

# FundEd: Alaska Report

## A Detailed Look at Alaska's Funding Policies



## Alaska



### Funding Basics

#### Formula Type

Alaska has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating students in particular environments through adjustments for school size and for local cost of living. The formula also makes adjustments for the additional costs of education specific categories of students by applying multipliers to the total student count.

The categories of students generating supplemental funding in Alaska are English-language learners, students with disabilities, gifted and talented students, students enrolled in career and technical education programs, and students in sparsely populated districts and small schools.

#### Base Amount

Alaska has a fixed base funding amount per student. For FY2017, the per-student base amount was \$5,930.

This means that an average student with no special needs or disadvantages would, in theory, be funded at that level. However, in practice, the base amount is applied to a student count which has already been adjusted for the sizes of schools within the district and the cost of living in the district, and for the additional cost of educating specific categories of students. These adjustments may sometimes deflate a district's student count.

### Local Revenue

#### Expected Local Share

Alaska expects most school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values: each district is expected to contribute \$2.65 for every \$1,000 of assessed local property wealth for the purposes of funding its schools.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid. However, the expected local contribution cannot exceed 45% of the district's formula amount.

This requirement applies only to city and borough school districts, and not to regional attendance areas, which serve as school districts in some areas but may raise taxes.

## Property Tax Floors and Ceilings

Alaska sets both a floor and a ceiling for local property tax rates. School districts are required to impose at least \$2.65 for every \$1,000 of assessed local property wealth, and are limited to a rate that may vary depending on the district's formula amount.

City and borough school districts are required to raise at least \$2.65 for every \$1,000 of assessed local property wealth. However, they may not raise more than this required local contribution plus the greater of \$2.00 for every \$1,000 of assessed local property wealth or 23% of the formula amount.

## Other Local Taxes for Education

School districts in Alaska may receive local revenue from property taxes and from sales, use, and excise taxes.

School districts in Alaska cannot directly levy taxes of any kind. Cities and boroughs impose local property taxes and sales, use and excise taxes. Cities and boroughs may also impose excise taxes, such as severance taxes on natural resource extraction. It is not possible to distinguish local funding for schools from other local revenue.

## District Characteristics

### Grade Level

Alaska does not differentiate student funding based on grade levels.

### English-Language Learner

Alaska provides increased funding for English-language learners (ELLs). It does so by applying a multiplier of 1.2 to the total enrollment count to generate additional funding for students with special needs, including ELLs.

Alaska applies a multiplier of 1.2 to each district's student count to provide funding for students with special needs, including students enrolled in bilingual and bicultural education programs. Districts must file plans with the Alaska Department of Education indicating the special-needs services they will provide in order to receive this funding.

### Poverty

Alaska does not provide increased funding for students from low-income households or for districts based on the concentrations of low-income students they serve.

### Special Education

Alaska funds special education using a census-based system, assuming that a set percentage of students in each district will require special education services and using each district's full student count to determine the amount of special education funding required.

Alaska applies a multiplier of 1.2 to each district's student count to provide funding for students with special needs, including students with disabilities. Districts must file plans with the Department of Education indicating the special-needs services they will provide in order to receive this funding.

Districts also receive separate funding for students who require intensive services; these students are counted and the number is multiplied by thirteen in the overall tally of students, so districts effectively receive thirteen times the per-student base amount for each such student.

## Gifted

Alaska provides increased funding for gifted and talented students. It does so by applying a multiplier of 1.2 to the total enrollment count to generate additional funding for students with special needs, including gifted and talented students.

Districts must file plans with the Alaska Department of Education indicating the special-needs services they will provide in order to receive this funding.

## Career and Technical Education

Alaska provides increased funding for career and technical education (CTE) programs. It does so by applying two multipliers to the total enrollment count.

Alaska applies a multiplier of 1.2 to each district's student count to provide funding for students with special needs, including students in career and technical education programs. A further multiplier of 1.015 is then applied to provide supplemental funding exclusively for career and technical instruction for students in grades 7 through 12.

These additional funds may be used for additional administrative expenses and instruction in general literacy, math, and job readiness schools.

## Sparsity and/or Small Size

Alaska provides increased funding for sparse districts and small schools. It does so by applying a multiplier applied to the student count for sparse districts and by adjusting the enrollment count in each school using a different formula depending on the school's size.

A multiplier between 1.000 and 2.116 is applied to the student count for sparse districts. Every other year, the Department of Education sets the value of the multiplier for each school district, subject to approval by the legislature. Moreover, the average daily membership of each school is adjusted using a formula that differs depending on the school size. Enrollment counts for schools in the smallest districts may be combined and adjusted as a single school. In schools with an average daily membership of more than 750, this adjustment may result in a lower enrollment count than the actual count.

Correspondence students are excluded from the enrollment count. Alaska funds correspondence students at 90% of the funding that district would have received for the base funding of an otherwise present student.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

