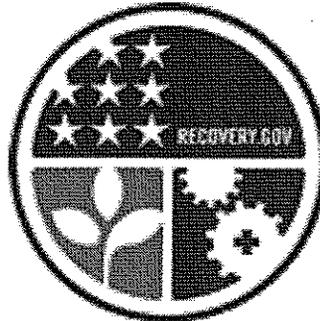


Application for Initial Funding under the State Fiscal Stabilization Fund Program

CFDA Numbers: 84.394 (Education Stabilization Fund) and
84.397 (Government Services Fund)



**U.S. Department of Education
Washington, D.C. 20202**

**OMB Number: 1810-0690
Expiration Date: 9/30/2009**

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0690. The time required to complete this information collection is estimated to average 17 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: State Fiscal Stabilization Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118

STATE FISCAL STABILIZATION FUND APPLICATION

PART 1: APPLICATION COVER SHEET (CFDA Nos. 84.394 and 84.397)

Legal Name of Applicant (Office of the Governor): Office of the Governor State of Nebraska	Applicant's Mailing Address: Office of the Governor P.O. Box 94848 Lincoln, NE 68509-4848
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: Gerry A. Oligmueller Position and Office: State Budget Administrator Contact's Mailing Address: DAS Budget Division Room 1320, State Capitol P.O. Box 94664 Lincoln, NE 68509-4664 Telephone: (402) 471-2526 Fax: (402) 471-8074 E-mail address: Gerry.Oligmueller@nebraska.gov	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: Position and Office: Same Contact's Mailing Address: Telephone: Fax: E-mail address:

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Dave Heineman, Governor	Telephone: (402) 471-2244
Signature of Governor or Authorized Representative of the Governor: 	Date: 1-25-2010

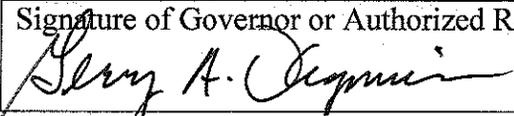
Recommended Statement of Support from the Chief State School Officer (Optional):

The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.

Chief State School Officer (Printed Name): Roger Breed, Commissioner of Education	Telephone: (402) 471-5020
Signature of the Chief State School Officer: 	Date: Jan. 25, 2010

STATE FISCAL STABILIZATION FUND APPLICATION

**PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)**

<p>Legal Name of Applicant (Office of the Governor):</p> <p>Office of the Governor State of Nebraska</p>	<p>Applicant's Mailing Address:</p> <p>Office of the Governor P.O. Box 94848 Lincoln, NE 68509-4848</p>
<p>State Contact for the Education Stabilization Fund (CFDA No. 84.394)</p> <p>Name: Gerry A. Oligmueller</p> <p>Position and Office: State Budget Administrator</p> <p>Contact's Mailing Address: DAS Budget Division Room 1320, State Capitol P.O. Box 94664 Lincoln, NE 68509-4664</p> <p>Telephone: (402) 471-2526 Fax: (402) 471-8074 E-mail address: Gerry.Oligmueller@nebraska.gov</p>	<p>State Contact for the Government Services Fund (CFDA No. 84.397)</p> <p><i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i></p> <p>Name:</p> <p>Position and Office: Same</p> <p>Contact's Mailing Address:</p> <p>Telephone:</p> <p>Fax:</p> <p>E-mail address:</p>
<p>To the best of my knowledge and belief, all of the information and data in this application are true and correct.</p>	
<p>Governor or Authorized Representative of the Governor (Printed Name):</p> <p>Gerry A. Oligmueller, State Budget Administrator</p>	<p>Telephone:</p> <p>(402) 471-2526</p>
<p>Signature of Governor or Authorized Representative of the Governor:</p> 	<p>Date:</p> <p>2/3/2010</p>
<p>Recommended Statement of Support from the Chief State School Officer <i>(Optional)</i>:</p> <p>The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.</p>	
<p>Chief State School Officer (Printed Name):</p> <p>N/A</p>	<p>Telephone:</p>
<p>Signature of the Chief State School Officer:</p>	<p>Date:</p>

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the “levels of State support” for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. See Appendix C – Instructions for Part 4: Maintenance of Effort.

