

**SCOMM**

**137:1**

# Public School Funding Program Overview

Updated January 2005



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**District Adjusted Average Daily Membership (ADM)**

- Step 1. Adjust: ADM for School Size
  - Step 2. Apply: District Cost Factor
  - Step 3. Apply: Special Needs Factor
  - Step 4. Add: Intensive Services Count
  - Step 5. Add: Correspondence Student Counts
- = District Adjusted (ADM)**

**ADM Reporting Requirements**

ADM – is the average number of enrolled students during the 20-school day count period. The 20-school day count ends the fourth Friday of October.  
Reports are due within two weeks after the end of the 20-school day count period.

**School Size Adjustment [Step 1]**

For each school in the district subtract from the ADM **all** correspondence counts. Adjust the remaining ADM of each school using the school size factor table.

1. A community with an ADM under 10:
  - Added to the smallest school with an ADM greater than 10.
2. A community with an ADM from 10 - 100:
  - Grades K-12 ADM combined and adjusted once, adjusted as one school.
3. A community with an ADM from 101 – 425:
  - ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.
4. A community with an ADM greater than 425:
  - Each facility administered as one school, counted as one school, ADM is adjusted as one school.
  - Alternative schools with an ADM of less than 200 combined are adjusted with the school with the greatest ADM in the district.
  - If an alternative school ADM is greater than 200, the ADM will be adjusted once.
  - A Charter school with an ADM of 150 or greater will be adjusted once.

Using the proper formula from the school size factor table, calculate the adjusted ADM for each school.

**School Size Table**

| <b>Reference:</b> | <b>School Size:</b> | <b>Formula:</b>                 |
|-------------------|---------------------|---------------------------------|
| 1.                | 10-19.99            | 39.60                           |
| 2.                | 20-29.99            | $39.60 + (1.62 * (ADM - 20))$   |
| 3.                | 30-74.99            | $55.80 + (1.49 * (ADM - 30))$   |
| 4.                | 75-149.99           | $122.85 + (1.27 * (ADM - 75))$  |
| 5.                | 150-249.99          | $218.10 + (1.08 * (ADM - 150))$ |
| 6.                | 250-399.99          | $326.10 + (.97 * (ADM - 250))$  |
| 7.                | 400-749.99          | $471.60 + (.92 * (ADM - 400))$  |
| 8.                | Over 750            | $793.60 + (.84 * (ADM - 750))$  |

**Intensive services and correspondence student counts are not adjusted for size.**

**District Cost Factors [Step 2]**

- Cost factors are specific to each school district.
- District cost factors range from 1.000 to 1.736.
- The department monitors the district cost factors and submits a report to the legislature on January 15 every other fiscal year, beginning in FY01.

The districts school size adjusted ADM is multiplied by the district cost factor.

**Special Needs Funding [Step 3]**

Vocational education, special education (except intensive special education), gifted/talented education, and bilingual/bicultural education are block funded. A district must file a plan with the department indicating the special needs services that will be provided, Section 14.17.420(2)(b), to qualify for special needs funding.

The districts' previously adjusted ADM is now multiplied by the Special Needs factor of 1.20.

**Intensive Services Funding [Step 4]**

A school district receives funding for intensive special education students that:

- Are receiving intensive services, and;
- Are enrolled on the last day of the 20 school day count period, and;
- Have an established Individual Education Plan (IEP).

The districts intensive student count is multiplied by five.

### **Correspondence Programs [Step 5]**

Funding for correspondence programs is calculated by multiplying the correspondence ADM by 80%.

### **Basic Need**

Multiply the district adjusted ADM by the base student allocation to determine Basic Need. The base student allocation is \$4,576.

## **PUBLIC SCHOOL FUNDING ELEMENTS**

The components of Public School Funding are *State Aid*, *Required Local Contribution*, and *Title VIII Impact Aid*.

### **State Aid**

Basic Need minus a required local contribution minus 90% eligible Federal Impact Aid plus the amount of funding 'Floor' plus Quality School Grants equal State Aid.

### **Required Local Contribution**

The equivalent of a 4-mill tax levy on the Full and True Value of the taxable real and personal property in the district not to exceed 45% of the district's Basic Need for the preceding fiscal year. *However*, beginning in FY02, only 50% of the *increase* in real and personal property over the 1999 Full and True Value is used for the 4 mill equivalent calculation. If the latest Full and True Value doesn't exceed the 1999 Full and True Value, then the latest value is utilized.

### **Maximum Local Contribution**

Maximum local contribution is the required local contribution plus 23% of Basic Need or a 2-mill equivalent of the Full and True Value of the taxable and real property within the district, whichever is greater.

