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Stan Hubbard

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LIST OF FILES

SCOMM 153: JOINT LEGISLATIVE EDUCATION FUNDING TASK FORCE,
2007-2008

MEMBERS:

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Established by LR 26, 2007 (SCR 11)

Contents: 8 files.

Joint Legislative Education Funding Task Force final report, meeting agendas and resources and background and reading files, most of which is in the following microfiche, are currently on the Joint Legislative Education Funding Task Force website at <http://www.housemajority.org/coms/index.php?c=77>

LIST OF FILES (PAGE 1)

MICROFICHE #

1. June 14, 2007
2. June 14, 2007 - District Cost Factor Studies
3. June 15, 2007
4. July 11-12, 2007
5. August 1-2, 2007
6. August 16, 2007
7. August 30, 2007
8. Report September 1, 2008

SCOMM

153:1



25th Alaska State Legislature Joint Legislative Education Funding Task Force

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School Boards

Representative
Paul Seaton

Senator
Bert Stedman

Senator
Gary Stevens

Senator
Gary Wilken

Committee Aide:

Juli Lucky

EDUCATION FUNDING TASK FORCE JUNE 14-15, 2007 AGENDA

June 14, 2007

Committee Organization, discussion of objective and work product

DEED Presentations by Eddy Jeans, Director, Division of School Finance

- School funding history
- Foundation formula – current statute and calculations

Identification and definition of variables to be considered by the Task Force

Discussion of the schedule and format for future meetings

June 15, 2007

Begin analysis of variables identified in June 14, 2007 meeting

Department of Education & Early Development
Prepared 4/3/07

Prepared by School Finance

Charter School	FY08 ADM	Current School Size Adjustment			School Size Adjustment 1.08		School Size Adjustment 1.27	
		School Size Adjustment	State Aid	State Aid/ADM	State Aid @ 1.08	State Aid/ADM	State Aid @ 1.27	State Aid/ADM
JUNEAU - Juneau Community Charter	68.00	0.84	371,677	5,466	477,870	7,028	561,993	8,265
KENAI - Fireweed Academy Charter	90.00	0.92	538,251	5,981	631,926	7,021	743,029	8,256
NOME - Anvil City Science Academy	44.00	0.97	345,721	7,857	405,887	9,225	477,222	10,846
TOTAL			1,255,649		1,515,683		1,782,244	
INCREASE OVER CURRENT STATE FUNDING					260,034		526,595	

FY07 / CURRENT FUNDING LEVELS Charter School	Charter ADM GRADES SERVED		Public School State Aid Average Per Child Cost	
	K - 6	7 - 12	K - 6	7 - 12
JUNEAU - Juneau Community Charter	67.65		\$ 8,097	
KENAI - Fireweed Academy Charter	65.00	1.00	\$ 8,660	
NOME - Anvil City Science Academy	24.50	19.00	\$ 10,435	\$ 10,755

Students/ADM	School Size Adj. ADM
150	Existing Formula is 218.10
149	149 x 1.27 = 189.23
149	149 x 1.08 = 160.92

SPECIAL ED INTENSIVE STUDENTS

Projected

DISTRICT	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Alaska Gateway	8.00	6.00	5.00	7.00	7.00	9.00	4.00	8.00	7.00	6.00
Alutian Region	-	-	-	-	-	-	-	-	-	-
Alutians East Borough	-	-	-	-	-	3.00	-	-	-	-
Anchorage	692.00	733.00	768.00	718.00	682.00	686.00	704.00	653.00	667.00	680.00
Annette Island	4.00	2.00	6.00	5.00	3.00	3.00	4.00	4.00	2.00	4.00
Bering Strait	8.00	9.00	12.00	11.00	7.00	9.00	13.00	16.00	17.00	17.00
Bristol Bay Borough	3.00	3.00	5.00	3.00	3.00	2.00	2.00	3.00	3.00	3.00
Chatham	5.00	2.00	1.00	3.00	3.00	2.00	2.00	2.00	3.00	3.00
Chugach	-	-	-	-	-	-	-	-	-	-
Copper River	4.00	4.00	3.00	3.00	4.00	6.00	6.00	8.00	10.00	10.00
Cordova	3.00	3.00	2.00	4.00	6.00	6.00	7.00	5.00	6.00	6.00
Craig	6.00	8.00	14.00	11.00	11.00	14.00	12.00	13.00	10.00	10.00
Delta/Greely	9.00	6.00	4.00	6.00	8.00	4.00	2.00	5.00	8.00	8.00
Denali Borough	1.00	-	-	1.00	7.00	9.00	9.00	5.00	3.00	3.00
Dillingham	4.00	9.00	11.00	9.00	8.00	10.00	12.00	9.00	8.00	8.00
Fairbanks N. Star Borough	188.00	247.00	263.00	304.00	306.00	297.50	290.50	287.50	274.50	262.00
Galena	2.00	1.00	3.00	1.00	2.00	2.00	2.00	2.00	1.00	1.00
Haines Borough	3.00	2.00	3.00	4.00	3.00	4.00	4.00	4.00	4.00	5.00
Hoonah	6.00	5.00	9.00	5.00	6.00	5.00	6.00	7.00	6.00	4.00
Hydaburg	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Iditarod Area	5.00	5.00	3.00	3.00	2.00	1.00	-	-	-	-
Juneau Borough	81.00	99.00	113.00	117.00	127.00	145.00	140.00	158.00	138.00	145.00
Kake	2.00	2.00	1.00	1.00	1.00	1.00	4.00	3.00	3.00	4.00
Kashunamiut	5.00	2.00	3.00	3.00	3.00	4.00	3.00	4.00	5.00	4.00
Kenai Peninsula Borough	56.00	73.00	73.00	70.00	67.00	58.00	59.00	65.00	85.00	83.00
Ketchikan Gateway Borough	12.00	11.00	27.00	19.00	25.00	26.00	24.00	27.00	25.00	25.00
Klawock	3.00	3.00	4.00	4.00	3.00	5.00	3.00	2.00	3.00	3.00
Kodiak Island Borough	14.00	13.00	21.00	31.00	27.00	41.00	26.00	31.00	25.00	25.00
Kuspuk	4.00	4.00	1.00	-	-	1.00	-	-	-	-
Lake & Peninsula Borough	-	-	-	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Lower Kuskokwim	23.00	29.00	38.00	43.00	46.00	48.00	55.00	60.00	62.00	61.00
Lower Yukon	6.00	17.00	14.00	8.00	13.00	15.00	15.00	13.00	13.00	13.00
Mat-Su Borough	193.00	235.00	279.00	295.00	308.00	285.50	265.50	307.50	124.50	125.00
Nenana	-	1.00	-	-	5.00	-	1.00	1.00	2.00	3.00
Nome	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	4.00	4.00
North Slope Borough	3.00	4.00	3.00	3.00	3.00	7.00	10.00	11.00	9.00	9.00
Northwest Arctic Borough	7.00	9.00	5.00	4.00	11.00	8.00	12.00	19.00	17.00	18.00
Pelican	-	-	-	1.00	1.00	1.00	1.00	-	-	-
Petersburg	6.00	7.00	6.00	7.00	8.00	6.00	9.00	11.00	13.00	11.00
Pribilof	1.00	1.00	2.00	1.00	-	-	-	-	-	-
Saint Mary's	-	4.00	4.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Sitka Borough	14.00	16.00	14.00	15.00	22.00	22.00	24.00	39.00	36.00	36.00
Skagway	-	-	-	-	-	-	-	-	1.00	1.00
Southeast Island	2.00	1.00	1.00	1.00	1.00	-	-	-	5.00	5.00
Southwest Region	3.00	4.00	5.00	5.00	4.00	6.00	8.00	5.00	6.00	6.00
Tanana	-	-	3.00	2.00	2.00	2.00	2.00	1.00	-	-
Unalaska	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Valdez	6.00	7.00	8.00	8.00	7.00	8.00	9.00	12.00	12.00	11.00
Wrangell	3.00	2.00	2.00	1.00	1.00	2.00	1.00	2.00	1.00	1.00
Yakutat	2.00	2.00	3.00	3.00	3.00	3.00	2.00	1.00	-	-
Yukon Flats	-	1.00	1.00	3.00	4.00	5.00	5.00	6.00	5.00	5.00
Yukon/Koyukuk	6.00	7.00	10.00	10.00	7.00	7.00	8.00	7.00	6.00	6.00
Yupit	5.00	3.00	2.00	2.00	2.00	3.00	3.00	4.00	4.00	4.00
Mt. Edgecumbe High Scho	-	-	-	-	-	-	-	-	-	-
TOTAL	1,411	1,605	1,758	1,763	1,776	1,789	1,777	1,830	1,640	1,644

Alaska Department of Education & Early Development

FY08 PROJECTED Intensive count

UPDATED 3/6/07

School District	Current				Proposal #1		Proposal #2	
	Projected FY08 School ADM	Special Ed Intensive	FY08 estimated Intensive Funding	Intensiv e to school ADM	District greater than 1,000 funded at 2% of ADM	Proposal Less Current	Intensive @ 7 times BSA	7 times less Current funding
Alaska Gateway	370.00	6.0	161,400	1.6%	161,400	0	225,960	64,560
Aleutian Region	43.00	0.0	0	0.0%	0	0	0	0
Aleutians East	244.00	0.0	0	0.0%	0	0	0	0
Anchorage	47,798.75	680.0	18,292,000	1.4%	25,715,728	7,423,728	25,608,800	7,316,800
Annette Island	323.25	4.0	107,600	1.2%	107,600	0	150,640	43,040
Bering Strait	1,705.00	17.0	457,300	1.0%	917,290	459,990	640,220	182,920
Bristol Bay	178.00	3.0	80,700	1.7%	80,700	0	112,980	32,280
Chatham	189.00	3.0	80,700	1.6%	80,700	0	112,980	32,280
Chugach	75.00	0.0	0	0.0%	0	0	0	0
Copper River	510.00	10.0	269,000	2.0%	269,000	0	376,600	107,600
Cordova	409.50	6.0	161,400	1.5%	161,400	0	225,960	64,560
Craig	347.60	10.0	269,000	2.9%	269,000	0	376,600	107,600
Delta/Greely	883.00	8.0	215,200	0.9%	215,200	0	301,280	86,080
Denali	230.00	3.0	80,700	1.3%	80,700	0	112,980	32,280
Dillingham	541.40	8.0	215,200	1.5%	215,200	0	301,280	86,080
Fairbanks	14,108.00	262.0	7,047,800	1.9%	7,590,104	542,304	9,866,920	2,819,120
Galena	229.00	1.0	26,900	0.4%	26,900	0	37,660	10,760
Haines	289.00	5.0	134,500	1.7%	134,500	0	188,300	53,800
Hoonah	142.00	4.0	107,600	2.8%	107,600	0	150,640	43,040
Hydaburg	75.00	1.0	26,900	1.3%	26,900	0	37,660	10,760
Iditarod Area	255.00	0.0	0	0.0%	0	0	0	0
Juneau	4,989.00	145.0	3,900,500	2.9%	2,684,082	0	5,460,700	1,560,200
Kake	98.00	4.0	107,600	4.1%	107,600	0	150,640	43,040
Kashunamiut	350.00	4.0	107,600	1.1%	107,600	0	150,640	43,040
Kenai Peninsula	8,310.00	83.0	2,232,700	1.0%	4,470,780	2,238,080	3,125,780	893,080
Ketchikan Gatev	2,237.00	25.0	672,500	1.1%	1,203,506	531,006	941,500	269,000
Klawock	135.00	3.0	80,700	2.2%	80,700	0	112,980	32,280
Kodiak Island	2,503.00	25.0	672,500	1.0%	1,346,614	674,114	941,500	269,000
Kuspuk	400.00	0.0	0	0.0%	0	0	0	0
Lake & Peninsul	374.50	2.0	53,800	0.5%	53,800	0	75,320	21,520
Lower Kuskokwi	3,981.00	61.0	1,640,900	1.5%	2,141,778	500,878	2,297,260	656,360
Lower Yukon	2,037.00	13.0	349,700	0.6%	1,095,906	746,206	489,580	139,880
Mat-Su	14,318.00	125.0	3,362,500	0.9%	7,703,084	4,340,584	4,707,500	1,345,000
Nenana	215.00	3.0	80,700	1.4%	80,700	0	112,980	32,280
Nome	798.00	4.0	107,600	0.5%	107,600	0	150,640	43,040
North Slope	1,614.00	9.0	242,100	0.6%	868,332	626,232	338,940	96,840
Northwest Arctic	1,980.00	18.0	484,200	0.9%	1,065,240	581,040	677,880	193,680
Pelican	18.00	0.0	0	0.0%	0	0	0	0
Petersburg	579.00	11.0	295,900	1.9%	295,900	0	414,260	118,360
Pribilof	128.00	0.0	0	0.0%	0	0	0	0
Saint Mary's	170.70	1.0	26,900	0.6%	26,900	0	37,660	10,760
Sitka	1,432.00	36.0	968,400	2.5%	770,416	0	1,355,760	387,360
Skagway	95.00	1.0	26,900	1.1%	26,900	0	37,660	10,760
Southeast Islanc	185.40	5.0	134,500	2.7%	134,500	0	188,300	53,800
Southwest Regi	673.70	6.0	161,400	0.9%	161,400	0	225,960	64,560
Tanana	47.00	0.0	0	0.0%	0	0	0	0
Unalaska	420.00	2.0	53,800	0.5%	53,800	0	75,320	21,520
Valdez	751.00	11.0	295,900	1.5%	295,900	0	414,260	118,360
Wrangell	360.00	1.0	26,900	0.3%	26,900	0	37,660	10,760
Yakutat	104.00	0.0	0	0.0%	0	0	0	0
Yukon Flats	266.68	5.0	134,500	1.9%	134,500	0	188,300	53,800
Yukon/Koyukuk	350.00	6.0	161,400	1.7%	161,400	0	225,960	64,560
Yupit	462.00	4.0	107,600	0.9%	107,600	0	150,640	43,040
Mt. Edgecumbe	420.00	0.0	0	0.0%	0	0	0	0
TOTALS:	119,747.48	1,644.0	\$44,223,600		\$61,473,360	\$18,664,162	\$61,913,040	\$17,689,440



