

Nebraska Department of Education School Finance & Organization Services

**Tax Equity and Educational Opportunities Support Act
(TEEOSA)
Certification of 2026/27 State Aid**

This Document Contains:

2026/27 TEEOSA Component Chart

Section I.

2026/27 State Aid Component Descriptions & Concept Summary

Section II.

2026/27 State Aid Calculation Codes & Data Sources

February 27, 2026

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Section I. 2026/27 State Aid Component Descriptions & Concept Summary

2026/27 Calculated State Aid to Nebraska's Public Schools:

Consists of one or a combination of the following items:

- Equalization Aid
- Net Option Funding
- Allocated Income Tax Funds
- Community Achievement Plan Aid
- Foundation Aid
- Prior Year Correction

Nebraska Equalization Aid Formula Concept:

Calculated Needs - Calculated Resources = State Equalization Aid

SYSTEM FORMULA NEED

Is the sum of:

Basic Funding + Poverty Allowance + Limited English Proficiency Allowance + Focus School & Program Allowance + Summer School Allowance + Special Receipts Allowance + Transportation Allowance + Elementary Site Allowance + Distance Education & Telecommunications Allowance + System Averaging Adjustment + New School Adjustment + Student Growth Adjustment + Community Achievement Plan Allowance + Limited English Proficiency Allowance Correction + Student Growth Adjustment Correction + Poverty Allowance Correction+ Non-Qualified Limited English Proficiency Adjustment

System Formula Need may be adjusted by Formula Needs Stabilization:

Needs Stabilization keeps the 2026/27 formula need between 100% and 112% of the previous year's end recalculated formula need, except the formula need for districts receiving a student growth adjustment is not decreased.

FORMULA STUDENTS (§79-1003(17))

- Students educated by the district and students for which the district pays tuition.
- The Fall Membership count adjusted by the average ratio of ADM to Fall Membership from three prior years for the certification of State Aid and ADM for the final calculation of State Aid.
- Students in Qualified Early Childhood Programs multiplied by the ratio of planned instructional hours of the program divided by 1,032 then multiplied by 0.6.

GENERAL FUND OPERATING EXPENDITURES (§79-1003(22))

- Each district's General Fund Operating Expenditures for the most recently available complete data year. (See listing on page 8)

ADJUSTED GENERAL FUND OPERATING EXPENDITURES

- General Fund Operating Expenditures multiplied by the cost growth factor (1.05) minus Allowances (Transportation Allowance + Special Receipts Allowance + Poverty Allowance + Limited English Proficiency Allowance + Distance Education & Telecommunications Allowance + Elementary Site Allowance + Summer School Allowance + Focus School & Program Allowance + Community Achievement Plan Allowance + Non-Qualified Limited English Proficiency Adjustment

BASIC FUNDING (§79-1007.16)

- A comparison group is established for each District consisting of the 10 larger districts that are closest in size to the District and the 10 smaller districts that are closest in size to the District, as measured by formula students.
- School Districts with less than 900 formula students:
Basic Funding = Average of adjusted general fund operating expenditures for each District in the comparison group excluding both the Districts with the two highest adjusted general fund operating expenditures and the Districts with the two lowest adjusted general fund operating expenditures in the comparison group.
- School Districts with 900 or more formula students:
Basic Funding = District formula students multiplied by average of adjusted general fund operating expenditures per formula student excluding both the Districts with two the highest adjusted general fund operating expenditures per formula student and the Districts with the two lowest adjusted general fund operating expenditures per formula student in the comparison group.

POVERTY ALLOWANCE (§79-1007.06)

The Poverty Allowance is the lesser of:

- The amount the District designates they will spend on poverty for the 2026/27 school year, or
- The sum of the statewide average general fund operating expenditures per student multiplied by graduated percentages then multiplied by student weightings based on free lunch/milk students or students under 19 or residing in homes with adjusted gross income in 2024 tax year and 2024/25 school year equal to or less than the maximum household income that would allow a student to be a free lunch or free milk student during the 2024/25 school year.

