



# Alaska Report

## A Detailed Look at Alaska's Funding Policies

## Alaska



### Funding Basics

#### Formula Type

Alaska has a primarily student-based formula. It assigns a cost to the education of a student with no special needs or services, called a base amount, and provides increased funding to educate specific categories of students. The categories of students considered in Alaska's funding policy are English-language learners, students with disabilities, students identified as gifted, students enrolled in career and technical education (CTE) programs, students enrolled in small schools, and students in sparsely populated districts.

Alaska expects most school districts to contribute to the funding of their public schools, with the amount of the local share based on districts' property values. Districts in Alaska are permitted to raise and keep additional local revenues for regular district operations.

Supplemental funding for English-language learners, students with disabilities, students identified as gifted, students enrolled in CTE programs, students enrolled in small schools, and students in sparsely populated districts is generated through the application of multipliers to the total student count.

#### Base Amount

Alaska has a fixed base funding amount per student. For FY2021, 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 that has already been adjusted for the sizes of schools and the cost of living in a district and for the additional cost of educating specific categories of students. These adjustments may either inflate or 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 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 a portion of the district's federal impact aid. It then provides the difference in the form of state education aid. However, the expected local contribution cannot exceed 45% of the district's formula amount for the prior year.

The amount of federal impact aid that is deducted is determined by a formula that results in lower deductions for districts that plan to allocate more than their expected local share.

## Property Tax Floors and Ceilings

Alaska sets both a floor and a ceiling for local property tax rates. Local municipalities are generally 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 municipalities are required to raise at least \$2.65 for every \$1,000 of local property wealth, or an amount sufficient to fund 45% of the district's formula amount from the prior year, whichever is less. They may not raise more than this required local contribution plus the \$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 and use 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.

## Student Characteristics

### Grade Level

Alaska does not differentiate student funding based on grade levels.

### English-Language Learner

Alaska provides increased funding for English-language learners. 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 English-language learners.

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. To receive this funding, districts must file plans with the Alaska Department of Education indicating the special needs services they will provide. The multiplier is applied to a student count that has already been adjusted for school size and local cost factors (see "Sparsity and/or Small Size" for more information).

Other student categories intended to be served with this supplemental funding include students with disabilities, students identified as gifted, and students enrolled in career and technical education programs.

### Poverty

Alaska does not provide increased funding for students from low-income households or for districts based on the concentrations of students from low-income households 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. This multiplier is applied to a student count that has already been adjusted for school size and local cost factors (see "Sparsity and/or Small Size" for more information). To receive this funding, districts must file plans with the Alaska Department of Education indicating the special-needs services they will provide. Other student categories intended to be served with this supplemental funding include English-language learners, students identified as gifted, and students enrolled in career and technical education programs.

Districts also receive separate funding for students who require intensive services; these students are counted and the number is multiplied by 13. This number is then added to the overall tally in which these students have already been counted once, so districts effectively receive 14 times the per-student base amount for each such student in total.

## 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.

Alaska applies a multiplier of 1.2 to each district's student count to provide funding for students with special needs, including gifted and talented students. To receive this funding, districts must file plans with the Alaska Department of Education indicating the special-needs services they will provide. The multiplier is applied to a student count that has already been adjusted for local cost factors (see "Sparsity and/or Small Size" for more information).

Other student categories intended to be served with this supplemental funding include English-language learners, students with disabilities, and students enrolled in career and technical education programs.

## 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 CTE programs. This multiplier is applied to a student count that has already been adjusted for local cost factors (see "Sparsity and/or Small Size" for more information). Other student categories intended to be served with this supplemental funding include English-language learners, students with disabilities, and students identified as gifted. Once this adjustment has been made, a further multiplier of 1.015 is then applied to the student count to provide supplemental funding for CTE instruction for secondary students.

To receive both of these funding allocations, districts must file plans with the Alaska Department of Education indicating the special-needs services they will provide. The additional funds generated through the application of the second multiplier must be used exclusively for CTE instructional costs in grades 7-12 and may not be used for administrative expenses or for instruction in general literacy, math, or job-readiness skills.

## District Characteristics

## Concentrated Poverty

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

## Sparsity and/or Small Size

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

First, the average daily membership (ADM) count of each school is adjusted using a formula that differs depending on the size of the school and community. This adjustment increases the funded student count in schools with an ADM of less than 1,022.5 and reduces the funded student count in schools with an ADM above 1,022.5. Enrollment counts for schools in the smallest districts may be combined and adjusted as a single school. Then, a multiplier, called a "district cost factor," of between 1.000 and 2.116 is applied to districts' student counts to account for geographic factors, including sparsity and remoteness, that affect the school operating costs. Every other year, the Alaska Department of Education may propose updated district cost factors, which must be approved by the legislature.

Students enrolled in correspondence programs are counted separately and funded at 90% of the base funding level, with no additional multipliers applied. Additionally, when districts consolidate multiple schools and see a decline in enrollment, the funding that would have been generated by the former pupils is reduced gradually over the course of five years.

## Charter Funding

Funding for charter schools in Alaska is calculated based on a formula similar to the one used to calculate funding for traditional public schools.

Like traditional public schools, charter schools are funded through a student-based funding formula that considers the characteristics of students they educate. They receive funding from the local school district through which they are authorized, which reflects any additional funding generated by students in special programs and need categories.

Charter schools in Alaska effectively receive a share of local tax revenue. Charter school funding in Alaska is calculated based on both the state and local funds attributable to students attending the charter school. This includes revenue generated by a municipality's required local property tax rates and any additional local property taxes imposed by the municipality.