WHAT IS TEEOSA?

- Statute that **defines** State Aid
- Creates the **basic concept** for the present state aid formula
- Equalization Aid – **largest component** of State Aid
- Complex matrix of formulas

**TEEOSA TRAINING**

**SCHOOL FINANCE 101**

Bryce Wilson
**TEEOISA AID PROCESS**

**CERTIFICATION**
- Calculated in the spring for following year
- Statute v. Actual
- Reason for push back
- Suppose to be open ended formula
- Difficult during budget years
- Difficult with RIF deadlines

**RECALCULATION**
- Recalculated in the fall for the current year
- Update the formula
- Fall membership to ADM
- AFR amendments
- Creates prior year correction

**CALCULATED TWICE PER YEAR**

**BASIC CONCEPT**

**NEEDS** ➔ **RESOURCES** ➔ **EQUALIZATION AID**

....intended to cover the needs of school districts which cannot be met by the resources
NEED SOURCES

FORMULA STUDENTS
- Grades K - 12
- Qualified 4 year olds (60% Rate)
- Contracted to another district

GENERAL FUND OPERATING EXPENDITURES
- Revenues & expenses from Annual Financial Report
- Adjusted GFOE
- Multiplied by cost growth factor
- Minus all allowances

COST SHARING FORMULA

BASIC FUNDING

ESTIMATED AMOUNT required to generally operate a school district with a specified number of students
CALCULATED BY COMPARISON GROUP Using the 10 larger and 10 smaller districts closest in size and measured by formula students
ADJUSTED GFOE is averaged when calculating basic funding
CATEGORIES OF NEEDS

ALLOWANCE
- Based on estimated or actual expense
- District specific
- Addresses a specified situation by reducing basic funding

ADJUSTMENT
- Increases the needs
- Adds money to formula
- Addresses a specified situation without reducing basic funding

CORRECTION
- Added or subtracted
- Corrects for an allowance or an adjustment
- Occurs 2 years later

STABILIZATION
- An amount added or subtracted
- Keeps the needs from growing or declining by more than a specific rate

NEEDS & ALLOWANCES

2019/20 ALLOWANCES

- Transportation
- Distance Education & Telecommunication
- Elementary Site
- Summer School
- Focus School & Programs
- Special Receipts
- Poverty/Limited English Proficiency (LEP)
- Community Achievement

Recognizes Funding For....
2019/20 ADJUSTMENTS

*Adds Money to the Formula For...*

- **System Averaging**
- **Two-Year New School**
- **Student Growth**

NEEDS & CORRECTIONS

**OCCURS...** Two years after the district receives the allowance. Compares the estimated to what actually occurred.

**WHY.........** Aligns the funding with when the expenditure or student growth is expected.

- **Poverty & Limited English Proficiency Corrections**
  - Subtract any excess allowance received
  - LEP – Disqualified for current Year; minimum spending requirement are not met

- **Student Growth Correction**
  - An amount added or subtracted
  - Aligns with actual student growth
COMPONENTS OF RESOURCES

YIELD FROM LOCAL EFFORT RATE
- Property tax capacity
- Local Effort rate – hypothetical tax rate
- Applies a tax rate to valuations

NET OPTION FUNDING
- Provides funding for additional students being educated
- Enrollment Option Program

ALLOCATED INCOME TAX
- Distributes a percentage of individual income taxes back to the school district

OTHER ACTUAL RECEIPTS
- Power district sales tax
- Fines/license fees
- Tuition
- Interest
- Special Education
- State Wards
- Motor vehicles
- Non-Categorical Federal Funds

COMMUNITY ACHIEVEMENT PLAN AID
- Aid for cooperative programs in the Learning Community
- Sharing of administrative and instructional staff for approval and accreditation requirements

REVENUE SOURCES

COMMON QUESTIONS

Why does our school district receive very little state aid?

Possibly a non-equalized district
- Do not receive equalization aid
- Resources are greater than your needs
- Equalization Aid is largest component of TEOSSA Aid
- Property rich = less support from the state

We are finally having more districts move back into equalization although slowly.
- Decreased valuations
- Decreased enrollment
2019/20 TEEOSA Aid
81 Equalized Districts
163 Non-Equalized Districts

COMMON QUESTIONS

I’m a non-equalized district
....does TEEOSA aid matter?

2016 Legislative Session
Eliminated the Minimum Levy Adjustment

Does my general fund levy rate
have any effect on TEEOSA aid?

Equalized Districts
Increased resources

Non-Equalized Districts
Reduced aid to the extent of allocated income tax
**TEEOSA Document Resource**

Decodes the components of Equalization Aid Resource for more detailed information Available on NDE’s website


**WEBSITE ADDRESSES**

Nebraska Department of Education
http://www.education.ne.gov

Finance & Organizational Services
http://www.education.ne.gov/FOS

NDE Payment Information
https://www.education.ne.gov/FOS/PaymentInformation/index.html
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