Public School Funding Formula Overview



Alaska Public School Funding Formula Overview

Presented by
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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



Public School Funding Formula Overview

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 September 1st, and under the age of 20, and has not completed the 12th grade. (AS 14.03.070)
- A child who is 5 years of age before September 1st, 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



Public School Funding Formula Overview

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 FY08 ADM by School

Nome Elementary School.....	400.00
Nome-Beltz Jr/Sr High School.....	340.00
Anvil City Science Academy.....	44.00
Nome Youth Facility.....	14.00
Total ADM.....	798.00

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

$$400 + 44 = 444.00$$



Public School Funding Formula Overview

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.	30-34.99	$55.80 + (1.49 * (ADM - 30))$
4.	35-49.99	$122.85 + (1.27 * (ADM - 35))$
5.	50-64.99	$218.10 + (1.08 * (ADM - 50))$
6.	65-79.99	$326.10 + (.97 * (ADM - 65))$
7.	80-94.99	$471.60 + (.92 * (ADM - 80))$
8.	Over 95	$793.60 + (.84 * (ADM - 95))$

K-6 Adjusted ADM's

(Ref. 7) $471.60 + (.92 * (444.00 - 80))$ 512.08

7-12 Adjusted ADM's

(Ref. 6) $326.10 + (.97 * (340.00 - 65))$ 413.40

(Ref. 1) Youth facility's ADM 14 + 39.60

School Size Adjusted ADM 965.08

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:

$$965.08 \times 1.319 = 1,272.94$$

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)



Public School Funding Formula Overview

Step 3. Example: Nome City Schools

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

$$1,272.94 \times 1.20 = 1,527.53$$

(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 \$26,900.

(Intensive Student Count) x 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 4 Intensive Student-

$$4 \times 5 = 20$$

$$1,527.53 + 20 = 1,547.53$$

(Shown on Column U, page 8)



Public School Funding Formula Overview

Step 5. Correspondence Programs

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

Each correspondence student generates \$4,304.
(Correspondence ADM) x .80 = Level of
Correspondence Funding

Step 5. Example: Nome City Schools

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

-Nome City Schools has 6 Correspondence Students-
 $6 \times .80 = 4.80$

$$1,547.53 + 4.80 = 1,552.33$$

(Shown on Column V, page 8)

BASIC NEED Entitlement

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

$$1,552.33 \times \$5,380 = \$8,351,535$$

(Shown on Column W, page 9)



Public School Funding Formula Overview

NOME: Summarized District Adjusted ADM & Basic Need

Projected ADM for Nome:	798.00 + 6 corresp. = 804.00
Step 1. Adjusted ADM for School Size:	965.08
Step 2. Apply the District Cost Factor:	x 1.312
	1,272.94
Step 3. Apply the Special Needs Factor:	x 1.20
	1,527.53
Step 4. Add Intensive Service Counts:	+ 20.00
(4.00 x 5 = 20)	1,547.53
Step 5. Add Correspondence Student Counts:	+ 4.80
(6 x .80 = 4.80)	
= District Adjusted ADM	1,552.33
Multiply by \$5,380 the base student allocation	x \$5,380
BASIC NEED:	\$8,351,535

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 Required 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.)



Public School Funding Formula Overview

Calculating Nome's Full and True Value

Nome's 2006 Full Value	252,725,500
Nome's 1999 Full Value	191,926,100
Full Value Increase Difference	60,799,400
Divided in Half	30,399,700
Half of the Increase is Added to 1999 Value	
191,926,100 + 30,399,700 =	222,325,800

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)

$$.004 \times \$222,325,800 = \$889,303$$

45% of Prior Year Basic Need:

$$.45 \times \$8,157,425 = \$3,670,841$$

(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



Public School Funding Formula Overview

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.

\$85,947

(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 15th of each year and may consist of:

- Appropriations
- Investment Earnings
- In-Kind Services
- “Other Local”

Title VIII Percentage *Example: Nome City Schools*

Required Local: \$ 889,303 = 46.52%
Budgeted Local: \$1,911,850

(This percentage is only derived for City & Boroughs)

(Shown on Column E, page 9)



Public School Funding Formula Overview

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:

$$\$85,947 \times 46.52\% \times 90\% = \$35,984$$

Eligible Impact Aid x Title VIII % x 90% = Deductible Impact Aid

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

STATE AID Nome City Schools

Nome's State Aid:

Basic Need	\$ 8,351,535
Less Required Local (889,303)	
Less Impact Aid	(35,984)
State Aid	\$ 7,426,248

(Shown on Column G, page 9)

Additional Funds Above Basic Need

- ⇨ Additional Local Contribution
- ⇨ Quality Schools Grant
- ⇨ Supplemental Funding Floor



Public School Funding Formula Overview

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 Full & True Value Tax Base:

$$.002 \times \$252,725,500 = \$505,451$$

23% of Basic Need:

$$.23 \times \$8,351,535 = \$1,920,853$$

Maximum Local Contribution

Example: Nome City Schools

Required Local Contribution plus

Additional Local Contribution

Required Local Contribution: \$ 889,303

Additional Local Contribution: +\$1,920,853

Maximum Local Contribution: \$2,810,156

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

$$1,552.33 \times \$16 = \$24,837$$

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



Public School Funding Formula Overview

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

FOR EXAMPLE:

Old Formula State Aid

= \$1,100,000

New Formula State Aid

(Less) = \$1,000,000

Supplementary Funding Floor

(Result) = \$100,000



Public School Funding Formula Overview

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 - Adjustment # 1

EXAMPLE

Increase of Basic Need

Floor Adjustment due to Increases in Basic Need began in FY2000
Example: Floor equals \$100,000

FY2008 Basic Need	\$2,100,000
FY2007 Basic Need	\$2,050,000
FY2008 increase over FY2007	\$50,000
40% of the increase over prior year equals the amount the FY2008 floor is reduced	(\$20,000)
FY2007 Funding Floor	\$100,000
Revised funding Floor for FY2008	\$80,000



Public School Funding Formula Overview

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

FY2007 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

FY 99 OLD FORMULA	= \$5,206,292
FY 99 NEW 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 reduced due to increase in Basic Need	(49,268)
Difference exceeds FLOOR-Balance set to zero (0.00)	

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.



Public School Funding Formula Overview

Components Of State Aid

A Permanent Funding Component of State Aid

Nome's Total State Aid equals:

Calculated State Aid	\$7,426,248
<u>plus</u> the Funding Floor	\$ 0
<u>plus</u> the Quality Schools Grant	\$
24,837	
TOTAL STATE ENTITLEMENT	\$7,451,085

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)

ANY QUESTIONS?

**STATE OF ALASKA
THE LEGISLATURE**

2007

Source
SCR 11

**Legislative
Resolve No.**
26



Establishing and relating to the Joint Legislative Education Funding Task Force.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaskans clearly believe in the value of the quality of education for our children; and

WHEREAS, under art. VII, sec. 1, Constitution of the State of Alaska, a system of public schools is required to be established and maintained; and

WHEREAS the legislature finds that the present system of providing assistance to the public school system is a complex matter and should be studied for possible modification and improvement; and

WHEREAS, during the period of study, an alternative mechanism to the existing system of financial support for public schools may be desirable; and

WHEREAS a study conducted in the state in 2004 by the Institute of Social and Economic Research recommended that the school district cost factors under AS 14.17.460(a) be increased to more accurately reflect the cost differentials in rural school districts;

BE IT RESOLVED by the Alaska State Legislature that the Joint Legislative Education Funding Task Force is established for the purpose of examining school district cost

differentials and the existing formula for distributing state aid for education; and be it

FURTHER RESOLVED that the duties of the task force include

(1) evaluating proposals that are based on available facts and conclusions pertaining to school district cost factors and the foundation formula;

(2) recommending improvements or additions to the laws providing for education funding; and

(3) taking public comments on education funding and school district cost factors; and be it

FURTHER RESOLVED that the task force consists of 11 members as follows:

(1) five shall be from the senate appointed by the president of the senate;

(2) five shall be from the house of representatives appointed by the speaker of the house of representatives; and

(3) one shall be appointed by the governor; and be it

FURTHER RESOLVED that the president of the senate and the speaker of the house of representatives shall jointly appoint the chair and vice-chair of the task force; and be it

FURTHER RESOLVED that the task force shall meet during the interim between sessions; and be it

FURTHER RESOLVED that the task force shall submit a report of its findings and proposed legislative changes to the governor and the legislature by September 1, 2007, and may make any additional reports it considers advisable; and be it

FURTHER RESOLVED that, if the task force is not able to propose a solution for school funding, including the treatment of school district cost factors, the governor is encouraged to call the legislature into a special session before the date the Second Regular Session of the Twenty-Fifth Legislature convenes in order to address school funding; and be it

FURTHER RESOLVED that the Joint Legislative Education Funding Task Force is terminated on October 15, 2007.

Alaska Constitution

Section 7.1 - Public Education.

The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution.

Alaska Statutes

Chapter 14.17. FINANCING OF PUBLIC SCHOOLS

Article 01. STATE AID TO PUBLIC SCHOOLS

Sec. 14.17.300. Public education fund.

(a) The public education fund is established. The fund consists of appropriations for

(1) distribution to school districts, to the state boarding school, and for centralized correspondence study under this chapter; and

(2) transportation of pupils under AS 14.09.010 .

(b) Money appropriated to the fund may be expended without further appropriation. Money appropriated to the fund does not lapse. The money in the fund may be expended only in aid of public schools and for centralized correspondence study programs under this chapter and for transportation of pupils under AS 14.09.010 . Interest earned on money held in the fund before expenditure may be appropriated to the fund by the legislature.

Sec. 14.17.400. State aid for districts.

(a) The state aid for which a school district is eligible in a fiscal year is equal to the amount for which a district qualifies under AS 14.17.410.

(b) If the amount appropriated to the public education fund for purposes of this chapter is insufficient to meet the amounts authorized under (a) of this section for a fiscal year, the department shall reduce pro rata each district's basic need by the necessary percentage as determined by the department. If the basic need of each district is reduced under this subsection, the department shall also reduce state funding for centralized correspondence study and the state boarding school by the same percentage.

Sec. 14.17.410. Public school funding.

(a) A district is eligible for public school funding in an amount equal to the sum calculated under (b) and (c) of this section.