1. Levels of State support for elementary and secondary education (the amounts reflect an aggregate level of State support):

FY 2006	<u>\$700,594,282</u>
FY 2009*	<u>\$839,390,581</u>
FY 2010*	<u>\$840,207,268</u>
FY 2011*	<u>\$791,729,472</u> 1/25/10 Revision

(* Provide data to the extent that data are currently available.)

2. Levels of State support for public institutions of higher education (enter amounts for each year):

FY 2006	<u>\$519,412,293</u>
FY 2009*	<u>\$608,776,382</u>
FY 2010*	<u>\$608,776,382</u> 1/25/10 Revision
FY 2011*	<u>\$610,776,381</u> 1/25/10 Revision

(* Provide data to the extent that data are currently available.)

AAO
1-25-2010

3. Additional Submission Requirements: In an attachment to the application –

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -
- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs. **See ATTACHMENT #1**

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- | | |
|---|--|
| (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae | <u>\$ 768,613,973</u> |
| (b) Level of State support for public IHEs in FY 2008 | <u>\$ 584,063,890</u> |
| (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae | <u>\$ 839,390,581</u> |
| (d) Level of State support for public IHEs in FY 2009 | <u>\$ 608,776,382</u> |
| (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae | \$ 933,876,018 Prior-Enacted
<u>\$ 840,207,268</u> Projected |
| (f) Level of State support for public IHEs in FY 2010 | <u>\$ 608,776,382</u> 1/25/10 Revision |
| (g) Level of State support for elementary and secondary education in FY 2011 provided through the State’s primary elementary and secondary education funding formulae | \$ 932,016,648 Prior-Enacted
<u>\$ 791,729,472</u> 1/25/10 Revision |
| (h) Level of State support for public IHEs in FY 2011 | <u>\$ 610,776,381</u> 1/25/10 Revision |

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

Yes No

* See Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

JAD.
 2/3/2010

2. State’s Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State’s primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

See ATTACHMENT #2

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

See ATTACHMENT #3

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

<p>SPECIAL NOTES:</p> <ul style="list-style-type: none"> ○ At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA. ○ The calculations for these data must be based on the State’s total Education Stabilization Fund allocation as reflected in Appendix A and not on the State’s initial Education Stabilization Fund award. ○ Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the “restoration amounts”), the Governor has discretion in determining when to release these funds to LEAs and IHEs.
--

(a) Amount of the State’s total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 \$ 0

(b) Amount of the State’s total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 \$ 0

Restoration Amounts (continued)

- (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 \$ 93,668,750
- (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 \$ 0
- (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 \$ 140,287,176
- (f) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011 \$ 140,287,176
- (g) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2011 \$ 0
- (h) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009, FY 2010, and FY 2011 \$ 0

*Y.A.O.
2/3/2010*

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

See ATTACHMENT #4

**Appendices to the
Application for Initial Funding under the
State Fiscal Stabilization Fund Program**

**WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION
STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS
(CFDA No. 84.394)**

SPECIAL NOTES:

- **The calculations in the worksheets and the data provided in Section A of Part 5 of the application must be based on each State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the amount of the State's initial Education Stabilization Fund award.**
- **The term "postsecondary education" means public higher education.**

WORKSHEET 1-A: Calculating the amount of a State's total Education Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation.	\$233,955,926
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008, or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	\$768,613,973
3.	Either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009.	\$584,063,890
4.	Actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	\$839,390,579
5.	Actual or projected amount of State support for public IHEs in FY 2009.	\$608,776,382
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	\$0
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	\$0
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009. If the amount on Line 8 is greater than the amount on Line 1, <i>see Worksheet 1-B for FY 2009 Shortfall calculation and do not complete lines 9, 10, 11, and 12.</i>	\$0
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	\$0
10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2009. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	\$0
11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009.	\$0
12.	Enter amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore State support for education in FY 2010. (This amount is carried over to Line 1 of Worksheet 2-A or Worksheet 2-B.)	\$233,955,926

**WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION
STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS**

WORKSHEET 2-B: Calculating the amount of a State's Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010 if, prior to October 1, 2008, the State enacted State elementary and secondary education formula increases for FY 2010 or State equity and adequacy adjustments

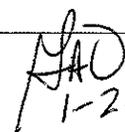
Line	Information	Amount
1.	Amount of the State's Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter amount on Line 12 of Worksheet 1-A).	\$233,955,926
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on line 2 of Worksheet 1-A).	\$768,613,973
3.	Actual or projected amount that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on Line 4 of Worksheet 1-A).	\$839,390,579
4.	Enacted amount (including formulae increases and equity and adequacy adjustments enacted prior to October 1, 2008) that the State would provide through its primary elementary and secondary education funding formulae in FY 2010.	\$933,876,018
5.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2010.	\$840,207,268
6.	Enter the greater of the amounts on Lines 2, 3, or 4.	\$933,876,018
7.	If the amount on Line 5 is greater than the amount on Line 6, enter 0; if the amount on Line 6 is greater than the amount on Line 5, enter the difference.	\$93,668,750
8.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009 (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	\$608,776,382
9.	Projected amount of State support for public IHEs in FY 2010.	\$608,776,382 1/25/10 Rev.
10.	If the amount on Line 9 is greater than the amount on Line 8, enter 0; if the amount on Line 8 is greater than the amount on Line 9, enter the difference.	\$0
11.	Enter the sum of the amounts on Line 7 and Line 10. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2010. If the amount on Line 11 is greater than the amount on than Line 1, see Worksheet 2-D for Shortfall calculations and do not complete Lines 12, 13 and 14.	\$93,668,750
12.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. (Enter this amount in Part A of Section 5 of the Application.)	\$93,668,750
13.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. (Enter this amount in Part A of Section 5 of the Application.)	\$0
14.	Enter the sum of the amounts on Line 12 and Line 13. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010.	\$93,668,750
15.	Enter the amount obtained by subtracting the amount on Line 14 from the amount on Line 1. This is the amount of the Stabilization funds remaining to use to restore funds in FY 2011. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore the levels of State support for education in FY 2011. (This amount is carried over to Line 1 of Worksheet 3-A or 3-B.)	\$140,287,176

YAO
1-25-2010

**WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION
STABILIZATION FUNDS - CALCULATING THE RESTORATION
AMOUNTS**

WORKSHEET 3-B: Calculating the amount of a State's Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2011 if, prior to October 1, 2008, the State enacted State elementary and secondary education formula increases for FY 2011 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 and FY 2010 (If level of FY 2010 support was based on Worksheet 2-A, enter the amount on Line 12 of Worksheet 2-A; if level of FY 2010 support was based on Worksheet 2-B, enter the amount on Line 15 of Worksheet 2-B).	\$140,287,176
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on line 2 of Worksheet 1-A).	\$768,613,973
3.	Actual or projected amount that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on Line 4 of Worksheet 1-A).	\$839,390,579
4.	Enacted amount (including formulae increases and equity and adequacy adjustments enacted prior to October 1, 2008) that the State would provide through its primary elementary and secondary education funding formulae in FY 2011.	\$932,016,648 1/25/10 Rev.
5.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2011.	\$791,729,472 1/25/10 Rev.
6.	Enter the greater of the amounts on Lines 2, 3, or 4.	\$932,016,648 1/25/10 Rev.
7.	If the amount on Line 5 is greater than the amount on Line 6, enter 0; if the amount on Line 6 is greater than the amount on Line 5, enter the difference.	\$140,287,176
8.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009 (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	\$608,776,382
9.	Projected amount of State support for public IHEs in FY 2011.	\$610,776,381 1/25/10 Rev.
10.	If the amount on Line 9 is greater than the amount on Line 8, enter 0; if the amount on Line 8 is greater than the amount on Line 9, enter the difference.	\$0
11.	Enter the sum of the amounts on Line 7 and Line 10. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2011. If the amount on Line 11 is greater than the amount on than Line 1, see Worksheet 3-D for Shortfall calculations and do not complete Lines 12, 13 and 14.	\$140,287,176
12.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011.	\$140,287,176
13.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2011.	\$0
14.	Enter the sum of the amounts on Line 12 and Line 13. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2011.	\$140,287,176
15.	Enter the amount obtained by subtracting the amount on Line 14 from the amount on Line 1. This is the amount of the State's total Education Fund allocation that is available for subgrants to LEAs based on their proportionate	\$0


