

# Federal Impact Aid Disparity Test

<https://education.alaska.gov/schoolfinance/foundationfunding>

The disparity test is an annual submittal from the State of Alaska to the U.S. Department of Education, Impact Aid Program, under the Elementary and Secondary Education Act (ESEA) of 1965 as amended by Every Student Succeeds Act (ESSA) of 2015, section 7009 *State Consideration of Payments in Providing State Aid*.

## In General...

- ✓ A state may reduce state aid payments, as applicable by law, when a district receives federal Impact Aid revenues.
- ✓ A state must apply for recertification annually, not later than 120 days prior to the next fiscal year (end of February).
- ✓ In order to qualify for this provision the state must demonstrate an equalized funding formula:
  1. the highest per revenue district versus the lowest per revenue district;
  2. not more than a 25% disparity between districts revenue per Adjusted Average Daily Membership (AADM); and,
  3. disregard the revenue per AADM above the 95th percentile and below the 5th percentile per AADM.

Fiscal Year	Disparity percentage
2012	19.31%
2013	19.37%
2014	21.40%
2015	22.58%
2016	22.40%
2017	22.32%