A Guide to State Allocation Calculations 2025-2026

Alabama State Department of Education

The purpose of this publication is to help you understand the calculations that are found on your school system's allocation sheet (see sample allocation sheet on the following page). You will find the following items for each line contained on the allocation sheet:

1) A brief explanation of how the allocation is to be expended
2) How the allocation was computed
3) The origination of the dollar amount
4) Other information relative to the appropriation/allocation

This publication is divided into four (4) sections as seen on the allocation sheet. The sections are:

1) Total Units
2) Total Foundation Program
3) Total State Funds
4) Total Local Funds

Flexibility: Local boards of education may exercise flexibility among line item expenditures, not to create a reduction of foundation teacher units and/or local board of education support personnel.

State Department of Education
FY2026 State Totals
FY 2026

Variables

Grade Divisors	
Gr K	14.25
Gr 1	14.25
Gr 2	14.25
Gr 3	14.25
Gr 4	20.06
Gr 5	20.06
Gr 6	20.06
Gr 7	19.70
Gr 8	19.70
Gr 9	17.95
Gr 10	17.95
Gr 11	17.95
Gr 12	17.95
Fringe Benefits	
Peehip	$904
TRS Tier 1	14.57%
TRS Tier 2	13.61%
FICA	6.20%
Medicare	1.45%
Unemployment Comp	0.1250%
Sick Days	5
Personal Days	2
Amended Leave Rate	
Certified Leave Rate	$120
OCE	
OCE TRS Rate	14.13%
Oce Adjustment1	-$9,340,148
Oce Adjustment2	$71,991,510
Other	
Contract Days FP	187
Contract Days Support	182
Contract Days Transportation	182
Pay Raise % Support	0
Pay Raise % Transportation	0
(Foundation) <3	0
<6	0
<9	0
<12	0
<15	0
<18	0
<21	0
<24	0
<27	0
27 +	0

Instructional Support	
Teacher Materials	$1,000.00
Technology	$500.00
Library Enhancements	$157.72
Professional Development	$100.00
Textbooks	$100.00
Common Purchase	$0.00
Transportation	
Fleet Renewal	$7,581
Trans Leave Rate	$50
Trans Adjustment1	-$88,780,980
Trans Adjustment2	$25,000,000
Trans Adjustment3	$0
Local Match	
Foundation Program	10.00
PSF	$215,000,000
PSF Adjustment	$0
Elementary Principal	
Elementary Principal	.31
Middle Principal	.35
Secondary Principal	.45
Unit Principal	.45
Elementary Asst Principal	.10
Middle Asst Principal	.10
Secondary Asst Principal	.10
Unit Asst Principal	0.1
Elementary Counselor	.10
Middle Counselor	.00
Secondary Counselor	.03
Unit Counselor	.03
Career Tech Counselor	.03
Career Tech Director	.45

