



Alaska's Education Landscape

House Ways & Means and Education Committees Joint Hearing

March 15, 2023, 6:00 PM - 8:00 PM AKST

Presenters:

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Alaska Policy Forum

Overview



- Emulate Success – Alaska vs. Florida and Mississippi
- Alaska's K-12 funding
- Recommendations for improvement to school funding formula
- Alaska's education outcomes
- Education choice and its fiscal benefits
- Alaska CSAP scenarios

Better Trends

Ranking Improvements in NAEP from 2019

NAEP Test Results Alaska			2019	2022
Grade	Subject	Status	U.S. Ranking	
4th	Reading	Free or Reduced Lunch	51 st	51 st
4th	Math	Free or Reduced Lunch	50 th	48 th
4th	Reading	Non-Free or Reduced Lunch	51 st	50 th
4th	Math	Non-Free or Reduced Lunch	49 th	49 th
8th	Reading	Free or Reduced Lunch	50 th	51 st
8th	Math	Free or Reduced Lunch	46 th	42 nd
8th	Reading	Non-Free or Reduced Lunch	49 th	42 nd
8th	Math	Non-Free or Reduced Lunch	45 th	42 nd
Rankings are all 50 states and DC				



4th Grade Reading NAEP Scores US States and DC = Free or Reduced Lunch																				
	2022		2019		2017		2015		2013		2011		2009		2007		2005		2003	
		FRL		FRL		FRL		FRL		FRL		FRL		FRL		FRL		FRL		FRL
1	FL	215	FL	216	FL	219	FL	220	FL	218	MA	218	FL	217	ND	215	WY	216	VT	214
2	MS	212	WY	215	MA	219	MA	220	NH	216	ND	216	ND	216	MT	215	DE	214	MN	213
3	MA	209	MS	215	IN	215	KY	219	MD	216	NH	216	KT	215	MA	214	ND	214	WV	212
4	OR	210	MA	213	WY	215	WY	217	WY	215	FL	216	VT	215	WY	214	WA	213	WY	212
5	IN	209	KY	212	WV	215	IN	217	DE	215	KT	216	MA	215	DE	214	NH	213	DE	212
6	NV	207	ID	211	KY	215	VT	217	IN	215	NJ	215	DE	214	MN	213	MN	213	ND	210
7	KY	212	NV	211	NJ	214	NH	216	MN	214	MD	215	MT	214	FL	213	MT	212	MA	210
8	SC	205	NJ	210	OH	213	NC	215	MA	213	WY	214	NY	214	VA	213	KT	212	SD	210
9	HI	204	OH	210	VA	213	OK	214	KT	213	MT	214	NH	213	VT	212	MA	211	KY	209
10	LA	204	IN	209	KS	212	GA	214	VT	213	DE	214	KS	213	IA	212	SD	210	IA	209
11	ID	211	ME	209	NH	212	MN	214	ND	213	VT	213	WY	212	ID	212	VT	210	WA	208
12	MT	204	NE	209	NC	211	NJ	213	MT	212	NY	212	MN	212	NH	212	NY	210	MT	208
13	GA	204	ND	209	CT	211	UT	213	NJ	212	KS	212	NJ	211	KT	212	ID	210	NY	208
14	NH	204	CO	208	VT	211	MT	213	PA	211	OH	212	ID	211	KS	212	VA	209	MO	208
15	IA	204	OK	208	ID	211	NE	213	NY	211	PA	211	MO	210	OH	211	FL	209	ID	207
16	RI	203	NH	208	NY	211	OH	212	NC	211	MN	210	IN	210	NJ	210	MN	209	CO	207
17	NJ	203	UT	208	MO	211	ND	212	WV	211	ID	210	VA	210	WA	210	MO	209	NE	207
18	CO	203	NC	208	DE	210	MO	211	GA	211	IN	210	MD	210	SD	209	KS	208	OH	206
19	ID	203	MT	208	MT	210	WV	211	MO	211	GA	209	NE	210	NY	209	IA	208	KS	206
20	TX	203	SD	208	PA	210	RI	211	CO	210	AL	209	TX	209	OK	209	CO	208	NH	206
21	NY	202	VA	208	MD	210	AR	211	CT	210	TX	209	SD	209	TX	209	TX	208	UT	206
22	VT	202	PA	207	UT	209	ID	211	KS	210	NE	209	IA	208	IN	209	UT	208	NC	206
23	PA	202	AR	207	NE	209	PA	211	UT	209	NC	208	OH	208	MO	208	IN	207	OR	205
24	NB	202	IA	207	RI	209	NY	211	NE	209	RI	208	WA	208	UT	208	AR	206	CT	205
25	OH	202	MO	207	OK	209	VA	210	WA	209	OK	208	CT	207	NE	208	WV	206	WI	205
26	CA	201	GA	207	GA	209	WA	210	VA	209	AR	207	OK	207	GA	207	OH	206	IN	205
27	AL	201	OR	207	AR	209	DE	210	MN	209	SD	207	GA	207	MD	207	OK	205	TX	205
28	AZ	201	WA	206	MS	208	OR	210	AR	209	VA	207	AR	207	PA	207	NE	205	FL	205
29	WI	201	NY	206	CO	208	IA	210	ID	208	MO	207	WV	206	CO	206	PA	205	VA	205
30	OK	201	KS	206	SD	208	LA	209	OH	208	UT	206	PA	206	WV	206	WI	204	AR	204
31	IL	201	TX	206	ND	208	CT	209	IA	208	WI	206	CO	206	MN	206	OR	204	OK	204
32	CT	201	MI	206	ME	207	IL	208	OK	208	IA	206	RI	205	AR	205	NJ	203	NJ	203
33	WA	201	RI	206	MN	207	TX	208	AL	207	CO	205	TN	205	WI	205	NC	202	MN	203
34	ND	200	VT	206	OR	207	AL	208	OR	207	CT	205	UT	205	NC	205	CT	202	SC	202
35	NC	200	HI	206	AL	207	CO	208	RI	206	MN	205	NC	205	MI	204	MI	201	MI	201
36	AR	200	CT	205	TN	206	KS	208	TX	206	MI	205	SC	204	IL	204	GA	201	RI	200
37	KS	200	IL	205	IL	206	TN	207	MI	206	WV	204	MI	204	AL	203	SC	200	GA	200
38	UT	199	CA	205	IA	206	MS	207	WI	205	WA	204	AL	204	HI	203	LA	200	MD	199
39	TN	199	MD	205	NV	206	MD	207	TN	205	OR	204	OR	204	NM	203	TN	200	PA	198
40	MI	198	MN	205	WA	205	WI	207	NV	203	TN	204	MN	203	RI	202	NM	199	TN	198
41	ME	198	WV	204	TX	205	SC	206	SD	203	IL	203	MS	203	TN	202	IL	198	IL	197
42	SD	197	SC	204	DC	204	NV	205	LA	203	SC	202	IL	202	SC	201	MD	198	HI	197
43	MO	197	WI	204	LA	204	MN	205	IL	202	LA	202	WI	202	CT	201	RI	197	MS	197
44	MD	197	DC	203	MI	203	SD	205	SC	202	NV	202	LA	201	MS	200	HI	197	NM	195
45	NM	195	DE	202	WI	203	MI	204	MS	201	MS	202	NV	200	OR	200	MS	196	LA	195
46	MN	194	TN	202	CA	203	AZ	203	HI	201	AZ	202	NM	199	LA	200	AL	196	AZ	194
47	WV	194	LA	202	HI	203	HI	203	AZ	201	HI	201	HI	198	AK	197	CA	193	AL	193
48	DC	194	AZ	202	AZ	203	NM	201	CA	200	NM	200	AZ	197	NV	197	AK	193	NV	192
49	VA	192	NM	201	SC	202	CA	201	NM	199	CA	198	CA	196	AZ	196	AZ	192	AK	192
50	DE	189	AL	199	NM	200	DC	200	DC	195	AK	191	AK	194	CA	195	NV	192	CA	191
51	AK	188	AK	189	AK	190	AK	197	AK	193	DC	191	DC	193	DC	188	DC	183	DC	182
		203		208		208		210		208		207		207		207		204		203

Florida and Mississippi

Long-term Improvements Beyond Early Literacy:

