

Public School Funding Program Overview

Update September 2025



PUBLIC SCHOOL FUNDING PROGRAM OVERVIEW	1
STUDENT BASED FORMULA	3
DISTRICT ADJUSTED AVERAGE DAILY MEMBERSHIP (ADM)	3
ADM REPORTING REQUIREMENTS	3
SCHOOL SIZE ADJUSTMENT [STEP 1]	3
SCHOOL SIZE TABLE	4
HOLD HARMLESS PROVISION [STEP 1A]	4
DISTRICT COST FACTORS [STEP 2]	4
SPECIAL NEEDS FUNDING [STEP 3]	4
VOCATIONAL & TECHNICAL FUNDING [STEP 4]	5
CONSOLIDATION OF SCHOOLS [STEP 4A]	5
INTENSIVE SERVICES FUNDING [STEP 5]	5
CORRESPONDENCE PROGRAMS [STEP 6]	5
BASIC NEED	5
PUBLIC SCHOOL FUNDING ELEMENTS	6
REQUIRED LOCAL CONTRIBUTION	6
TITLE VII IMPACT AID	6
STATE AID ENTITLEMENT	6
ADDITIONAL FUNDS ABOVE BASIC NEED	6
MAXIMUM LOCAL CONTRIBUTION	6
QUALITY SCHOOL GRANTS	6
<i>Example:</i>	7

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;
unless 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, unless:

- 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 enacted in 2008 for those districts experiencing a reduction in enrollment affecting their adjustment for school size. Eligibility is determined after the district's adjusted for school size ADM are calculated and totaled up for all schools. The sum-total of the district's adjusted for school size ADM is compared against the prior fiscal year [FY] total adjusted for school size ADM to determine if a decrease of 5% or greater has occurred. If yes, then the prior FY is locked in as the "base year" for three years. The new school size adjustment with HH continues through the rest of the formula adjustments. The HH provision is available to school districts over a three-year step-down provided the adjusted for school size ADM total stays below the established "base year".

- 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.

Consolidation of Schools [Step 4a]

This provision assists districts that choose to consolidate one or more schools within a community. Each of the affected schools' ADM in the base year (the year prior to consolidation) and the current year are adjusted through the vocational and technical factor, the result of each calculation is divided by its respective fiscal year's ADM total to arrive at the quotients. The difference between these two quotients is added back to the district's ADM being adjusted. A district may not: offset the decrease of a new facility being constructed; reopen the school being consolidated until seven or more years pass and provide evidence schools are over capacity; or reopen and reconsolidate more than once every seven years. The provision is applied to the out years as follows:

- First two fiscal years following consolidation is 100% offset of the reduction in basic need for the affected schools.
- Third fiscal year is 66% offset of those funds in basic need of the affected schools.
- Fourth fiscal year is 33% offset of those funds in basic need of the affected schools.

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 \$6,660 for FY2026.

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:

None:

23% of Basic Need & additional funding distributed on AADM = \$2,638,508 OR
.002 of Full & True Value = \$1,080,495

RESULT:

Required Local Effort:	\$1,431,334
<u>Additional Local Contribution:</u>	<u>+ 2,638,508</u>
<i>Maximum Local Contribution:</i>	<i>\$4,070,164</i>

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 641.00 and 33.00 correspondence for a total of 674.00 ADM.

Determining School Size Adjustment using the table from page 4.

<u>School Name</u>	<u>Projected ADM</u>	<u>School Size Calculation</u>	<u>Result of School Size Calculation</u>
<i>Nome Elementary School</i>	306	$326.10 + (.97 \times (306 - 250))$	380.42
<i>Nome/Beltz Jr. & Senior High School</i>	275	$326.10 + (.97 \times (275 - 250))$	350.35
<i>Anvil City Science Academy Charter School</i>	60	1.18×60	70.80
TOTAL School Size ADM			801.57

Is Nome eligible for Hold Harmless provision when comparing Total School Size Adj.? No

FY2026: 801.57 less FY2025: 834.55 = 32.98 decrease over prior year.

(Go to the [2026 Foundation Report Projection](#) for coordinating Tab and Column Identifiers.)

FOUNDATION FORMULA PROCESS	Data & Calculation	Tab & Column Identifier
School Size Adjusted ADM	801.57	Tab 2 Col. F
Apply District Cost Factor	1.450	Tab 2 Col. G
Subtotal	1,162.28	Tab 2 Col. H
Apply Special Needs Factor	1.20	
Subtotal	1,394.74	Tab 2 Col. I
Apply the Career Technical Education Factor	1.015	
Subtotal	1,415.66	Tab 2 Col. J
Add Intensive Service Counts (Intensive student × 13) Nome has 21.	273	Tab 2 Col. K
Subtotal	1,688.66	Tab 2 Col. M
Add Correspondence at 90% of ADM. Nome has 33 correspondence ADM.	29.70	Tab 2 Col. N
Total District Adjusted ADM	1,718.36	Tab 2 Col. O
Multiply by \$6,660 base student allocation	\$6,660	
Nome's BASIC NEED:	\$11,444,278	Tab 1 Col. B
Deduct Required Local Contribution	(\$1,431,656)	Tab 1 Col. C
Deduct Eligible Federal Impact Aid	(\$20,652)	Tab 1 Col. F
Total State Aid for Nome School District	\$9,991,970	Tab 1 Col. G
Additional funds: Quality Schools Grant is Adjusted ADM x \$16	\$27,494	Tab 1 Col. H
State Aid + Quality Schools = TOTAL Entitlement	\$10,019,464	Tab 1 Col. I