STATE TOTALS	FY 2026		FY 2025	Change
Total ADM	721,814.32		720,468.45	1,345.87
Foundation Program Units				
Teachers	41,921.65		41,831.80	89.85
Principals	1,365.00		1,359.00	6.00
Assistant Principals	1,013.50		1,013.00	0.50
Counselors	1,445.00		1,448.00	-3.00
Librarians	1,368.50		1,369.00	-0.50
Career Tech Directors	242.50		241.50	1.00
Career Tech Counselors	75.00		73.00	2.00
Total Units	**47,431.15**		**47,335.30**	**95.85**
Foundation Program (State and Local Funds)				
Salaries	2,971,981,136		2,955,405,038	16,576,098
Fringe Benefits	1,204,896,616		1,111,733,025	93,163,591
Other Current Expense ($27,254 /unit)	1,292,684,772	($25,2 /unit) 25	1,194,020,087	98,664,685
Classroom Instructional Support				
Student Materials ($1000/unit)	47,431,150	($900/unit)	42,601,770	4,829,380
Technology ($500/unit)	23,715,575	($500/unit)	23,667,650	47,925
Library Enhancement ($157.72/unit)	7,480,842	($157.72/unit)	7,465,703	15,139
Professional Development ($100/unit)	4,743,115	($100/unit)	4,733,530	9,585
Textbooks ($100/adm)	72,061,152	($100/adm)	71,924,810	136,342
Common Purchase ($0/unit)	0	($100/unit)	4733530	-4,733,530
Student Growth	26,189,976		21,285,358	4,904,618
Total Foundation Program	**5,651,184,334**		**5,437,570,501**	**213,613,833**
State Funds				
Foundation Program ETF	4,769,487,974		4,640,763,761	128,724,213
School Nurses Program	89,556,877		89,556,877	0
Salaries - 1% per Act 97-238	0		0	0
Technology Director	23,312,920		22,724,474	588,446
Transportation Operations	424,592,107		385,850,572	38,741,535
Fleet Renewal ($7,581 /bus)	53,938,815	($7, /bus) 58 1	52,771,341	1,167,474
Current Units	2,000,000		2,000,000	0
At Risk	0		21,217,734	-21,217,734
Board Of Adjustment	750,800		750,800	0
Career Tech O and M	10,000,000		8,000,000	2,000,000
ETF Subtotal	5,373,639,493		5,223,635,559	150,003,934
Capital Purchase	215,000,000		215,000,000	0
Debt Service	532,864		532,864	0
PSF Subtotal	215,532,864		215,532,864	0
Total State Funds	**5,589,172,357**		**5,439,168,423**	**150,003,934**
Local Funds				
Foundation Program (10 Mills)	881,696,360	(10 Mills)	796,806,740	84,889,620
Capital Purchase (0.370349 Mills)	32,662,676	(0.436227 Mills)	34,749,481	-2,086,805
Total Local Funds	**914,359,036**		**831,556,221**	**82,802,815**

SECTION (1)
TOTAL UNITS

System ADM

"System ADM" (Average Daily Membership) represents the total, average daily enrollment for your system during the first twenty days after Labor Day of the school year as reported to the State Department of Education (SDE) by your system. This ADM information is collected from your district's student database by school.

Note:
ACT NO: 2005-309 passed by the Alabama Legislature changed the way systems will report their average daily enrollment. Under this Act, ADM will be based upon the average number of students enrolled on a daily basis during the first 20 scholastic days following Labor Day of the preceding school year.

Teachers

"Teachers" represents the total number of state funded teaching units calculated at each school in your system. This number of teacher units is determined by dividing the ADM in each grade at each school by the "grade divisor" (see below). A sum is derived from all grades in each school. Grade divisors are approved annually by the State Board of Education to be used in the calculation of state calculated teaching units. The current "divisors" are as follows:

K-3 = 14.25
4-6 = 20.06
7-8 = 19.70
9-12 = 17.95

The grade divisors include an adjustment for weighting special education and career technical education to reflect increased programmatic costs. The adjustment for special education reflects 5% ADM weighted 2.50 in grades kindergarten through twelve. The adjustment for career technical education reflects 7.4% ADM weighted 1.40 in grades seven and eight and 16.5% ADM weighted 2.0 in grades nine through twelve.

Principals, Assistant Principals, Counselors, Librarians, Career Technical Education Directors and Career Technical Education Counselors

Principals, Assistant Principals, Counselors, Librarians, Career Technical Education Directors and Career Technical Education Counselors are calculated for each school system.

The Principals, Assistant Principals, Counselors, and Librarians are determined by using each school's ADM and following the classifications of the AdvancED Instructional Support Standards. (See chart on the following page).

The Alabama State Board of Education Resolution of September 11, 1997, and as amended, to date, January 8, 1998, recognized the authority of the State Superintendent to review exceptions to the class size limitations contained within the adopted resolution. The State Board of Education has authorized the State Superintendent to grant exceptions to the assignment of fractional Foundation Program units that are calculated for each school.

