# Renewing Alabama's Investment in Student Excellence (RAISE) Act #2025-257

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ALABAMA STATE DEPARTMENT of EDUCATION

# Up until now, Alabama only had a Resource-Based Funding Formula called the Foundation Program.

Salaries

Fringe Benefits

Classroom Instructional Support

Other Current Expenses (OCE)

Student Growth

Based simply on the the cost to provide resources, like teachers, principals, and materials.

Schools are allocated units, which are based on Average Daily Membership (ADM) and ratios that are set by law.

So, if a school has X number of students, they receive X number of teachers, textbooks, etc.

**Has not been changed in 30 years**

## Alabama was 1 of 6 states still using a Resource-based Formula

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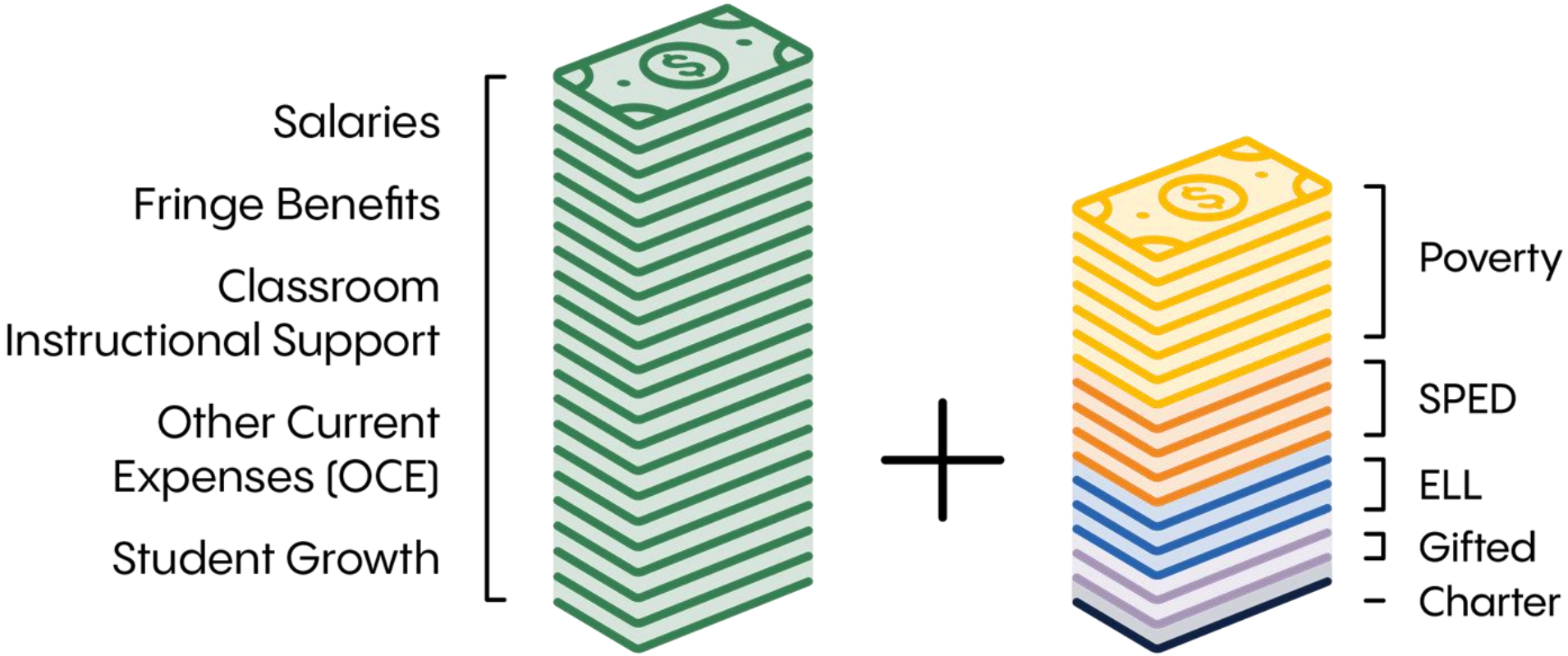
# The RAISE Act keeps the Foundation Program and adds weights for student needs on top.



