

EXPLANATION OF FY2026 DISPARITY TEST COMPUTATIONS & WORKSHEETS

PAGES 1, 2 & 3 OF EXHIBIT

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|-----------------|---|
| <u>Column A</u> | <u>SCHOOL DISTRICT</u> lists the LEAs in operation during FY2024.   |
| <u>Column B</u> | <u>FY2024 ACTUAL STATE FOUNDATION PAYMENTS</u> as distributed by the Alaska Department of Education & Early Development during the 2023-2024 school year. These amounts represent state support payments received by the LEAs under provisions of the Alaska Public School Foundation Program. AS 14.17; 34 CFR 222.162(d)(1) |
| <u>Column C</u> | <u>ADJUSTMENTS BASED ON AUDITS</u> amounts represent FY2024 state aid due to LEA's based on audited local revenues and adjustments to Impact Aid as directed by US-Ed Impact Aid Office. Amounts are carried forward from Attachment A—Adjustments Based on Audits (State Owes).  |
| <u>Column D</u> | <u>FY2024 OTHER STATE REVENUE</u> as reported in the School Operating Fund (general fund) of all LEA audits for the fiscal year tested. Amounts represent all other state revenue not reported under the specific categories above. 34 CFR 222.162(d)(1)  |
| <u>Column E</u> | <u>FY2024 PUPIL TRANSPORTATION</u> lists the amounts provided to school districts that provide student transportation services for the transportation of students who reside a distance from established schools in accordance with AS 14.09.010.   |
| <u>Column F</u> | <u>SUB-TOTAL STATE REVENUE</u> combines all revenue in columns B, C, D, and E.  |
| <u>Column G</u> | <u>FY2024 CITY/BOROUGH APPROPRIATIONS</u> as reported in municipal LEA audits for the fiscal year tested. (In Alaska, only cities and boroughs/ “municipal governments” have the power of taxation and legal responsibility to support public schools; there are no local appropriations for REAA's). 34 CFR 222.162(d)(1)    |
| <u>Column H</u> | <u>FY2024 EARNINGS ON INVESTMENTS</u> as reported in municipal LEA audits for the fiscal year tested. 34 CFR 222.162(d)(1)  |
| <u>Column I</u> | <u>FY2024 OTHER LOCAL REVENUE</u> as reported in municipal LEA audits for the fiscal year tested. Amounts include all local revenue not reported in columns G, H and J. 34 CFR 222.162(d)(1)  |
| <u>Column J</u> | <u>FY2024 IN-KIND SERVICES</u> as reported in municipal LEA audits for the fiscal year tested. Amounts represent the value of services provided to the LEA by the municipal government.   |
| <u>Column K</u> | <u>SUB-TOTAL LOCAL REVENUE</u> combines all revenue in columns G, H, I and J.   |

EXPLANATION OF FY2026 DISPARITY TEST COMPUTATIONS & WORKSHEETS

(Continued)

PAGES 1, 2 & 3 OF EXHIBIT

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| <u>Column L</u> | <u>FY2024 OTHER REAA REVENUE</u> contains revenues received and reported by REAA LEA's in FY2024 audits. Revenues are included as required by 34 CFR 222.162(d)(1)  |
| <u>Column M</u> | <u>FY2024 TUITION FROM STUDENTS</u> are payments received from students enrolled in any instructional program for which a tuition fee is collected by the district.   |
| <u>Column N</u> | <u>FY2024 TUITION FROM DISTRICTS</u> are payments received from other school districts enrolled in any instructional program for which a tuition fee is collected by the district.  |
| <u>Column O</u> | <u>ADJUSTED DEDUCTIBLE IMPACT AID</u> are amounts of Impact Aid funds deducted by the Alaska Department of Education & Early Development during the 2023-2024 school year when determining state aid to LEAs for the year, this takes into account adjustments in column C.   |
| <u>Column P</u> | <u>FY2024 OTHER FEDERAL FUNDS</u> as reported in LEA audits for the fiscal year tested. These are reported federal revenues to the general operating fund which are not restricted as to use by other federal law or regulations. 34 CFR 222.162(d)(1)  |
| <u>Column Q</u> | <u>FY2024 OTHER REVENUE</u> is other sources of Federal revenue which are not classified elsewhere.   |
| <u>Column R</u> | <u>FY2024 FUND TRANSFERS IN</u> lists amounts transferred from other school district funds into the school operating fund as reported in LEA audits for FY2024. Such transfers represent revenues to the general operating fund.  |
| <u>Column S</u> | <u>FY2024 AUDITED TOTAL REVENUES</u> is the total of:<br>column F – Sub-Total State Revenue<br>column K – Sub-Total Local Revenue<br>column L – FY2024 Other REAA Revenue<br>column M – FY2024 Tuition from Students<br>column N – FY2024 Tuition from Districts<br>column O – Adjusted Deductible Impact Aid<br>column P – FY2024 Other Federal Funds<br>column Q – FY2024 Other Revenue<br>column R – FY2024 Fund Transfers In  |
| <u>Column T</u> | <u>FY2024 REVENUES ASSOCIATED WITH SPECIAL COST DIFFERENTIALS</u> is the amount of FY2024 total revenues that are associated with the special cost differentials. This includes pupil transportation funds (column E) and general operating fund transfers to the pupil transportation fund, as well as funds associated with the state’s designated measures for taking account of special cost differentials (school size adjustments, hold harmless, district cost factor, special needs funding factor, vocational and technical education factor, consolidation, intensive special education factor, and correspondence student factor). AS 14.17.410 & 14.17.490. |