In exercising district flexibility in the placement of fractional units, *local superintendents must determine if taking the fractional units from schools and assigning the pooled units to other school(s) will lead to non-compliance with Federal regulations for comparability, supplement/not supplant, or maintenance of effort.* **If fractional units from Title I schools are pooled, federal funds may not be used to fund additional units (teachers, assistant principals, counselors, librarians, and library aides) in the Title I schools from which the fractional units were removed.**

FY2026 INSTRUCTIONAL SUPPORT UNITS

Position		Elementary	Middle	Secondary	Unit
	ADM Ranges				
Principal		1.00	1.00	1.00	1.00
Assistant Principal	1-249.99	0.00	0.00	0.00	0.00
	250-299.99	0.00	0.50	0.50	0.50
	300-749.99	0.50	1.00	1.00	1.00
	750-999.99	1.00	1.50	1.50	1.50
	1000-1249.99	1.50	2.00	2.00	2.00
	1250-1499.99	2.00	2.50	2.50	2.50
	Over 1500	*	*	*	*
Counselor	1-249.99	0.50	0.50	0.50	1.00
	250-299.99	0.50	1.00	1.00	1.00
	300-749.99	1.00	1.50	1.50	1.50
	750-999.99	1.50	2.00	2.00	2.00
	1000-1249.99	2.00	2.50	2.50	2.50
	1250-1499.99	2.50	3.00	3.00	3.00
	Over 1500	*	*	*	*
Librarian	1-249.99	0.50	0.50	0.50	1.00
	250-299.99	1.00	1.00	1.00	1.00
	300-749.99	1.00	1.00	1.00	1.00
	750-999.99	1.00	1.00	1.00	1.00
	1000-1249.99	1.00	1.00	1.00+	1.00
	1250-1499.99	1.00	1.00	1.00+	1.00
	Over 1500	1.00	1.00	1.00+	1.00

*1.00 FTE added for each additional 250 over 1,500 ADM

Average Sized School Calculations

The following calculations are samples of "average" sized schools based on ADM to show the manual calculation of all calculated units. The calculations for Special Education and Career Technical Education are merely to serve as a guide to identify a suggested portion of total units calculated.

State Department of Education
Foundation Program
LEA Unit Breakdown

School Name	Type	ADM	Teacher Units	Principal	Asst. Principal Units	Counselor Units	Library/ Media Units	Additional Units (see note)	Voc Ed Principal Units	Voc Ed Counselor Units	Total Units
Average Elementary School	E	445.35	28.19	1.00	0.00	1.00	1.00	0.00	0.00	0.00	31.19
Average Middle School	M	605.62	30.56	1.00	1.00	1.50	1.00	0.00	0.00	0.00	35.06
Average High School	S	740.09	41.23	1.00	1.00	1.50	1.00	0.00	0.00	0.00	45.73
TOTALS:		1,791.06	99.98	3.00	2.00	3.50	3.00	0.00	0.00	0.00	111.48

Average Elementary School (Grades K-5)

ADM: 445.35

Instructional Support Units		Calculated Units
Principal	1.00	3.00
Guidance	1.00	
Library	1.00	

Teaching Units:

Calculated Units Regular Program

K - 71.31
1 - 73.94
2 - 73.43
3 - 75.96

294.64 ÷ 14.25 = 20.68 - 2.58 = 18.10

4 - 76.32
5 - 74.39

150.71 ÷ 20.06 = 7.51 - .94 = 6.57

Special Education

K - 3 294.64 × 5% =14.73 × 2.5 = 36.83 ÷ 14.25 = 2.58
4 - 5 150.71 × 5% =7.54 × 2.5 = 18.85 ÷ 20.06 = 0.94

Career Technical Education

NA

Total Units

Instructional Support:	3.00	
Regular Program:	24.67	31.19 Calculated Units
Special Education:	3.52	

Average Middle School (Grades 6-8)

ADM: 605.62

Instructional Support Units		Calculated Units
Principal	1.00	4.50
Asst. Principal	1.00	
Guidance	1.50	
Library	1.00	

Teaching Units:

Calculated Units Regular Program

6 - 200.33 — 200.33 ÷ 20.06 = 9.99 - 1.25 = 8.74

7 - 208.49
8 - 196.80 — 405.29 ÷ 19.70 = 20.57 - 4.70 = 15.87

Special Education

6 — 200.33 × 5% = 10.02 × 2.5 = 25.05 ÷ 20.06 = 1.25
7 - 8 — 405.29 × 5% = 20.26 × 2.5 = 50.65 ÷ 19.70 = 2.57

Career Technical Education

7 - 8 — 405.29 × 7.4% = 29.99 × 1.40 = 41.99 ÷ 19.70 = 2.13

Total Units

Instructional Support:	4.50	
Regular Program:	24.61	35.06 Calculated Units
Special Education:	3.82	
Vocational:	2.13	