# Legislative Investments in the RAISE Act: The First 3 Years

## $375 Million

From the Educational Opportunities Reserve Fund set aside to **fund the first 3 years**

+

## $174 Million

$58 million allocated from the Education Budget annually

## $549 Million Total

Source: Education Trust Fund FY26 Budget (SB 112) & Ed Opportunities Reserve Fund (SB 111)

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# RAISE Act Year One

## $166 Million for Student needs

**$1.2 million**
Charter Schools

**$12 million**
Gifted Students

Source: Education Trust Fund FY26 Budget (SB 112), Ed Opportunities Reserve Fund (SB 111), & RAISE Act (SB 305)

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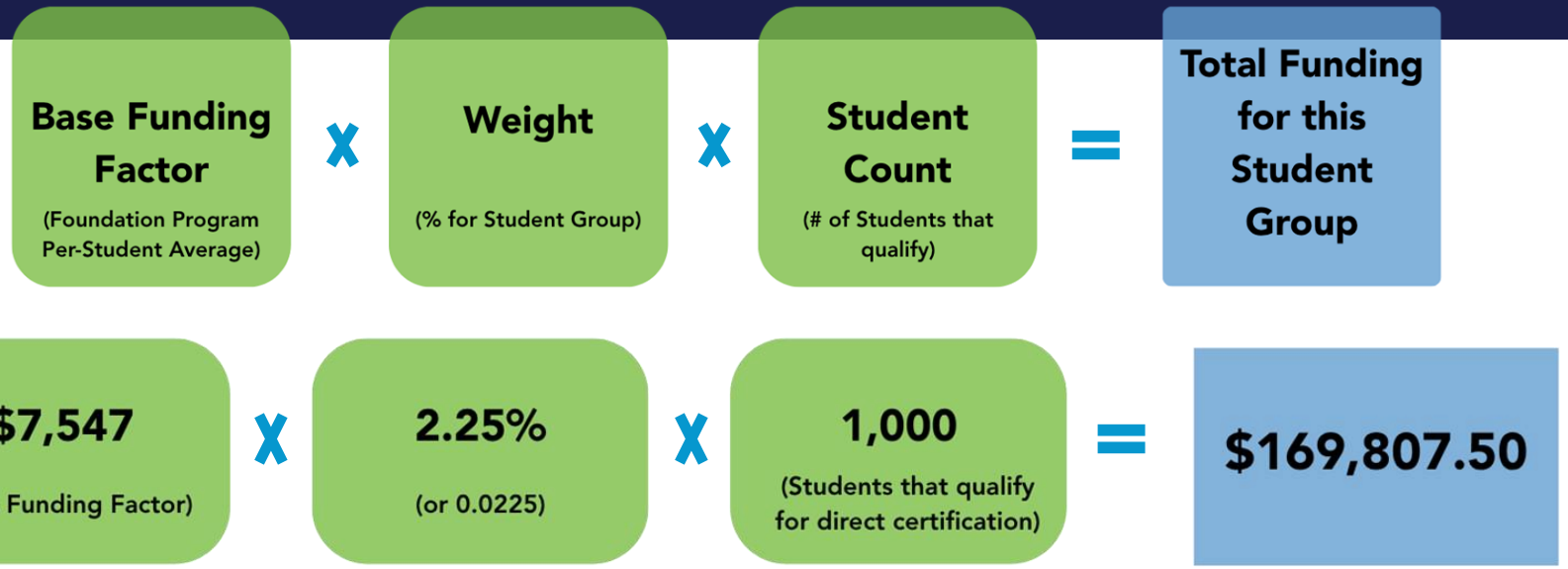
# Understanding the Student Weights




- **Students in Poverty**: Up to 20% of the base
- **Special Education Students**: Up to 25% (Tier 1), 50% (Tier 2), and 150% (Tier 3) of the base
- **English Language Learners**: Up to 15% of the base, with an additional 5% for districts with large, concentrated EL populations
- **Gifted Students**: Up to 5% of the base
- **Charter School Students**: Up to 10% of the base

# Understanding the Student Weights

| Student Group: | Weighted Allocation: |
| --- | --- |
| Students in Poverty | 2.25% |
| Special Education: | |
| Tier 1: Specific Learning Disability, Speech/Language Impairment, Other Health Impairment | 2% |
| Tier 2: Autism Spectrum Disorder, Intellectual Disability, Developmental Disability, Multiple Disabilities | 10% |

