Public School Funding Program Overview

Update January 2019

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.   Apply: Vocational & Technical Funding
Step 5.   Add: Intensive Services Count
Step 6.   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, on page 4.

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:
   ADM is adjusted once for each facility administered as a separate school;
   <u>unless</u> it's the only school in the community then it's adjusted as two schools.

* *Alternative* school with an ADM of 175 or greater *and* administered as a separate facility the ADM will be adjusted separately, <u>unless</u>:

A. It's new and the 1st year of service with ADM between 120 to 175 receives an adjustment of 1.33; OR
B. It had an ADM of 175 or greater in the prior year but drops below 175 in the current fiscal year receives an adjustment of 1.33; OR
C. It has an ADM of less than 175 shall be counted as a part of the school in the district with the *highest* ADM.

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

A. It's new and the 1st year of service with ADM between 75 to 150 receives an adjustment of 1.45; OR
B. It had an ADM of at least 75 in the prior year the current fiscal year receives an adjustment of 1.45; OR
C. It continues to stay below 75 ADM then it receives an adjustment of 1.18.

Select the appropriate formula from the school size factor table to 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))

Correspondence student counts are not adjusted for size (see step 5).

Hold Harmless Provision [Step 1a]

The Hold Harmless [HH] provision was established for those districts experiencing a reduction in enrollment. To determine eligibility for this provision the district's sum total of the adjusted ADM for school size is compared against the prior fiscal year [FY], or base year, to see if a decrease of 5% or greater has occurred. The HH provision is available to eligible districts for up to three years provided the total school size adjusted ADM continues to stay below the base year. The district uses the FY before the decrease as a base FY to offset the decrease, according to the following method:

- ➢ 75% of school size adjusted ADM difference between the current FY to the base FY.
- ➢ 50% of school size adjusted ADM difference between the second FY to the base FY.
- ➢ 25% of school size adjusted ADM difference between the third FY to the base FY.

District Cost Factors [Step 2]

- ▪ Cost factors are specific to each school district and will range from 1.000 to 2.116.
- ▪ 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 district's 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, per AS 14.17.420 (b), to qualify for special needs funding.

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

Vocational & Technical Funding [Step 4]

(Now referred to as Career & Technical Education or CTE)

These funds are intended to assist districts in providing vocational and technical instruction for students enrolled in grades 7 through 12. This excludes costs associated with administrative expenses; and instruction in general literacy, math, and job readiness skills, AS 14.17.420(a)(3). (*Enacted in 2011*)

The districts' previously adjusted ADM is now multiplied by the Career & Technical Education factor of 1.015.

Intensive Services Funding [Step 5]
A school district receives funding for intensive special education students that:
- Are receiving intensive services;
- 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 13.

The district's intensive calculation is added to the previously adjusted ADM.

Correspondence Programs [Step 6]
Funding for correspondence programs is calculated by multiplying the correspondence ADM by 90%.

The district's correspondence count calculation 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 [BSA] to determine Basic Need. The BSA is $5,930 for FY2020.

PUBLIC SCHOOL FUNDING ELEMENTS

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

Required Local Contribution
The local requirement is the equivalent of 2.65 mill tax levy on the full and true value of the taxable real and personal property in the district; and not to exceed 45% of the district's basic need for the preceding fiscal year.

Title VII 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." After deductions, 90% of the eligible funds are used in the calculation of state 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 equals State Aid Entitlement.

ADDITIONAL FUNDS ABOVE BASIC NEED

Maximum Local Contribution
The City or Borough can contribute more than is required but may not exceed the maximum local contribution. To calculate this use the required local contribution plus 23% of basic need and those state funds calculated on adjusted ADM **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:
> *23% of Basic Need & additional funding distributed on AADM = $2,345,253* <u>OR</u>
> *.002 of Full & True Value = $840,910*

<u>RESULT</u>:
> Required Local Effort: $1,114,206
> <u>Additional Local Contribution: + 2,345,253</u>
> *Maximum Local Contribution:* $3,459,459

Quality School Grants
The district's adjusted ADM multiplied by $16 generates the amount the school district is eligible to receive.

Example: Nome Public Schools projected average daily membership or ADM is 674.00 and 15 correspondence for a total of 689 ADM.

Determining School Size Adjustment using the table from page 4.

School Name	Projected ADM	School Size Calculation	Result of School Size Calculation
Nome Elementary School	380	326.10+(.97×(380−250))	452.20
Nome/Beltz Jr. & Senior High School	220	218.10+(1.08×(220−150))	293.70
Anvil City Science Academy	60	1.18×60	70.80
Nome Youth Facility	14	Less than 20 ADM	39.60
TOTAL School Size ADM			856.30

Is District eligible for Hold Harmless Provision based on a 5% reduction school size adjustment to the prior year? No.

FY2020: **856.30** *less* FY2019: **856.30** Equals **(0)**

School Size Adjustment of 856.30 continues below.
(Click the [Foundation Report](#) for FY2020 for coordinating Tab and Column Identifiers.)

FOUNDATION FORMULA PROCESS	Data & Calculation	Tab & Column Identifier
School Size Adjusted ADM	856.30	Tab 2 Col. F
Apply District Cost Factor	1.450	Tab 2 Col. G
Subtotal	**1,241.64**	Tab 2 Col. H
Apply Special Needs Factor	1.20	
Subtotal	**1,489.97**	Tab 2 Col. I
Apply the Career Technical Education Factor	1.015	
Subtotal	**1,512.32**	Tab 2 Col. J
Add Intensive Service Counts (Intensive student × 13) Nome has 12.	156	Tab 2 Col. K
Subtotal	**1,668.32**	Tab 2 Col. M
Add Correspondence at 90% of ADM. Nome has 15 correspondence ADM.	13.50	Tab 2 Col. N
Total District Adjusted ADM	**1,681.82**	Tab 2 Col. O
Multiply by $5,930 base student allocation	$5,930	
Nome's BASIC NEED:	**$9,973,193**	Tab 1 Col. B
Deduct Required Local Contribution	($1,114,206)	Tab 1 Col. C
Deduct Eligible Federal Impact Aid	($39,163)	Tab 1 Col. F
Total State Aid for Nome School District	**$8,819,824**	Tab 1 Col. G

FOUNDATION FORMULA PROCESS	Data & Calculation	Tab & Column Identifier
Additional funds: Quality Schools Grant is Adjusted ADM x $16	$26,909	Tab 1 Col. H
State Aid + Quality Schools = TOTAL Entitlement	**$8,846,733**	**Tab 1 Col. I**