



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

June 2, 2022

MEMORANDUM TO ALL LOCAL EDUCATIONAL AGENCIES IN ALASKA

Pursuant to section 7009, title VII, of the Elementary and Secondary Education Act (“the Act”), the U.S. Department of Education (Department) received notification from the Alaska Department of Education and Early Development (State) dated March 3, 2022, of its intent to consider a portion of payments received under the Impact Aid Program as local revenues in determining State aid payments for the period July 1, 2022 – June 30, 2023 (state fiscal year (FY) 2023). The notification included final FY 2021 data from the State in support of the State’s request for certification under the revenue disparity standard (section 7009(b)(2) and 34 C.F.R. § 222.162). The Department provided technical assistance to the State regarding the requirements in 34 C.F.R. § 222.162, after which the State provided a revised data submission on May 20, 2022.

The determination for FY 2023 will be based on the final FY 2021 data in the May 20, 2022 submission. Copies of the data are available from the Alaska Department of Education and Early Development on their website at <https://education.alaska.gov/schoolfinance/foundationfunding> under the heading “Disparity Tests.” Note that the data used for for the FY 2023 determination is labeled “2021” on the State website.

Section 7009(c)(2) of the Act requires that, prior to issuing a determination for any fiscal year, this Department must give local educational agencies an opportunity to “present their views.” Section 7009(d)(1) provides, in relevant part, that:

If a State has in effect a program of State aid for free public education for any fiscal year, which is designed to equalize expenditures for free public education among the local educational agencies of that State, payments under this title for any fiscal year may be taken into consideration by such State in determining the relative-

- (A) financial resources available to local educational agencies in that State; and
- (B) financial need of such agencies for the provision of free public education for children served by such agency, except that a State may consider as local resources funds received under this title only in proportion to the share that local tax revenues covered under a State equalization program are of total local tax revenues.

In other words, if the State is certified under section 7009, it may reduce an LEA’s State aid by an amount equal to a certain proportion of the assistance that LEA has received under the Impact Aid Program. The Department’s regulations at 34 CFR §§ 222.160-.163 provide the standards

that a State must meet in order for the Department to authorize the State to take into account Impact Aid payments. See <https://ecfr.federalregister.gov/current/title-34/subtitle-B/chapter-II/part-222/subpart-K>.

If your district would like to present its views on whether the State should be certified under section 7009 for FY 2023 (school year 2022-2023), you must communicate that request within 30 days of the date of this memorandum, by email to Faatimah Muhammad, Director, Impact Aid Program at Faatimah.Muhammad@ed.gov.

If a timely hearing request is received, a predetermination hearing will be held at a date to be announced. If no timely written request for a hearing is received, we will proceed making a determination based on the data submitted by the State. For further information, please contact the Impact Aid Program at (202) 260-3858 or Impact.Aid@ed.gov.

Please note that disagreement with the Federal law, Federal regulations or the State's policy is not a proper reason for requesting a hearing. A hearing should be requested and will be granted only on the basis stated in this memorandum, that is, whether the State's system of funding for public schools meets the specific standards set forth in the Impact Aid statute and regulations.

Sincerely,

Faatimah Muhammad, Director
Impact Aid Program

cc: Elwin Blackwell, School Finance Manager, Alaska Department of Education and Early Development

Mindy Lobaugh, School Finance Specialist, Alaska Department of Education and Early Development