- Significant gains in 8th grade and math NAEP scores since 2003
- AP Courses: 2020 Florida — 34% high school graduates passed at least one AP test with 3 or Higher
 - 14% in Anchorage

2022 NAEP Comparison Alaska vs. Florida

NAEP Test Results Alaska			Florida	Alaska
Grade	Subject	Status	U.S. Ranking	
4th	Reading	Free or Reduced Lunch	1 st	51 st
4th	Math	Free or Reduced Lunch	1 st	48 th
4th	Reading	Non-Free or Reduced Lunch	3 rd	50 th
4th	Math	Non-Free or Reduced Lunch	7 th	49 th
8th	Reading	Free or Reduced Lunch	5 th	51 st
8th	Math	Free or Reduced Lunch	16 th	42 nd
8th	Reading	Non-Free or Reduced Lunch	29 th	42 nd
8th	Math	Non-Free or Reduced Lunch	32 nd	42 nd
Rankings are all 50 states and DC				



Florida and Mississippi Education Choice Seven Programs — 193,000 Kids

Florida

- Florida Tax Credit Scholarship Program — \$7,408
- Family Empowerment Scholarship Program — 90% Special Ed Funding
- Hope Scholarship Program — 85-96% Funding Formula
- Family Empowerment Scholarship Program (Voucher) — \$7,612

Mississippi

- Dyslexia Therapy Scholarship for Students with Dyslexia Program \$6,532
- Nate Rogers Scholarship for Students with Disabilities Program \$6,532
- Equal Opportunity for Students with Special Needs Program \$6,779

Florida and Mississippi Kids with Greatest Gains:

- Low-Income Students
- Minority Students
- Students with Disabilities
- *Students with Limited English Proficiency*

Miami Dade Public Schools (MDPS)

- 55% Free or Reduced Lunch
- 59% English Not the Only Language at Home
- 94% Ethnic Minorities

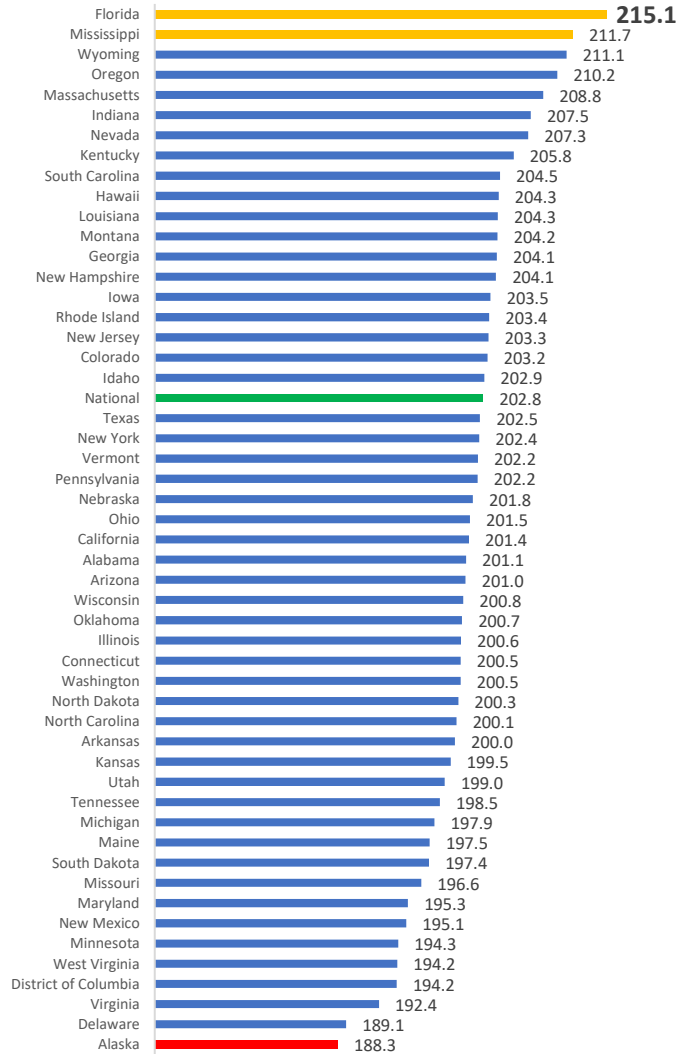
90.1 % Graduation Rate

- MDPS Advanced Placement Success – 2021
 - 51,910 MDPS Juniors and Seniors
 - 32,602 AP Tests Passed 3 or Higher
- 4th Grade NAEP Reading Scores *6 Points Higher* than Upper/Middle Income 4th Graders in Alaska