Average High School (Grades 9-12)

ADM: 740.09

Instructional Support Units		Calculated Units
Principal	1.00	4.50
Asst. Principal	1.00	
Guidance	1.50	
Library	1.00	

Teaching Units: Calculated Units Regular Program

9 - 227.17
10 - 191.74 740.09 ÷ 17.95 = 41.23 - 18.76 = 22.47
11 - 168.11
12 - 153.07

Special Education

9 - 12 740.09 × 5% = 37.00 × 2.5 = 92.50 ÷ 17.95 = 5.15

Career Technical Education

9 - 12 740.09 × 16.5% = 122.11 × 2.0 = 244.22 ÷ 17.95= 13.61

Total Units

Instructional Support:	4.50	
Regular Program:	22.47	
Special Education:	5.15	45.73 Calculated Units
Vocational:	13.61	

SECTION (2)

TOTAL FOUNDATION PROGRAM

The cost of the Foundation Program is computed using five areas:

- Salaries
- Fringe Benefits
- Classroom Instructional Support
- Other Current Expense
- Student Growth

The total of the cost in the five categories is defined as the cost of the Foundation Program for each school.

Salaries

This number represents the amount of money it will take to fund the salaries of the state calculated units for the current fiscal year for your system. Once the number of state calculated units is determined, these units are converted to dollars using a salary matrix. The matrix is specified annually in the Education Trust Fund (ETF) appropriations act. The salary matrix schedule gives consideration to public education experience, certification and the degree level at which a certificated employee is employed for a standard 187 day contract.

Extension Increases: for Principals, Assistant Principals, Counselors, Career Tech Ed. Counselors, and Career Tech Ed. Directors are determined by school categories (i.e., Elementary, Middle, and Secondary School) by a calculated percentage rate. The extension increase rate for Elementary school Principal is .31; for Assistant Principal .10. The extension increase rate for Middle school Principal is .35; for Assistant Principal .10. The extension increase rate for Secondary school Principal is .45; Assistant Principal .10; Counselor .03; Career Tech Ed. Counselor .03, and Career Tech Ed. Director .45. The accuracy of the information submitted by your system on the LEAPS report significantly effects the salary allocation that your system receives.

Fringe Benefits

This number represents the amount of money it will take to fund the fringe benefits relating to the salaries of the state calculated units. The fringe benefit costs are computed on salaries for Foundation Program units at rates determined by the legislature in the ETF appropriations act, or as otherwise required by state or federal law. Fringe benefits are computed for FICA, Medicare, matching retirement (TRS), health insurance (PEEHIP), unemployment compensation, and leave (sick and personal).

An example of a system's fringe benefits calculation is as follows:

School System Salary Costs = $5,758,000
School System Units Calculated = 150
Tier I Units = 135
Tier II Units = 15

FICA/MEDICARE = $ 5,758,000 x 6.20% = $ 356,996
TRS - Tier I = 135/150 = 90% x $5,758,000 x 14.57% = $ 755,047
TRS - Tier II = 15/150 = 10% x $5,758,000 x 13.61% = $ 78,367
INSURANCE = $ 904.00 x 12 mo x 150 = $ 1,627,200
UNEMP COMP = $ 5,758,000 x .125% = $ 7,198
LEAVE = $ 120.00 x 7 days x 150 = $ 126,000

(These factors are adjusted on a year-to-year basis)

Other Current Expense (OCE)

Other Current Expense is calculated as a fixed amount (determined annually by the legislature) and multiplied times the number of Foundation Program units in your system. This money has more flexibility than some of the other items listed on the allocation sheet and can be expended for operating expense or salary expense.

Common practice is to code support positions (i.e., janitors, secretaries, bookkeepers) to OCE thereby establishing a full-time equivalent (FTE), which is used in calculating the annual salary and fringe benefit increases for the subsequent year. These calculations are made on support positions only; therefore, it is to your (LEA) benefit to only code support positions to your OCE allocations.

Student Growth

Student Growth is calculated for systems with a growing ADM. The ADM growth from the prior year to the current year for each LEA is calculated. The most recent state-wide gross Foundation Program cost per ADM is calculate. These two calculations are multiplied to determine a dollar amount for growth ADM for each eligible LEA. This is the fully funded rate and is paid to the LEA in the next fiscal year.