### **Title VIII Impact Aid**

Federal Impact Aid provides funds to school districts for children of parents living and/or working on federal property "in-lieu of local tax revenues." 90% of the eligible funds are used in the calculation of state aid.

### **Adjustments to the Funding 'Floor'**

The funding 'Floor' was established in FY 99 to provide funds for districts generating less state aid using the New Funding Formula and bridges the transition between the programs. All adjustments to the 'Floor' are reductions. There are two ways that the 'Floor' can be adjusted:

- 1) If the Basic Need in the current fiscal year is greater than the Basic Need in the prior fiscal year, then take the difference, and multiply it by 40%. Subtract this number from the funding 'Floor' to arrive at the new 'Floor' amount for the current fiscal year.
- 2) If the ADM decreases by 5% or more over FY99, then reduce the funding 'Floor' by that same percentage.

Please Note: No action is taken to the funding 'Floor' if:

- 1) The current fiscal year Basic Need is less than the prior year Basic Need or,
- 2) The ADM has not decreased by 5% or more since FY99.

### **Quality School Grants**

The districts adjusted ADM multiplied by \$16 generates the amount the school district is eligible to receive.

**Example: Nome School District**

| <b>I. Basic Need</b>                                  |                     | <b>Column</b> |
|-------------------------------------------------------|---------------------|---------------|
| Projected ADM                                         | 809.00              | L             |
| <i>(Nome's Schools had 3 School Size Adjustments)</i> |                     |               |
| Adjusted ADM-School Size                              | 979.88              | O             |
| Apply District Cost Factor                            | <u>x 1.319</u>      |               |
|                                                       | 1,292.46            | Q             |
| Apply Special Needs Factor                            | <u>x 1.20</u>       |               |
|                                                       | 1,550.95            | R             |
| Add Intensive Service Counts                          | <u>15.00</u>        | T             |
| (3 x 5) = 15.00                                       | 1,565.95            | U             |
| Add Correspondence Counts                             | <u>0.00</u>         | V             |
| (0 * .80) = 0                                         |                     |               |
| <b>District Adjusted ADM</b>                          | <b>1,565.95</b>     | <b>W</b>      |
|                                                       |                     |               |
| Multiply by \$4,576 base allocation                   | <u>x \$4,576.00</u> |               |
| <b>Basic Need:</b>                                    | <b>\$7,165,787</b>  | <b>B</b>      |
|                                                       |                     |               |
| <b>II. Nome's State Aid</b>                           |                     |               |
| Basic Need                                            | \$7,165,787         | B             |
| Required Local Contribution                           | (796,431)           | C             |
| Impact Aid                                            | <u>(34,570)</u>     | F             |
| State Aid                                             | <b>\$6,334,786</b>  | <b>G</b>      |
|                                                       |                     |               |
| <b>III. Quality Schools Grant</b>                     |                     |               |
| District adjusted ADM x \$16                          | 1,565.95            |               |
|                                                       | <u>x \$16.00</u>    |               |
|                                                       | \$25,055            | I             |
|                                                       |                     |               |
| State Aid                                             | \$6,334,786         | G             |
| FY2005 Adjusted 'Floor'                               | 0                   | H             |
| Quality Schools Grant                                 | <u>25,055</u>       | I             |
| <b>Total State Aid</b>                                | <b>\$6,359,841</b>  | <b>J</b>      |

# Alaska Department of Education & Early Development

January 2005 Updated  
FY2006 Projections

Department of Education & Early Development  
Foundation

| Foundation |   | L+M |   |   |   | OxP |   | Qx1.20 |   | Sx5 |   | R+T |   | Mx.80 |  | U+V |  |
|------------|---|-----|---|---|---|-----|---|--------|---|-----|---|-----|---|-------|--|-----|--|
|            | K | L   | M | N | O | P   | Q | R      | S | T   | U | V   | W |       |  |     |  |
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# Alaska Department of Education & Early Development

