



School Funding White Paper

The problem: Currently we have a school funding formula designed for ordinary times, student population fluctuations, and migration patterns. These are not ordinary times.

An unprecedented global health pandemic is disrupting the economy and the normal operation of our local communities. In many cases, our standard procedures, statutes, policies, and metrics were not designed for or could not possibly anticipate a health and economic crisis of this magnitude.

In a rush to protect themselves and their children, parents have flooded into home school and alternative learning options. In some cases, these students have been enrolled in programs outside of their district or in other cases, the crisis is leading some parents to not enroll their children at all. As state funding is tied to student enrollment, districts may face significant decreases in state funding and large budget deficits.

The solution: Hold schools and communities harmless by stabilizing student counts and school funding at pre-COVID levels (FY20 funding).

The facts:

- The student count period will start on September 28 and run through October 23.
- All students registered in a school district will be counted regardless of whether in person at the school or receiving instruction virtually.
- Students using district supported online options for some instruction will be counted as a full-time or 100% for purposes of the foundation formula determination of a district's ADM (average daily membership).
- Students who elect to sign up for correspondence study will be counted for the district at 90% for purposes of determining the district's ADM figure. This is based on existing state law.



- Students who enroll in one program or at one district and then change during the count period to another program or district will be counted on a pro-rata basis between the two programs/districts.
- FY 21 funding (started in July 2020) is based on the 2019 student count for the first nine months (through March 2021). **The last three months in FY 21 will be based on the 2020 count. Any major reduction in funding because of low enrollments will trigger a reduction in state aid in April 2021.**

Hold students and Schools Harmless:

- Don't punish students due to the disruption of a global pandemic and economic depression.
- Students, schools, and communities desperately need stability in their institutions and funding sources, not a sudden and arbitrary reduction that reflects student counts impacted by COVID-19.
- Our school funding mechanism, enshrined in state statute, was designed to offer funding and an attempt at equity in ordinary times.
- Funding for an entire year of student learning is determined by the number of students enrolled in a **fixed 20 day window**.
- Small rural schools - the absolute anchor in our rural communities, are subject to closure if enrollment changes due to a global pandemic creating massive volatility in student counts. It would be a tragedy if a community lost a school due to COVID-19.
- Our military families' usual transition and rotation pattern has been disrupted due to COVID-19. The JBER liaison to Anchorage School District is reporting that military families will be arriving in unusual numbers throughout the school year - in many cases after the count period.
- This disruption isn't limited to the challenge of districts losing too many students - massive sudden influxes into districts with correspondence programs could lead to cash flow issues for some specific Alaska school districts.
- To support schools and students we are calling for a funding floor based on last year's count, but not a limit for districts that may be experiencing unexpected floods of increasing correspondence or home school enrollment.



Facts and resources:

We are already seeing massive volatility in student counts. Anchorage School District is reported to be down 5000 students. Using the funding formula, without any of the normal adjustments, this translates to a sudden \$30 million loss to just the Anchorage School District. Fairbanks is down an estimated 100 students. Matsu Borough School District reported enrollment at about 70% of normal in early August.

ALASKA PUBLIC MEDIA: Anchorage homeschool programs fill and waitlists grow as the school year begins [All three of Anchorage's homeschool programs are full and have waiting lists.](#)

KTUU: [Schools see decline in enrollment as state says districts are responsible for school start plans:](#) The two largest school districts in the state say students are moving to correspondence programs

"In Alaska, 14.3% of total cases have been in kids, Zink said. While the rates of kids being hospitalized are very low, data in Zink's presentation estimates one in four teachers are at a high risk for experiencing a serious illness with COVID."

KTVA: [Thousands of ASD students choose to opt-out of school district](#)

According to a presentation from earlier this week by Anchorage School District Chief Financial Officer Jim Anderson, close to 3,000 students have elected to leave the district. The loss could have devastating consequences.

"I think worst-case scenario based on where we stand right now is a loss this fiscal year of upwards of \$30 million," Anderson said. "Best case is it is obviously much smaller than that. "