

# Joint Senate and House Education Hearing

**Alaska Department of Education & Early Development**

Dr. Michael Johnson, Commissioner

Heidi Teshner, Director of Finance and Support Services

November 18, 2020



*• An Excellent Education for Every Student Every Day •*



# Agenda

- Public School Funding Formula
- FY2021 Preliminary Statewide Enrollment Counts
- District Snapshots: FY2021 Preliminary Enrollment Counts
- Foundation Payments Process and Safeguards
- Additional Considerations

# OUR MISSION

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**An excellent education  
for every student  
every day.**

## OUR VISION

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**All students will succeed in their  
education and work, shape  
worthwhile and satisfying lives  
for themselves, exemplify the best  
values of society, and be effective  
in improving the character and  
quality of the world about them.**

**Alaska Statute 14.03.015**

Photo courtesy of Anchorage School District. Used with permission.



# Alaska's Education Challenge

## Five Shared Priorities:

1. Support all students to read at grade level by the end of third grade
2. Increase career, technical, and culturally relevant education to meet student and workforce needs
3. Close the achievement gap by ensuring equitable educational rigor and resources
4. Prepare, attract, and retain effective education professionals
5. Improve the safety and well-being of students through school partnerships with families, communities, and tribes



Together, we will meet Alaska's education challenge by honoring our heritage, innovating for the future, and prioritizing for today's fiscal challenges.



# Public School Funding

- Public school funding is established under AS 14.17
- Funding consists of State Aid, Required Local Contribution, and Federal Impact Aid
- The amount of State Aid a school district is eligible to receive during the Fiscal Year is calculated annually through the school funding formula (AS 14.17.410)
- To begin the funding calculation, an average daily membership (ADM) for each school must be determined

# Annual Count Period

**Each Fall, every district is required to conduct a 20-day student count to determine their Average Daily Membership (ADM).**

**Districts must submit their student count data (ADM) to the department two weeks after the count period ends (AS 14.17.600).**

The department uses ADM data to determine a district's State Aid eligibility and funding:

- 2020-2021 school year count period: September 28 - October 23, 2020
- 2020-2021 school year count period submittal date: November 6, 2020

# FY2021 Preliminary Statewide Count

	FY2020 Actual	FY2021 Projected	* FY2021 Preliminary <i>as of 11/13/2020</i>	FY2021 Prelim vs FY2021 Projected	% Change	FY2021 Prelim vs FY2020 Actual	% Change
Regular ADM	114,437.88	114,762.45	99,559.75	(15,202.70)	-13.2%	(14,878.13)	-13.0%
Correspondence ADM	14,358.93	14,161.46	27,702.27	13,540.81	95.6%	13,343.34	92.9%
Total ADM	128,796.81	128,923.91	127,262.02	(1,661.89)	-1.3%	(1,534.79)	-1.2%
Adjusted ADM	258,740.92	259,829.10	265,775.79	5,946.69	2.3%	7,034.87	2.7%

**FY2021 Projection:** Projected student counts provided by districts in November 2019 in order to prepare the FY2021 Governor's budget. Required by AS 14.17.500.

**FY2021 Preliminary 'Actuals':** Preliminary student counts or 'actuals' provided by districts during the 2020-2021 school year 20-day count period. Required by AS 14.17.600(a). \*Subject to change.

# Hold Harmless Provision

**Districts that experience a five percent or more enrollment loss trigger the hold harmless provision (AS 14.17.410 (b)(1)(E)).**

- Eligibility is determined after the district's adjusted for school size ADM are calculated and totaled up for all schools.
- The provision is available to school districts over a three-year step-down:
  - 75% in the first year,
  - 50% in the second year, and
  - 25% in the final year, provided the adjusted for school size ADM total stays below the established "base year".