January 2005 Updated  
FY2006 Projections

Department of Education & Early Development  
Foundation

|    | A                 | B                     | C                        | D                     | E                     | F                                 | G           | H                        | I                  | J                        |
|----|-------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------------------|-------------|--------------------------|--------------------|--------------------------|
| 1  | School District   | \$4,576 Basic<br>Need | Required Local<br>Effort | Federal Impact<br>AID | Impact AID<br>Percent | Deductible<br>Impact AID<br>90.0% | State AID   | FY2006<br>Adjusted Floor | Quality<br>Schools | FY06 Total<br>Enrollment |
| 2  | Alaska Gateway    | 5,017,309             | 0                        | 242,490               | 100.00%               | 218,241                           | 4,799,068   | 99,056                   | 17,543             | 4,915,667                |
| 3  | Aleutian Region   | 1,132,514             | 0                        | 215,017               | 100.00%               | 193,515                           | 938,999     | 116,768                  | 3,960              | 1,059,727                |
| 4  | Aleutians East    | 4,146,085             | 384,290                  | 761,941               | 40.03%                | 274,504                           | 3,487,291   | 0                        | 14,497             | 3,501,788                |
| 5  | Anchorage         | 304,346,694           | 76,624,175               | 11,112,830            | 56.31%                | 5,631,871                         | 222,090,648 | 0                        | 1,064,149          | 223,154,797              |
| 6  | Annette Island    | 2,609,510             | 0                        | 1,356,114             | 100.00%               | 1,220,503                         | 1,389,007   | 0                        | 9,124              | 1,398,131                |
| 7  | Bering Strait     | 23,945,567            | 0                        | 7,582,155             | 100.00%               | 6,823,940                         | 17,121,627  | 0                        | 83,726             | 17,205,353               |
| 8  | Bristol Bay       | 1,968,458             | 525,900                  | 416,297               | 56.13%                | 210,301                           | 1,232,257   | 0                        | 6,883              | 1,239,140                |
| 9  | Chatham           | 1,847,606             | 0                        | 133,859               | 100.00%               | 120,473                           | 1,727,133   | 0                        | 6,460              | 1,733,593                |
| 10 | Chugach           | 1,610,798             | 0                        | 113,627               | 100.00%               | 102,264                           | 1,508,534   | 391,471                  | 5,632              | 1,905,637                |
| 11 | Copper River      | 6,211,051             | 0                        | 222,589               | 100.00%               | 200,330                           | 6,010,721   | 0                        | 21,717             | 6,032,438                |
| 12 | Cordova           | 3,792,863             | 709,368                  | 19,128                | 51.77%                | 8,912                             | 3,074,583   | 0                        | 13,262             | 3,087,845                |
| 13 | Craig             | 4,146,954             | 408,118                  | 167,609               | 36.65%                | 55,286                            | 3,683,550   | 0                        | 14,500             | 3,698,050                |
| 14 | Delta/Greely      | 8,915,787             | 0                        | 4,512                 | 100.00%               | 4,061                             | 8,911,726   | 0                        | 31,174             | 8,942,900                |
| 15 | Denali            | 5,150,059             | 564,194                  | 15,779                | 44.18%                | 6,274                             | 4,579,591   | 0                        | 18,007             | 4,597,598                |
| 16 | Dillingham        | 5,079,314             | 600,885                  | 467,601               | 55.29%                | 232,683                           | 4,245,746   | 0                        | 17,760             | 4,263,506                |
| 17 | Fairbanks         | 99,542,186            | 21,243,578               | 11,259,652            | 57.46%                | 5,822,816                         | 72,475,792  | 0                        | 348,050            | 72,823,842               |
| 18 | Galena            | 15,240,597            | 73,143                   | 0                     | 4.76%                 | 0                                 | 15,167,454  | 838,249                  | 53,289             | 16,058,992               |
| 19 | Haines            | 2,392,836             | 837,418                  | 0                     | 60.47%                | 0                                 | 1,555,418   | 0                        | 8,367              | 1,563,785                |
| 20 | Hoonah            | 1,774,024             | 122,834                  | 503,622               | 26.82%                | 121,564                           | 1,529,626   | 0                        | 6,203              | 1,535,829                |
| 21 | Hydaburg          | 792,655               | 32,726                   | 286,077               | 34.81%                | 89,625                            | 670,304     | 94,290                   | 2,772              | 767,366                  |
| 22 | Iditarod Area     | 4,415,932             | 0                        | 522,079               | 100.00%               | 469,871                           | 3,946,061   | 465,588                  | 15,440             | 4,427,089                |
| 23 | Juneau            | 34,713,829            | 11,186,749               | 0                     | 58.97%                | 0                                 | 23,527,080  | 0                        | 121,377            | 23,648,457               |
| 24 | Kake              | 1,369,871             | 74,734                   | 470,913               | 25.81%                | 109,388                           | 1,185,749   | 0                        | 4,790              | 1,190,539                |
| 25 | Kashunamiut       | 3,844,160             | 0                        | 1,456,635             | 100.00%               | 1,310,972                         | 2,533,188   | 0                        | 13,441             | 2,546,629                |
| 26 | Kenai Peninsula   | 65,088,932            | 19,125,610               | 0                     | 56.45%                | 0                                 | 45,963,322  | 0                        | 227,584            | 46,190,906               |
| 27 | Ketchikan Gateway | 16,057,504            | 4,406,742                | 6,011                 | 56.75%                | 3,070                             | 11,647,692  | 0                        | 56,145             | 11,703,837               |