(b) Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:

(1) state aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum obtained under (D) of this paragraph, multiplied by the base student allocation set out in AS 14.17.470 ; district adjusted ADM is calculated as follows:

(A) the ADM of each school in the district is calculated by applying the school size factor to the student count as set out in AS 14.17.450 ;

(B) the number obtained under (A) of this paragraph is multiplied by the district cost factor described in AS 14.17.460 ;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added; the sum is then multiplied by the special needs factor set out in AS 14.17.420 (a)(1);

(D) the number obtained for intensive services under AS 14.17.420(a)(2) and the number obtained for correspondence study under AS 14.17.430 are added to the number obtained under (C) of this paragraph;

(2) the required local contribution of a city or borough school district is the equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110 , not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

(c) In addition to the local contribution required under (b)(2) of this section, a city or borough school district in a fiscal year may make a local contribution of not more than the greater of

(1) the equivalent of a two mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110 ; or

(2) 23 percent of the district's basic need for the fiscal year under (b)(1) of this section.

(d) State aid may not be provided to a city or borough school district if the local contributions required under (b)(2) of this section have not been made.

(e) If a city or borough school district is established after July 1, 1998, for the first three fiscal years in which the city or borough school district operates schools, local contributions may be less than the amount that would otherwise be required under (b)(2) of this section, except that

(1) in the second fiscal year of operations, local contributions must be at least the greater of

(A) the local contributions, excluding federal impact aid, for the previous fiscal year; or

(B) the sum of 10 percent of the district's eligible federal impact aid for that year and the equivalent of a two mill tax levy on the full and true value of the taxable real and personal property in the city or borough school district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110 ; and

(2) in the third year of operation, local contributions must be at least the greater of

(A) the local contributions, excluding federal impact aid, for the previous fiscal year; or

(B) the sum of 10 percent of the district's eligible federal impact aid for that year and the equivalent of a three mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110 .

(f) A school district is eligible for additional state aid in the amount by which the local contributions that would otherwise have been required under (b)(2) of this section exceed the district's actual local contributions under (e) of this section.

Sec. 14.17.420. Special needs and intensive services funding.

(a) As a component of public school funding, a district is eligible for special needs funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students; a special needs funding factor of 1.20 shall be applied as set out in AS 14.17.410 (b)(1);

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period; for each such student, intensive services funding is equal to the intensive student count multiplied by five.

(b) If a district offers special education, gifted and talented education, vocational education, or bilingual education services, in order to receive funding under (a)(1) of this section, the district must file with the department a plan that indicates the services that will be provided to students who receive these services.

(c) In this section, "intensive services" has the meaning given by the department by regulation adopted under AS 14.30.180 - 14.30.350.

Sec. 14.17.430. State funding for correspondence study.

Except as provided in AS 14.17.400 (b), funding for the state centralized correspondence study program or a district correspondence program, including a district that offers a statewide correspondence study program, includes an allocation from the public education fund in an amount calculated by multiplying the ADM of the correspondence program by 80 percent.

Sec. 14.17.440. State funding for state boarding schools.

(a) Except as provided in AS 14.17.400 (b), funding for state boarding schools established under AS 14.16.010 includes an allocation from the public education fund in an amount calculated by

(1) determining the ADM of state boarding schools by applying the school size factor to the student count as described in AS 14.17.450 ;

(2) multiplying the number obtained under (1) of this subsection by the special needs factor in AS 14.17.420 (a)(1) and multiplying that product by the base student allocation; and

(3) multiplying the product determined under (2) of this subsection by the district cost factor that is applicable to calculation of the state aid for the adjacent school district under AS 14.17.460 .

(b) State boarding schools are also eligible for intensive services funding under AS 14.17.420 (a)(2).

Sec. 14.17.450. School size factor.

(a) For purposes of calculating a school's ADM to determine state aid, the ADM of each school in a district shall be computed by applying the following formula:

If the student count in a school is			The adjusted student count is			
At least		But less than	Base	Multiplier	The number of students in excess of	
10	-	20	39.6			
20	-	30	39.6	+	(1.62	x 20)

30	-	75	55.8	+	(1.49	x	30)
75	-	150	122.85	+	(1.27	x	75)
150	-	250	218.1	+	(1.08	x	150)
250	-	400	326.1	+	(0.97	x	250)
400	-	750	471.6	+	(0.92	x	400)
750 or over			793.6	+	(0.84	x	750).

(b) If the ADM in a school is less than 10, those students shall be included in the ADM of the school in that district with the lowest ADM as determined by the most recent student count data for that district.

Sec. 14.17.460. District cost factors.

(a) [See delayed amendment note]. For purposes of calculating a district's adjusted ADM under AS 14.17.410 (b)(1), the district cost factor for a school district is as follows:

DISTRICT	DISTRICT COST FACTOR
Alaska Gateway	1.367
Aleutians East	1.565
Aleutians Region	1.787
Anchorage	1.000
Annette Island	1.093
Bering Strait	1.643
Bristol Bay	1.316
Chatham	1.234
Chugach	1.345
Copper River	1.211
Cordova	1.131
Craig	1.059
Deltareely	1.140
Denali	1.318
Dillingham	1.277
Fairbanks	1.047
Galena	1.359
Haines	1.056
Hoonah	1.141
Hydaburg	1.190
Iditarod	1.564
Juneau	1.040
Kake	1.134

Kashunamiut	1.447
Kenai Peninsula	1.046
Ketchikan	1.043
Klawock	1.088
Kodiak Island	1.142
Kuspuk	1.509
Lake and Peninsula	1.667
Lower Kuskokwim	1.534
Lower Yukon	1.544
Matanuska-Susitna	1.025
Mt. Edgecumbe	1.049
Nenana	1.287
Nome	1.352
North Slope	1.576
Northwest Arctic	1.618
Pelican	1.337
Petersburg	1.061
Pribilof	1.487
Sitka	1.049
Skagway	1.151
Southeast Island	1.194
Southwest Region	1.489
St. Mary's	1.419
Tanana	1.569
Unalaska	1.294
Valdez	1.114
Wrangell	1.040
Yakutat	1.138
Yukon Flats	1.780
Yukon/Koyukuk	1.585
Yupiit	1.533.

(b) The department shall monitor the cost factors established under (a) of this section and shall prepare and submit to the legislature by January 15 of every other fiscal year proposed district cost factors.

Sec. 14.17.470. Base student allocation.

The base student allocation is \$5,380.

Sec. 14.17.480. Quality school funding.

(a) As a component of public school funding, a district is eligible to receive a quality school funding grant not to exceed the district's adjusted ADM multiplied by \$16. The department shall by regulation establish a grant process to implement this section.

(b) For purposes of the reduction required under AS 14.17.400 (b), funding authorized under (a) of this section is treated the same as the state share of public school funding under AS 14.17.410 .

Sec. 14.17.490. Public school funding adjustments.

(a) Except as provided in (b) - (e) of this section, if, in fiscal year 1999, a city or borough school district or a regional educational attendance area would receive less public school funding under AS 14.17.410 than the district or area would have received as state aid, the district or area is, in each fiscal year, eligible to receive additional public school funding equal to the difference between the public school funding the district or area was eligible to receive under AS 14.17.410 in fiscal year 1999 and the state aid the district or area would have received in fiscal year 1999.

(b) A city or borough school district is not eligible for additional funding authorized under (a) of this section unless, during the fiscal year in which the district receives funding under (a) of this section, the district received a local contribution equal to at least the equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110.

(c) For the purposes of the reduction required under AS 14.17.400 (b), funding authorized under (a) of this section is treated the same as the state share of public school funding under AS 14.17.410 .

(d) Beginning in fiscal year 2000, if a district receives more public school funding under AS 14.17.410 than the district received in the preceding fiscal year, any amount received by the district under this section shall be reduced. The amount of the reduction required under this subsection is equal to the amount of increase from the preceding fiscal year in public school funding multiplied by 40 percent. In this subsection, "public school funding" does not include funding under this section.

(e) Beginning in fiscal year 2000, in each fiscal year, the department shall compare each district's ADM with the district's ADM in fiscal year 1999. If the current fiscal year ADM is less than 95 percent of the district's ADM in fiscal year 1999, the department shall reduce the district's public school funding calculated under (a) of this section by a percentage equal to the percentage of decrease in the district's ADM.

(f) For purposes of this section, "state aid" means state aid distributed under the provisions of AS 14.17, as those provisions read on January 1, 1998, and additional district support appropriated by the legislature for fiscal year 1998.

Article 02. PREPARATION OF PUBLIC SCHOOL FUNDING BUDGET

Sec. 14.17.500. Student count estimate.

(a) A district shall prepare and submit to the department by November 5 of each fiscal year, in the manner and on forms prescribed by the department, an estimate of its ADM and other student count data, including per school student count data, for the succeeding fiscal year upon which computations can be made to estimate the amount of state aid for which the district may be eligible under AS 14.17.400 in the succeeding fiscal year. In making its report, the district shall consider its ADM, other student count data, the pattern of growth or decline of the student population in preceding years, and other pertinent information available to the district.

(b) Part-time students shall be included in the student count data in accordance with regulations adopted by the department.

(c) When reporting a district's ADM, a part-time student who is a correspondence student may not be counted as more than one full-time equivalent student.

Sec. 14.17.505. Fund balance in school operating fund.

(a) A district may not accumulate in a fiscal year an unreserved portion of its year-end fund balance in its school operating fund, as defined by department regulations, that is greater than 10 percent of its expenditures for that fiscal year.

(b) The department shall review each district's annual audit under AS 14.14.050 for the preceding fiscal year to ascertain its year-end operating fund balance. The amount by which the unreserved portion of that balance exceeds the amount permitted in (a) of this section shall be deducted from the state aid that would otherwise be paid to the district in the current fiscal year.

Sec. 14.17.510. Determination of full and true value by Department of Commerce, Community, and Economic Development.

(a) To determine the amount of required local contribution under AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the Department of Commerce, Community, and Economic Development, in consultation with the assessor for each district in a city or borough, shall determine the full and true value of the taxable real and personal property in each district in a city or borough. If there is no local assessor or current local assessment for a city or borough school district, then the Department of Commerce, Community, and Economic Development shall make the determination of full and true value guided by AS 29.45.110 and based on a determination of full and true value made by the state assessor at least every two years using the best information available, including on-site inspections made by the state assessor in each of those districts at least once every four years. For purposes of this subsection, the full and true value of taxable real and personal property in any area detached shall be excluded from the determination of the full and true value of the municipality from which the property was detached for the two years immediately preceding the effective date of the detachment. Also, in making the determination for a municipality that is a school district, or for a city that is within a borough school district, the assessed value of property taxable under AS 43.56 shall be excluded if a tax is not levied under AS 29.45.080 by the municipality that is the school district. The determination of full and true value shall be made by October 1 and sent by certified mail, return receipt requested, on or before that date to the president of the school board in each city or borough school district. Duplicate copies shall be sent to the commissioner. The governing body of a city or borough that is a school district may obtain judicial review of the determination. The superior court may modify the determination of the Department of Commerce, Community, and Economic Development only upon a finding of abuse of discretion or upon a finding that there is no substantial evidence to support the determination.

(b) Motor vehicles subject to the motor vehicle registration tax under AS 28.10.431 shall be treated as taxable property under this section.

(c) Notwithstanding AS 14.17.410 (b)(2) and the other provisions of this section, if the assessed value in a city or borough school district determined under (a) of this section increases from the base year, only 50 percent of the annual increase in assessed value may be included in determining the assessed value in a city or borough school district under (a) of this section. The limitation on the increase in assessed value in this subsection applies only to a determination of assessed value for purposes of calculating the required contribution of a city or borough school district under AS 14.17.410 (b)(2) and 14.17.490(b). In this subsection, the base year is 1999.

Sec. 14.17.520. Minimum expenditure for instruction.

(a) A district shall budget for and spend a minimum of 70 percent of its school operating expenditures in each fiscal year on the instructional component of the district budget.

(b) The commissioner shall reject a district budget that does not comply with (a) of this section and, unless a waiver has been granted by the board under (d) of this section, shall withhold payments of state aid from that district, beginning with the payment for the second full month after rejection and continuing until the school board of the district revises the district budget to comply with (a) of this section.

(c) The commissioner shall review the annual audit of each district for compliance with the expenditure requirements of (a) of this section. If the commissioner determines that a district does not meet those requirements, the commissioner shall advise the district of the determination, calculate the amount of the deficiency, and deduct that amount from state aid paid to the district for the current fiscal year. A deduction in state aid required under this subsection begins with the payment for the second full month after the determination, unless a waiver has been granted by the board under (d) of this section.