Example:

- October 2022 (FY23) to October 2023 (FY24) Growth = 300
- FY24 Total Foundation Program / State ADM = $7,165
- FY25 Student Growth Allocation = $7,165 x 300 = $2,149,500

The Student Growth calculation is part of the total Foundation Program allocation. These funds should be used to pay for the additional expenses incurred because of the increased ADM. Examples of these expenses include, but are not limited to, salaries, benefits, and instructional support.

Classroom Instructional Support

Classroom Instructional Support costs are calculated for all Foundation Program units in the categories of (1) Student Materials (***formerly called Teacher Materials and Supplies***), (2) Technology, (3) Library Enhancement, (4) Professional Development, (5) Common Purchase, and (6) Textbooks. All rates are "per unit" with the exception of "Textbooks" which is calculated on a per ADM rate. Rates are determined by the legislature on an annual basis as provided in the ETF appropriations bill.

An example of a system's Classroom Instructional Support calculation is as follows:

School System ADM = 2400
School System Units Calculated = 150

STUDENT MATERIALS	= $ 1,000 x 150	=	$ 150,000.00
TECHNOLOGY	= 500.00 x 150	=	75,000.00
LIBRARY ENHANCEMENT	= 157.72 x 150	=	23,658.00
PROFESSIONAL DEV	= 100.00 x 150	=	15,000.00
COMMON PURCHASE	= 0.00 x 150	=	0
TEXTBOOKS	= 100.00 x 2400	=	240,000.00

Instructional Support funds must be budgeted and spent in accordance with the rules and regulations specified in Act # 2005-198, which defines the responsibility of the local school budget committee. 100% of the funds allocated for Student Materials shall be used for in-classroom expense.

SECTION (3)
TOTAL STATE FUNDS

Foundation Program - ETF

This number represents the state portion, which is total foundation calculation minus local matching funds (the value of 10 mills for the Foundation Program).

School Nurses

This act provides the annual ETF appropriations for the 2025-2026 fiscal year and includes funding for the school nurses program. The appropriations provide funding for each school system at the rate of $74,373 for one nurse and the remainder allocated on a per ADM basis $108.62 per student for additional nurses. Funds not expended for nurses' salaries and fringe benefits may be used for supplies and equipment used exclusively by the school nurses.

Act No. 2025-270 includes a salary matrix to determine the minimum pay for school nurses. The steps in the salary matrix apply to experience obtained as a school nurse in public K-12 schools. The salary matrix establishes the minimum pay for school nurses employed for 187 contract days. School nurses employed for other contract time periods must be paid a pro rata amount of the salary matrix.

Salaries 1% Per Act No. 1997-238

In the fiscal year 1998-99, the legislature included an appropriation for the Foundation Program which provides an allowance for additional instructional salaries and fringe benefits. This amount is over and above the amount calculated for instructional salaries by the State Minimum Salary (Matrix) Schedule. It is typically one percent of total state salaries but may be up to two percent of the total cost of instructional salaries. The allocation is distributed to each local board of education in an equitable manner, based on the number of Foundation Program units calculated. This allocation is to be expended only for classroom salaries and fringe benefits in the academic instructional program.

This allocation has been zeroed out in the ETF Appropriations Act.

Technology Coordinator

This appropriation is designated by law and contained in the ETF budget. The purpose of this allocation is to provide funds for local systems to use toward the position of a district technology coordinator who meets the job description and qualifications as established by the State Board of Education. This person serves as the primary point of contact for all technology issues. Each local system is granted $68,321 for the salary of the District Technology Coordinator.

Transportation

Operations
This is the amount of money to be used to operate your system's school buses for the year.

Funding will be largely based on the size of a school system's transportation operation. Each system will earn personnel positions based on the number of buses running morning and afternoon routes plus a 20% spare allowance. Salary amounts for the earned positions will be determined from each system's salary schedule as submitted on the LEAPS report. However, in order to fund salaries at a more equitable level, salaries for each position will not be allowed to exceed a maximum amount determined by position. If a system earns a position, but the position is vacant, funding will be based on minimum salaries established for each position. Applicable benefit costs and PEEHIP will be calculated on these salary amounts utilizing projected rates for the next fiscal year.