2022 NAEP 4th Grade Reading

Low Income

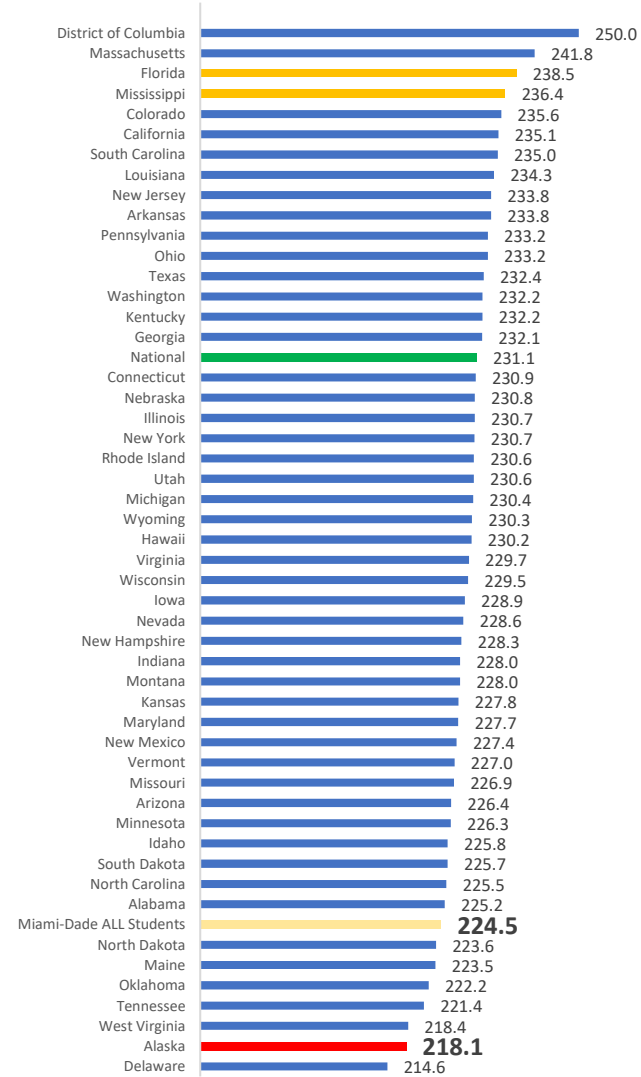
Qualifies for Free or Reduced Lunch



2022 NAEP 4th Grade Reading

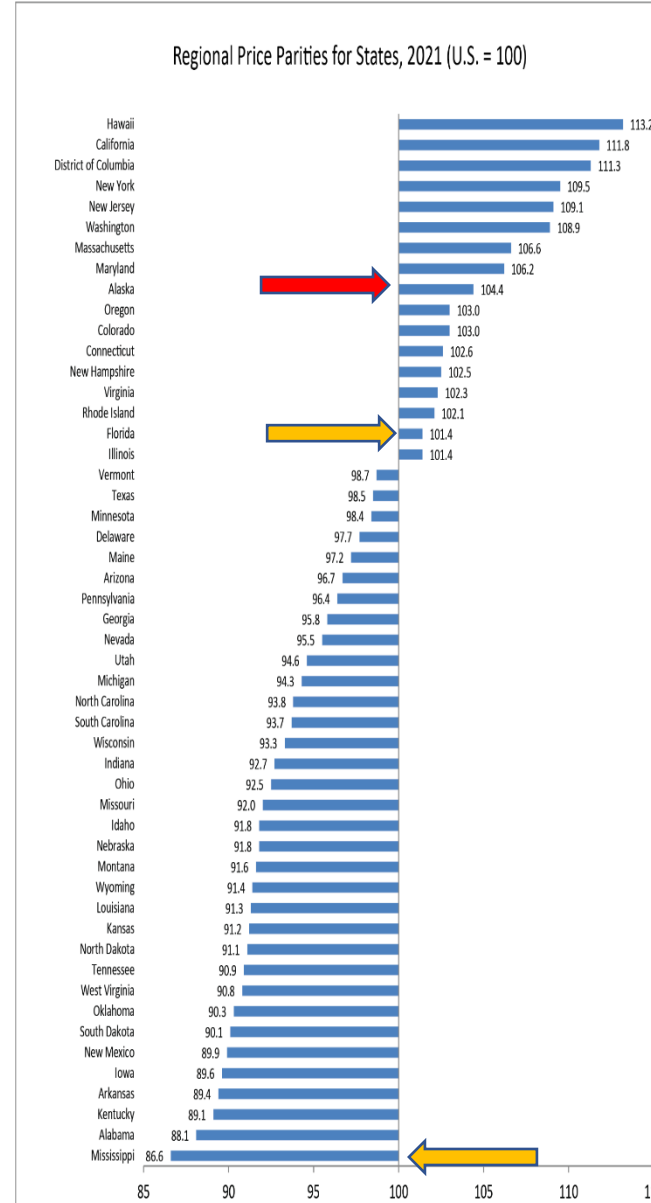
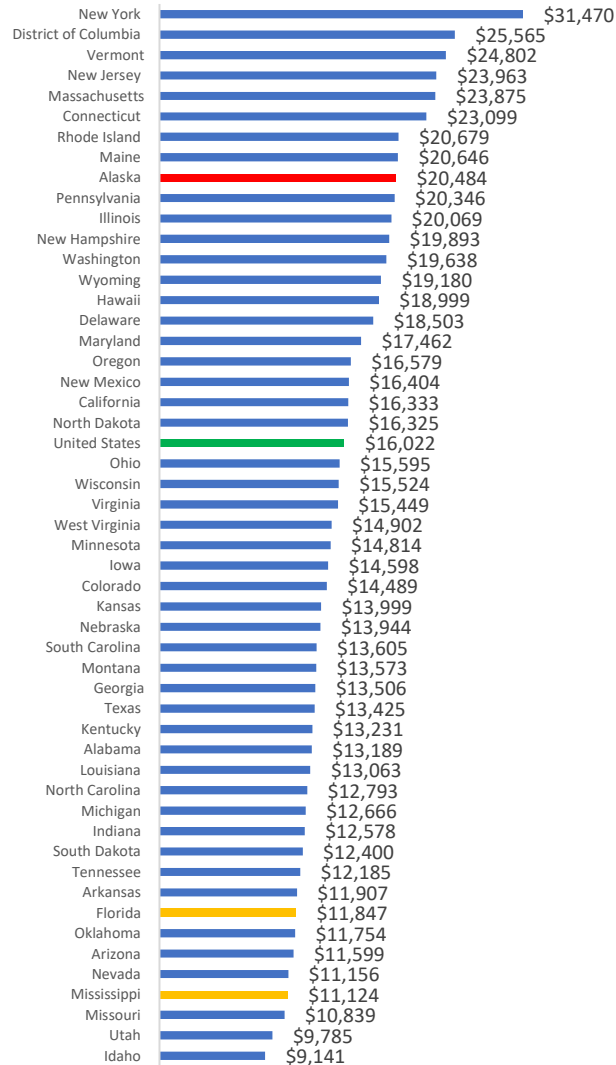
Upper/Middle-Income