(d) A district that has been determined by the commissioner to be out of compliance with the requirements of this section may, within 20 days of the commissioner's determination, request a waiver by the board of the imposition by the commissioner of any reduction in state aid payments under (b) or (c) of this section. The request must be in writing and must include an analysis of the reasons and causes for the district's inability to comply with the requirements of this section. The board may grant the waiver if the board determines that the district's failure to meet the expenditure requirements of this section was due to circumstances beyond the control of the district. The request must also be submitted to the Legislative Budget and Audit Committee, which shall review the district's request and forward the committee's recommendations on it to the board.

(e) The commissioner shall submit an annual report on actions taken by the commissioner or the board under this section to the Legislative Budget and Audit Committee by April 15 of each year.

(f) In this section, "instructional component" includes expenditures for teachers and for pupil support services.

Article 03. PROCEDURE FOR PAYMENTS OF STATE AID

Sec. 14.17.600. Student counting periods.

(a) Within two weeks after the end of the 20-school-day period ending the fourth Friday in October, each district shall transmit a report to the department that, under regulations adopted by the department, reports its ADM for that counting period and other student count information that will aid the department in making a determination of its state aid under the public school funding program. For centralized correspondence study, the October report shall be based on the period from July 1 through the fourth Friday in October. The department may make necessary corrections in the report submitted and shall notify the district of changes made. The commissioner shall notify the governor of additional appropriations the commissioner estimates to be necessary to fully finance the public school funding program for the current fiscal year.

(b) Upon written request and for good cause shown, the commissioner may permit a district to use a 20-school-day counting period other than the period set out in (a) of this section. However, a counting period approved under this subsection must be 20 consecutive school days unless one or more alternate counting periods are necessary to permit a district to implement flexible scheduling that meets the district's needs and goals without jeopardizing the state aid for which the district would ordinarily be eligible under this chapter.

Sec. 14.17.610. Distribution of state aid.

(a) The department shall determine the state aid for each school district in a fiscal year on the basis of the district's student count data reported under AS 14.17.600 . On or before the 15th day of each of the first nine months of each fiscal year, one-twelfth of each district's state aid shall be distributed on the basis of the data reported for the preceding fiscal year. On or before the 15th day of each of the last three months of each fiscal year, one-third of the balance of each district's state aid shall be distributed, after the balance has been recomputed on the basis of student count and other data reported for the current fiscal year.

(b) Distribution of state aid under (a) of this section shall be made as required under AS 14.17.410 . If a district receives more state aid than it is entitled to receive under this chapter, the district shall immediately remit the amount of overpayment to the commissioner, to be returned to the public education fund. The department may make adjustments to a district's state aid to correct underpayments made in previous fiscal years.

(c) Upon an adequate showing of a cash flow shortfall of a district, and in the discretion of the commissioner, the department may make advance payments to a district. The total of advance payments may not exceed the amount of state aid for which the district is eligible for the fiscal year.

Article 04. GENERAL PROVISIONS

Sec. 14.17.900. Construction and implementation of chapter.

(a) This chapter does not create a debt of the state. Each district shall establish, maintain, and operate under a balanced budget. The state is not responsible for the debts of a school district.

(b) Money to carry out the provisions of this chapter may be appropriated annually by the legislature into the public education fund. If the amount appropriated to the fund for the purposes of this chapter is insufficient to meet the allocations authorized under AS 14.17.400 - 14.17.470 for a fiscal year, state aid shall be reduced according to AS 14.17.400 (b).

Sec. 14.17.905. Facilities constituting a school.

(a) For purposes of this chapter, the determination of the number of schools in a district is subject to the following:

(1) a community with an ADM of at least 10, but not more than 100, shall be counted as one school;

(2) a community with an ADM of at least 101, but not more than 425, shall be counted as

(A) one elementary school, which includes those students in grades kindergarten through six; and

(B) one secondary school, which includes students in grades seven through 12;

(3) in a community with an ADM of greater than 425, each facility that is administered as a separate school shall be counted as one school, except that each alternative school with an ADM of less than 200 shall be counted as a part of the school in the district with the highest ADM.

(b) Notwithstanding (a)(3) of this section, a charter school shall be counted as a separate school if the charter school has an ADM of at least 150 students.

Sec. 14.17.910. Restrictions governing receipt and expenditure of district money.

(a) Each district shall maintain complete financial records of the receipt and disbursement of state aid, money acquired from local effort, and other money received or held by the district. The records must be in the form required by the department and are subject to audit by the department at a time and place designated by the department.

(b) State aid provided under this chapter is for general operational purposes of the district. All district money, including state aid, shall be received, held, allocated, and expended by the district under applicable local law and state and federal constitutional provisions, statutes, and regulations, including those related to ethical standards and accounting principles.

Sec. 14.17.920. Regulations.

The department shall adopt regulations necessary to implement this chapter.

Sec. 14.17.990. Definitions.

In this chapter, unless the context requires otherwise,

(1) "ADM or average daily membership" means the aggregate number of full-time equivalent students enrolled in a school district during the student count period for which a determination is being made, divided by the actual number of days that school is in session for the student count period for which the determination is being made;

(2) "district" means a city or borough school district or a regional educational attendance area;

(3) "district adjusted ADM" means the number resulting from the calculations under AS 14.17.410 (b)(1);

(4) "district ADM" means the sum of the ADMs in a district;

(5) "eligible federal impact aid" means the amount of federal impact aid received by a district as of March 1 of the fiscal year as a result of an application submitted in the preceding fiscal year, including advance payments and adjustments received since March 1 of the preceding fiscal year from prior year applications, under 20 U.S.C. 7701 - 7714, except payments received under 20 U.S.C. 7703(f)(2)(B), to the extent the state may consider that aid as local resources under federal law;

(6) "local contribution" means appropriations and the value of in-kind services made by a district;

(7) "taxable real and personal property" means all real and personal property taxable under the laws of the state.

Alaska Administrative Code

Article 1 State Aid

4 AAC 09.006. ADM adjustment for schools

(a) Annually, by September 1, the commissioner will publish a list of each school eligible for ADM adjustment under AS 14.17.450 within each district. The list will be based on the actual ADM of each school within each district for the prior school year.

(b) A district may request an amendment to the list of schools published under (a) of this section. The commissioner will add or remove a school from the list if satisfied that the request is justified under the criteria set out in AS 14.17.905 .

(c) A district's request for an amendment under (b) of this section must be made in writing and must be received by the commissioner before the beginning of the student count period under AS 14.17.600 for the fiscal year for which the amendment is to become effective.

History: Eff. 7/22/99, Register 151

Authority: AS 14.07.060; AS 14.17.905; AS 14.17.920; Sec. 40, ch. 83, SLA 1998

4 AAC 09.010. Public school foundation program

(a) - (c) Repealed 6/10/83.

(d) Repealed 1/22/81.

(e) Repealed 7/22/99.

(f) Effective August 5, 1990, distribution of state aid under the public school foundation program shall be governed by the department as follows:

(1) A school district that questions a state aid payment shall immediately notify the department and request a review of data and computations leading to the payment amount.

(2) If the department finds no error in the data or in the computation of the payment, it will provide written notice and explanation of its findings to the district.

(3) If the district further disputes the determination of payment, it may proceed with an appeal under the provisions of 4 AAC 40.

(4) Upon discovery, by department staff or by auditors conducting the annual department audit, of an overpayment to a district, a written notice will be sent to the district. The district shall immediately remit the amount of overpayment to the department as required by AS 14.17.170.

History: In effect on or before 7/28/59; am 6/9/61, Register 3; am 9/24/65, Register 20; am 9/8/66, Register 24; am 10/4/68, Register 27; am 8/30/75, Register 55; am 5/10/78, Register 66; am 1/22/81, Register 77; am 6/10/83, Register 86; am 1/15/87, Register 101; am 12/13/87, Register 104; am 8/5/90, Register 115; am 7/22/99, Register 151

Authority: AS 14.07.020; AS 14.07.060; AS 14.17.610; AS 14.17.920

4 AAC 09.011. Calculation of supplement public school funding floor

(a) The supplementary public school funding floor for a district under AS 14.17.490 is calculated as follows:

(1) "public school funding" is the funding amount for a district for fiscal year 1999 as calculated under AS 14.17.410 (b)(1);

(2) "state aid" is equal to

(A) the amount of state foundation aid for a district for fiscal year 1999 as calculated under former AS 14.17.021, 14.17.022, 14.17.024, and 14.17.026, as those provisions read on January 1, 1998, applied to the district's reported student count for the 1998 - 1999 school year as calculated under former AS 14.17.160 and 4 AAC 09.015 as those provisions read on January 1, 1998; plus

(B) additional district support appropriated by the legislature for fiscal year 1998.

(b) If the amount calculated for a district under (a)(2) of this section is greater than the amount calculated for that district under (a)(1) of this section, that difference is the supplementary public school funding floor under AS 14.17.490 for that district.

History: Eff. 7/22/99, Register 151

Authority: AS 14.07.060; AS 14.17.490; AS 14.17.920

4 AAC 09.012. Transition: Limitation on increase to district public school funding

(a) The transition limitation under sec. 46, ch. 83, SLA 1998 for a district's fiscal year 1999 state funding under AS 14.17 is calculated as follows:

(1) "public school funding" is the funding amount for a district for fiscal year 1999 as calculated under AS 14.17.410 (b)(1);

(2) "state aid" is equal to

(A) the amount of state foundation aid for a district for fiscal year 1999 as calculated under former AS 14.17.021, 14.17.022, 14.17.024, and 14.17.026, as those provisions read on January 1, 1998, applied to the district's reported student count for the 1998 - 1999 school year as calculated under former AS 14.17.160 and 4 AAC 09.015 as those provisions read on January 1, 1998; plus

(B) additional district support appropriated by the legislature for fiscal year 1998.

(b) If the amount calculated for a district under (a)(1) of this section is greater than the amount calculated for that district under (a)(2) of this section, the increase in state funding to the district for fiscal year 1999 is limited to 60 percent of the difference between those amounts.

History: Eff. 7/22/99, Register 151

Authority: AS 14.07.060; AS 14.17.920; Sec. 46, ch. 83, SLA 1998

4 AAC 09.013. Reductions in supplementary public school funding floor

(a) A district's supplementary public school funding floor, as initially calculated under AS 14.17.490 (a) and 4 AAC 09.011, is required to be reduced under AS 14.17.490 (d) and (e), if there is an increase in the district's public school funding or a decrease in the district's ADM for a school year. Each reduction in a district's supplementary public school funding floor is a permanent reduction, and any additional reductions required under AS 14.17.490 (d) and (e) will be applied to the supplementary public school funding floor as modified by prior reductions.

(b) In years following the initial reduction of a district's supplementary public school funding floor under AS 14.17.490 (e), the department will compare the district's ADM for a school year to its ADM for the preceding school year. If the district's ADM decreased from that for the preceding school year, the department will reduce the district's supplementary public school funding floor by a percentage equal to the percentage of that decrease.

History: Eff. 9/30/99, Register 151

Authority: AS 14.07.060; AS 14.17.490; AS 14.17.920

4 AAC 09.015. Student count; intensive services funding

(a) Each district shall, in accordance with AS 14.17.600, separately report its ADM

(1) by school, for

(A) pre-kindergarten for children eligible to be included in ADM under (f) of this section;

(B) kindergarten through grade six;

(C) grades 7 - 12; and

(D) students requiring intensive services; and

(2) by district, for correspondence study programs.

(b) For a district to be eligible for intensive services funding for a student under AS 14.17.420 (a)(2), the student must be enrolled and receiving intensive services, as defined in 4 AAC 52.990, on the last day of the student count period under AS 14.17.600.

(c) A district shall submit reports under this section in both an electronic format and in a paper format using forms and formats prescribed by the department. A district's ADM report must be submitted to the department within two weeks after the end of the student count period under AS

14.17.600 . If the district's ADM report is not received on or before November 16, the department will immediately withhold all payments of state aid to the district until the report is received. Projected and initial student counts for public school funding calculations will be based on the student data submitted in the paper format. Final public school funding calculations will be based on student count data submitted in electronic format as adjusted under (e) of this section.