# Understanding the Student Weights

| | |
|---|---|
| Tier 3: Emotional Disturbance or Disability, Hearing Impairment, Orthopedic Impairment, Visual Impairment, Deaf-Blindness, Traumatic Brain Injury | 75% |
| English Language Learners | 7% with 10% for concentrated (over 9% ADM) |
| Gifted Students | 4.5% (5% ADM) |
| Charter School Students attending an eligible charter school physically located in school system with a B, C, D, or F grade on the latest Alabama Education Report Card pursuant to Chapter 6C, Title 16, Code of Alabama 1975 | 2% |

# RAISE Act – Purpose

- Establish a process to provide additional funding for public K-12 schools to address the educational needs of the student population and improving outcomes;
- To establish the RAISE Fund and provide for its funding and appropriation;
- To require reporting of student data by local education agencies;
- To establish priorities for use of the additional funding;

# RAISE Act – Definitions

- STUDENT IN POVERTY – Identified through direct certification.

- SPECIAL EDUCATION STUDENT – Identified with at least one of the specifically defined physical, emotional, learning, or cognitive disabilities and is identified for special education services under the Individua1s with Disabilities Education Act.

# RAISE Act – Definitions

- ENGLISH LANGUAGE LEARNER (ELL) – Identified according to federal or state law as entitled to receive English as a second language or bilingual services based on the student's English language proficiency.

- GIFTED STUDENT – Gives evidence of high achievement capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields, and who needs services or activities not ordinarily provided by the school to fully develop those capabilities or as defined by state law.

# RAISE Act – ETF Budget Changes

- Prior year ETF Budget line items not funded in FY26
  - At-Risk funds
  - High Hopes funds
  - ELL
  - Gifted

# RAISE Act – Program Codes

| Category | Program Code |
|---|---|
| Students in Poverty | 1810 |
| Special Education | 2200, 2300, 2400, 2900, 4712 |
| English Language Learners | 1851 |
| Charter School Students | various |
| Gifted Students | 2800 |

# RAISE Act Flexibility

- It is the intent of the Legislature that LEAs are given flexibility in spending decisions when serving the needs of the student groups that generated the funds. Flexibility shall include the ability for LEAs to combine or shift funding across student groups that generated the funds to best serve students with the greatest need, while meeting federal maintenance of effort requirements under the Individua1s with Disabilities Education Act 20 U.S.C. § 1400 et seq. LEAs with conversion charter schools shall allocate to the conversion charter school operator all weighted allocations generated by the students at the conversion charter school.

# RAISE Act Flexibility

- RAISE Act memo FY25-3034
  - The RAISE Act allows flexibility across student groups in order to best serve students with the greatest needs. In order to collect information for reporting purposes, a flexibility form will be required to be approved by the State Superintendent of Education if your school system chooses to flex 10% or more of the funds between categories. Due to the flexibility option, RAISE Act funds will not be eligible for carryover.
  - Only the Special Education Program Code will be checked against the allocation sheet.  The expenses by Tier Special Use code are for informational purposes only.  A flex form will NOT be required for variances between the Tier expense and allocation.

# RAISE Act Flexibility – Form

School District _____

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NOTIFICATION OF INTENT TO EXERCISE FLEXIBILITY
Renewing Alabama's Investment in Student Excellence (RAISE) ACT – Fund 1140
FY 2026

| Category Flexed From | Allocation Amount | Category Flexed Into | Intended Flexibility Amount |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Explanation for Flexibility Request:

_____

Flexibility shall **only** be exercised in the following student categories:

- Students in Poverty – program code 1810
- Special Education Students – program codes 2200, 2300, 2400, 2900, 4712
- English Language Learners – program code 1851
- Charter School Students
- Gifted Students – program code 2800

_____
School Superintendent

_____
Chief School Financial Officer

APPROVED

_____
State Superintendent of Education

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# RAISE Act
# Special Education Expenses

- Special Education expenditures in the RAISE Act will be coded using:
  - Program codes (2200, 2300, 2400, 2900, 4712) - existing Special Education program codes
  - Special Use codes – Tier I (0076); Tier 2 (0077); Tier 3 (0078)

- Please use your best estimate to break out the expenses by Tier.
  - In some cases, the expense will be tied to students with a specific exceptionality and can be coded to the Tier that correlates to the exceptionality.
  - In cases where an expense serves multiple exceptionalities in different Tiers, please use your best judgement in coding the expense.

# CONTACT INFO

Thank you!

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