Does Not Qualify for Free or Reduced Lunch

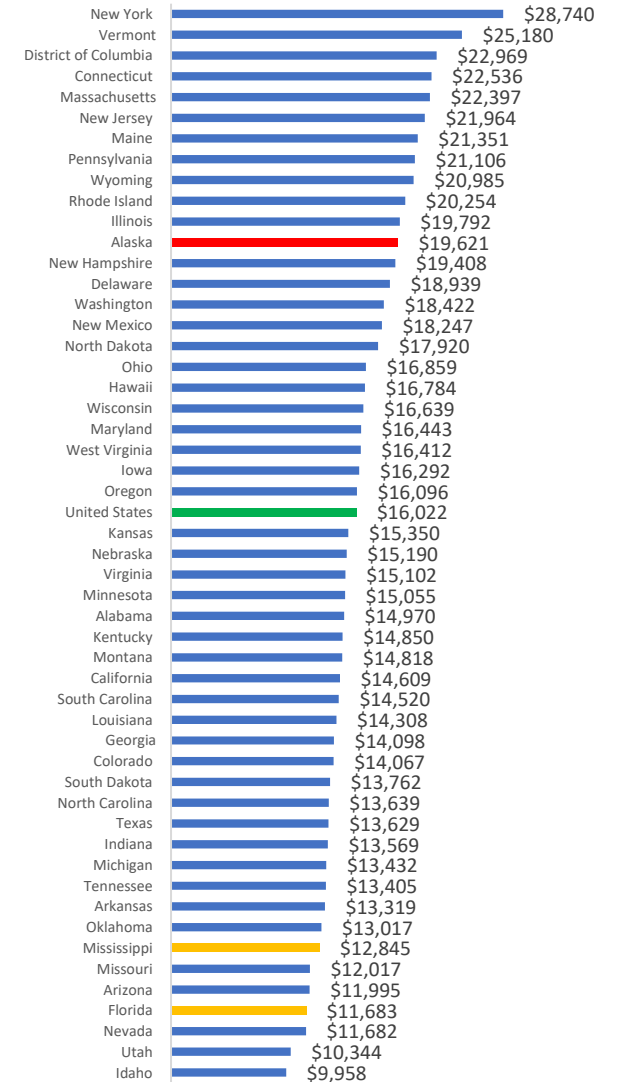


2021 K-12 Spending per Student in Average Daily Attendance, Adjusted for Price Parity

Source: NEA Rankings and Estimates, US Bureau Economic Analysis



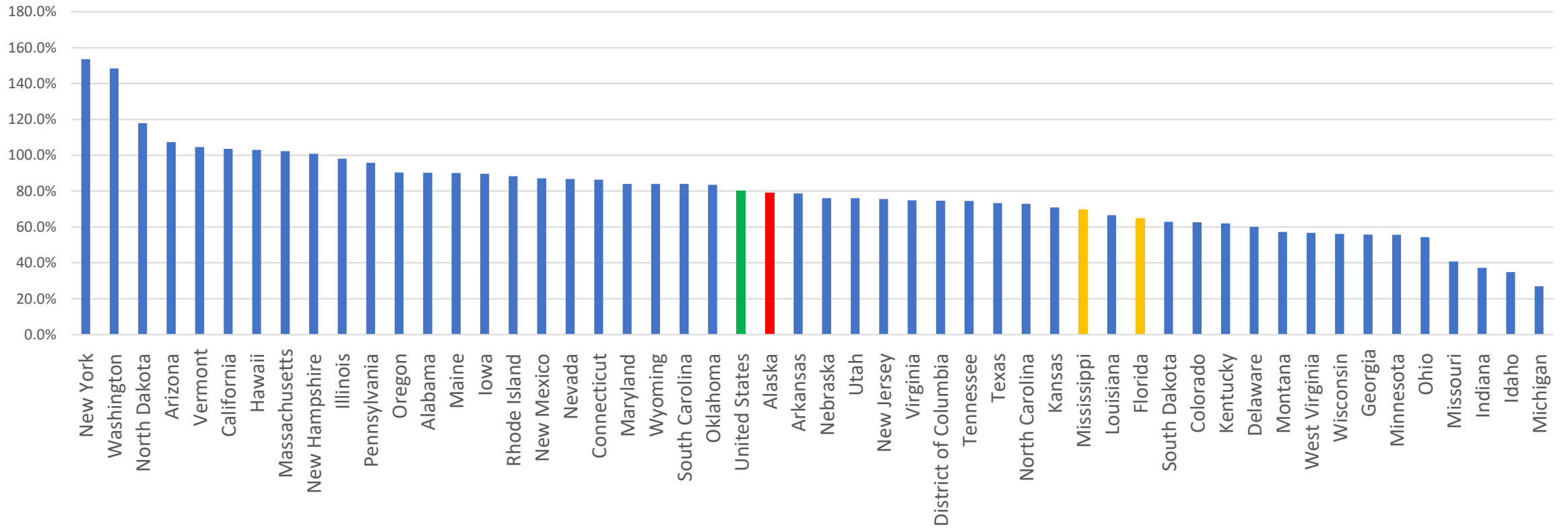
U.S. Bureau of Economic Analysis



K-12 Spending Increase 2004-2022

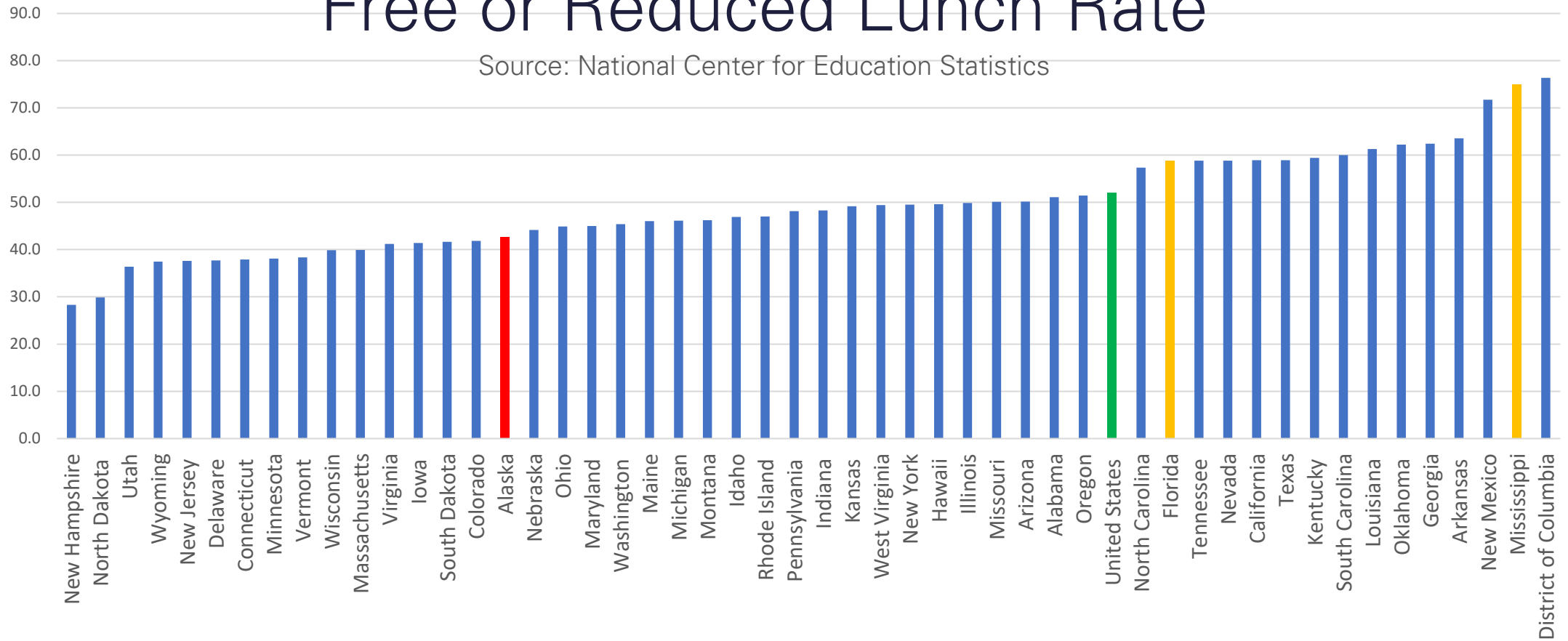
per Student in Average Daily Attendance

Source: NEA Rankings and Estimates



Free or Reduced Lunch Rate

Source: National Center for Education Statistics



Rural Alaska Leading Performance — 14 Highest Performing Districts

2022 AK STAR English Language Arts Proficiency Rates, 2022 Poverty Rate and Per Capita Income

Source: AK DEED, Census Reporter

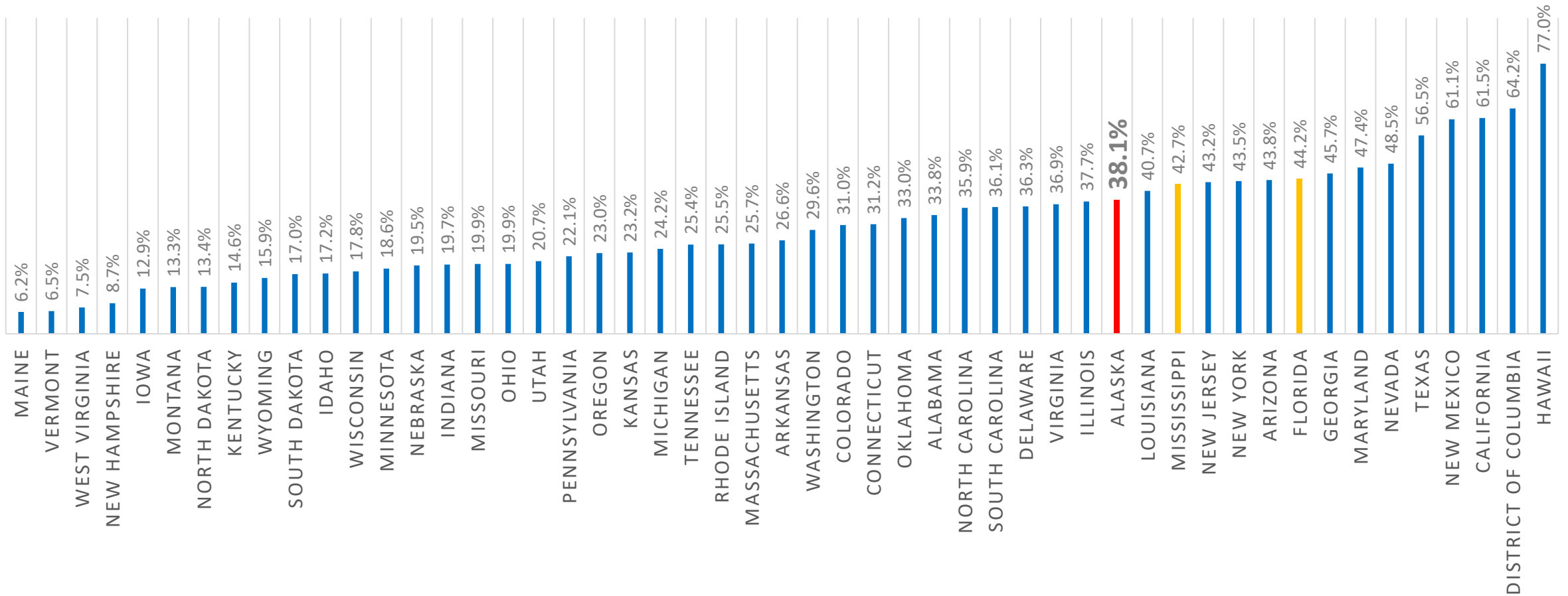
* 17 Students, ** 6,700 Correspondence School Students *** Data Not Available

Rank	District	ELA Proficiency Rate	Poverty Rate	Per Capita Income
1st	Skagway	70.0%	5.3%	\$ 43,991
2nd	Aleutian Region	61.5%	*	*
3rd	Denali	46.7%	15.7%	\$ 36,412
4th	Galena	46.5%	**	**
5th	Petersburg	44.4%	4.6%	\$ 34,966
6th	Cordova	43.3%	1.7%	\$ 42,385
7th	Sitka	40.6%	6.9%	\$ 39,792
8th	Delta/Greely	39.7%	***	***
9th	Southeast Island	39.2%	***	***
10th	Valdez	38.4%	4.4%	\$ 44,859
11th	Copper River	37.6%	11.4%	\$ 33,894
12th	Wrangell	37.3%	12.1%	\$ 31,069
13th	Unalaska	36.3%	6.5%	\$ 42,966
14th	Nenana	34.5%	27.6%	\$ 21,023
15th	Anchorage	33.9%	9.1%	\$ 43,165
16th	Kenai	33.9%	14.1%	\$ 33,422
20th	Juneau	32.7%	7.2%	\$ 45,607
21st	MatSu	32.6%	15.2%	\$ 34,791
23rd	Fairbanks	32.0%	9.1%	\$ 33,194
				\$
	State Average	29.5%	10.3%	39,509