 1-25-2010

Explanation of Changes

The changes made to Nebraska's primary elementary and secondary school funding formula by LB 5 in the 2009 Special Session of the Nebraska Legislature followed the formula's fundamental concept of equalization and preserved the principles of adequacy and equity.

Changes to Nebraska's elementary and secondary formula in LB 5, 2009 Neb. Laws, First Special Session, included lowering the Cost Growth Factor from 5 percent to 3.75 percent in FY 2011. The Cost Growth Factor in Nebraska's formula is intended to represent an inflation adjustment, but it is not linked to any official measure of inflation. The Cost Growth Factor is used to "inflate" actual school spending since it represents expenditures from two years earlier than the year of aid distribution. (Neb. Rev. Stat. §79-1007.10 and. §79-1003(1)). This adjustment is applied uniformly to all school districts and factored into the formula need calculation of both basic funding and allowances (for context see Attachment #2).

Nebraska's responses to Part 5, Section A on page 7 of the SFSF Application exclusively reflect State funding support for both education sectors in FY 2008, FY 2009 and FY 2010.

The attached table compares Nebraska's original and amended application with respect to restoration amounts (Part 5, Section A, #4) and levels of state support (Part 4, Section C, #1 & #2). Changes made to the original application are labeled with "1/25/10 Revision" in Nebraska's amended State Fiscal Stabilization Fund application.

The SFSF Application amendment includes pages eight and nine, demonstrating that no changes were made to any restoration amounts for FY 2009 and FY 2010.

Y.A.O.
1-25-2010

Amendment to State Fiscal Stabilization Fund Application State of Nebraska

February 3, 2010

Restoration Amounts, Part 5, Section A, #4, pages 8-9

	FY 2009		FY 2010		FY 2011		TOTAL
	K-12	IHEs	K-12	IHEs	K-12	IHEs	
Original Application, 6/8/2009	0	0	93,668,750	0	-	-	93,668,750
Amended Application, 1/21/2010	0	0	93,668,750	0	140,287,176	0	233,955,926

Note: Although the original SFSF Application filed 6/8/2009 did not collect specific restoration amounts for FY 2011, Nebraska authorized an FY 2011 restoration amount of \$140,287,176 for K-12 Education at that time per LB 545A, 2009 Neb. Laws. This was also documented in Worksheet 3-B, Line #11 of the original application.

Level of State Support, Part 4, Section C, #1 & #2, page 6 and Part 5, Section A, #1

K-12	Original Application, 6/8/2009	Amended Application, 1/21/2010
FY 2006	700,594,282	700,594,282
FY 2009	839,390,581	839,390,581
FY 2010	840,207,268	840,207,268
FY 2011*	-	791,729,472 **

IHEs	Original Application, 6/8/2009	Amended Application, 1/21/2010
FY 2006	519,412,293	519,412,293
FY 2009	608,776,382	608,776,382
FY 2010*	620,041,136	608,776,382
FY 2011*	-	610,776,381