| 28 | Klawock           | 1,518,774             | 123,135                  | 444,474               | 38.36%                | 153,450                           | 1,242,189   | 83,895                   | 5,310              | 1,331,394                |
| 29 | Kodiak Island     | 20,194,071            | 3,937,475                | 1,775,805             | 46.71%                | 746,531                           | 15,510,065  | 0                        | 70,609             | 15,580,674               |
| 30 | Kuspuk            | 5,853,665             | 0                        | 1,403,836             | 100.00%               | 1,263,452                         | 4,590,213   | 0                        | 20,467             | 4,610,680                |
| 31 | Lake & Peninsula  | 6,445,845             | 247,911                  | 1,422,877             | 18.71%                | 239,598                           | 5,958,336   | 0                        | 22,538             | 5,980,874                |
| 32 | Lower Kuskokwim   | 48,306,544            | 0                        | 10,130,448            | 100.00%               | 9,117,403                         | 39,189,141  | 617,100                  | 168,904            | 39,975,145               |
| 33 | Lower Yukon       | 24,640,433            | 0                        | 7,340,406             | 100.00%               | 6,606,365                         | 18,034,068  | 0                        | 86,155             | 18,120,223               |
| 34 | Mat-Su            | 98,371,736            | 15,650,994               | 0                     | 45.80%                | 0                                 | 82,720,742  | 0                        | 343,957            | 83,064,699               |
| 35 | Nenana            | 3,981,120             | 72,661                   | 0                     | 52.21%                | 0                                 | 3,908,459   | 0                        | 13,920             | 3,922,379                |
| 36 | Nome              | 7,165,787             | 796,431                  | 78,599                | 48.87%                | 34,570                            | 6,334,786   | 0                        | 25,055             | 6,359,841                |
| 37 | North Slope       | 19,347,236            | 9,014,539                | 5,533,843             | 39.12%                | 1,948,355                         | 8,384,342   | 0                        | 67,648             | 8,451,990                |
| 38 | Northwest Arctic  | 25,544,468            | 1,526,651                | 5,576,562             | 37.45%                | 1,879,580                         | 22,138,237  | 0                        | 89,316             | 22,227,553               |
| 39 | Pelican           | 303,389               | 52,820                   | 0                     | 100.00%               | 0                                 | 250,569     | 152,554                  | 1,061              | 404,184                  |
| 40 | Petersburg        | 4,711,129             | 1,036,074                | 0                     | 61.60%                | 0                                 | 3,675,055   | 0                        | 16,472             | 3,691,527                |
| 41 | Pribilof          | 1,798,551             | 0                        | 607,304               | 100.00%               | 546,574                           | 1,251,977   | 0                        | 6,289              | 1,258,266                |
| 42 | Saint Mary's      | 2,004,151             | 18,789                   | 0                     | 34.87%                | 0                                 | 1,985,362   | 0                        | 7,008              | 1,992,370                |
| 43 | Sitka             | 10,047,981            | 2,812,376                | 10,879                | 58.26%                | 5,704                             | 7,229,901   | 0                        | 35,133             | 7,265,034                |
| 44 | Skagway           | 1,102,587             | 520,360                  | 0                     | 61.82%                | 0                                 | 582,227     | 124,465                  | 3,855              | 710,547                  |
| 45 | Southeast Island  | 2,858,764             | 0                        | 32,351                | 100.00%               | 29,116                            | 2,829,648   | 230,188                  | 9,996              | 3,069,832                |
| 46 | Southwest Region  | 9,245,122             | 0                        | 2,733,377             | 100.00%               | 2,460,039                         | 6,785,083   | 0                        | 32,326             | 6,817,409                |
| 47 | Tanana            | 1,078,884             | 22,692                   | 48,748                | 73.70%                | 32,335                            | 1,023,857   | 0                        | 3,772              | 1,027,629                |
| 48 | Unalaska          | 3,880,906             | 1,509,113                | 10,551                | 65.71%                | 6,240                             | 2,365,553   | 26,470                   | 13,570             | 2,405,593                |
| 49 | Valdez            | 6,365,353             | 2,920,419                | 0                     | 58.42%                | 0                                 | 3,444,934   | 217,318                  | 22,256             | 3,684,508                |
| 50 | Wrangell          | 2,862,929             | 592,666                  | 5,909                 | 65.02%                | 3,458                             | 2,266,805   | 0                        | 10,010             | 2,276,815                |
| 51 | Yakutat           | 1,166,011             | 196,938                  | 127,422               | 45.28%                | 51,927                            | 917,126     | 70,228                   | 4,077              | 991,431                  |
| 52 | Yukon Flats       | 5,331,635             | 0                        | 1,333,425             | 100.00%               | 1,200,083                         | 4,131,552   | 467,042                  | 18,642             | 4,617,236                |
| 53 | Yukon/Koyukuk     | 12,281,526            | 0                        | 1,405,133             | 100.00%               | 1,264,620                         | 11,016,906  | 0                        | 42,942             | 11,059,848               |
| 54 | Yupit             | 5,817,606             | 0                        | 1,791,327             | 100.00%               | 1,612,194                         | 4,205,412   | 0                        | 20,341             | 4,225,753                |
| 55 | Mt. Edgecumbe     | 2,589,650             | 0                        | 840,506               | 100.00%               | 756,455                           | 1,833,195   | 0                        | 9,055              | 1,842,250                |
| 56 |                   |                       |                          |                       |                       |                                   |             | Other Military           |                    | 26,096,100               |
| 57 | TOTALS:           | 959,968,948           | 177,972,528              | 79,990,319            |                       | 53,188,513                        | 728,807,907 | 3,994,682                | 3,356,536          | 762,255,225              |