People of Color by State

Alaska 15th

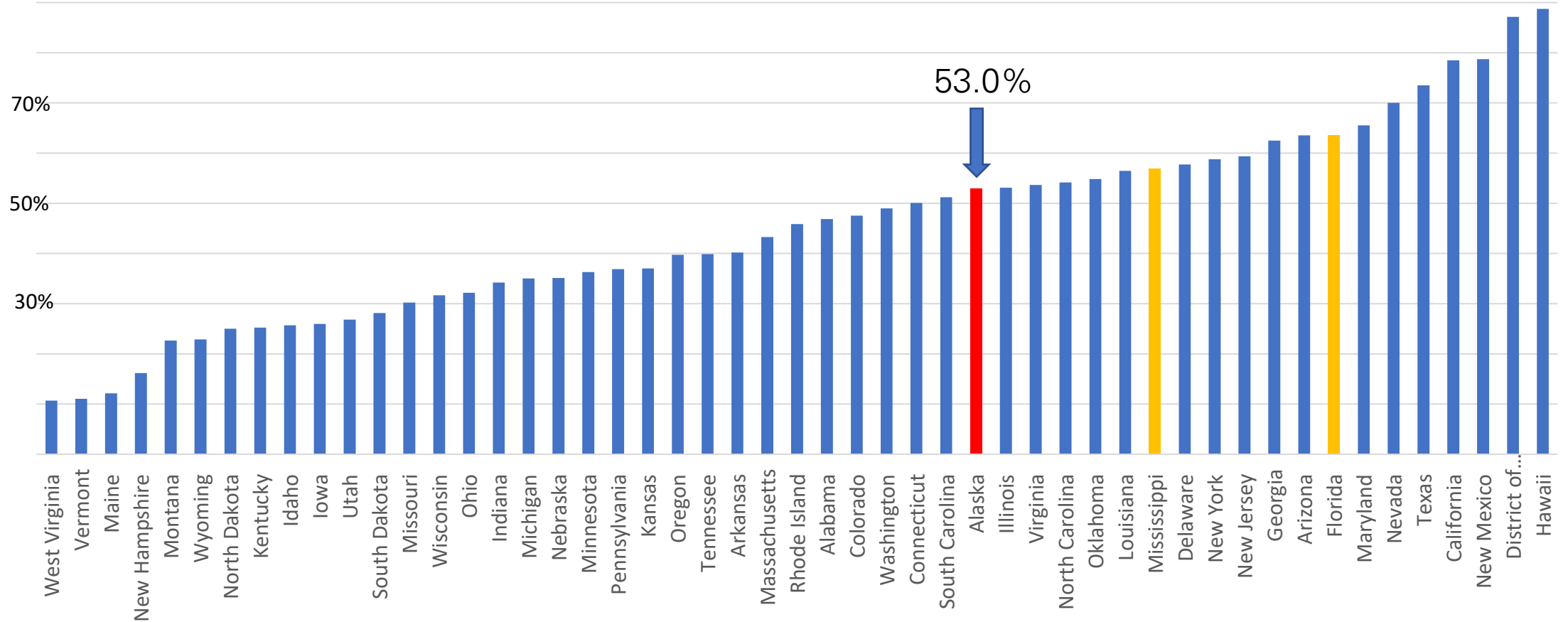
Source: Annual Estimates of the Resident Population, U.S. Census Bureau



Students of Color by State

Alaska 20th

Source: U.S. Dept of Education NAEP Demographics



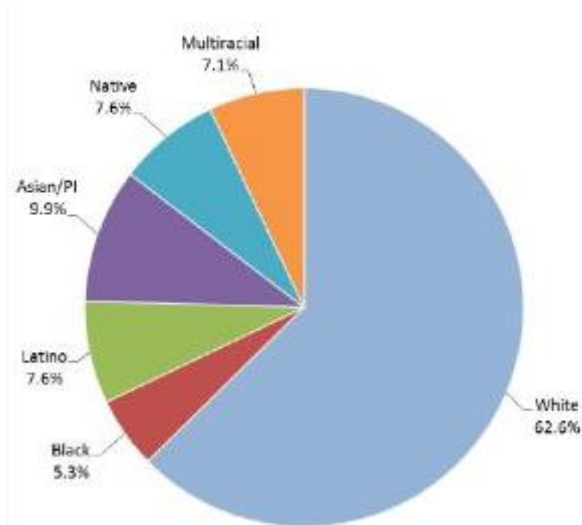
Anchorage

Diversity/Poverty

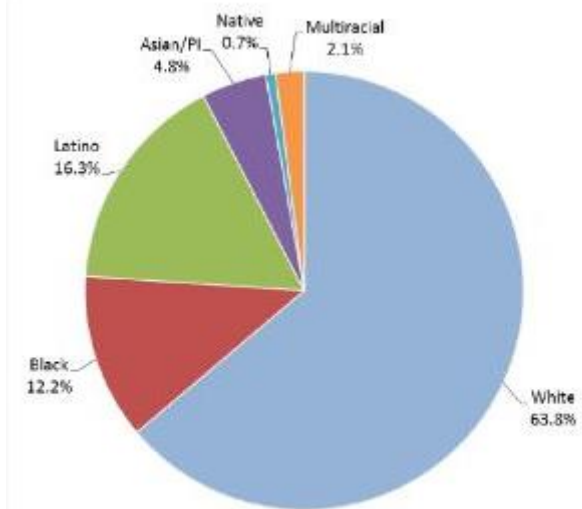
- 71st Largest U.S. City
 - 147th in Overall Diversity
 - 182nd in Language Diversity
- Of the 100 Largest U.S. Cities:
 - Anchorage – 9th Lowest Poverty Rate
 - Miami – 16th Highest Poverty Rate

Source: US Census Data, Wallet Hub 2022 Survey

Anchorage and the United States



Anchorage, 2010



United States, 2010

Entropy Index

Massey and Denton (1988)

Logarithmic scores assigned to all groups – higher scores when groups are more evenly divided.

Overall Education Spending in Alaska

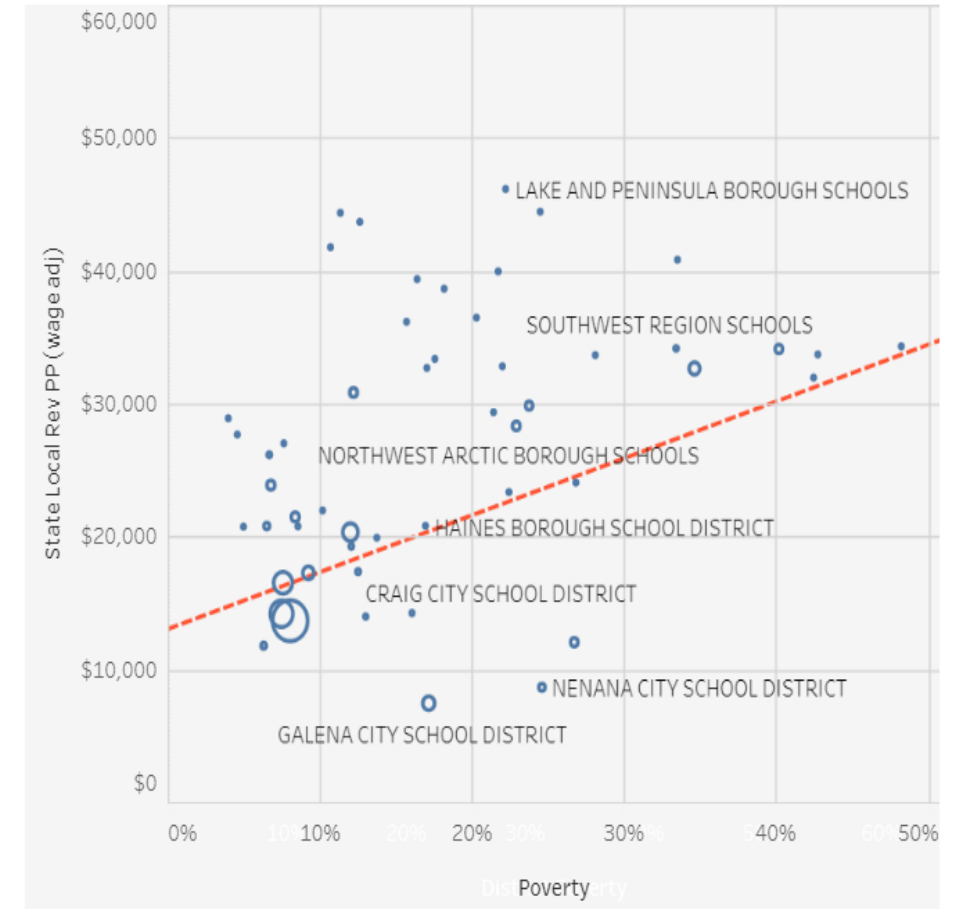
- These figures include all sources of funding – state, local, and federal.
- Per-pupil spending in Alaska was [\\$18,313](#) in 2020 but estimates range up to [\\$21,000](#).
- Alaska spent almost 50% more than national average ([\\$13,494](#)).
- Per-pupil spending varies wildly between districts
 - Highest: Aleutian Region School District spent **\$104,556** per pupil ([NCES District Search](#)) as of the 2018-2019 school year.
 - Lowest: Galena City School District spent **\$7,302** per pupil in 2018-2019
 - Anchorage School District spent **\$16,525** per pupil in 2018-2019.
- Between 2002 and 2020, Alaska's total education expenditures rose [32%](#) per pupil *after* adjusting for inflation.