P.A.G.
 2/3/2010

K-12--Elementary & Secondary Education
IHE--Public Institutions of Higher Education

*Revised amounts

**The "Prior-Enacted" amount for FY 2011 was \$932,016,648

ATTACHMENT #1

Part 4, SECTION c: MAINTENANCE-OF-EFFORT BASELINE DATA

1. Additional Submission Requirements: In an attachment to the application –

- a. Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and –**

NEBRASKA RESPONSE

The level of state support for public elementary and secondary education represents the total amount (i.e., aggregate basis) of unrestricted aid provided to local school districts by the State of Nebraska in accord with the state's primary funding formula: the Tax Equity and Educational Opportunities Support Act, Neb. Rev. Stat. §79-1001 et seq. (2008), as amended by LB 545, 2009 Neb. Laws and LB 5, 2009 Neb. Laws, First Special Session.

For FY 2006 and FY 2009, amounts represent the total funding appropriated, certified, and distributed to local school districts. Actual aid appropriations are documented in the *Nebraska Information System*. For FY 2010, the amount represents the \$824,960,159 General Funds appropriated and documented in LB 545A, 2009 Neb. Laws and \$15,247,109 of available Insurance Premium Tax revenues. For FY 2011, the amount represents the \$778,529,472 General Funds appropriated and documented in LB 1, §227, 2009 Neb. Laws, First Special Session and \$13,200,000 of estimated Insurance Premium Tax revenues.

- b. Identify and describe the data sources used in determining the levels of State support for public IHEs.**

NEBRASKA RESPONSE

The level of state support for public higher education in Nebraska represents the total amount of unrestricted General Fund appropriations provided to the: 1) Nebraska Community College System; 2) Nebraska State College System; and 3) University of Nebraska.

For FY 2006, the amount represents actual General Fund appropriations less earmarks. General Fund earmarks totaled \$20,791,137 in FY 2006, including but not limited to the \$11.2 million earmark for "targeted research at the University of Nebraska". Actual appropriations are documented by the *Nebraska Information System*. For FY 2009, General Fund appropriations less earmarks for public higher education are based on appropriations authorized in §183, §184, §258, and §259 of LB 321, 2007 Neb. Laws and LB 342A, §1, 2008 Neb. Laws. For FY 2010, General Fund appropriations less earmarks are authorized in §148, §149, and §215 of LB 1, 2009 Neb. Laws, First Special Session, LB 603A, §7, 2009 Neb. Laws, and also includes a \$10 million transfer provided for by LB 2, §1, 2009 Neb. Laws, First Special Session. For FY 2011, General Fund appropriations less earmarks are authorized in §148, §149, and §215 of LB 1, 2009 Neb. Laws, First Special Session, and §7 of LB 603A, 2009 Neb. Laws.

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ATTACHMENT #2**PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND****1. State's Primary Education Funding Formulae**

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

NEBRASKA RESPONSE

Nebraska's primary funding formula for elementary and secondary education is the Tax Equity and Educational Opportunities Support Act (TEEOSA) at Neb. Rev. Stat. §§ 79-1001 et seq. (2008), as amended by LB 545, 2009 Neb. Laws and LB 5, 2009 Neb. Laws, First Special Session. In 2008, the formula was modified significantly by LB 988, 2008 Neb. Laws and more recently by LB 545, 2009 Neb. Laws, and LB 5, 2009 Neb. Laws, First Special Session. The equalization formula provides unrestricted aid for operational support to school districts where formula need exceeds local formula resources.

In general, the four major components of **formula need** are basic funding, allowances, adjustments and a need stabilization factor:

Basic funding is determined by comparing the spending of school districts of similar student enrollment. After excluding the highest and lowest spending peers, basic funding equals the average of non-allowance spending (i.e., general fund operating expenditures minus expenditures for allowances). For schools with at least 900 students, basic funding is calculated on a per pupil spending basis, while the calculation for smaller schools is determined at the district level. Basic funding represents about 77 percent of statewide formula need in the FY 2010 aid year.