LIMITED ENGLISH PROFICIENCY (LEP) ALLOWANCE (§79-1007.8)

The Limited English Proficiency Allowance is the lesser of:

- The amount the District designates they will spend on students with limited English proficiency for the 2026/27 school year, or
- 25% of the statewide average general fund operating expenditures per student multiplied by the number of limited English proficiency students.

FOCUS SCHOOL & PROGRAM ALLOWANCE - (Only Applies to school districts in a Learning Community) (§79-1007.5)

- 1st Year - Ten percent of the statewide average general fund operating expenditures per formula student (1,479.43) multiplied by the number of students participating in a focus school or program.
- 2nd Year – Ten percent of the statewide average general fund operating expenditures per formula student (1,479.43) multiplied by [(fall membership participating in focus school X 2) – estimated number of students used in prior year calculation].
- 3rd Year – Ten percent of the statewide average general fund operating expenditure per formula student (1,479.43) multiplied by fall membership participating in focus school.

SUMMER SCHOOL ALLOWANCE (§79-1003.1)

The lesser of:

- Actual summer school expenditures
- 85% percent of the statewide average general fund operating expenditures per formula student (12,575.13) multiplied by 2.5% of the summer school student units.

SPECIAL RECEIPTS ALLOWANCE (§79-1007.13)

- District specific special receipts including special education, state ward and accelerated or differentiated curriculum program receipts reported on the Annual Financial Report and receipts from the Medicare Catastrophic Coverage Act of 1988 (MIPS) to the extent the district would have received payment pursuant to the Special Education Act (from DHHS records).
- Each district's special education receipts for the most recently available complete data year.

TRANSPORTATION ALLOWANCE (§79-1007.12)

The lesser of:

- Actual specific transportation costs for regular education.
- A calculated amount based on the miles transported for regular education (excluding activities) plus in lieu of transportation for the most recently available complete data year.

ELEMENTARY SITE ALLOWANCE (§79-1007.15)

- Five hundred percent of the statewide average general fund operating expenditures per formula student (73,971.34) multiplied by the number of students per qualified building divided by eight (rounded up to a whole number). If the whole number is greater than the number of elementary site grades, the whole number is equal to the number of elementary site grades.

DISTANCE EDUCATION AND TELECOMMUNICATIONS ALLOWANCE (DETA) (§79-1007.14)

- Eighty-five percent of district's actual distance education and telecommunication costs reported on the Annual Financial Report minus receipts from Federal Universal Service Fee Fund (E-Rate).

SYSTEM AVERAGING ADJUSTMENT (§79-1007.18)

- System Averaging Adjustment is calculated for any district with more than 900 formula students and a lower basic funding per formula student than the average basic funding per formula student for all districts with 900 or more formula students (11,110.69).

TWO-YEAR NEW SCHOOL ADJUSTMENT (§79-1007.21)

- The first year new school adjustment for each approved district is equal to the district's basic funding per formula student multiplied by twenty percent of the approved estimated additional student capacity. The second year new school year adjustment for each approved district is equal to the school district's basic funding per formula student multiplied by ten percent of the approved estimated additional student capacity.

STUDENT GROWTH ADJUSTMENT (§79-1007.20)

- The district's basic funding per formula student is multiplied by the approved student growth minus the greater of twenty five students or one percent of fall membership. That amount is then added to fifty percent of the district's basic funding per formula student multiplied by the greater of twenty-five students or one percent of the fall membership.

COMMUNITY ACHIEVEMENT PLAN ALLOWANCE – (Only Applies to school districts in a Learning Community) (§79-1005)

- District participants will receive an allowance equal to the aid. An approved plan shall remain in effect for three years except as revised with the approval of the state board. Reports are required on the success of the plan, evaluation results, and proposed revisions by December 1 immediately following the completion of the first two years of implementation and every three years thereafter.

LIMITED ENGLISH PROFICIENCY (LEP) CORRECTION (§79-1007.09(3))

- The LEP Correction is equal to the LEP allowance minus eighty-five percent of the LEP allowance expenditures if expenditures do not equal at least 117.65% of the LEP allowance for the most recently available complete data year.

