

**ALASKA PUBLIC SCHOOL FUNDING - FOUNDATION FORMULA HISTORY****Handout #2**

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Documented history from DEED Division Binders and online folders

<b>1900 - 1931</b>	"Most funds for school operations came from license monies collected in incorporated communities and from grants from the Territorial Legislature." (p.15 School Finance in Alaska. CNER 1976)
<b>1931</b>	Territorial Legislature reimbursed school districts based on current operating expenditures based on the number of students enrolled. The lower the enrollment the higher the amount reimbursed as higher costs associated with smaller schools sites.
<b>1962</b>	Legislation for first Foundation formula for State and Local funding. (Chapter 64 SLA 1962).
<b>1964 -1970</b>	First Foundation Funding Program for Alaska was enacted and utilized.
<b>1970</b>	Area Cost Differentials included.
<b>1972 -1973</b>	Contracting Base Schools with the adjacent school districts.
<b>1975</b>	Anchorage on-base contract signed (April).
<b>1976</b>	State Operated School System ends.
	Foundation Formula is equalized to include Impact Aid.
	21 REAA's are included in Foundation.
<b>1977</b>	First Disparity test to substantiate equalization.
<b>1978</b>	Letter approves equalization for Alaska based on Disparity test.
<b>1987</b>	US-Ed sets the Impact Aid ratio of ADA to membership at .9295.
<b>1988-1989</b>	Public School Funding laws were substantially revised by working cooperatively with US-Ed to ensure Alaska laws were in compliance with Federal Impact Aid laws and regs. These changes were created specifically to meet the federal requirement for equalization.
<b>1988</b>	Impact Aid Disparity test shifts calculations from expenditures to revenues.
<b>1989</b>	Alaska was notified by feds that Impact Aid funds were taken in excess of the maximum allowable and must reimburse district's the FY1988 funds that were withheld.
<b>1999</b>	Foundation Formula is overhauled and no longer uses categorical funding or units for calculation of basic need. A funding floor is established for those districts who lost funding on transition to new formula under SB36.
<b>2002-2012</b>	SB182 Required Local is updated that a comparison is done between 1999 F/V and the current F/V. If there is an increase then 1/2 of the difference is taken and applied to the 1999 F/V and then multiplied by the mill rate.
<b>2009-2013</b>	A legislative Task Force amended the formula implementing the cost factors over a 5-year period; BSA increased by \$100/yr for three years; Hold Harmless was established.
<b>2012-2013</b>	Formula was amended to include a CTE or vocational factor of 1.01 which was increased to 1.015 the next fiscal year.
<b>2013</b>	Required Local was amended so all districts would calculate the F/V by 2.65 mill rate. This was due to the high cost to the state as a result of SB182.
<b>2015-2017</b>	Legislature increased the BSA by \$50/yr increments over 3-years. Correspondence multiplier was increased from 80% to 90%.
<b>2018</b>	Legislature added a provision to hold a district harmless up to seven years should they consolidate schools within a community.