# Alaska Public School Funding Formula Overview

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## Senate Bill 36

The current state public school funding formula was adopted under SB 36 in 1998. And was implemented in 1999.

The public school funding formula is defined in Alaska Statute 14.17

**This presentation provides an  
overview of:**

1. Calculation of Adjusted Average Daily Membership (ADM)
2. Calculations of Basic Need ~ (*Entitlement*)
3. Components of Basic Need ~ (*Who Pays*)
4. Additional Funds above Basic Need
5. Components of State Aid

# Average Daily Membership

## ADM Reporting Requirements

- Average Daily Membership - is the number of **enrolled** students during the 20-school-day count period ending on the fourth Friday of October.
- Reports are due within two weeks after the end of the 20-school-day count period.
- Projected student count reports are due November 5.

# Who Qualifies as a Student?

## Eligibility for State Foundation Funding:

- A child who is 6 years of age before August 15<sup>th</sup>, and under the age of 20, and has not completed the 12<sup>th</sup> grade. (AS 14.03.070)
- A child who is 5 years of age before August 15<sup>th</sup>, following the beginning of the school year, may enter kindergarten. (AS 14.03.080 (d))
- A child with a disability and an active Individualized Education Program (IEP) may enter school at the age of 3 and under the age of 22. (AS 14.30.180 (1))

## 5 Steps to District Adjusted ADM

### USED TO CALCULATE ENTITLEMENT

Step 1. *Adjust:* ADM for School Size

Step 2. *Apply:* District Cost Factor

Step 3. *Apply:* Special Needs Factor

Step 4. *Add:* Intensive Services Counts

Step 5. *Add:* Correspondence Student  
Counts

**= District Adjusted ADM**

## Step 1. Adjust the ADM for School Size

### **ADM under 10:**

Added to the smallest school with an ADM greater than 10

### **A Community with an ADM of 10 through 100:**

Grades K-12 ADM is combined and adjusted once; adjusted as one school.

### **A Community with an ADM of 101 through 425:**

ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.

### **A Community with an ADM greater than 425:**

The ADM of each facility administered separately as one school is adjusted.

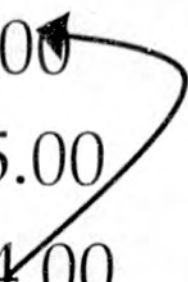
\* *Alternative* schools with an ADM of less than 200 shall be counted as a part of the school in the district with the *highest* ADM.

\* If the ADM is greater than 200 and administered as a separate facility the ADM will be adjusted separately.

\* *Charter* school with an ADM of 150 or greater is adjusted as a separate facility

## Step 1. *Example:* Nome City Schools Projected FY05 ADM by School

|                                     |              |
|-------------------------------------|--------------|
| ➤ Nome Elementary School.....       | 385.00       |
| ➤ Nome-Beltz Jr/Sr High School..... | 325.00       |
| ➤ Anvil City Science Academy.....   | 44.00        |
| ➤ Nome Youth Facility.....          | <u>10.00</u> |
| ➤ Total ADM.....                    | 764.00       |



## Step 1. *Example:* Nome City Schools Adding ADM's to the appropriate School in the District

### School Size Adjustment

- The alternative schools ADM are added to the highest ADM school in the district before adjusting for size
- A school with a population under 10 should be added to the smallest school in the district.

