



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Education &
Early Development**

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TO: All Superintendents and/or Business Managers

FROM: Mindy Lobaugh
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DATE: September 15, 2021

SUBJECT: FY2022 Average Daily Membership (ADM)
& Hold Harmless Provision in the Foundation Formula

FY2022 Student Count or Average Daily Membership

In accordance with Alaska Statute 14.17.600, the Average Daily Membership (ADM) count period is:

<i>September 27, 2021 to October 22, 2021</i>
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A running count of the actual enrollment will be taken each day, and then totaled at the end of the 20-school-day count period. That total count will be divided by 20 to calculate the ADM for the participating schools which the districts verify and send to the department. This ADM count will be submitted in the Fall OASIS through the State Report Manager (SRM) portal and is **due November 5, 2021**.

Based on the above ADM the Intensive Service students that have an *active* Individual Education Program [IEP] are identified and counted on October 22, 2021, which is the last day of the student count period. Additionally, this is also the recommended one-day count for those districts that apply for the Federal Impact Aid application, which is due at the US Department of Education by the end of January 2022.

The district's submission of their student count is complete when the *Fall OASIS District Foundation Summary* from the SRM portal is printed and certified with the signature from the superintendent before emailing it to the department. This signature is to ensure all eligible enrolled students in the district have been accounted for in the Fall OASIS report appropriately. The resulting *Preliminary* FY2022 Foundation Report is derived from each district's Fall OASIS data submittal.

Hold Harmless Provision (*enacted 2008*)

The foundation funding formula (AS 14.17.410) has a built-in mechanism for districts experiencing a significant decline in their brick and mortar ADM. The hold harmless (HH) provision allows a school district to budget for and absorb a reduction in state aid over a three-year period, versus taking the entire reduction at one time.

AS 14.17.410 (b)(1)(E) *if a school district's ADM adjusted for school size decreases by five percent or more from one fiscal year to the next fiscal year, the school district may use the last fiscal year before the decrease as a base fiscal year to offset the decrease, according to the following method:*

The above statute further explains a three-year step-down process where the district retains 75% of the adjusted for school size ADM total difference the first year, 50% in the second year, and 25% in the third year.

This means eligible districts end up receiving approximately 75% of the basic need that otherwise would have been lost in first year. That is because this provision occurs in the school size adjustment which is at the beginning of the foundation formula adjustments. Once HH has been established the new adjusted for school size ADM total continues to receive the benefits of the remaining multipliers in the formula: District Cost Factor, Special Education Factor, Career & Technical Factor, Intensive add-on, correspondence add-on, and multiplied by the base student allocation of \$5,930 to determine basic need funding.

Further resources and guidance can be found on the department's Foundation Funding Formula webpage at <https://education.alaska.gov/schoolfinance/foundationfunding>. The following documents may be accessed in the section called "Publications".

- *FY2021 Student Count Period and Hold Harmless Provision*. This provides more detail on the HH provision with an example and is still relevant to the current count year. [Foundation Program \(alaska.gov\)](#)
- *Public School Funding Overview*. Provides a walk through the formula. [Public School Funding Program Overview \(alaska.gov\)](#)
- *Fulltime Equivalent (FTE) Methodology*. Due to the ongoing circumstances of navigating the pandemic we continue to provide the additional guidance on FTE. [Fulltime Equivalent \(FTE\) Methodology \(alaska.gov\)](#)

If you have any questions, please do not hesitate to contact the department. My contact information can be found above.

cc: Elwin Blackwell, School Finance Manager