# Public School Funding Formula

Total Average Daily Membership (ADM)	School Size Table	District Cost Factor  x 1.0 to 2.116	Special Needs Factor  x 1.20	Vocation Education Factor  x 1.015	Special Education Intensives  x 13	Corres- pondence ADM  x 90%
AS 14.17.600	AS 14.17.450	AS 14.17.460	AS 14.17.420 (a)(1)	AS 14.17.420 (a)(3)	AS 14.17.420 (a)(2)	AS 14.17.430

= District Adjusted ADM

# Public School Funding Formula

District Adjusted ADM	Base Student Allocation (BSA)	Basic Need	Required Local Contribution	Deductible Impact Aid	State Aid	Quality Schools
	x \$5,930	=	Less	Less	=	Plus
	AS 14.17.470		AS 14.17.410 (b)(G)(2)		AS 14.17.410 (b)(1)	AS 14.17.480

= State Aid

AS 14.17.410



# FY2021 Preliminary Statewide Comparison

	FY2020 Actual	FY2021 Projected	FY2021 Preliminary <i>as of 11/13/2020</i>	FY2021 Prelim vs FY2021 Projected	% Change	FY2021 Prelim vs FY2020 Actual	% Change
Regular ADM	114,437.88	114,762.45	99,559.75	(15,202.70)	-13.2%	(14,878.13)	-13.0%
Correspondence ADM	14,358.93	14,161.46	27,702.27	13,540.81	95.6%	13,343.34	92.9%
Total ADM	128,796.81	128,923.91	127,262.02	(1,661.89)	-1.3%	(1,534.79)	-1.2%
Adjusted ADM	258,740.92	259,829.10	265,775.79	5,946.69	2.3%	7,034.87	2.7%
Basic Need	\$1,534,333.7	\$1,540,786.6	\$1,576,050.4	\$35,263.8	2.3%	\$41,716.7	2.7%
Required Local Effort	(257,895.3)	(262,398.8)	(262,432.8)	(34.0)	0.0%	(4,537.5)	1.8%
Deductible Impact Aid	(82,363.5)	(74,502.9)	(83,320.0)	(8,817.1)	11.8%	(956.5)	1.2%
Supplemental Funding Floor	38.7	0.0	38.4	38.4	0.0%	(0.3)	-0.8%
Quality Schools Grant	4,139.9	4,157.2	4,252.4	95.2	2.3%	112.5	2.7%
Military Flow Through and Other	22,809.4	26,027.3	26,027.3	0.0	0.0%	3,217.9	14.1%
<b>Total</b>	<b>\$1,221,062.9</b>	<b>\$1,234,069.4</b>	<b>\$1,260,615.7</b>	<b>\$26,546.3</b>	<b>2.2%</b>	<b>\$39,552.8</b>	<b>3.2%</b>



# District Snapshot:

## *Delta/Greely School District*

	FY2020 Actual	FY2021 Projected	FY2021 Preliminary as of 11/13/2020	FY2021 Prelim vs FY2021 Projected	% Change	FY2021 Prelim vs FY2020 Actual	% Change
Regular ADM	711.13	712.00	533.67	(178.33)	-25.0%	(177.46)	-25.0%
Correspondence ADM	68.83	69.00	239.64	170.64	247.3%	170.81	248.2%
Total ADM	779.96	781.00	773.31	(7.69)	-1.0%	(6.65)	-0.9%
Adjusted ADM	1,739.51	1,741.09	1,729.24	(11.85)	-0.7%	(10.27)	-0.6%
Basic Need	\$10,315.3	\$10,324.7	\$10,254.4	(\$70.3)	-0.7%	(\$60.9)	-0.6%
Required Local Effort	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%
Deductible Impact Aid	(200.8)	(176.0)	(280.7)	(104.7)	59.5%	(79.9)	39.8%
Quality Schools Grant	27.8	27.9	27.7	(0.2)	-0.7%	(0.2)	-0.6%
<b>Total</b>	<b>\$10,142.3</b>	<b>\$10,176.5</b>	<b>\$10,001.3</b>	<b>(\$175.2)</b>	<b>-1.7%</b>	<b>(\$141.0)</b>	<b>-1.4%</b>
Maximum Local Contribution	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%
<b>Basic Need per ADM</b>	<b>\$13.23</b>	<b>\$13.22</b>	<b>\$13.26</b>	<b>\$0.04</b>	<b>0.3%</b>	<b>\$0.03</b>	<b>0.3%</b>