(d) No adjustments will be made to increase a district's student count based on data that the district failed to include in the reports submitted under (c) of this section.

(e) The department will prepare and mail to each district a report based on the student data submitted in electronic format. The report will indicate supplemental information or data that the district must correct, including duplicate students between districts, missing birth dates, out of state students, or other required data, to allow the department to determine public school funding eligibility. Within 30 days after the date of the department's report, districts shall submit the required information and corrections to the department. The district student count data will be adjusted based on the corrected data submitted. If the district fails to respond timely with the required information and corrections on the listed students, the department will determine those students to be ineligible, and the student counts for the district will be adjusted.

(f) A school district may include in its ADM an eligible child with a disability, as defined under AS 14.30.350 , if the child is

- (1) enrolled in the district;
- (2) at least three years of age;
- (3) younger than 22 years of age on July 1 of the school year; and
- (4) receiving special education services from the district under an individualized education program.

(g) A student enrolled in multiple approved district correspondence study programs or regular district schools will be counted under 4 AAC 09.040. A student will be counted first in the district where the student resides.

(h) Under this section, a student may not be claimed for more than one full-time equivalent ADM.

(i) A district enrolling students under AS 14.03.080 (c) must meet the following criteria:

(1) the governing body of the district must

(A) develop, adopt, and utilize minimum standards to evaluate students on an individual basis that demonstrates that the student has the mental, physical, and emotional capacity to perform satisfactorily at the grade level the student is being allowed to enter early;

(B) approve early entry of a student on an individual basis; and

(2) documentation on each early entry student's capacity to meet the standards for early entry must be maintained and available to the department upon request.

(j) A kindergarten student who attends school for less than four hours a day, exclusive of intermissions, will be counted under 4 AAC 09.040.

(k) A correspondence program student living outside of this state is not eligible for school funding under AS 14.17.

History: Eff. 1/15/87, Register 101; am 12/13/87, Register 104; am 8/5/90, Register 115; am 6/2/95, Register 134; am 12/30/98, Register 148; am 7/22/99, Register 151; am 8/9/2002, Register 163; am 10/24/2004, Register 172; am 9/1/2006, Register 179

Authority: AS 14.07.020; AS 14.07.060; AS 14.07.070; AS 14.17.410; AS 14.17.420; AS 14.17.430; AS 14.17.500; AS 14.17.600; AS 14.17.920

4 AAC 09.019. Public school funding calculations

All school funding calculations under AS 14.17 and this chapter that are based on ADM are to be rounded to the second decimal place. For purposes of rounding under this section, if the digit in the third decimal place of a calculated number is

- (1) five or greater, the calculated number is to be rounded upward;
- (2) lower than five, the calculated number is to be rounded downward.

History: Eff. 7/22/99, Register 151

Authority: AS 14.07.060; AS 14.17.910; AS 14.17.920

4 AAC 09.020. Teachers entitled to pay

(a) Repealed 6/10/83.

(b) When any regularly certificated teacher in any of the public schools of Alaska is obliged to be absent from duty, under an order of any court of competent jurisdiction, either as a witness or juror, or similar circumstances, the regular salary of the teacher must be paid in the usual manner during the necessary period of absence. When it is necessary to employ a substitute for this teacher, the salary of the substitute shall be paid in the usual manner. Any amount of compensation received by the teacher for service as a witness or juror shall be deducted from the teacher's first pay period following the service. This section does not apply if a teacher is a party to a civil or criminal case.

(c) Labor Day, Memorial Day, and July 4 may not be counted as legal holidays in a public school unless the school is normally in regular session the day after those holidays.

History: In effect before 7/28/59; am 9/24/65, Register 20; am 9/6/66, Register 24; am 10/14/68, Register 27; am 1/22/81, Register 77; am 6/10/83, Register 86; am 9/22/84, Register 91

Authority: AS 14.03.050; AS 14.07.020 (1)

4 AAC 09.021. Eligible impact aid

For the purpose of determining the date on which federal impact aid was received by a district, the department will use the date printed on the federal impact aid payment voucher.

History: Eff. 7/22/99, Register 151

Authority: AS 14.07.060; AS 14.17.920; AS 14.17.990

4 AAC 09.030. Tuition costs

The tuition rate that may be charged by district schools to other school districts or to individuals is determined and governed by the following conditions:

- (1) the tuition rate for each individual school district shall be certified by the commissioner on the basis of a report from each individual school district on a form to be prescribed by the commissioner. The rate shall be based on a formula wherein the tuition rate established shall be the actual local contribution rate of the school district for the prior year;
- (2) the tuition rate will be an annual rate per pupil in average daily membership; the tuition rate shall be based upon the amount expended annually from local funds for current operation and capital outlay for the prior year divided by the ADM; data for rate determination shall be obtained from official reports submitted by districts; the rate shall be computed by the department;

(3) the certified rate is the amount which a district may bill the sending agency for nonresident children attendant in the district, and not being provided with public school educational facilities in their place of residence in the state;

(4) repealed 2/11/2004;

(5) repealed 2/11/2004;

(6) in the case of attendance in a district of a pupil whose parents are bona fide residents of another school district in this state where public school facilities of the necessary grade levels are not provided, tuition shall be billed to the school district from which the pupil has come and that district shall accept the billing; in the case of a pupil resident in one school district but optionally attending another school district and where the necessary grade level is provided in the home district, a tuition charge may not be made to the home district unless the district of residence waives attendance requirements for the particular pupil and agrees to accept billing; if the home district will not accept the billing, the school district may bill the parent or guardian for tuition;

(7) tuition may not be billed for pupils for whom contractual or other similar arrangements have been made in lieu of tuition;

(8) repealed 9/3/76.

History: In effect before 7/28/59; am 6/9/61, Register 3; am 10/14/68, Register 27; am 8/30/75, Register 55; am 9/3/76, Register 59; am 2/11/2004, Register 169

Authority: AS 14.07.020; AS 14.07.030; AS 14.07.060; AS 14.14.110

4 AAC 09.040. Counting of correspondence students and part-time public school students

(a) Repealed 6/2/95.

(b) Repealed 12/13/87.

(c) A secondary student enrolled in an approved district correspondence study program, or as a part-time student under 4 AAC 05.035, shall be counted on a full-time equivalent basis as follows:

(1) a secondary student enrolled in one course in a semester equals 0.25 full-time equivalent;

(2) a secondary student enrolled in two courses in a semester equals 0.5 full-time equivalent;

(3) a secondary student enrolled in three courses in a semester equals 0.75 full-time equivalent;

(4) a secondary student enrolled in four or more courses in a semester equals 1.00 full-time equivalent.

(d) An elementary student enrolled in an approved district correspondence study program or as a part-time student under 4 AAC 05.035, shall be counted on a full-time equivalent basis as follows:

(1) an elementary student enrolled in one hour or less per day equals 0.25 full-time equivalent;

(2) an elementary student enrolled in two hours per day equals 0.5 full-time equivalent;

(3) an elementary student enrolled in three hours per day equals 0.75 full-time equivalent;

(4) an elementary student enrolled in four hours per day equals 1.0 full-time equivalent.

(e) A district enrolling a part-time student shall determine if the student is enrolled with another district. If a part-time student is enrolled in two districts, a written agreement must be entered by the enrolling districts to ensure that the student is not counted as a total of more than one full-time equivalent for purposes of the public school funding program under AS 14.17. The enrolling districts shall notify the department of the terms of the agreement.

(f) For the purposes of the public school funding program under AS 14.17, a student who generates one full-time equivalent in one district will not be counted as a part-time student with another district.

History: Eff. 1/15/87, Register 101; am 12/13/87, Register 104; am 6/2/95, Register 134; am 12/30/98, Register 148; am 8/21/2005, Register 175

Authority: AS 14.07.020; AS 14.07.060; AS 14.17.410; AS 14.17.450; AS 14.17.500; AS 14.17.600; AS 14.17.920

4 AAC 09.050. Secondary boarding programs

(a) The governing body of a district shall make available, at no cost to the student or the student's parent, a basic boarding program to all secondary school age children in the district who do not have daily access to a school of the appropriate grade level by being transported a reasonable distance. The following rules apply:

(1) A basic boarding program must provide for each student

(A) suitable living accommodations, including room and board and supervision while the student is not in school, which satisfy the applicable requirements of state law and regulations;

(B) round-trip transportation to and from the student's usual home; and

(C) daily access to a school offering the appropriate grade level.

(2) Students in a basic boarding program must be placed in accordance with their best interests, taking into account special educational needs.

(3) To qualify for funding by the Department of Education and Early Development, a district's basic boarding program must satisfy the requirements of (1) and (2) of this subsection. Applications for funding must contain the following:

(A) the name, village and grade level of each student;

(B) the location of each student's boarding placement; and

(C) a budget showing transportation, room and board, and out-of-school supervision costs.

(4) Direct costs that may be claimed for reimbursement under this section are:

(A) those associated with one annual round trip between the community of residence and the school location;

(B) a room and board stipend during the school year; and

(C) up to 30 percent of the stipend amount for out-of-school supervision of students at locations outside the school district of residence.

(5) Administrative and out-of-school supervision costs for pupils attending schools within their school district of residence are the responsibility of the school district.

(6) Indirect costs may be claimed against approved expenditures based upon the Department of Education and Early Development annual approved indirect cost rate.

(7) The commissioner will review and adjust stipend rates annually, based upon information prepared by the Alaska Department of Labor and Workforce Development, the University of Alaska Cooperative Extension Service, and the U.S. Department of Labor Consumer Price Index for the Anchorage area. The commissioner will notify school districts of final rates, and the information upon which adjustments were based, by August 15 of the school year to which they apply.

(8) If claims for reimbursement under this section exceed the amount appropriated for that purpose, the commissioner will deny reimbursement of administrative costs, reduce or deny costs associated with student supervision, and prorate student stipends based upon days served, in that order.

(b) No student may be suspended or expelled from a boarding program without due process of law.

History: Eff. 9/3/76, Register 59; am 3/12/86, Register 97; am 1/15/87, Register 101; am 9/8/2006, Register 179

Authority: AS 14.07.020; AS 14.07.030; AS 14.07.060

Editor's note: As of Register 151 (October 1999), the regulations attorney made technical revisions under AS 44.62.125 (b)(6) to reflect the name change of the Department of Education to the Department of Education and Early Development made by ch. 58, SLA 1999, and the corresponding title change of the commissioner of education.

Article 2

School Operating Fund

4 AAC 09.110. School district budget

(a) A district must submit its budget for each fiscal year to the department not later than July 15 of the fiscal year.

(b) Repealed 1/15/87.

History: Eff. 5/24/81, Register 78; am 1/15/87, Register 101; am 12/13/87, Register 104

Authority: AS 14.07.060; AS 14.07.170; AS 14.17.190; AS 14.17.200

4 AAC 09.115. Minimum expenditure for instruction

The department will calculate each district's required minimum expenditure for instruction under AS 14.17.520 based upon the district's school operating fund expenditures reported under the uniform chart of accounts required under 4 AAC 06.120. The instructional component of a district's budget consists of expenditures in the following functional uniform chart of accounts categories:

- (1) 100 - Instruction;
- (2) 200 - Special Education Instruction;
- (3) 220 - Special Education Support Services - Student;
- (4) 300 - Support Services - Students;
- (5) 350 - Support Services - Instruction.; and
- (6) 400 - School Administration.

History: Eff. 7/22/99, Register 151; am 7/1/2000, Register 154

Authority: AS 14.07.060; AS 14.17.520; AS 14.17.920

4 AAC 09.120. Budget review

(a) This section applies to a budget submitted under 4 AAC 09.110 for a school year beginning on or after July 1, 2000.

(b) After reviewing a budget submitted under 4 AAC 09.110, the department will either approve the budget, or reject a budget that is

- (1) not in the form required by the department;

(2) not balanced;

(3) does not meet the local effort provisions of AS 14.17; or

(4) does not meet the minimum expenditure for instruction provision of AS 14.17.520 .

(c) The department will notify each district of its determination made under (b) of this section by September 1. Notification will include either an approval or a rejection of the budget submission. Notification that a budget is rejected under this section will include the department's specific reasons for the rejection. A budget rejected under this section must be resubmitted within 20 days of the date of the department's mailing of the notice of rejection.