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PAGES 1, 2 & 3 OF EXHIBIT

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| <u>Column U</u> | <u>FY2024 ADJUSTED REVENUES</u> is calculated by subtracting revenues associated with the special cost differentials (column T) from total revenues (column S).                                    |
| <u>Column V</u> | <u>FY2024 UNWEIGHTED ADM</u> is the aggregate number of full-time equivalent students enrolled during a count period divided by the number of days in the count period as defined in AS 14.17.990. |
| <u>Column W</u> | <u>FY2024 REVENUE PER ADM</u> is calculated by dividing column U by column V.  |

COMPUTATION OF DISPARITY

The computation of disparity is performed as required by 34 CFR 222.162(d) using the methodology described in the paragraph numbered 1. The computations are displayed in the bottom right corner of page 4. Specifically, the disparity computation is performed as follows:

- a. The revenues per Average Daily Membership (ADM) are ranked in descending order.
- b. The 95th and 5th percentiles are identified as follows:
  - i. Total FY2024 Unweighted ADM are multiplied by 5% to obtain the target number needed to find the 95th and 5th percentiles of the ADM.
  - ii. Total FY2024 Unweighted ADM are added from the top down until the target number is reached but not exceeded, the next value down identifies the LEA at the 95th percentile and labeled with the word "HIGH."
  - iii. Total FY2024 Unweighted ADM are added from the bottom up until the target number is reached but not exceeded, the next value up identifies the LEA at the 5th percentile and labeled with the word "LOW."
- c. The amount of revenue per adjusted ADM (column W) for the "LOW" LEA is subtracted from the amount shown for the "HIGH" LEA. The result is divided by the amount shown for the low LEA, yielding the percentage of disparity.

## EXPLANATION OF ATTACHMENT A

### CALCULATION OF COLUMN C OF DISPARITY TEST

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SCHOOL DISTRICT lists the LEAs in operation during FY2024.

STATE AID BASED ON AUDITS lists amounts that should have been paid to the LEAs based on audited data.

ACTUAL STATE AID PAID lists the amounts that were actually paid to the LEAs during FY2024.

AUDITS LESS PAID represents the difference between State Aid Based On Audits (column AA) and Actual State Aid Paid (column AB).

ADJUSTMENTS BASED ON AUDITS (AMOUNT STATE OWES) lists the amounts owed LEAs by the State of Alaska. Amounts are listed in column C, page 1 of the disparity test (adjustments based on audits).

## EXPLANATION OF ATTACHMENT B

### CALCULATION OF COLUMN O IN DISPARITY TEST

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SCHOOL DISTRICT lists the LEAs in operation during fiscal year 2024.

FY2024 ACTUAL DEDUCTIBLE IMPACT AID lists the amounts of Impact Aid funds the Alaska Department of Education & Early Development deducted when determining state aid to LEAs for the 2023-2024 school year.

ADJUSTMENTS BASED ON AUDITS lists the amounts representing FY2024 state aid due LEAs based on audited local revenues and adjustments to Impact Aid as directed by the US-Ed Impact Aid Office. These amounts are carried forward from attachment A.