Cost of Living

- Study by [Education Law Center](#) found Alaska's combined state and local revenues, after adjusting for regional COL variations, funded **more than \$2,000 per pupil (\$17,544) above the national average (\$15,446)** in 2019-20 school year.*
- Education expenditures were **57% more in high-poverty districts** in Alaska in 2020 than in low-poverty districts. Low-poverty districts were funded slightly less (\$14,715) than the national average.
- Alaska is putting **proportionally more of GDP (4.42%) into education** than the national average. GDP declined 8% between 2008-2020, but PK-12 revenue increased 18%.

*[excludes](#) debt reimbursement, capital improvement, and federal revenues except Impact Aid. Adjustments for COL made with State and Local Government Implicit Price Deflator (S&L IPD).

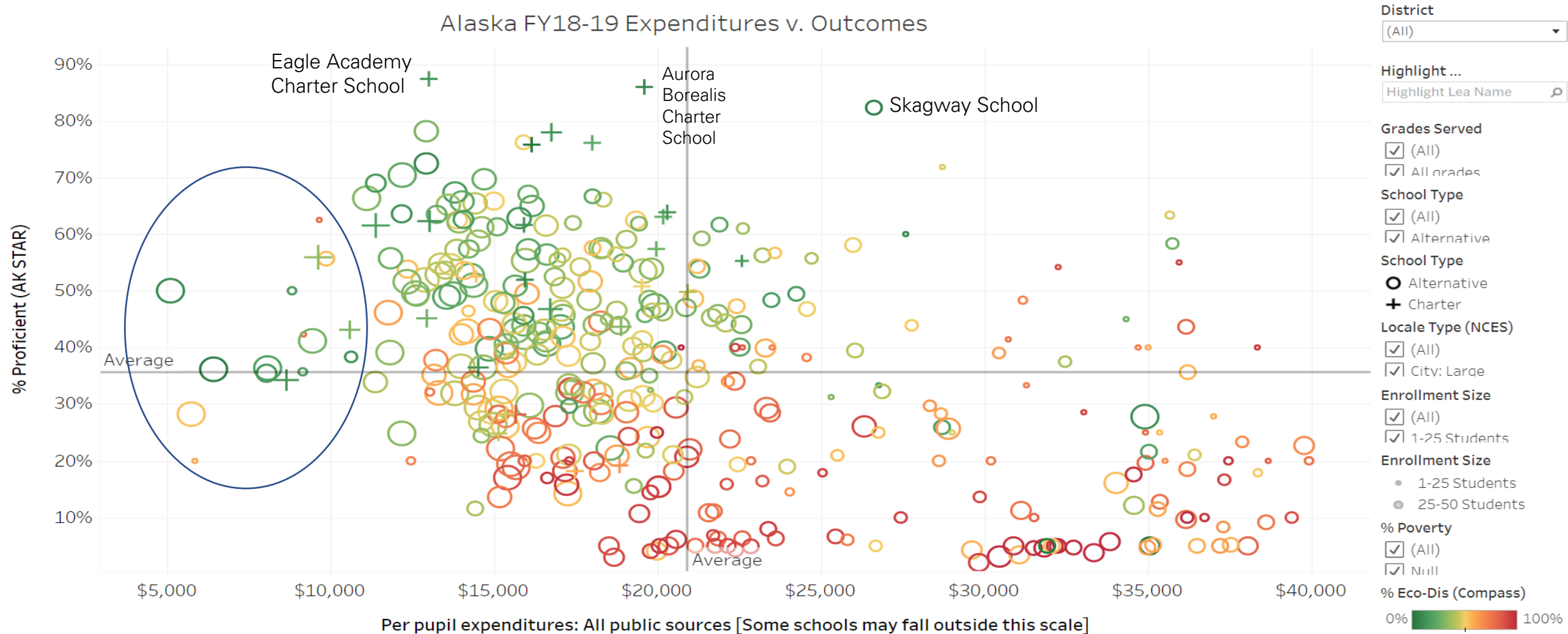
Alaska receives a A on Distribution. After accounting for labor costs and district size, the distribution of state and local revenue is progressive, with high-poverty districts, *on average*, receiving 57% more than low-poverty districts. To view another state, change the selection above.



Source: ELC analysis of U.S. Census Annual Survey of School System Finances, 2020; U.S. Census Small Area Income and Poverty Estimates, 2020.

Note: A small number of outlier districts with per pupil revenues above \$60,000 are not shown.

Higher Spending Doesn't Necessarily Mean Better Outcomes



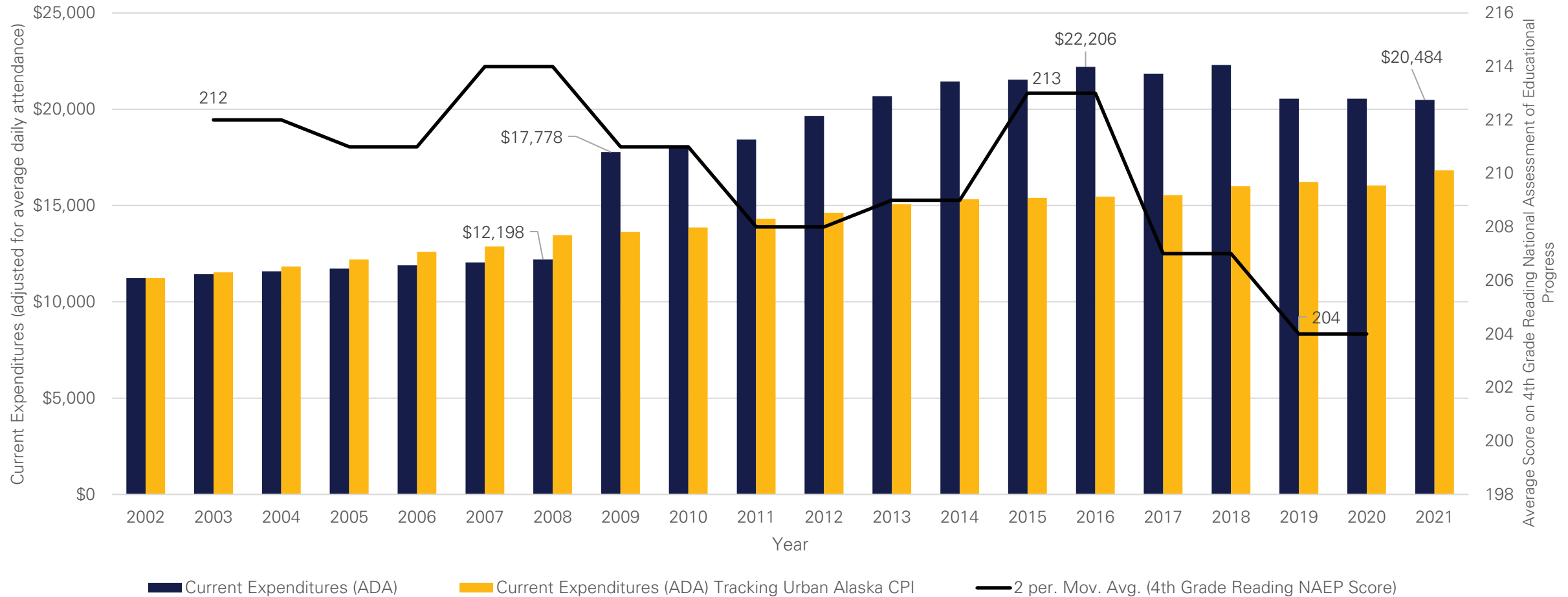
SPENDING data for each school was collected from the [National Education Resource Database on Schools \(NERDS\)](#) and is shown on the horizontal axis per student. Note at what value the axis starts (this is often > zero). OUTCOMES are shown on the vertical axis as the percentage of students who were proficient on the state test. The proficiency is averaged across English language arts and mathematics in tested grades.