# District Snapshot:

## *Mat-Su Borough School District*

	FY2020 Actual	FY2021 Projected	FY2021 Preliminary as of 11/13/2020	FY2021 Prelim vs FY2021 Projected	% Change	FY2021 Prelim vs FY2020 Actual	% Change
Regular ADM	16,808.10	16,949.00	14,518.72	(2,430.28)	-14.3%	(2,289.38)	-13.6%
Correspondence ADM	2,272.15	2,336.00	3,390.40	1,054.40	45.1%	1,118.25	49.2%
Total ADM	19,080.25	19,285.00	17,909.12	(1,375.88)	-7.1%	(1,171.13)	-6.1%
Adjusted ADM	33,991.54	34,225.59	34,755.19	529.60	1.5%	763.65	2.2%
Basic Need	\$201,569.8	\$202,957.7	\$206,098.3	\$3,140.6	1.5%	\$4,528.5	2.2%
Required Local Effort	(31,902.4)	(32,944.7)	(32,944.7)	(0.0)	0.0%	(1,042.3)	3.3%
Deductible Impact Aid	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%
Quality Schools Grant	543.9	547.6	556.1	8.5	1.6%	12.2	2.2%
<b>Total</b>	<b>\$170,211.3</b>	<b>\$170,560.7</b>	<b>\$173,709.7</b>	<b>\$3,149.0</b>	<b>1.8%</b>	<b>\$3,498.4</b>	<b>2.1%</b>
Maximum Local Contribution	\$79,292.5	\$79,750.9	\$80,475.2	\$724.3	0.9%	\$1,182.6	1.5%
<b>Basic Need per ADM</b>	<b>\$10.56</b>	<b>\$10.52</b>	<b>\$11.51</b>	<b>\$0.98</b>	<b>9.3%</b>	<b>\$0.94</b>	<b>8.9%</b>



# District Snapshot:

## *Unalaska City School District*

	FY2020 Actual	FY2021 Projected	FY2021 Preliminary as of 11/13/2020	FY2021 Prelim vs FY2021 Projected	% Change	FY2021 Prelim vs FY2020 Actual	% Change
Regular ADM	412.25	430.00	386.90	(43.10)	-10.0%	(25.35)	-6.1%
Correspondence ADM	0.00	0.00	0.00	0.00	0.0%	0.00	0.0%
Total ADM	412.25	430.00	386.90	(43.10)	-10.0%	(25.35)	-6.1%
Adjusted ADM	1,004.37	1,038.02	943.31	(94.71)	-9.1%	(61.06)	-6.1%
Basic Need	\$5,955.9	\$6,155.5	\$5,593.8	(\$561.6)	-9.1%	(\$362.1)	-6.1%
Required Local Effort	(1,823.0)	(1,886.4)	(1,886.4)	0.0	0.0%	(63.3)	3.5%
Deductible Impact Aid	(8.8)	(7.6)	(5.4)	2.1	-28.1%	3.3	-38.1%
Quality Schools Grant	16.1	16.6	15.1	(1.5)	-9.1%	(1.0)	-6.1%
<b>Total</b>	<b>\$4,140.2</b>	<b>\$4,278.1</b>	<b>\$3,717.1</b>	<b>(\$561.0)</b>	<b>-13.1%</b>	<b>(\$423.1)</b>	<b>-10.2%</b>
Maximum Local Contribution	\$3,223.3	\$3,310.0	\$3,310.0	\$0.0	0.0%	\$86.8	2.7%
<b>Basic Need per ADM</b>	<b>\$14.45</b>	<b>\$14.32</b>	<b>\$14.46</b>	<b>\$0.14</b>	<b>1.0%</b>	<b>\$0.01</b>	<b>0.1%</b>