(d) A district that has had its budget rejected under (b)(1), (2) or (3) of this section is not eligible for state aid under AS 14.09 or AS 14.17 until the district has submitted a revised budget that has been approved by the department. A district that has had its budget rejected under (b)(4) of this section may revise its budget in accordance with (c) of this section to comply with AS 14.17.520 and submit it to the department for approval under this section or request a waiver in accordance with AS 14.17.520 (d).

(e) A budget of a district that contains a prior year fund balance as revenue will be reviewed again by the department upon receipt of the prior year audit. If an audited fund balance less than the amount budgeted is found, the budget will be deemed to be out of balance and the procedures in (c) and (d) of this section will apply.

History: Eff. 5/24/81, Register 78; am 1/15/87, Register 101; am 12/13/87, Register 104; am 8/5/90, Register 115; am 12/5/99, Register 152

Authority: AS 14.17.505; AS 14.17.520; AS 14.17.910; AS 14.17.920

4 AAC 09.130. School district audit

A district must submit the annual audit of the district's operating fund for the fiscal year to the commissioner no later than October 1 of the succeeding fiscal year.

History: Eff. 5/24/81, Register 78; am 1/15/87, Register 101

Authority: AS 14.14.050; AS 14.17.081; AS 14.17.190; AS 14.17.200

4 AAC 09.160. Fund balance

(a) Eligible reserves in the year-end fund balance in a school's operating fund may be only in the following categories:

(1) encumbrances,

(2) inventory,

(3) prepaid expenses including fuel,

(4) retirement incentive program,

(5) self-insurance, and

(6) federal impact aid received in response to the application submitted during the fiscal year of the audit under 4 AAC 09.130.

(b) Other uses of a school's balance must be listed under the unreserved portion of the fund balance as "designations".

History: Eff. 12/13/87, Register 104; am 8/5/90, Register 115

Authority: AS 14.17.082; AS 14.17.200

Article 3
General Provisions

4 AAC 09.990. Definitions

(a) In AS 14.17 and this chapter, unless the context requires otherwise,

(1) "alternative school" means an educational program that is not a correspondence study program and that is

(A) designed to target a specific student population to receive a specialized instructional program or curriculum; or

(B) a charter school;

(2) "community" means

(A) an incorporated city;

(B) a unified municipality; or

(C) a place that is not incorporated as a city or a unified municipality and that has a school enrollment of at least 10 full-time equivalent students;

(3) "correspondence study program" means any educational program, including a charter school program or a state supported home-schooling program, that provides

(A) for each secondary course, less than three hours per week of scheduled face-to-face interaction, in the same location, between a teacher certificated under AS 14.20.020 and each class;

(B) for elementary students, less than 15 hours per week of scheduled face-to-face interaction, in the same location, between a teacher certificated under AS 14.20.020 and each full-time equivalent elementary student.

(b) In the definition of "local contribution" in AS 14.17.990 ,

(1) "appropriations" means money appropriated to a district's school operating fund by the city or borough;

(2) "value of in-kind services" means the value of in-kind services performed for a district by the city or borough as reported in the district's school operating fund.

History: Eff. 7/22/99, Register 151; am 10/8/99, Register 152; am 12/2/2000, Register 156

Authority: AS 14.03.040; AS 14.07.060; AS 14.17.430; AS 14.17.920; AS 14.20.010; Sec. 40, ch. 83, SLA 1998

4 AAC 52.700. Public school foundation program

(a) Each district that files a plan under AS 14.17.420 (b) to provide special education and related services to children with disabilities is eligible for state financial aid under AS 14.17.300 - 14.17.490.

(b) Public school foundation reports must be submitted, on forms provided by the department, to the department's division of education support services.

(c) A student is eligible for funding as an intensive student if the student has been identified for special education and the student needs and receives individual attention and services that are significantly more complex and frequent, and require significantly more resources to provide, than the services received by other special education students. The services received by an intensive student will include services necessary to meet a critical medical need, services necessary to provide for the student's health, safety, and educational needs, and special education and related services provided by qualified staff for the entire school day both in and out of the classroom setting. A student who is able to function independently, with limited or no supervision, for a substantial period of time, inside or outside the classroom setting, is not an intensive student. Intensive services do not include new services due to discipline, alcohol or illegal drug use, or criminal activity that were not already provided to the student for educational purposes. For funding purposes under AS 14.17.420, a student will not be counted as receiving intensive services unless the student needs and receives intensive services and the

(1) student's IEP provides for the following:

(A) direct daily instruction by a certified special education teacher with an endorsement under 4 AAC 12.330 or special education alternate program certificate under 4 AAC 12.340;

(B) multiple services, including related services;

(C) that all services not provided by a certified special education teacher be supervised by at least one certified special education teacher or related service provider;

(D) continuous special education programming;

(E) assistance and training in two or more basic self-help, daily living, or adaptive skills, appropriate to the age of the student;

(F) that individual care will be provided to the student for the student's entire school day by staff who are trained to meet the student's individual needs;

(G) special transportation when the student needs transportation, except that this transportation requirement does not apply in the case of a student who has received special transportation for at least a year and no longer needs it; or

(2) student experiences deaf-blindness must read Braille, or needs and receives full-time the services of a deaf education interpreter or tutor;

(3) student's IEP team determines that out-of-state residential placement is necessary; or

(4) student has a disability that prevents the student from attending a regular or special education program even with the aid of special transportation, and the IEP team's evaluation and the IEP, itself, indicate that a home-based or health-care-facility-based instructional program is appropriate to meet the student's needs; however, a student may not be counted under this paragraph as receiving intensive services if the student is placed in a detention facility, or is receiving home-based or health-care-facility-based instruction solely because of a disciplinary problem.

(d) A district may seek a department waiver, for one year, from one or more of the requirements of (c) of this section if the district needs additional money for a student whose IEP team has determined that the student's educational program includes high-cost services that do not meet the funding criteria in (c) of this section. The department will grant the waiver if the requested funding is consistent with AS

14.17.420 and this section and in the public interest. An application for a waiver must be in writing and include

(1) a statement of the component or components to be waived and the reason why the waiver is sought;
(2) the student's IEP; and

(3) any additional information that the department determines is necessary to address a particular student's needs.

(e) The department will notify a district of the action taken on a public school foundation report after receipt of the report.

(f) A district may not receive state financial aid under this section for special education or related services provided by the department.

(g) If, after an entitlement review under 4 AAC 52.780, or otherwise, the department determines that an overpayment has occurred, the department may require repayment or withhold all or part of one or more future payments. The decision to do so is subject to appeal under 4 AAC 52.750.

History: Eff. 7/1/83, Register 86; am 11/26/93, Register 128; am 8/22/2001, Register 159; am 8/29/2004, Register 171; am 9/29/2005, Register 175; am 1/17/2007, Register 181; am 3/24/2007, Register 181

Authority: AS 14.07.060; AS 14.17.420; AS 14.30.180

Editor's note: The forms described in 4 AAC 52.700(b) may be obtained from the Department of Education and Early Development, Division of Support Services, 801 W. 10th Street, Suite 200, Juneau, Alaska 99801.

As of Register 151 (October 1999), the regulations attorney made technical revisions under AS 44.62.125 (b)(6) to reflect the name change of the Department of Education to the Department of Education and Early Development made by ch. 58, SLA 1999, and the corresponding title change of the commissioner of education.

Public School Funding Program Overview

Updated January 2007



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FY2008 Projected Entitlement **8-9**

STUDENT BASED FORMULA

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

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	$793.60 + (.84 * (ADM - 750))$

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.

The district's Intensive count is added to previously adjusted ADM.

Correspondence Programs [Step 5]

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

The district's correspondence count is now added to the previously adjusted ADM to arrive at the Final Adjusted ADM.

Basic Need

Multiply the district Final Adjusted ADM by the Base Student Allocation to determine Basic Need. The base student allocation is \$5,380.

PUBLIC SCHOOL FUNDING ELEMENTS

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

State Aid Entitlement

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 Entitlement.

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.

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.

ADDITIONAL FUNDS ABOVE BASIC NEED**Maximum Local Contribution**

If the City or Borough would like to contribute more than Required then the Maximum Local Contribution applies. To calculate this use 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*. The additional amount is added to the Required Local Effort to reach the Maximum Local Contribution.

For Example:

Nome's: 23% of Basic Need = \$1,920,853 OR
 .002 of Full & True Value = \$505,451

RESULT:

Required Local Effort: \$ 889,303
Additional Local Contribution: +\$1,920,853 [23% of Basic Need]
 Maximum Local Contribution: \$2,810,156

Adjustments to the Funding 'Floor'

The funding 'Floor' was established as a bridge between the new funding formula implemented in FY99 and the old formula that was in place in FY98.

For Example:

OLD Formula \$1,100,000 State Entitlement
NEW Formula \$1,000,000 State Entitlement
 Difference \$ 100,000 Supplemental 'Floor'

All adjustments to the 'Floor' are reductions. Those adjustments will continue until the 'Floor' reaches a balance of zero. 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**I. Basic Need Calculation****Column**

Projected ADM	804.00	L
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Determining School Size Adjustment

[Utilizing Table from page 4]

ADM

Nome Elementary School 400 [Anvil (Alt.) School is adjusted

Anvil City Science Academy + 44 with Greatest ADM see pg. 3]

= 444

Nome/Beltz Jr. & Senior High = 340

Nome Youth Facility = 14

$$471.60 + (.92 \times (444 - 400)) = 512.08$$

$$326.10 + (.97 \times (340 - 250)) = 413.40$$

$$14 = 39.60$$

School Size Adjusted ADM	965.08
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Adjusted ADM-School Size	965.08	O
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Apply District Cost Factor	x 1.319	
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1,272.94	Q
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Apply Special Needs Factor	x 1.20	
----------------------------	--------	--

1,527.53	R
----------	---

Add Intensive Service Counts	20.00	T
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(4 x 5) = 20.00

1,547.53	U
----------	---

Add Correspondence Counts	4.80	V
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(6 * .80) = 4.80

District Adjusted ADM	1,552.33	W
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Multiply by \$5,380 base allocation	x \$5,380.00	
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Basic Need:	\$8,351,535	B
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II. Nome's State Aid

Basic Need	\$8,351,535	B
------------	-------------	---

Required Local Contribution	(889,303)	C
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Impact Aid	(35,984)	F
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State Aid	\$7,426,248	G
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III. Quality Schools Grant

District adjusted ADM x \$16	1,552.33	
------------------------------	----------	--

x \$16.00	
-----------	--

\$24,837	I
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State Aid	\$7,426,248	G
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FY2008 Adjusted 'Floor'	0	H
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Quality Schools Grant	24,837	I
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Total State Aid Entitlement	\$7,451,085	J
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Alaska Department of Education & Early Development

January 2007 Updated
FY2008 Projections
Department of Education & Early Development
Foundation