Allowances target additional formula need to school districts with unique, high-priority needs. TEEOSA provides allowances to address the additional cost of educating students in poverty, English language learner programs, special education, summer school enrollment and, beginning in FY 2011, higher teacher education levels. Other allowances provide incentives to reduce class size in the early elementary grades, increase instructional time and develop focus school programs. Allowances also address the higher cost of transportation, distance learning and remote elementary sites for students in sparsely populated rural areas. For FY 2010, allowances represent 18.5 percent of statewide formula need.

Adjustments, with one exception, also increase formula need for specific district circumstances. The single largest adjustment is the averaging adjustment which increases formula need to schools with per pupil basic funding levels below the statewide average. Adjustments also increase formula need for schools with rapid student growth, and, under certain circumstances new school facilities. The local choice adjustment reduces formula need for schools with fewer than 390 students operating near other schools. For FY 2010, adjustments represent about 4 percent of statewide formula need.

Need stabilization constrains formula need change from the prior year, preventing decline in formula need and constraining growth to 12%. However, growing districts are allowed to exceed the 12% growth limit. For FY 2010, this factor only increases statewide formula need about 0.4 percent.

The two most significant components of **local formula resources** for school districts are local property tax capacity and other local revenues collected. These components account for over 93 percent of local

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ATTACHMENT #2, continued

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

NEBRASKA RESPONSE

formula resources statewide. Property tax capacity is determined by assuming a rate of \$1 per \$100 of adjusted value, after adjustment per § 79-1016. Other local taxes, fees and miscellaneous revenues also contribute formula resources to school districts, including the most significant local revenues: motor vehicle taxes, state apportionment of school land earnings, public power sales taxes, interest earnings, prorate motor vehicle, and local fine/license fees.

LB 545 and LB 5, 2009 Neb. Laws, moderated previously enacted formula increases.

For TEEOSA formula details please refer to the Nebraska Department of Education's *TEEOSA FAQ* document at: http://ess.nde.state.ne.us/SchoolFinance/StateAid/Downloads/0910/TEEOSA_Doc.pdf and the Tax Equity and Educational Opportunities Support Act at Neb. Rev. Stat. §§ 79-1001 et seq. (2008), as amended by LB 545, 2009 Neb. Laws and LB 5, 2009 Neb. Laws, First Special Session.

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ATTACHMENT #3

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

NEBRASKA RESPONSE

The level of state support for public higher education in Nebraska represents the total amount of unrestricted General Fund appropriations provided to the: 1) Nebraska Community College System; 2) Nebraska State College System; and 3) University of Nebraska.

For FY 2006, the amount represents actual General Fund appropriations less earmarks. General Fund earmarks totaled \$20,791,137 in FY 2006, including but not limited to the \$11.2 million earmark for "targeted research at the University of Nebraska". Actual appropriations are documented by the *Nebraska Information System*. For FY 2009, General Fund appropriations less earmarks for public higher education are based on appropriations authorized in §183, §184, §258, and §259 of LB 321, 2007 Neb. Laws and LB 342A, §1, 2008 Neb. Laws. For FY 2010, General Fund appropriations less earmarks are authorized in §148, §149, and §215 of LB 1, 2009 Neb. Laws, First Special Session, LB 603A, §7, 2009 Neb. Laws, and also includes a \$10 million transfer provided for by LB 2, §1, 2009 Neb. Laws, 2009 Neb. Laws. For FY 2011, General Fund appropriations less earmarks are authorized in §148, §149, and §215 of LB 1, 2009 Neb. Laws, First Special Session, and §7 of LB 603A, 2009 Neb. Laws.

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ATTACHMENT #4

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

NEBRASKA RESPONSE

Not applicable. In FY 2009, FY 2010, and FY 2011, the State of Nebraska has and will maintain state support for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students) above the level of such support in FY 2006.

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