Nome Elementary + Anvil

$$385 + 44 = \underline{429.00}$$

**Step 1.**  
**Example:**  
**Nome City**  
**Schools**

| Reference: | School Size: | Formula:                        |
|------------|--------------|---------------------------------|
| 1.         | 10-19.99     | 39.60                           |
| 2.         | 20-29.99     | $39.60 + (1.62 * (ADM - 20))$   |
| 3.         | 30-74.99     | $55.80 + (1.49 * (ADM - 30))$   |
| 4.         | 75-149.99    | $122.85 + (1.27 * (ADM - 75))$  |
| 5.         | 150-249.99   | $218.10 + (1.08 * (ADM - 150))$ |
| 6.         | 250-399.99   | $326.10 + (.97 * (ADM - 250))$  |
| 7.         | 400-749.99   | $471.60 + (.92 * (ADM - 400))$  |
| 8.         | Over 750     | $793.60 + (.84 * (ADM - 750))$  |

**K-6 Adjusted ADM's**

$$(Ref. 7) \quad 471.60 + \{.92 * (429.00 - 400)\} \quad 498.28$$

**7-12 Adjusted ADM's**

$$(Ref. 6) \quad 326.10 + \{.97 * (325.00 - 250)\} \quad 398.85$$

$$(Ref. 1) \text{ Youth facility's ADM } 10 \quad + \quad 39.60$$

$$\text{School Size Adjusted ADM} \quad 936.73$$

## Step 2. District Cost Factors

The Department monitors District Cost Factors and submits a report to the Legislature on January 15th every other fiscal year, beginning January 2001.

- Cost factors are specific to each school district.
- Lowest District Cost Factor is 1.000 and the highest is 1.736.

Multiply the School Size Adjusted ADM by the District Cost Factor for Nome:

$$936.73 \times \underline{1.319} = 1,235.55$$

## Step 3. Special Needs Funding

- All categorical programs; special education (except intensive), vocational education, gifted/talented and bilingual/bicultural are block funded at 20%.
- To qualify for funding under this section school districts must file a plan with the department indicating special needs services that will be provided.

**AS 14.17.420 (b)**

### Step 3. *Example:* Nome City Schools

**Multiply the adjusted ADM (from Step 2)  
by the Special Needs Factor**

$$1235.55 \times \underline{1.20} = 1,482.66$$

(Shown on Column R, page 8)

## Step 4. Intensive Services Funding

**A school district will receive funding for intensive services students that:**

1. Are receiving intensive services and are;
2. Enrolled on the **last day of the 20** school-day count period and who have;
3. Established Individual Education Plan (IEP) for each intensive services student.

An Intensive Services student generates \$20,845.

**(Intensive Student Count) \* 5 = Intensive Student Funding**

## Step 4. *Example:* Nome City Schools

**Multiply the Intensive Student Count by 5  
and add to the adjusted ADM (from Step 3)**

**~Nome City Schools has 2 Intensive Student~**

$$2 \times 5 = 10$$

$$1,482.66 + \underline{10} = 1,492.66$$

(Shown on Column U, page 8)

## Step 5. Correspondence Programs

Districts offering correspondence programs receive funding based on 80% of correspondence ADM.

Each correspondence student generates \$3,335.

(Correspondence ADM)  $\times$  .80 = **Level of**

**Correspondence Funding**

## Step 5. *Example:* Nome City Schools

Multiply the Correspondence Student ADM  
by 80% and add to the District Adjusted  
ADM. (from Step 4)

~Nome City Schools has 0 Correspondence Students~

$$0 \times .80 = 0$$

*District Adjusted ADM + Correspondence*

$$1492.66 + \underline{0} = 1,492.66$$

(Shown on Column V, page 8)

# BASIC NEED Entitlement

Multiply the district adjusted ADM by the  
base student allocation = BASIC NEED

$$1,492.66 \times \$\underline{4,169} = \underline{\$6,222,900}$$

(Shown on Column W, page 9)

# NOME: Summarized District Adjusted ADM & Basic Need

|                                                 |                                         |
|-------------------------------------------------|-----------------------------------------|
| Projected ADM for Nome:                         | 764.00                                  |
| Step 1. Adjusted ADM for School Size:           | 936.73                                  |
| Step 2. Apply the District Cost Factor:         | $\times \quad 1.319$<br><u>1,235.55</u> |
| Step 3. Apply the Special Needs Factor:         | $\times \quad 1.20$<br><u>1,482.66</u>  |
| Step 4. Add Intensive Service Counts:           | $+ \quad 10.00$<br><u>1,492.66</u>      |
| (2.00 $\times$ 5 = 10)                          |                                         |
| Step 5. Add Correspondence Student Counts:      | $+ \quad 0$<br><u>1,492.66</u>          |
| (0 $\times$ .80 = 0)                            |                                         |
| = District Adjusted ADM                         | 1,492.66                                |
| Multiply by \$4,169 the base student allocation | $\times \underline{\$4,169.00}$         |
| <b>BASIC NEED:</b>                              | <b>\$6,222,900.00</b>                   |

## Components of Basic Need (Who Pays?)

- ⇐ Required Local Contribution
  - ⇐ Federal Impact Aid
  - ⇐ State Aid

## SB 174 Full & True Value/Local Effort Calculation

**As a result of Senate Bill 174:** (enacted in 2001)

Beginning FY2002, half of the increased full & true value over 1999 (base year), is added to 1999 base year to determine the full & true value for the purposes of calculating require local effort for education.