STUDENT GROWTH ADJUSTMENT CORRECTION (§79-1007.20)

- Two years following the certification for the estimated student growth a Student Growth Adjustment Correction will be calculated to adjust the estimated growth to the actual growth. The district's actual growth is compared to their estimated growth. The difference is multiplied by the districts recalculated basic funding per formula student.
- *The absolute value of negative correction shall not exceed the original adjustment.*

POVERTY CORRECTION (§79-1007.07(3))

- Correction is equal to the poverty allowance minus eighty-five percent of the poverty allowance expenditures if expenditures do not equal at least 117.65% of the Poverty allowance for the most recently available complete data year. Any correction calculated pursuant to this requirement shall be added to any poverty correction calculated pursuant to requirements above to arrive at the total poverty correction.

NON QUALIFYING LIMITED ENGLISH PROFICIENCY (LEP) ADJUSTMENT (§79-1007.09(4))

- If the LEP allowance expenditures do not equal 50% or more of the allowance for school fiscal year, the school district shall be disqualified from receiving an LEP allowance for the school fiscal year for which aid is being calculated.

FORMULA RESOURCES

The sum of the Yield from Local Effort Rate (a calculated measure of Local Property Resources) + Net Option Funding + Allocated Income Tax Funds + Other Receipts Actually Received by the District + Community Achievement Plan Aid + Foundation Aid within Resources

YIELD FROM LOCAL EFFORT RATE – (LOCAL PROPERTY RESOURCES) (§79-1015.01)

- Adjusted Valuation divided by 100 multiplied by the Local Effort Rate of \$1.00. Each district's adjusted valuation for tax year 2025 is provided by the Property Tax Administrator (certified October 2025). Real property was adjusted to 96% of actual value and agricultural land was adjusted to 72% of actual value.

NET OPTION FUNDING (§79-1009)

- For each district, the students opting out are subtracted from the students opting in at each grade level (K-12). The positive net number of students is then multiplied by 100% of the statewide average Basic Funding per formula student (12,490.95). Per State Statute 79-1006, a Net Option Reduction of \$1,500 will be calculated per the positive net number of option students and subtracted from the total Net Option Funding.
- The total for the district cannot be less than zero.
- Since option students are included in the ADM counts of students used to determine a Local System's Needs, the inclusion of the amount as a Resource prevents a Local System that generates Equalization Aid from receiving both Equalization Aid and Net Option Funding based on the impact the students have on Needs.

ALLOCATED INCOME TAX FUNDS (MEASURE OF LOCAL INCOME) (§79-1005.01)

- The Allocated Income Tax Funds provide a mechanism through which the income tax base of the local system is included in the Resources of the Local System. Therefore, the distribution of Equalization Aid responds to the income tax base and the potential property tax base of the Local System.
- Two and twenty-three hundredths percent of the Nebraska income tax liability of residents of the Local System is provided to the Local System as Allocated Income Tax Funds. The income tax liability information is provided by the Department of Revenue based on data submitted on Nebraska income tax forms. (The Nebraska Income Tax Form requests each filer to indicate the high school district in which they reside.)
- The 2026/27 State Aid calculation incorporates Allocated Income Tax Funds based on the 2024 Income Tax year.

OTHER RECEIPTS ACTUALLY RECEIVED BY THE DISTRICT (§79-1018.01)

- Other Actual Receipts are taken primarily from the Annual Financial Report submitted by each district. Receipt information related to the Medicare Catastrophic Coverage Act of 1988 and Impact Aid, if applicable, are taken from other source documents on file with the Department of Education. Other Actual Receipts include various local, state, and non-categorical federal receipts.
- As Reported on the Annual Financial Report; see page 16 of this document for a complete listing:
 - ❖ Examples:
 - √ Fines and License Fees
 - √ Interest
 - √ Special Education School Age
 - √ Pro-Rate Motor Vehicle

COMMUNITY ACHIEVEMENT PLAN AID – (Only Applies to school districts in a Learning Community) (§79-1005)