Atypical schools such as alternative schools or those serving special education students may be excluded. Axis was cropped at \$5,000 and \$40,000, so schools outside those bounds will not appear. Due to data suppressed for

Source: Georgetown Edunomics Lab, <https://public.tableau.com/app/profile/edunomicslab/viz/AKFY18-19/AKDash>

K-12 Spending Outpaces Inflation Since 2002

Alaska's Per-Pupil Current Expenditures 22% Higher Than Inflation in 2021



Source: NEA Rankings and Estimates Reports. Per-pupil current expenditures by average daily attendance (ADA). Current expenditures are all [expenses](#) excluding capital outlay and interest on school debt. Gold bar shows what current expenditures per ADA would have been with adjustments upward for annual urban Alaska consumer price index increases (non-seasonally adjusted) with 2002 current expenditures as baseline. 12-month inflation percentage from Bureau of Labor Statistics. The black line tracks the changes in Alaska's 4th grade reading score on the National Assessment of Educational Progress. Due to formula changes in 2008 (reenactment of more generous Hold Harmless Provision, increased weighting of intensive services, adjustment to district cost weights), there was a large increase in current expenditures per student in average daily attendance (from \$12,198 to \$17,778).

Administration Has Been Growing

- While administration is important for school leadership, investing directly in high-quality teachers [matters most](#) for student performance
- In 2021, there were [4 teachers for every 5 staff members](#) performing other functions
- In 2000, teachers were nearly 1 to 1 with other staff
- District administrators grew 17.7% between 2008 and 2019
 - In 2019, there were 1,504 “officials and administrators” and “administrative support staff” ([NCES Table 213.20](#))
 - In 2008, there were 1,278 ([NCES Table 85](#))
- Number of teachers declined 5.8% during the same period
- Conventional explanation is that compliance costs (especially at the federal level) have increased
- Alaska not unique in administration growth — staff per student [doubled](#) in 30 years (1970-1999)

Alaska State Education Funding Formula

- Base Student Allocation (BSA) is the amount allocated to each student before adjustments to average daily membership (ADM).
- ADM is an *enrollment* average counted through 20 days in October of each year.
- Adjustment factors include multipliers for school size, district cost, special needs, career and technical education, intensive needs, and correspondence school students.
- **BSA * AADM = basic need**
- Basic need is paid in part by required local contributions (for an organized borough or municipality) and deductible federal impact aid, while the rest is paid by the state.
- “63% of school district budgeted revenue is from the State.”

[Citizen's Guide to K-12 Funding in Alaska](#), Legislative Finance Division

The BSA Isn't the Whole Picture

- “Even with no change in the BSA [since FY08], changes in the adjustment factors would have increased K-12 funding by 34%.” — [Citizen's Guide to K12 Funding in Alaska](#)
 - Inflation since FY08 was [39%](#)
 - BSA rose 10.22% since 2008
 - Increases in adjustment factors + increases in BSA would exceed inflation
- On top of formula:
 - One-time grants from the legislature
 - Federal grants
 - Pupil transportation funds from state
 - Voluntary local contributions from district (19 districts do not contribute *any required or voluntary* local contributions)
 - State contributions to TRS/PERS system
 - School debt reimbursement
 - Regional Education Attendance Area Fund

Alaska's Choice Options are Treated Unequally

- Students in the correspondence school allotment program are counted as 90% of the BSA for the district under the foundation formula
 - 16.5% of all students but account for less than 5.3% of total funding.
 - Correspondence students are not 90% of a student.
 - Families get about \$2500 allotment (varies by school) – less than half of \$5960 BSA
- Correspondence students with identified special needs aren't given additional funding.
- Alaska's charter schools are given an amount proportionate to enrollment "less administrative costs retained by the school district... up to four percent."
- Charter capital and facilities aren't funded fairly: have right of first refusal for buildings deemed safe but construction, leasing, and maintenance grant programs not currently being funded (point 19).

Alaska Charter School Laws

MEASURING UP TO THE MODEL

TABLE 1: 2022 STATE PUBLIC CHARTER SCHOOL LAW RANKINGS

RANKING	STATE	SCORE		RANKING	STATE	SCORE
1	Indiana	181		24	California	154
2	Colorado	181		25	Utah	154
3	Alabama	180	↗2	26	Tennessee	153
4	Minnesota	178		27	Missouri	153
5	Florida	175	↗2	28	West Virginia	152
6	Washington	173	↗3	29	New Mexico	152
7	Mississippi	169	↗1	30	Michigan	149
8	Louisiana	168		31	Hawaii	147
9	Nevada	168	↗3	32	Texas	145
10	Maine	167	↗1	33	Arkansas	141
11	D.C.	166		34	Wyoming	136
12	Ohio	165	↗12	35	New Jersey	135
13	Massachusetts	162	↗1	36	Oregon	131
14	Arizona	160	↗1	37	Pennsylvania	131
15	North Carolina	160	↗1	38	Illinois	127
16	Delaware	160	↗1	39	Connecticut	126
17	Georgia	158	↗1	40	Rhode Island	126
18	Iowa	157	↗23	41	Wisconsin	109
19	Oklahoma	157	↗3	42	Virginia	94
20	New Hampshire	157	↗3	43	Alaska	83
21	Idaho	157	↗4	44	Kansas	69
22	New York	156	↗4	45	Maryland	61
23	South Carolina	155	↗4			

NOTE: THE TOTAL POINTS POSSIBLE IS 240.

Alaska's charter school laws are 3rd most restrictive nationwide

- Lack multiple authorizers
- Equitable funding
- Facilities and transportation funding
- Lack of independence
- Charter management organizations not allowed

Recommendations for Improvements to School Funding Formula

Short List of Ideas to Improve Formula

- End incentives to keep inefficient facilities in large communities
- End or increase threshold for hold harmless provision
- Incentivize improvement in outcomes
- Stop incentive to over-identify intensive-needs students
- Count average daily membership across the year rather than a non-representative 20-day period in October
- Count correspondence students equally and allow eligibility for certain weights
- Give correspondence students with intensive special needs a similar weighting

Recommendation: Bond Debt Reimbursement

- Limit bond debt reimbursement in communities which have large excess facilities space compared with DEED standards
 - Incentivize right-sizing facilities
 - Free-up resources for classroom operations
- Allow bond debt reimbursement for rapidly growing districts near capacity

Recommendation: Hold Harmless Provision

- Remove hold harmless provision entirely or increase its threshold
- Hold harmless provision (with a [threshold](#) of 10% drop in enrollment after adjustment for school size) was ended in 2001
- Reinstated in 2008 with a more generous enrollment threshold (5% drop in enrollment [after](#) adjustment for school size)
- Schools and districts must be incentivized to keep their students through good or improving outcomes
- Double dipping

Recommendation: Incentivize Outcomes in Formula

- Tennessee overhauled its school funding formula in 2022
- Districts receive per-student bonuses based on:
 - 3rd grade ELA scores
 - 4th grade ELA growth
 - 8th grade math scores
 - ACT scores + improvements from previous tests
 - High schoolers graduating with industry credentials
- Florida provides a [0.16 bonus](#) to ADM for districts and a direct-to-teacher bonus for each high school student passing an AP exam with a 3 or higher
 - In [2020](#) 34% of FL graduates passed an AP exam with 3 or higher
 - Still among the lowest funding per student
- Reward schools getting results — incentivize behaviors we want

Source: <https://www.sycamoreinstitutenet.org/tisa-whats-law-whats-left-to-decide/#:~:text=The%20Tennessee%20Investment%20in%20Student,be%20determined%20by%20future%20decisions.>