School systems will be required to employ a transportation supervisor at the percentage funded and a sufficient number of mechanics to meet the required mechanic-to-bus ratio of 1 to 25. Flexibility will be allowed in the employment of all other positions to help accommodate individual differences in the personnel and salary structures of each transportation operation. Additionally, under this new formula, systems that contract for their transportation services will be funded in the same manner as those who do not contract.

Allocations for fuel are determined by dividing the annual route miles by the miles per gallon of the Bus Fleet yielding

total gallons of fuel needed. Total gallons of fuel is then multiplied by the projected cost of fuel for the next fiscal year.

Allocations for all other non-salary costs will be calculated by multiplying the number of qualifying buses by a rate established by the State each year for the cost of maintaining a school bus.

Actual amounts allocated to the school system will be determined based on legislative funding in the ETF budget.

Fleet Renewal

This is the amount of money to be used to update your school bus fleet.

Fleet Renewal budget requests are made to the legislature based on the average price of a Type C (Standard) 72-passenger bus with a 10-year depreciation schedule. Final allocations are based on an approved amount established by the legislature that is multiplied by the number of eligible route buses that are 10 years or less in age that run morning and afternoon routes. All fleet renewal funds must be spent for new bus purchases or debt payments for new buses.

Example of an Average System:

30 buses <= 10 years old
Fleet Renewal allocation = $7,581
30 x $7,581 = $227,430

Positions Funded With Salaries

FY 2026/FY 2027

* Proportional allocation for systems earning less than one position

Required Position, non-flexible

POSITION	RATIO	ADDITIONAL	MINIMUM	MAXIMUM
Supervisor	1/40*	No additional	$71,192	$117,490
Secretary	1/40*	Second@100; additional every 100	$38,000	$55,458
Assistant Supervisor	1/200	Additional every 200	$85,090	$106,998
Mechanic	1/22*	1@22, 2@33; additional every 22	$45,359	$63,073
Shop Foreman	1/55	1@55; additional every 88	$57,738	$78,874
Parts Specialist	1/100	Additional every 250	$41,707	$57,065
Shop Assistant	1/22*	1@22, 2@33, 3@55, 4@77, additional every 88	$31,918	$47,050
Route Specialist	1/75	Additional every 100	$51,820	$78,759
Bus Driver	1/1	N/A (Midday: $50.00 X 180 days X # of buses)	$16,224	$20,428
Utility Worker	1/40*	Additional every 40	$16,501	$19,897
Bus Aide	IEP	Not Funded	$0	$0
Nurse	IEP	Not Funded	$0	$0

Capital Purchase

This amount represents the annual estimated total of the statewide 3.0 mills of ad valorem earmarked for education. These funds shall be used for costs related to capital improvements of public school facilities. This appropriation of Public School Funds is contained in the ETF budget and is allocated using a formula based on a system's ability to raise local revenues. This formula has a variable matching scale and guarantees that each local board will receive the same amount per pupil (ADM) in matched funds. In order to receive funds from this appropriation, the LEA must develop and maintain a comprehensive, long-range Capital Plan addressing the facility, educational technology and equipment needs of the local board of education.

Pre-School

This appropriation was originally designated by statute in 1991 (Act No. 1991-474), to provide special education services for children with disabilities. The amount of the appropriation is determined annually by the legislature. Each system reports in October how many children (age 3-4) they have with special needs. This total number is divided into the total appropriation, and the money is allocated by multiplying this number by the number of children in the system. The dollars must be used to provide free, appropriate public education for all eligible children with disabilities.

SECTION (4)
TOTAL LOCAL FUNDS

Local Funds-Foundation Program

This is the amount of local funds required by your system to set aside as a "match" to receive state foundation funds. The amount for your local match is determined by the assessed value of one local district mill of property tax (as reported on your Supplemental II Report which is a part of your annual Financial Statement) multiplied by 10.

Local Match-Capital Purchase

This is the amount of local funds required to match the Capital Purchase allocation for your school system. The required local matching funds are based on the value of 1 mill of district ad valorem tax per ADM in your school system in relation to the school system with the highest value of 1 mill of district ad valorem tax per ADM. This local matching amount may be made by local expenditures for capital improvements or debt service payments for capital improvements.