

The RAISE Act: Renewing Alabama's Investment in Student Excellence



What is the RAISE Act, and how does it benefit students?

For 30 years, Alabama schools were funded largely on the basis of headcount rather than the unique needs of students. The 2025 RAISE Act modernized Alabama's outdated school funding formula by providing additional funding for students who need it most. More funds for students can be transformational, with research showing that additional dollars translate to better outcomes for students, particularly those with greater needs.



The RAISE Act created a hybrid model in which districts receive funding based on the needs of the students they serve, in addition to their regular funding from the existing Foundation Program. Districts have flexibility in how to spend their funds in ways that best support their students. Examples include additional aides, interventionists, high-dosage tutoring, summer and after-school programs, or other resources that directly benefit students. Districts began receiving RAISE Act funds in the 2025-2026 school year.

How much does the RAISE Act invest in students?

The Foundation Program remains the primary funding formula for public schools in Alabama, while the RAISE Act provides additional funding for student needs. For the program's first fiscal year, 2025-2026, \$166 million was distributed to districts for five student groups targeted by the Act: students in poverty, special education students, English language learners, gifted students, and charter school students. For the 2026-2027 school year, \$191 million will be directed toward student needs.

How are RAISE Act funds calculated for each school district?

The RAISE Act established five student groups. Each student group has a weight, which is a percentage of the base amount that determines their additional funding. Here is the formula to determine how money flows from the state to districts for RAISE funds:

1. The state's Foundation Program per-pupil funding average from the previous year is the "base" amount. The base is defined each year in the Education Trust Fund (ETF) budget. In the 2026-2027 school year, the base is \$7,829.
2. Each student group is assigned a weight, which is a percentage of the base amount, that determines their additional funding. Weights are set in the ETF budget.
3. Districts receive their RAISE Funds based on the number of students they have in each group. The Alabama Department of Education releases the official totals for each district for each student group.

STUDENT GROUP	FISCAL YEAR 2025-2026			FISCAL YEAR 2026-2027		
	Weighted Allocation	Funding/ Student	Statewide Funding	Weighted Allocation	Funding/ Student	Statewide Funding
Students in Poverty	2.25%	\$170	\$68.2 million	2.75%	\$215	\$86.8 million
Special Education: Tier 1	2%	\$151	\$48.8 million	2.5%	\$196	\$54.1million
Special Education: Tier 2	10%	\$755		10%	\$783	
Special Education: Tier 3	75%	\$5,660		75%	\$5,872	
ELL Students: Districts under 9% ELL	7%	\$528	\$33.5 million	7%	\$548	\$34.4 million
ELL Students: Districts over 9% ELL	10%	\$755		10%	\$783	
Gifted Students 5% of ADM	4.50%	\$340	\$12.2 million	4.75%	\$372	\$13.6 million
Charter School	2%	\$151	\$1.1 million	2%	\$157	\$1.4 million
Base Factor	\$7,547			\$7,829		
TOTAL	\$166 million			\$191 million		

How will the state ensure the investment is working?

All RAISE Act funds must be spent on the students who generate them. Planned accountability measures include:

- The requirement that each district produce an annual accountability plan and report that describes student achievement goals, planned expenditures for students generating RAISE Act funds, and annual progress updates.
- The creation of a statewide unified application by FY28, supporting alignment with state priorities and compliance with federal and state requirements.
- The establishment of a RAISE Act Accountability and Implementation Board (AIB) by July 1, 2028, to establish a hearing process and monitor the progress of districts to ensure funds are spent effectively.
- The creation of a Review Committee to review the overall progress of the RAISE Act and make recommendations for continuous improvement.

How is the RAISE Act funded?

The RAISE Act is funded through a combination of annual state education funding and a dedicated reserve fund. The Act created the RAISE Fund, which was seeded with \$375 million in FY26 and \$399 million in FY27 with funds transferred from the Education Opportunities Reserve Fund (EORF). In FY27, RAISE funds for school systems were drawn from the Education Trust Fund and the RAISE Fund, totaling \$191 million. A total of \$533 million remains in the RAISE Fund for future years.