Description of the Formula

The Foundation Formula for Alaska is based on enrollments following a 20-day count period ending the 4th Friday in October. State Foundation Program determines a "basic need" by adjusting the average daily membership [ADM] of each school, except correspondence, for school size. The total of all schools in the district is then multiplied by several steps: the area cost differential, 20% add-on for Special Education needs, and for those ADM that qualify for Intensive needs they are given a multiple of 13 per ADM. The resulting adjusted ADM is then multiplied by the base student allocation as laid out in state statute to derive the "basic need" for each district. The state may consider P.L. 81-874 Impact Aid revenues at 90% of aid eligible for adjustment. Municipalities with taxing powers are required to provide their coterminous school district with the local contributions to assure the equivalent of four mills of the Educational full assessed values or 45% of prior year basic need, which ever is less. Local contributions have been capped to assure state compliance with federal Impact Aid disparity test.

District-Based Components

Density/Sparsity of Small Schools
The formula is weighted in favor of the small, isolated sites.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
Enrollments have seen an increase of 16% since 1990.

Capital Outlay and/or Debt Service
State reimburses municipalities up to 70% of debt service costs for pre-approved construction projects over $25,000. Direct construction appropriations are made for schools outside organized municipalities.
Transportation
State reimburses districts through a grant process on a per-child cost basis. The per-child costs are multiplied by the ADM to derive the grant amount. The grants are disbursed in three installments throughout the fiscal year and funded separately from the foundation program.

Student-Based Components

Special Education
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.

Compensatory Education
Does not apply.

English Language Learner/Bilingual Education
Bilingual/bicultural education is block funded in the foundation program.

Gifted and Talented Education
Gifted/Talented education is block funded in the foundation program.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Foundation program caps local contribution to the equivalent of two mills of the full assessed values or 23% of current year basic need, whichever is greater. Local contributions are capped to assure state compliance with the federal Impact Aid disparity test.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Full and true value of real and personal property, and property used for gas and unrefined oil production and transportation.

Measure of Local Ability To Support Schools
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.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
School districts cannot tax. Local revenue sources include municipal appropriations, interest earnings under school district control, municipal “in-kind” services, state tuition payments and 10% of federal impact aid eligible for adjustments by the state.
State Support for Nonpublic Schools
Does not apply.