# District Snapshot:

## *Wrangell Public Schools*

	FY2020 Actual	FY2021 Projected	FY2021 Preliminary as of 11/13/2020	FY2021 Prelim vs FY2021 Projected	% Change	FY2021 Prelim vs FY2020 Actual	% Change
Regular ADM	306.40	316.00	185.75	(130.25)	-41.2%	(120.65)	-39.4%
Correspondence ADM	0.00	0.00	0.00	0.00	0.0%	0.00	0.0%
Total ADM	306.40	316.00	185.75	(130.25)	-41.2%	(120.65)	-39.4%
Adjusted ADM	734.55	751.26	656.89	(94.37)	-12.6%	(77.66)	-10.6%
Basic Need	\$4,355.9	\$4,455.0	\$3,895.4	(\$559.6)	-12.6%	(\$460.5)	-10.6%
Required Local Effort	(610.3)	(583.8)	(583.8)	0.0	0.0%	26.5	-4.3%
Deductible Impact Aid	(0.8)	(0.8)	(0.7)	0.1	-6.4%	0.1	-7.9%
Quality Schools Grant	11.8	12.0	10.5	(1.5)	-12.6%	(1.2)	-10.6%
<b>Total</b>	<b>\$3,756.5</b>	<b>\$3,882.4</b>	<b>\$3,321.3</b>	<b>(\$561.1)</b>	<b>-14.5%</b>	<b>(\$435.2)</b>	<b>-11.6%</b>
Maximum Local Contribution	\$1,634.4	\$1,611.2	\$1,482.2	(\$129.1)	-8.0%	(\$152.2)	-9.3%
<b>Basic Need per ADM</b>	<b>\$14.22</b>	<b>\$14.10</b>	<b>\$20.97</b>	<b>\$6.87</b>	<b>48.8%</b>	<b>\$6.75</b>	<b>47.5%</b>



# District Snapshot:

## *Yukon-Koyukuk School District*

	FY2020 Actual	FY2021 Projected	FY2021 Preliminary as of 11/13/2020	FY2021 Prelim vs FY2021 Projected	% Change	FY2021 Prelim vs FY2020 Actual	% Change
Regular ADM	291.75	293.00	301.85	8.85	3.0%	10.10	3.5%
Correspondence ADM	1,640.01	1,700.00	3,964.98	2,264.98	133.2%	2,324.97	141.8%
Total ADM	1,931.76	1,993.00	4,266.83	2,273.83	114.1%	2,335.07	120.9%
Adjusted ADM	2,905.56	2,989.74	5,208.25	2,218.51	74.2%	2,302.69	79.3%
Basic Need	\$17,230.0	\$17,729.2	\$30,884.9	\$13,155.8	74.2%	\$13,655.0	79.3%
Required Local Effort	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%
Deductible Impact Aid	(1,048.0)	(989.5)	(1,213.7)	(224.2)	22.7%	(165.7)	15.8%
Quality Schools Grant	46.5	47.8	83.3	35.5	74.2%	36.8	79.3%
<b>Total</b>	<b>\$16,228.5</b>	<b>\$16,787.5</b>	<b>\$29,754.6</b>	<b>\$12,967.1</b>	<b>77.2%</b>	<b>\$13,526.1</b>	<b>83.3%</b>
Maximum Local Contribution	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%
<b>Basic Need per ADM</b>	<b>\$8.92</b>	<b>\$8.90</b>	<b>\$7.24</b>	<b>(\$1.66)</b>	-18.6%	<b>(\$1.68)</b>	-18.8%





# Foundation Payments Process

**Districts receive foundation payments based on the previous year's student count for the first nine months of the school year (AS 14.17.610(a)).**

- Final payments for the last three months of the school year (April – June) are used to 'true-up' to this year's student count.
- This ensures that when the fiscal year ends, districts will have been paid what is due based on their current year, actual reconciled average daily membership (ADM) counts.