- The districts in the Learning Community who are participating in the community achievement plan will also receive a community achievement plan aid. Members must participate in the plan as part of their accreditation under Rule 10
- The Community Achievement Plan Allowance for each learning community member shall equal 0.4643% of the product of the statewide average general fund operating expenses per formula student multiplied by the total learning community formula students. Distribution to leaning community members is based on 2% of the Poverty/LEP allowances calculated and 3% of the statewide average general fund operating expenditures per formula student for the poverty students exceeding 40% of the formula students (3% of the product of the statewide average general fund operating expenditures per formula student by the difference of poverty students minus 40% of the formula students for such a learning community school district). Counted as a formula resource.
- An approved plan shall remain in effect for three years except as revised with the approval of the state board. The Learning Community shall submit a report on the success of the plan, evaluation results, and proposed revisions by December 1 immediately following the completion of the first two years of implementation and every three years thereafter.
- For community achievement plans to be implemented beginning with school year 2018/19 and on or before January 1 immediately preceding the school year when the plan or plan renewal will be implemented. The student achievement coordinator or other department staff designated by the commissioner shall return the plan or plan renewal with any suggestions or comments on or before the immediately following February 15 to allow the plan to be revised prior to submission on or before March 15 for final approval by the state board at the state board's April meeting. If the state board rejects a plan or plan renewal, the reasons for the rejection shall be included with the notice of rejection and an opportunity shall be provided to revise the plan or plan renewal and for participating collaborators to appear before the board prior to a reconsideration of approval.

FOUNDATION AID WITHIN RESOURCES (§79-1006)

- Foundation Aid is calculated by multiplying the school district's Formula Student by \$1,500. Beginning with the school fiscal year 2025/26 only 60% of the total Foundation Aid shall be included as a formula resource.

EQUALIZATION AID (§79-1008.01)

- The amount that the total formula needs exceed total formula resources.

ADDITIONAL COMPONENTS OF STATE AID

2026/27 STATE AID FUNDING

- On or before March 1, 2026, the Department must determine the amounts to be distributed to each Local System pursuant to the Tax Equity and Educational Opportunities Support Act based on \$1.00 Local Effort Rate.

Section II. 2026/27 State Aid Calculation Codes & Data Sources

SYSTEM FORMULA NEED

Is the sum of:

Basic Funding + Poverty Allowance + Limited English Proficiency Allowance + Focus School & Program Allowance + Summer School Allowance + Special Receipts Allowance + Transportation Allowance + Elementary Site Allowance + Distance Education & Telecommunications Allowance + System Averaging Adjustment + New School Adjustment + Student Growth Adjustment + Community Achievement Plan Allowance + Limited English Proficiency Allowance Correction + Student Growth Adjustment Correction + Poverty Allowance Correction + Non-Qualified Limited English Proficiency Adjustment

System Formula Need may be adjusted by Formula Needs Stabilization:

2026/27 District Formula Need that is less than 100% of 2025/26 Year End Recalculated Formula Need is increased to 100% of 2025/26 Year End Recalculated Formula Need.

AND

2026/27 District Formula Need that is greater than 112% of 2025/26 Year End Recalculated Formula Need is decreased to 112% of 2025/26 Year End Recalculated Formula Need, except that the Formula Need for Districts receiving a student growth adjustment is not decreased.

Year End Recalculated Formula Needs are the needs as calculated after the data is calculated a second time with updated data including average daily membership data rather than the Fall Membership count and corrections that have been made to district data since the first calculation.

FORMULA STUDENTS (§79-1003(17))

- Students educated by the district and students for whom tuition is paid.

DATA SOURCES: As defined for the March 1, 2026 Certification of 2026/27 State Aid:

- √ Fall Membership in Qualified Early Childhood Programs, in grades Kindergarten (KDG = programs under 1,032 instructional hours multiplied by .5); Full-Day Kindergarten (FDK) – 12 grade from the 2025/26 ADVISER October 1, Fall Membership count.
- √ The Fall Membership is adjusted based on the historical ratio of Average Daily Membership (ADM) to Fall Membership using the ratios from 2022/23, 2023/24 and 2024/25.
- √ 4 and 5-year-olds in Qualified Early Childhood Fall Membership is multiplied by the ratio of the planned instructional hours of the program divided by 1032 then multiplied by .6.