*(If the full & true value did not increase over the 1999 base year, then the current full & true value stands and is multiplied by .004 mills to reach local effort.)*

## Calculating Nome's Full and True Value

|                        |             |
|------------------------|-------------|
| Nome's 2003 Full Value | 212,300,700 |
|------------------------|-------------|

|                               |                    |
|-------------------------------|--------------------|
| <u>Nome's 1999 Full Value</u> | <u>191,926,100</u> |
|-------------------------------|--------------------|

|                                |            |
|--------------------------------|------------|
| Full Value Increase Difference | 20,374,600 |
|--------------------------------|------------|

|                        |                   |
|------------------------|-------------------|
| <u>Divided in Half</u> | <u>10,187,300</u> |
|------------------------|-------------------|

Half of the Increase is Added to 1999 Value

|                            |                    |
|----------------------------|--------------------|
| 191,926,100 + 10,187,300 = | <b>202,113,400</b> |
|----------------------------|--------------------|

# Required Local Contribution

## *Example: Nome City Schools*

The **Lesser** or minimum of 4 mills of the education full & true value, but not to exceed 45% of the school districts prior year basic need.

.004 of Tax Base: *(Education Full & True Value)*

$$.004 \times \underline{\$202,113,400} = \$808,454$$

45% of Prior Year Basic Need:

$$.45 \times \underline{\$5,947,472} = \$2,676,362$$

(Shown on Column C, page 9)

## Title VIII Federal Impact Aid Payments

- Title VIII Federal Impact Aid Payments received from March 1 through the last day of February are used for calculations of state aid.
- The dates on the payment vouchers are used to indicate that a school district has received Title VIII Payments

# Title VIII Federal Impact Aid Payments

## *Example: Nome City Schools*

Payments received by the Nome City Schools from March 1 through the end of February.

**\$41,227**

*(amount eligible for Deduction)*

(Shown on Column D, page 9)

## Impact Aid Percentage

**Required Local Contribution**  
*divided by*  
**Budgeted Local Contribution**

Budgeted Local Contribution, for the purposes of calculating the Impact Aid percentage is found in the Budgets submitted on July 15<sup>th</sup> of each year and may consist of:

- Appropriations
- Investment Earnings
- In-Kind Services
- "Other Local"

## Title VIII Percentage

*Example: Nome City Schools*

Required Local:  $\$ \underline{808,454} = 54.53\%$

Budgeted Local: \$1,482,577

*(This percentage is only derived for City & Boroughs)*

(Shown on Column E, page 9)

## Impact Aid

### *Example: Nome City Schools*

90% of the Impact Aid received by a school district is multiplied by the Impact Aid Percentage

Nome's Deductible Impact Aid Calculation:

$$\$41,227 \times 54.53\% \times 90\% = \$20,233$$

$$\text{Eligible Impact Aid} \times \text{Title VIII \%} \times 90\% = \text{Deductible Impact Aid}$$

(Shown on Column D, Column E, Column F, page 9)

# STATE AID

## Nome City Schools

### Nome's State Aid:

|                                  |                     |
|----------------------------------|---------------------|
| Basic Need                       | \$ 6,222,900        |
| Less Required Local<br>(808,454) |                     |
| <u>Less Impact Aid</u>           | <u>(20,233)</u>     |
| <b>State Aid</b>                 | <b>\$ 5,394,213</b> |

(Shown on Column G, page 9)

## **Additional Funds Above Basic Need**

⇐ **Additional Local Contribution**

⇐ **Quality Schools Grant**

⇐ **Supplemental Funding Floor**

## Additional Local Contribution

*Example:* Nome City Schools

The **greater** of 2 mills of the tax base or 23% of the district's current year Basic Need can be contributed but not exceeded.