		L+M				OxP		OxL20		Sx5		R+T		Mx.80		U+V	
	K	L	M	N	O	P	Q	R	S	T	U	V	W				
	PROJECTE																
			D FY08	FY08	Adj for	District			Adjuste	Students +		District	District				
1	School District	PROJECTED	Corresp.	PROJECTED	School Size	Cost	Adjusted for	Special Needs	Special	d for	Intensive	Corresp.	Adjusted				
		FY08 ADM	ADM	Total ADM	ADM	Factor	Cost Factor	Factor 1.20	Ed Int.	Spec Ed	Special	80%	ADM				
2	Alaska Gateway	370.00	38.00	408.00	627.48	1.291	810.08	972.10	6	30	1002.10	30.40	1032.50				
3	Aleutian Region	43.00	0.00	43.00	118.80	1.736	206.24	247.49	0	0	247.49	0.00	247.49				
4	Aleutians East	244.00	0.00	244.00	453.98	1.423	646.01	775.21	0	0	775.21	0.00	775.21				
5	Anchorage	47798.75	836.00	48634.75	52256.36	1.000	52256.36	62707.63	680	3400	66107.63	668.80	66776.43				
6	Annette Island	323.25	0.00	323.25	461.31	1.011	466.38	559.66	4	20	579.66	0.00	579.66				
7	Bering Strait	1705.00	0.00	1705.00	2744.93	1.525	4186.02	5023.22	17	85	5108.22	0.00	5108.22				
8	Bristol Bay	178.00	2.00	180.00	281.26	1.262	354.95	425.94	3	15	440.94	1.60	442.54				
9	Chatham	189.00	2.00	191.00	347.36	1.120	389.04	466.85	3	15	481.85	1.60	483.45				
10	Chugach	75.00	135.00	210.00	150.94	1.294	195.32	234.38	0	0	234.38	108.00	342.38				
11	Copper River	510.00	48.00	558.00	829.98	1.176	976.06	1171.27	10	50	1221.27	38.40	1259.67				
12	Cordova	409.50	0.00	409.50	554.46	1.096	607.69	729.23	6	30	759.23	0.00	759.23				
13	Craig	347.60	412.94	760.54	487.61	1.010	492.49	590.99	10	50	640.99	330.35	971.34				
14	Delta/Gravelly	883.00	456.00	1339.00	1124.26	1.106	1243.43	1492.12	8	40	1532.12	364.80	1896.92				
15	Denali	230.00	300.00	530.00	383.38	1.313	503.38	604.06	3	15	619.06	240.00	859.06				
16	Dillingham	541.40	0.00	541.40	692.36	1.254	868.22	1041.86	8	40	1081.86	0.00	1081.86				
17	Fairbanks	14108.00	281.00	14389.00	15976.37	1.039	16599.45	19919.34	262	1310	21229.34	224.80	21454.14				
18	Galena	229.00	3400.00	3629.00	341.17	1.348	459.90	551.88	1	5	556.88	2720.00	3276.88				
19	Haines	289.00	15.00	304.00	447.86	1.008	451.44	541.73	5	25	566.73	12.00	578.73				
20	Hoonah	142.00	0.00	142.00	233.12	1.055	245.94	295.13	4	20	315.13	0.00	315.13				
21	Hydaburg	75.00	0.00	75.00	122.85	1.085	133.29	159.95	1	5	164.95	0.00	164.95				
22	Iditarod Area	255.00	100.00	355.00	495.49	1.470	728.37	874.04	0	0	874.04	80.00	954.04				
23	Juneau	4989.00	92.00	5081.00	5454.53	1.005	5481.80	6578.16	145	725	7303.16	73.60	7376.76				
24	Kake	98.00	0.00	98.00	152.06	1.025	155.86	187.03	4	20	207.03	0.00	207.03				
25	Kashunamiut	350.00	0.00	350.00	490.20	1.389	680.89	817.07	4	20	837.07	0.00	837.07				
26	Kenai Peninsula	8310.00	857.00	9167.00	10666.95	1.004	10709.62	12851.54	83	415	13266.54	685.60	13952.14				
27	Ketchikan Gateway	2237.00	48.00	2285.00	2741.34	1.000	2741.34	3289.61	25	125	3414.61	38.40	3453.01				
28	Klawock	135.00	0.00	135.00	223.35	1.017	227.15	272.58	3	15	287.58	0.00	287.58				
29	Kodiak Island	2503.00	90.00	2593.00	3116.77	1.093	3406.63	4087.96	25	125	4212.96	72.00	4284.96				
30	Kuspuk	400.00	0.00	400.00	727.00	1.434	1042.52	1251.02	0	0	1251.02	0.00	1251.02				
31	Lake & Peninsula	374.50	0.00	374.50	772.30	1.558	1203.24	1443.89	2	10	1453.89	0.00	1453.89				
32	Lower Kuskokwim	3981.00	0.00	3981.00	5849.52	1.491	8721.63	10465.96	61	305	10770.96	0.00	10770.96				
33	Lower Yukon	2037.00	0.00	2037.00	3094.62	1.438	4450.06	5340.07	13	65	5405.07	0.00	5405.07				
34	Mat-Su	14318.00	1217.00	15535.00	16483.78	1.010	16648.62	19978.34	125	625	20603.34	973.60	21576.94				
35	Nemana	215.00	390.00	605.00	326.05	1.270	414.08	496.90	3	15	511.90	312.00	823.90				
36	Nome	798.00	6.00	804.00	965.08	1.319	1272.94	1527.53	4	20	1547.53	4.80	1552.33				
37	North Slope	1614.00	0.00	1614.00	2252.61	1.504	3387.93	4065.52	9	45	4110.52	0.00	4110.52				
38	Northwest Arctic	1980.00	0.00	1980.00	2869.56	1.549	4444.95	5333.94	18	90	5423.94	0.00	5423.94				
39	Pelican	18.00	0.00	18.00	39.60	1.290	51.08	61.30	0	0	61.30	0.00	61.30				
40	Petersburg	579.00	0.00	579.00	788.49	1.000	788.49	946.19	11	55	1001.19	0.00	1001.19				
41	Pribilof	128.00	0.00	128.00	223.11	1.419	316.59	379.91	0	0	379.91	0.00	379.91				
42	Saint Mary's	170.70	0.00	170.70	271.99	1.351	367.46	440.95	1	5	445.95	0.00	445.95				
43	Sitka	1432.00	36.00	1468.00	1719.27	1.000	1719.27	2063.12	36	180	2243.12	28.80	2271.92				
44	Skagway	95.00	0.00	95.00	148.25	1.143	169.45	203.34	1	5	208.34	0.00	208.34				
45	Southeast Island	185.40	2.00	187.40	411.83	1.124	462.90	555.48	5	25	580.48	1.60	582.08				
46	Southwest Region	673.70	0.00	673.70	1123.81	1.423	1599.18	1919.02	6	30	1949.02	0.00	1949.02				
47	Tanana	47.00	0.00	47.00	81.13	1.496	121.37	145.64	0	0	145.64	0.00	145.64				
48	Unalaska	420.00	0.00	420.00	565.80	1.245	704.42	845.30	2	10	855.30	0.00	855.30				
49	Valdez	751.00	0.00	751.00	958.37	1.095	1049.42	1259.30	11	55	1314.30	0.00	1314.30				
50	Wrangell	360.00	0.00	360.00	501.00	1.000	501.00	601.20	1	5	606.20	0.00	606.20				
51	Yakutat	104.00	0.00	104.00	177.16	1.046	185.31	222.37	0	0	222.37	0.00	222.37				
52	Yukon Flats	266.68	0.00	266.68	494.21	1.668	824.34	989.21	5	25	1014.21	0.00	1014.21				
53	Yukon-Koyukuk	350.00	1150.00	1500.00	646.20	1.502	970.59	1164.71	6	30	1194.71	920.00	2114.71				
54	Yupit	462.00	0.00	462.00	739.58	1.469	1086.44	1303.73	4	20	1323.73	0.00	1323.73				
55	Mt. Edgecumbe	420.00	0.00	420.00	490.00	1.000	490.00	588.00	0	0	588.00	0.00	588.00				
56																	
57	TOTALS	119,747.48	9,913.94	129,661.42	144,696.85	0.000	159,216.63	191,059.97	1,644	8,220	199,279.97	7,931.15	207,211.12				

Alaska Department of Education & Early Development

January 2007 Updated
FY2008 Projections
Department of Education & Early Development
Foundation

	A	B	C	D	E	F	G	H	I	J
	School District	55,380 Basic Need	Required Local Effort	Eligible Federal Impact AID	Impact AID Percent	Deductible Impact AID 90.0%	State AID	FY2008 PROJECTED Adjusted Floor	Quality Schools	FY08 PROJECTED Total State Entitlement
2	Alaska Gateway	5,554,850	0	245,277	100.00%	220,749	5,334,101	0	16,520	5,350,621
3	Aleutian Region	1,331,496	0	105,220	100.00%	94,698	1,236,798	19,808	3,960	1,260,566
4	Aleutians East	4,170,630	396,534	865,015	47.78%	371,974	3,402,122	0	12,403	3,414,525
5	Anchorage	359,257,193	88,989,480	11,570,436	55.90%	5,821,086	264,446,627	0	1,068,423	265,515,050
6	Annette Island	3,118,571	0	1,426,478	100.00%	1,283,830	1,834,741	0	9,275	1,844,016
7	Bering Strait	27,482,224	0	8,301,933	100.00%	7,471,740	20,010,484	0	81,732	20,092,216
8	Bristol Bay	2,380,865	630,578	216,583	71.51%	139,391	1,610,896	0	7,081	1,617,977
9	Chatham	2,600,961	0	221,932	100.00%	199,739	2,401,222	0	7,735	2,408,957
10	Chugach	1,842,004	0	99,457	100.00%	89,511	1,752,493	273,616	5,478	2,031,587
11	Copper River	6,777,025	0	275,663	100.00%	248,097	6,528,928	0	20,155	6,549,083
12	Cordova	4,084,657	662,014	40,306	47.18%	17,115	3,405,528	0	12,148	3,417,676
13	Craig	5,225,809	393,391	274,084	42.97%	105,997	4,726,421	0	15,541	4,741,962
14	Delta/Greely	10,205,430	0	106,127	100.00%	95,514	10,109,916	0	30,351	10,140,267
15	Denali	4,621,743	640,542	12,502	46.15%	5,193	3,976,008	0	13,745	3,989,753
16	Dillingham	5,820,407	670,693	637,370	56.84%	326,053	4,823,661	0	17,310	4,840,971
17	Fairbanks	115,423,273	23,962,498	11,404,060	59.07%	6,062,740	85,398,035	0	343,266	85,741,301
18	Galena	17,629,614	76,915	128,473	4.62%	5,342	17,547,357	0	52,430	17,599,787
19	Haines	3,113,567	942,101	0	66.30%	0	2,171,466	0	9,260	2,180,726
20	Hoonah	1,695,399	124,253	362,603	25.13%	82,010	1,489,136	0	5,042	1,494,178
21	Hydaburg	887,431	33,834	243,357	35.61%	77,993	775,604	9,014	2,639	787,257
22	Iditarod Area	5,132,735	0	545,480	100.00%	490,932	4,641,803	79,029	15,265	4,736,097
23	Juneau	39,686,969	13,485,969	0	62.26%	0	26,201,000	0	118,028	26,319,028
24	Kake	1,113,821	75,488	395,672	25.46%	90,664	947,669	0	3,312	950,981
25	Kashunamiut	4,503,437	0	1,658,684	100.00%	1,492,816	3,010,621	0	13,393	3,024,014
26	Kenai Peninsula	75,062,513	20,447,690	0	54.88%	0	54,614,823	0	223,234	54,838,057
27	Ketchikan Gateway	18,577,194	4,682,492	3,469	52.91%	1,652	13,893,050	0	55,248	13,948,298
28	Klawock	1,547,180	133,610	487,953	34.35%	150,851	1,262,719	0	4,601	1,267,320
29	Kodiak Island	23,053,085	4,141,788	1,435,942	47.23%	610,376	18,300,921	0	68,559	18,369,480
30	Kuspuk	6,730,488	0	1,459,639	100.00%	1,313,675	5,416,813	0	20,016	5,436,829
31	Lake & Peninsula	7,821,928	220,534	1,442,442	14.60%	189,537	7,411,857	0	23,262	7,435,119
32	Lower Kuskokwim	57,947,765	0	11,622,749	100.00%	10,460,474	47,487,291	0	172,335	47,659,626
33	Lower Yukon	29,079,277	0	8,966,263	100.00%	8,069,637	21,009,640	0	86,481	21,096,121
34	Mat-Su	116,083,937	20,975,565	0	52.99%	0	95,108,372	0	345,231	95,453,603
35	Nenana	4,432,582	81,591	1,296	81.67%	953	4,350,038	0	13,182	4,363,220
36	Nome	8,351,535	889,303	85,947	46.52%	35,984	7,426,248	0	24,837	7,451,085
37	North Slope	22,114,598	10,548,636	2,931,302	43.90%	1,158,157	10,407,805	0	65,768	10,473,573
38	Northwest Arctic	29,180,797	1,533,646	4,953,635	36.41%	1,623,257	26,023,894	0	86,783	26,110,677
39	Pelican	329,794	44,599	0	85.18%	0	285,195	115,072	981	401,248
40	Petersburg	5,386,402	1,048,787	0	51.13%	0	4,337,615	0	16,019	4,353,634
41	Pribilof	2,043,916	0	616,103	100.00%	554,493	1,489,423	0	6,079	1,495,502
42	Saint Mary's	2,399,211	19,160	0	27.37%	0	2,380,051	0	7,135	2,387,186
43	Sitka	12,222,930	3,162,938	15,038	60.85%	8,236	9,051,756	0	36,351	9,088,107
44	Skagway	1,120,869	526,955	0	55.87%	0	593,914	80,608	3,333	677,855
45	Southeast Island	3,131,590	0	22,208	100.00%	19,987	3,111,603	42,795	9,313	3,163,711
46	Southwest Region	10,485,728	0	2,838,701	100.00%	2,554,831	7,930,897	0	31,184	7,962,081
47	Tanana	783,543	23,603	14,085	100.00%	12,677	747,263	0	2,330	749,593
48	Unalaska	4,601,514	1,649,696	15,944	62.42%	8,957	2,942,861	0	13,635	2,956,546
49	Valdez	7,070,934	3,242,930	12,885	58.26%	6,756	3,821,248	0	21,029	3,842,277
50	Wrangell	3,261,356	572,448	2,245	68.59%	1,386	2,687,522	0	9,699	2,697,221
51	Yakutat	1,196,351	194,834	155,812	38.81%	54,424	947,093	21,556	3,558	972,207
52	Yukon Flats	5,456,450	0	645,293	100.00%	580,764	4,875,686	244,020	16,227	5,135,933
53	Yukon/Koyukuk	11,377,140	0	1,291,205	100.00%	1,162,085	10,215,055	0	33,835	10,248,890
54	Yupit	7,121,667	0	1,917,899	100.00%	1,726,109	5,395,558	0	21,180	5,416,738
55	Mt. Edgecumbe	3,163,440	0	612,623	100.00%	551,361	2,612,079	0	9,408	2,621,487
56										26,027,300
57	TOTALS:	1,114,795,825	205,225,095	80,687,390		55,649,803	853,920,927	885,518	3,315,375	884,149,120