√ K-12 Contracted Out Students in grades KDG; FDK -12 grade are taken from the 2025/26 ADVISER October 1, Fall Membership count.

DATA SOURCES: As defined for the year-end recalculation of 2026/27 State Aid:

√ Average Daily Membership (ADM) in Qualified Early Childhood Programs and grades KDG; FDK – 12 grade from the 2025/26 ADVISER October 1, Fall Membership count.

√ Contracted Students from the 2025/26 ADVISER October 1, Fall Membership count.

GENERAL FUND OPERATING EXPENDITURES (§79-1003(22))

□ Each district's General Fund Operating Expenditures for the most recently available complete data year.

□ Calculated from the 2024/25 Annual Financial Report (AFR) as follows: (*update 01-1-04709-000 Medicaid Administration Activities MAAPS removed from calculation)

Total General Fund Expenditures.....		01-2-20400-000
	Minus	
Tuition Paid	1-2-011xx-xxx and 01-2-012xx-xxx with object codes 561, 565, 569 and 01-2-021xx-561	
Adult Education.....		01-2-01400-000
Transfers from Other Funds		01-1-05200-000
Community Services		01-2-03300-000
Redemption of General Fund Debt Service Principal.....		01-2-05000-805, 807 & 831
Transportation Paid to Other Districts	01-2-02710-511, 01-2-02711-511, 01-2-02712-511, 01-2-02713-511, 01-2-02714-511 & 01-2-02715-511	
Categorical Grants from Corporations & Other Private Interest		01-2-03400-000
State Categorical Programs.....		01-2-035xx-000
Retirement Incentive Plan.....		01-2-02290-287
Staff Development Assistance.....		01-2-02290-288
Transfers to Bond Fund		01-2-08000-914
Tuition Received from Other Educational Entities (Distance Education)		01-1-01315-000
Summer School Tuition and Fees		01-1-01312-000
Preschool Tuition and Fees		01-1-01370-000
Contributions and Donations.....		01-1-01920-000
Textbook Loan		01-1-03155-000
Impact Aid.....		01-1-04305-000
Johnson O'Malley		01-1-04306-000
Legal Services (in excess of .0015 of the 2024/25 formula need)		01-2-02330-000
Levy Override Receipts .99 ((Total General Fund Levy – \$1.05) x (Assessed Value/100))		(Calculated Amt)
Increase in Retirement Contribution.....		Object Code 237 Functions (1xxx, & 2xxx)
Voluntary Termination (per statute)		Object Code 238 Functions (1xxx, & 2xxx)
Lobbyist Fees and Expenses		1-2-2320-314 & 1-2-2330-314

DATA SOURCE:

2024/25 Annual Financial Report

ADJUSTED GENERAL FUND OPERATING EXPENDITURES

(General Fund Operating Expenditures X 1.05) – (Transportation Allowance + Special Receipts Allowance + Poverty Allowance + Limited English Proficiency Allowance + Distance Education & Telecommunications Allowance + Elementary Site Allowance + Summer School Allowance + Focus School & Program Allowance + Community Achievement Plan Allowance + Non-Qualified Limited English Proficiency Adjustment)

COST GROWTH FACTOR (§79-1007.10)

For school fiscal year 2026/27, the cost growth factor shall equal the sum of: (1) the basic allowable growth rate 2.5% for the school fiscal year in which the aid is to be distributed; plus (2) the basic allowable growth rate 2.5% for the school fiscal year immediately preceding the school fiscal year in which the aid is to be distributed.