.002 of Education Full & True Value Tax Base:

$$.002 \times \$202,113,400 = \$404,227$$

23% of Basic Need:

$$.23 \times \$6,222,900 = \$1,431,267$$

## Maximum Local Contribution

*Example:* Nome City Schools

**Required local contribution plus Additional  
local contribution**

Required Local Contribution: \$ 808,454

Additional Local Contribution: +\$1,431,267

**Maximum Local Contribution: \$2,239,721**

## Quality Schools Grant

AS 14.17.480 explains a district is eligible to receive a quality school funding grant not to exceed the district's adjusted ADM multiplied by \$16.

*Example: Nome City Schools*

$$1,492.66 \times \$16 = \$23,883$$

( Column W, page 8 and Column I, page 9 )

# Supplementary Funding Floor

- ⇐ What is “The Floor”?
- ⇐ How is it established?
- ⇐ How is it adjusted?

## **“The Floor”**

By providing additional funds “The Floor” bridges the transition between the new funding formula implemented in 1999 and the old formula that was in place in 1998.

## How "The Floor" was Established

"The Floor" was established in FY1999

Old Formula State Aid

= \$1,100,000

New Formula State Aid

(Less) = \$1,000,000

Supplementary Funding Floor

(Result) = \$100,000

# Nome's Transition to New Formula

- Old Formula State Aid:

FY 99 = \$5,206,292

- New Formula State Aid:

*(Less)* FY 99 = \$5,095,932

- Supplementary Funding Floor:

*(Results)* FY 99 = \$110,360

## Adjustments to the "Floor"

All Adjustments to "The Floor" are **reductions!**

Decreases to "The Floor" occur because of:

1) an increase in Basic Need

OR

2) a decrease in ADM.

## Supplementary Funding Floor

### REMEMBER:

⇨ The floor is reduced by 40% of the **increase** in Basic Need over the prior year.

OR

⇨ The floor is reduced if ADM **decreases** by more than 5%, initially, of the FY1999 ADM.

# Supplementary Funding Floor - Adjustment # 1

## EXAMPLE

### *Increase of Basic Need*

Floor Adjustment due to Increases in Basic Need began in FY2000

|                                                                                      |                    |
|--------------------------------------------------------------------------------------|--------------------|
| FY2005 Basic Need                                                                    | \$2,100,000        |
| FY2004 Basic Need                                                                    | <u>\$2,050,000</u> |
| FY2005 increase over FY2004                                                          | \$50,000           |
| 40% of the increase over prior year equals the<br>amount the FY2000 floor is reduced | (\$20,000)         |
| <u>FY2004 Funding Floor</u>                                                          | <u>\$100,000</u>   |
| <b>Revised funding Floor for FY2005</b>                                              | <b>\$80,000</b>    |

## Supplementary Funding Floor – Adjustment # 2

### EXAMPLE

#### *Decrease in ADM*

If the ADM falls below 95% of the FY1999 ADM, Then “The Floor” is reduced by the same percentage.

**Example: Floor equals \$100,000**

**If**

FY2001 ADM = 86% of FY1999 ADM

**Then**

$\$100,000 \times 86\% = \$86,000$

*& becomes the new Floor amount*

“The Floor” has received a 14% reduction.

# Establishing Nome City School's Floor

<sup>old</sup>  
FY 99 NEW FORMULA = \$5,206,292

FY 99 <sup>new</sup> ~~OLD~~ FORMULA (\$5,095,932)

**Nome's FUNDING FLOOR Established at = \$110,360**

FY 00 No Deduction = \$110,360

FY01 FLOOR reduced due to increase in Basic Need (\$14,562)

**FY 01 FLOOR BALANCE = \$95,798**

FY 02 FLOOR No reduction floor (0.00)

**FY 02 FLOOR BALANCE = \$95,798**

FY 03 FLOOR reduced due to increase in Basic Need (73,206)

**FY03 FLOOR BALANCE \$22,592**

*FY 04 Floor was eliminated as 40% of the difference in the  
Basic Need to FY03, exceeded the Floor balance.*

## Components Of State Aid

### A Permanent Funding Component of State Aid

Nome's Total State Aid equals:

|                      |             |
|----------------------|-------------|
| Calculated State Aid | \$5,394,213 |
|----------------------|-------------|

|                               |      |
|-------------------------------|------|
| <u>plus</u> the Funding Floor | \$ 0 |
|-------------------------------|------|

|                                       |    |
|---------------------------------------|----|
| <u>plus the Quality Schools Grant</u> | \$ |
|---------------------------------------|----|

23,883

|                         |             |
|-------------------------|-------------|
| TOTAL STATE ENTITLEMENT | \$5,418,096 |
|-------------------------|-------------|

*Please Note:*

## **Prorating the Public School Funding Formula**

If insufficient funds are appropriated by the legislature to meet the total entitlement, then all components of the Public School Funding Formula Program will be reduced by the same percentage.

AS 14.17.400 (b)