# Foundation Payments: Advances

**Districts experiencing a large increase in student enrollment can request an advance on their anticipated finalized state aid funding (AS 14.17.610(c)).**

- To request an advance, a district must provide a written request to the department that includes at least the following information:
  - Copies of the last bank statements for all accounts.
  - Cash reconciliation prepared in the last 30 days.
  - A listing of investments with maturity dates.

# Federal Impact Aid Disparity Test

In order to qualify for this provision the state must demonstrate an equalized funding formula, in which there is not more than a 25% disparity between districts revenue per Adjusted Average Daily Membership (AADM).

**Failure to pass the annual disparity test results in a cost of at least \$255 million to the State of Alaska.**

# Additional Considerations

- Changes in the ADM affect other state-funded programs such as:
  - Pupil Transportation
  - Residential Schools
- Additional analysis will be done on these and other state-funded programs.

# Additional Considerations

## COVID-19 Related Support: Allowance of Additional Carryover

### Operating Budget Carryover

Governor Dunleavy issued COVID-19 Disaster Order of Suspension No. 3, suspending AS 14.17.505 and 4 AAC 09.160 relating to fund balance in school operating budgets.

- The suspension of this statute and regulation **allowed school districts to retain more than 10 percent of their operating funds** for the following year (FY2021) in response to COVID-19.

### CARES Act Education Funds

- Elementary and Secondary School Emergency Relief Funds (ESSERF): **\$34,567,200**
- Governor's Emergency Education Relief Funds (GEERF): **\$3,728,856**



# Additional Considerations

## COVID-19 Related Support: Allowance of Additional Carryover

Waiver of the carryover limits on the following federal programs:

1. Title I, Part A of the ESEA (Improving Basic Programs Operated by LEAs)
2. Title I, Part C of the ESEA (Education of Migratory Children)
3. Title I, Part D, Subpart 1 of the ESEA (Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk)
4. Title II, Part A of the ESEA (Supporting Effective Instruction)
5. Title III, Part A of the ESEA (English Language Acquisition, Language Enhancement, and Academic Achievement)
6. Title IV, Part A of the ESEA (Student Support and Academic Enrichment Grants)
7. Title IV, Part B of the ESEA (21<sup>st</sup> Century Community Learning Centers)
8. McKinney-Vento Education for Homeless Children and Youth Program



# Additional Considerations

## Future COVID-19 Federal Relief

- Nationally, \$30.75B in K-12 CARES Act funding has been allocated to date.
- Current Congressional discussions range from \$58B to \$175B+ in additional K-12 relief funding.





# Helpful Resources

➤ [Foundation Funding Formula website](https://education.alaska.gov/schoolfinance/foundationfunding)

(<https://education.alaska.gov/schoolfinance/foundationfunding>)

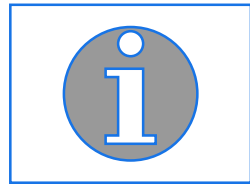
➤ [Public School Funding Program Overview 2020 document](https://education.alaska.gov/SchoolFinance/docs/ADA%20Funding%20Program%20Overview%202021_eff9-2020.pdf)

([https://education.alaska.gov/SchoolFinance/docs/ADA%20Funding%20Program%20Overview%202021\\_eff9-2020.pdf](https://education.alaska.gov/SchoolFinance/docs/ADA%20Funding%20Program%20Overview%202021_eff9-2020.pdf))

➤ [FY2021 Student Count Period and Hold Harmless Provision document](https://education.alaska.gov/publications/Foundation-CountPeriodHoldHarmlessPymts%208.7.2020.pdf)

(<https://education.alaska.gov/publications/Foundation-CountPeriodHoldHarmlessPymts%208.7.2020.pdf>)





# Questions?

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