FY 2006 Impact Aid Analysis Prepared by the Department of Education

School District	Impact Aid Payments	25% of Indian Lands Deduct	SPED Deduct	Construct Deduct	EXEMPT 3-4yr olds DEDUCT	Impact Aid Eligible for Consideration	Impact Aid %	Deductible Impact Aid 90%	Impact Aid % Retained by District	10% of Retained by District	Amount Retained By District
Aleutians East Borough	1,313,047	243,452	43,348	24,858		1,001,389	33.30%	300,116	667,926	33,347	1,012,931
Anchorage	13,525,470		401,193	472,969		12,651,308	51.92%	5,911,703	6,082,749	656,856	7,613,767
Bristol Bay	449,147	78,794	10,608			359,745	56.38%	182,542	156,921	20,282	266,605
Cordova	41,977		3,734			38,243	51.74%	17,808	18,456	1,979	24,169
Craig	519,261	92,394	20,441		40,544	365,832	45.59%	150,105	199,049	16,678	369,156
Denali Borough	10,301		447			9,854	44.42%	3,939	5,477	538	6,362
Dillingham	844,731	107,863	28,169			708,699	56.96%	363,307	305,024	40,368	481,424
Fairbanks	11,942,467		376,606	427,495		11,138,366	54.97%	5,510,484	5,015,606	612,276	6,431,983
Galena	252,542	45,220	26,441			180,881	4.45%	7,244	172,832	805	245,298
Haines Borough							60.46%				
Hoonah	519,198	99,223	11,206	11,877		396,892	22.36%	79,871	308,147	8,874	439,327
Hydaburg	285,704	54,871	5,317	6,033		219,483	52.17%	103,054	104,979	11,450	182,650
Juneau Borough							55.92%				
Kake	619,123	119,639	8,851	12,075		478,558	23.39%	100,741	366,623	11,194	518,382
Kemai Peninsula Borough							33.82%				
Ketchikan Gateway Borough	9,902		2,464			7,438	55.48%	3,714	3,311	413	6,188
Klawock	610,086	114,842	24,075	11,800		459,369	39.09%	161,611	279,802	17,956	448,475
Kodiak Island Borough	1,364,041	5,323	45,574	47,872		1,265,272	43.83%	499,112	710,703	55,457	864,929
Lake & Peninsula Borough	1,894,441	318,107	31,049	32,184	94,898	1,418,203	18.71%	238,811	1,152,857	26,535	1,655,630
Mat-Su Borough							41.01%				
Nenana							70.78%				
Nome	114,209					114,209	49.47%	50,849	57,710	5,650	63,260
North Slope Borough	6,317,282	1,199,692	142,875	137,792	1,133,892	3,703,031	38.06%	1,268,436	2,293,657	140,938	5,048,846
Northwest Arctic Borough	7,782,265	1,452,731	126,807	146,978	430,012	5,625,737	39.72%	2,011,088	3,391,194	223,455	5,771,177
Pelican							91.89%				
Petersburg							56.99%				
Saint Mary's							31.11%				
Sitka Borough	35,742	587	14,802			20,353	55.39%	10,146	9,079	1,128	25,596
Skagway							59.84%				
Tanana	48,567	8,050	2,067			38,450	78.27%	27,085	8,355	3,010	21,482
Unalakleet	20,178	3,985	3,634			12,559	60.86%	6,879	4,916	764	13,299
Valdez	13,462					13,462	53.74%	6,511	6,228	723	6,951
Wrangell	690					690	71.22%	442	199	49	248
Yakutat	136,284					136,284	40.28%	49,406	81,389	5,489	86,878
Total Municipalities	48,670,117	3,944,773	1,329,708	1,331,933	1,699,396	40,364,307	17	17,065,004	21,403,189	1,896,114	31,605,113
Alaska Gateway	416,903	77,144	29,589			310,170	100.00%	279,153		31,017	137,750
Aleutian Region	236,408	32,165	3,449	3,254		197,540	100.00%	177,786		19,754	58,622
Annette Island	3,270,104	1,860,406	63,602	24,698		1,321,398	100.00%	1,189,258		132,140	2,080,846
Bering Strait	11,347,757	2,171,614	266,917	222,771	830,256	7,856,199	100.00%	7,070,579		785,620	4,277,178
Charlam	461,065	83,653	23,290			354,122	100.00%	318,710		35,412	142,355
Chugach	135,486	20,914	11,106			103,466	100.00%	93,119		10,347	42,367
Copper River	415,796	71,835	34,981			308,980	100.00%	278,082		30,898	137,714
Delta/Greely	34,260	246				34,014	100.00%	30,613		3,401	3,647
Iditarod Area	734,191	135,681	30,365			568,145	100.00%	511,331		56,814	222,860
Kashumamut	2,075,678	401,943	24,774	41,190		1,607,771	100.00%	1,446,994		160,777	628,684
Kuspruk	1,761,196	334,178	55,807	34,499		1,336,712	100.00%	1,203,041		133,671	558,155
Lower Kuskokwim	14,406,929	2,712,516	320,483	275,829		11,098,101	100.00%	9,988,291		1,109,810	4,418,638
Lower Yukon	10,159,795	1,952,278	297,924	200,483		7,709,110	100.00%	6,938,199		770,911	3,221,596
Pribilof	743,880	144,702	5,431	14,940		578,807	100.00%	520,926		57,881	222,954
Southeast Island	48,619	2,826				45,793	100.00%	41,214		4,579	7,405
Southwest Region	3,329,608	623,582	83,730	64,070		2,558,226	100.00%	2,302,403		255,823	1,027,205
Yukon Flats	1,464,265	278,986	43,532	25,805		1,115,942	100.00%	1,004,348		111,594	459,917
Yukon/Koyukuk	1,302,390	230,570	59,385	7,500		1,004,935	100.00%	904,442		100,493	397,948
Yupik	2,512,776	482,329	51,604	49,526		1,929,317	100.00%	1,736,385		192,932	776,391
Total REAA	54,857,106	11,617,568	1,405,969	964,565	830,256	40,038,748	19	36,034,874	-	4,003,874	18,822,232
Mt. Edgecumbe	18,727			18,727			100.00%				18,727
Total State Facility	103,545,950	15,562,341	2,735,677	2,315,225	2,529,652	80,403,055	37	53,099,878	21,403,189	5,899,988	50,446,072

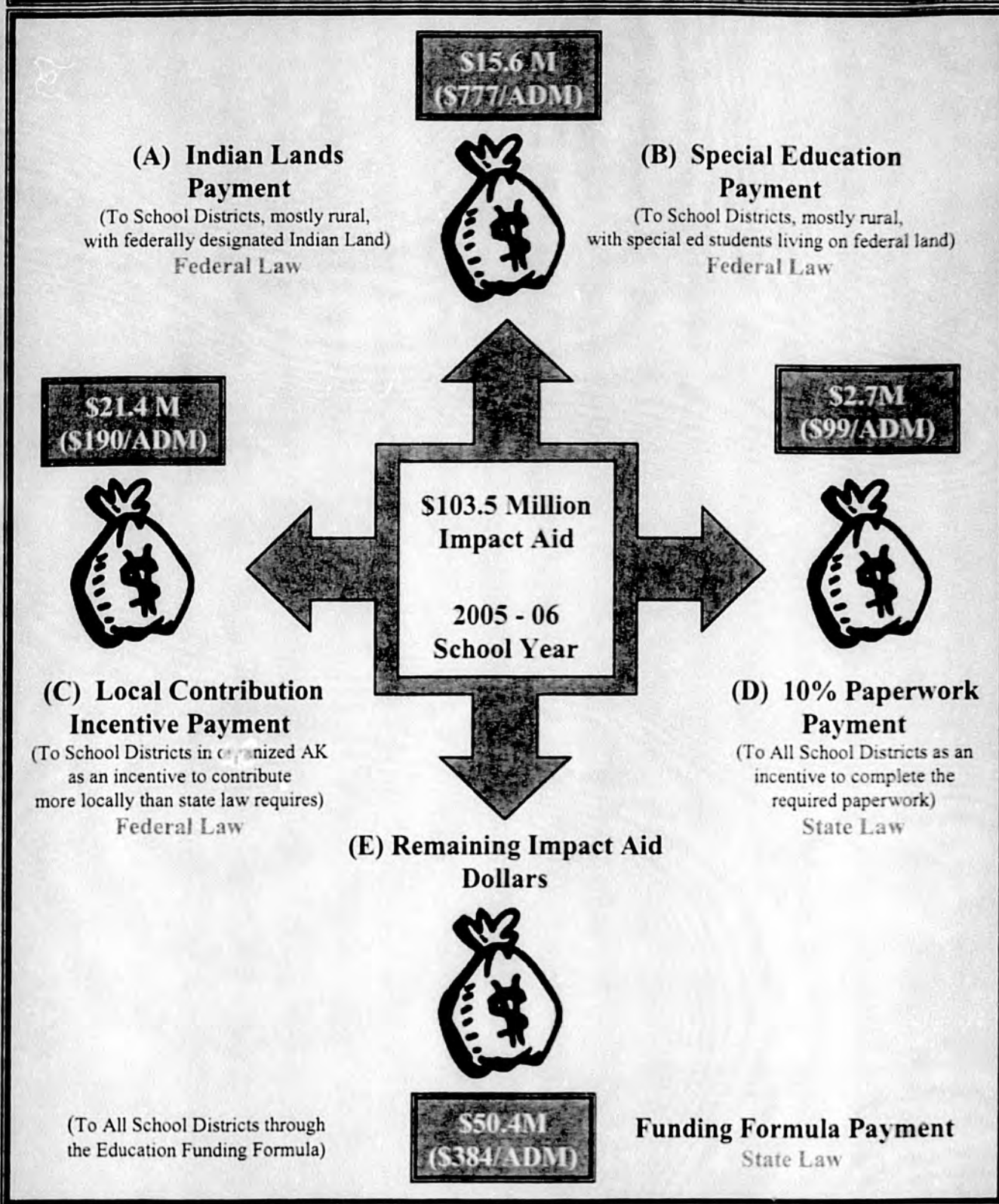
Excerpt from Memorandum to All Local Educational Agencies in Alaska, March 29, 2000

By Ms. Catherine Schagh, Federal Director, Impact Aid Program

"... A State may consider as local resources funds received under this title ... Only in proportion to the share that local tax revenues covered under a State equalization program are of total local tax revenues."

Federal Impact Aid Dollars

Distribution of PL874 Funds



Impact Aid (PL-874) is federal payment to school districts in lieu of local property taxes lost because students live on non-taxable federal property or parents work on non-taxable federal land. Payments required by federal law are distributed first (A-C), then the 10% paperwork payment (D), and finally the remaining impact aid dollars (E) are distributed through the Alaska K-12 Education Funding Formula. (The dollar amounts per ADM are estimates.)

RETAINING QUALITY TEACHERS FOR ALASKA

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