Recommendations: Intensive Needs Weighting

- In FY08 —1,877 intensive needs students. AADM +9,385
- In FY23 — 3,282 intensive needs students. AADM +41,666
 - Rate of birth defects has been very stable since 1978 – [CDC Study](#)
- Current weighting for intensive needs incentivizes overidentification
- Students with disabilities, English Language Learners, and gifted and talented are all very different and do not all cost the same amount to educate

Source: https://education.alaska.gov/SchoolFinance/docs/4-Pager_FY23_Foundation_OASIS_12-19-2022_ADA.xlsm

Recommendation: Correspondence Students

- Correspondence students are 16.5% of K-12 students but 5.3% of K-12 expenditures
- Correspondence students should also get weights for special education (1.2), and CTE education (0.015) for a total of 1.215 AADM.
 - Hundreds of CSAP students have special needs or participate in CTE
- Correspondence students with intensive needs should receive weights to their allotment like intensive needs students in traditional district schools
 - Allotment multiplier of 10 (for example) would allow parents to choose between providers while the state would realize cost-savings of 3 BSAs per intensive needs student using the allotment instead of traditional public school
 - Decreases incentive for districts to over-classify intensive need students
 - Increases incentive for districts to be attentive to intensive need parents
- Florida's **Family Empowerment Scholarship Program** lets parents choose private-sector options (or a public school outside of their zoned area) that better suits their child's needs with up to 90% of state Special Ed funding

Recommendation: School Size Multiplier

- Simplify school size multiplier (especially for large districts)
 - Smallest schools under 20 students receive multiplier of 39.6 per student
 - Schools with more than 750 students are penalized with a multiplier of 0.84
 - Schools above 250 students begin to receive less ADM per additional student than its actual number of students (multiplier of 0.97)
- The intention is to help rural school districts with higher per-student costs
- Large districts exploit this loophole and keep inefficient facilities open
- Median school size in Alaska is 177 students* (which have a weight of 1.08)
 - Lowest tier (1-20 students) multiplier applies to only 63 of Alaska's 513 schools
 - There are only 26 schools being down-weighted for having over 750 students
- Create a simple whole-number weight for schools below 50 students and eliminate higher tiers
- Alternatively, districts above a certain number of students should not be eligible for school size multiplier

*Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "Public Elementary/Secondary School Universe Survey", 2021-22 v.1a.

Recommendation: Average Daily Membership

- Alaska has [29%](#) rate of chronic absenteeism (highest in the U.S.)
- California has 12% chronic absenteeism rate
 - Los Angeles 13% — Kenai 33%
- Change ADM's calculation to create accountability for attendance
 - Alaska is the [only state](#) using an "enrollment count period" to determine average daily membership (ADM)
 - Most states use average daily enrollment throughout all or most of the year
 - 7 states use some variant of average daily attendance, which counts students present in a school for most or all of the school year (CA, ID, KY, IL, MO, MS, TX) with the [idea](#) to incentivize attendance across the school year

School Choice in Alaska and Nationwide

Types of School Choice

Alaska has...

- Traditional neighborhood public schools
- Public homeschooling/Correspondence schools
- Independent homeschooling
- Private schools
- Public charter schools
- Technical education/magnet schools

Or any combination of these...

Other states also have...

- Education Savings Accounts (ESAs)
- Tax-credit ESAs
- School vouchers
- Tax-credit scholarships
- Individual tax credits and deductions
- Microschooling/learning pods
- [Open enrollment](#)

32 states have programs that allow funding to follow the student in 2023

Alaskan Students Benefit From Choice

- 2017-2019 PEAKS assessments
- Students in Alaska's charter schools performed better than students enrolled in Alaska's traditional public schools *regardless of ethnicity, gender, or subgroup*
 - Charter students from all ethnicities reported higher average scale scores every year in both subjects
 - Male and female charter students reported higher average scores and percentage of students proficient every year in both subjects
 - Charter students with disabilities, English language learners, and *economically disadvantaged students (low-income)* all had higher percentages of students testing proficient every year in both subjects
- Alaska scored the highest nationally for value-added learning gains in [EFI Charter School Ecosystem Rankings](#)

Source: Alaska Policy Forum [analysis](#) from [public records](#) request.

States Benefit Academically from Choice

- The [Education Freedom Index](#) considers 4 factors weighted equally: private choice, charter school freedom, homeschooling, and public choice
- Positive and significant [association](#) between education freedom (measured by EFI) and outcomes (higher NAEP achievement and gains in scores)
- Alaska ranked 42nd on 2000 EFI and dropped to 49th in 2019
 - “Both the geography **and the public policies** of Alaska leave its families nearly void of educational options beyond their assigned public school.”

Meta-Analyses of School Choice

Outcome	Number of Studies	Any Positive Effect	No Visible Effect	Any Negative Effect
Program Participant Test Scores	17	11	4	3
Educational Attainment	7	5	2	0
Parent Satisfaction	32	30	1	2
Public School Students' Test Scores	28	25	1	2
Civic Values and Practices	11	6	5	0
Integration*	7	6	1	0
Fiscal Effects	73	68	4	5

Source: [Matt Ladner](#), School Choice in Rural America Presentation to House Education Committee 03/01/2023. See <https://www.edchoice.org/wp-content/uploads/2022/04/123-of-School-Choice.pdf> for list of studies.

States Benefit Fiscally From Choice

- Arizona established ESA program open to all students
 - ESA award ranges between \$4000 and \$9000 per year for K-12 students, with higher [awards](#) for disabilities.
 - Arizona's ESA are funded at 90% of per-pupil base funding
- EdChoice [estimates](#) per-student savings of \$3,300 to \$7,500 (\$12.4B to \$28.3B in savings generated through FY18 for state and local taxpayers)
- For each dollar spent on private choice programs, on average, EdChoice estimates fiscal savings of \$1.80 to \$2.85



Alaska's Most Popular Choice Program

Bob Griffin, Senior Education Research Fellow
Alaska Policy Forum



Alaska's Most Popular Choice Program

- Correspondence School Allotment Program (CSAP)
 - 20,927 Students FY23
 - 90% Base Student Allocation — \$5,364
 - 16.5% of public-school K-12 population
 - 5.3% K-12 Overall Spending

Source: DEED Finance

Alaska's Most Popular Choice Program

Correspondence School Allotment Program (CSAP) Fiscal Effects

- FY23 K-12 Expenditures \$2.103 Billion — 126,553 kids
 - \$16,454 per student All Kids
 - \$5,364 per Correspondence Student — 20,927 kids
 - **\$18,852 per Non-Correspondence Student** — 105,626 kids
 - *Inflation Adjusted 2022 Dollars*
 - Non-Correspondence Students
 - FY 23 \$18,400/Student
 - FY 05 \$14,064/Student

Source: DEED Finance



Alaska's Most Popular Choice Program

- Hypothetical Scenarios
 - Restrict Correspondence Allotment
 - Encourage Correspondence Allotment
 - Add Intensive Needs Option



Alaska's Most Popular Choice Program

- Restrict Correspondence Scenario
 - All 20,927 CSAP kids go back to brick-and-mortar schools
 - \$162M in additional Funding Formula costs
 - \$257/year *decrease* in overall per student funding

Alaska's Most Popular Choice Program

- Encourage Correspondence Scenario
 - Change CSAP allotment **1.215 BSA** instead of 0.9 — **\$7,241**
 - Funding level matches other students for Special Ed and CTE
 - If CSAP enrollment increases to pandemic levels — 27,605 (21.8%)
 - Funding formula **savings** of \$87.6M for non-CSAP
 - Correspondence formula portion — increase \$52.6M
 - **\$35M cost savings**
 - Non-Correspondence per student funding goes **up \$387**

Alaska's Most Popular Choice Program

Add Intensive Needs Option

- Family Empowerment Scholarship - Florida
 - 90% special ed allotment
 - 83,700 kids in Florida enrolled
- 10x BSA for Intensive Needs for CSAP
 - If 20% of Intensive Needs families choose a CSAP Provider
 - \$13.7M annual savings to funding formula
- Incentivizes districts to be attentive students and parents

Takeaways

- Incentives matter
- Outcomes are on the rise — but far from acceptable
- Improvement is within reach — plenty of examples
- More money doesn't equate to better results if it's not focused
- We poorly allocate resources — buildings and bureaucracies
- Funding formula flaws divert resources from teachers and students
- Our charter schools could be even better with fewer restrictions
- Healthy competition improves outcomes and fiscal efficiency

Questions?



ALASKA
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