but the principle is:

**Alaska Statutes 14.03.260. Funding for charter school.**

*(a) A local school board shall provide an approved charter school with an annual program budget. The budget shall be not less than the amount generated by the students enrolled in the charter school less administrative costs retained by the local school district, determined by applying the indirect cost rate approved by the Department of Education and Early Development. The "amount generated by students enrolled in the charter school" is to be determined in the same manner as it would be for a student enrolled in another public school in that school district.*

The simplest factor is the district size factor, which for us is 1.0. This factor adjusts for districts in the state where costs are higher, like the Aleutians Region at 1.736. Other urban districts like Mat-Su and Fairbanks are similar to us at 1.01 and 1.04 respectively. (See Alaska Statutes 14.17.460.)

The school size factor is where it gets a bit complicated. The school size factor essentially adds money per student for smaller schools because the overhead is usually higher due to economies of scale. It does this by adjusting the actual number of students to a number called the ADM, or Average Daily Membership. (See Alaska Statutes 14.17.450.)

For Winterberry the relevant factors are:

If our number of students during the October count is between 150 and 250, the school size factor is  $218.1 + 1.08 \times (\text{number of students} - 150)$

**Example:** Assume we have 220 students. The  $ADM=218.1+1.08x(220-150)=293.7$

The equation is different for school sizes below 150 students and that results is what is called the "150 student cliff." The result is a bit more than half the per student funding between 149.9 students and 150.1 students. No charter school ever wants to drop below 150 students.

The ADM is then multiplied by the special needs factor of 1.2. (See Alaska Statutes 14.17.42)

**Example:**  $297.7x1.2=352.44$

This number is then multiplied by the district adjustment of 1.0 and the Base Student Allocation.

**Example:**  $352.44x1.0x\$5680=\$2,001,859$ .

We are not done yet, hold on, the hard part is over. We still need to add the quality schools initiative funding of \$16 per ADM per Alaska Statutes 14.17.480 and subtract the district overhead.

This adds  $16x352.44=\$5639$  for the quality schools initiative

The district overhead for 2011/2012 was 3.21%, but grew to 4.57% for this year. For 2011/2012 the overhead was  $2,001,859+5639)x.0321=\$64,440$

The result is \$1,943,057 total for 220 students, or **\$8,832** per student

So, why the big difference between us and the rest of the Anchorage School district? On the surface, it looks like we get a little over half of what ASD is working with. The reason is fairly complex, and is the sum of many small contributions to the overall funding picture, but the biggest thing is that the Anchorage School District has not elected to provide the optional share of the revenue that the district gets from the local tax revenue.

There is also funding for transportation, currently \$384 dollars per ADM under Alaska Statutes 14.09.010. Since all ASD charter school students contribute to the ADM, the money is provided to the district from the state but charter schools do not receive transportation funding from the district. If Winterberry, with our 220 students, were to receive this funding and were allowed to use it for other purposes, this would add  $293.7 x 384=\$112,780$  dollars to our budget, more than enough for another teacher.

In addition, there is funding from the federal government in the form of impact aid for federal employees and members of the military. There are also grants for capital building and the state has a matching program when districts want to build new schools.

I hope this give you a little window into the funding issues in charter schools in Alaska and Winterberry in particular. One of the most important issues in these funding formulas is that it is all based on the base student allocation approved by the legislature, and if this number is not adjusted for inflation each year, our real income (budget) shrinks, and the difference has to come out of the program.