

Definition of “Local Contribution” as Used in Alaska Statutes Regarding Public School Funding

And

What “Funding to the Cap” Means

Alaska law regarding local support of public education is set forth in Chapter 14.17 of the Alaska Statutes, “Financing of Public Schools”.

The key section of Chapter 14.17 is Section 14.17.410, “Public School Funding”. AS 14.17.410 sets forth mathematical formulas for determining:

1. The required local contribution, as set forth in AS 14.17.410 (b) (2); and,
2. The maximum amount of an additional local contribution, as set forth in AS 14.17.410 (c).

AS 14.17.990 sets forth definitions of terms used within Chapter 14.17. A key definition is that of “local contribution”, which is as follows:

(6) “Local contribution” means appropriations and the value of in-kind services made by a district.

Aside from AS 14.17.990 (6), Alaska Statutes do not further define the term “local contribution”. Additionally, and importantly, Alaska statutes do not contain any terminology referring to “the cap” or “funding to the cap”. These terms are slang which have entered into the lexicon of public discussions regarding local contributions over the years. Importantly, since “funding to the cap” is neither contained in nor defined in Alaska Statutes, its slang meaning must be deduced from sections of AS 14.17 regarding local contributions.

Furthermore, AS 14.17 does not contain any specific reference to a division of local contributions into “instructional” and “non-instructional”. The Alaska Department of Education has regulations which make such distinctions and require the Sitka School District to report local support in subtotals for “instructional” and “non-instructional”, but the distinction between “instructional” and “non-instructional” is not mandated by AS 14.17.

The difference in interpretations of what “local contribution” means in regards to the maximum amount of an additional local contribution, as set forth in AS 14.17.410 (c), has been the source of historical confusion and disagreement. It is critical to note that the interpretation of what, exactly, constitutes the local contribution only matters if a Municipality intends to fund to the maximum amount calculated under AS 14.17.410 (c).

If an Assembly, however, does decide that it wants to fund local support to the maximum amount allowed under Alaska statutes, then what constitutes local support must be agreed upon by the Assembly. Here is where the vagueness of State statutes and what they mean complicate matters. The definition of “local contribution” AS 14.17.990 (6) shown above included this specific clause: “and the value of in-kind services made by [the city]”. In addition, Federal Secure Rural Schools funding (stumpage) may specifically be included as a portion of the local contribution. So whether or not the

Assembly decides to include in its local contribution all, some or no in-kind services (whether instructional or non-instructional in nature), or, some or no Secure Rural Schools funding, makes a critical difference in what constitutes local support of education, and more specifically to the maximum local contribution.

In the end, the Assembly controls the conversation over what, exactly, can constitute the local contribution. The law states that the appropriation of funds is the local contribution. If the Assembly determines that it wants to include the value of valid in-kind services or Federal Secure Rural Schools funding as a portion of the local contribution up to the maximum level set by Alaska Statutes, it may do so. The School District may define the contributions differently in its reporting to the Alaska Department of Education and adherence to DOE regulations, but this does not impact the Assembly's actions. On the other hand, if an Assembly determines to fund local education in hard, direct-dollar support to the maximum local contribution level, it may do so, using School District definitions of what constitutes local support for instructional purposes.

The difference of Alaska statutes to DEED reporting requirements as to what, exactly, constitutes "local support" is what causes the annual difference (and often, disagreement) over what "funding to the cap" means. *It is therefore incumbent on the Assembly to define what constitutes local support of education in order to eliminate this controversy.*