ADJUSTED DEDUCTIBLE IMPACT AID amounts represent Actual Deductible Impact Aid (column X) less Adjustments Based On Audits (column Y).

EXPLANATION OF ATTACHMENT C

CALCULATION OF COLUMN T IN DISPARITY TEST

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| <u>Column AE</u> | <u>SCHOOL DISTRICT</u> lists the LEAs in operation during fiscal year 2024.   |
| <u>Column AF</u> | <u>FY2024 WEIGHTED AVERAGE DAILY MEMBERSHIP</u> is calculated by taking the aggregate number of full-time equivalent students enrolled during a count period divided by the number of days in the count period as defined in AS 14.17.990. This figure is then adjusted by the special cost differentials associated with Alaska’s designated measures of need (school size adjustments, hold harmless, district cost factor, special needs funding factor, vocational and technical education factor, consolidation, intensive special education factor, and correspondence student factor) in AS 14.17.400-490. |
| <u>Column AG</u> | <u>FY2024 UNWEIGHTED AVERAGE DAILY MEMBERSHIP</u> is the aggregate number of full-time equivalent students enrolled during a count period divided by the number of days in the count period as defined in AS 14.17.990.   |
| <u>Column AH</u> | <u>FY2024 WEIGHTS ASSOCIATED WITH SPECIAL COST DIFFERENTIALS</u> is the calculation of the weights associated with Alaska’s designated measures of need. This column is calculated by subtracting weighted ADM in column AG from the ADM in column AF.  |
| <u>Column AI</u> | <u>FY2024 STATE FOUNDATION REVENUE ASSOCIATED WITH SPECIAL COST</u> lists the revenue from the state foundation funding formula associated with special cost differentials. This column is calculated by multiplying weights associated with special cost differentials in column AH by the base student allocation of \$5,960 per weighted ADM.  |
| <u>Column AJ</u> | <u>FY2024 OUTSIDE FOUNDATION FORMULA REVENUE ASSOCIATED WITH SPECIAL COST</u> lists the revenue from state funds distributed on the weighted average daily membership associated with special cost differentials. This column is calculated by multiplying weights associated with special cost differentials in column AH by the prorated amount of distributed funding per weighted ADM. In FY2024, this included one-time outside the formula funding and the permanent fund dividend raffle grants the prorated amounts were \$337 and \$5.   |
| <u>Column AK</u> | <u>FY2024 QUALITY SCHOOLS REVENUE ASSOCIATED WITH SPECIAL COST DIFFERENTIALS</u> lists the revenue from the quality schools grant distributed in FY2024 that is associated with special cost differentials. This grant provided each district with additional allocation of \$16 per weighted ADM. This column was calculated by multiplying weights associated with special cost differentials in column AH by the \$16 additional allocation.   |

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| <u>Column AL</u> | <u>FY2024 ADDITIONAL LOCAL REVENUE PER WEIGHTED MEMBERSHIP</u> lists the additional allocation of local revenue per weighted membership each city or borough chose to contribute the foundation formula as allowed by AS 14.17.410. City or borough may contribute up to \$1,449 per weighted ADM.  |
| <u>Column AM</u> | <u>FY2024 ADDITIONAL LOCAL REVENUE ASSOCIATED WITH SPECIAL COST DIFFERENTIALS</u> lists the revenues from the additional allocation of local revenue per weighted membership associated with special cost differentials. This column is calculated by multiplying each LEA's additional allocation in column AL by weights associated with special cost differentials in column AH. |
| <u>Column AN</u> | <u>FY2024 TRANSPORTATION REVENUE ASSOCIATED WITH SPECIAL COST DIFFERENTIALS</u> lists the Transportation revenues of each LEA associated with special cost differentials.   |
| <u>Column AO</u> | <u>FY2024 SCHOOL OPERATING FUND TRANSFER TO TRANSPORTATION FUND</u> lists amounts transferred from general operating fund into the transportation fund as reported in LEA audits for FY2024. Negative amounts are transfers from the transportation fund to the general operating fund and reported in Column R.  |
| <u>Column AP</u> | <u>FY2024 TOTAL REVENUE ASSOCIATED WITH SPECIAL COST DIFFERENTIALS</u> lists the total revenue associated with special cost differentials for each LEA. This column is the sum of columns AI, AJ, AK, AM, AN, and AO.   |