BASIC FUNDING (§79-1007.16)

A comparison group is established for each District consisting of:

- (i) The 10 larger districts that are closest in size to the District, measured by formula students, and
- (ii) The 10 smaller districts that are closest in size to the District, measured by formula students

- If there are not 10 Districts that are larger than the District for which basic funding is being calculated or if there are not 10 Districts that are smaller than the District, the comparison group would consist of only as many districts as fit the criteria.
- If more than 1 District has exactly the same number of formula students as the largest or smallest District in the comparison group, all of the Districts with exactly the same number of formula students as the largest or smallest Districts in the comparison group shall be included in the comparison group.
- If 1 or more Districts have exactly the same number of formula students as the District for which basic funding is being calculated, all such Districts would be included in the comparison group in addition to the 10 larger and the 10 smaller Districts.
- The comparison group remains the same for the final recalculation of State Aid.
- School Districts with less than 900 formula students:
Basic Funding = Average of Adjusted General Fund Operating Expenditures for each District in the comparison group excluding both the Districts with the two highest Adjusted General Fund Operating Expenditures and the Districts with the two lowest Adjusted General Fund Operating Expenditures in the comparison group.
- School Districts with 900 or more formula students:
Basic Funding = District formula students X Average Adjusted General Fund Operating Expenditures per formula student excluding both the Districts with the two highest Adjusted General Fund Operating Expenditures per formula student and the Districts with the two lowest Adjusted General Fund Operating Expenditures per formula student.

DATA SOURCES:

√ 2025/26 ADVISER October 1, Fall Membership count.

POVERTY ALLOWANCE (§79-1007.06)

Poverty Student = number of low income students or the number of students who are free lunch and free milk students whichever is greater + (poverty students – 3 year average of poverty students) if greater than 0.

Low Income Students = number of low income children within the local system X ratio of formula students/total children under 19.

Low Income Child = a child under 19 living in a household having an annual adjusted gross income in 2024 tax year 2024/25 school year equal to or less than the maximum household income for a household of that size that would have allowed the child to meet the income qualifications to be a free lunch and free milk student during the 2024/25 school year.

2026/27 Statewide Average General Fund Operating Expenditures per Formula Student = 14,794.27

The lesser of: Maximum Poverty Allowance designated by the school district OR

Poverty Adjustment Calculation

Local System Formula Students = (Stu)

Poverty Students = (Poverty)

Poverty Adjustment (Povadj)

Stu X .05 = a

Stu X .10 = b

Stu X .15 = c

Stu X .20 = d

Stu X .25 = e

Stu X .30 = f

- If (Poverty) is less than or equal to a, then (Povadj) = 0
- If (Poverty) is greater than a, and (Poverty) is less than or equal to b, then $((\text{Poverty}) - a) \times (.0375 \times \text{Statewide Average GFOE per formula student}) = (\text{Povadj})$
- If (Poverty) is greater than b, and (Poverty) is less than or equal to c, then $((b-a) \times (.0375 \times \text{Statewide Average GFOE per formula student})) + (((\text{Poverty}) - b) \times (.075 \times \text{Statewide Average GFOE per formula student})) = (\text{Povadj})$
- If (Poverty) is greater than c, and (Poverty) is less than or equal to d, then $((b-a) \times (.0375 \times \text{Statewide Average GFOE per formula student})) + ((c-b) \times (.075 \times \text{Statewide Average GFOE per formula student})) + (((\text{Poverty}) - c) \times (.1125 \times \text{statewide average GFOE per formula student})) = (\text{Povadj})$
- If (Poverty) is greater than d, and (Poverty) is less than or equal to e, then $((b-a) \times (.0375 \times \text{Statewide Average GFOE per formula student})) + ((c-b) \times (.075 \times \text{Statewide Average GFOE per formula student})) + ((d-c) \times (.1125 \times \text{Statewide Average GFOE per formula student})) + (((\text{Poverty}) - d) \times (.15 \times \text{Statewide Average GFOE per formula student})) = (\text{Povadj})$
- If (Poverty) is greater than e, and (Poverty) is less than or equal to f, then $((b-a) \times (.0375 \times \text{Statewide Average GFOE per formula student})) + ((c-b) \times (.075 \times \text{Statewide Average GFOE per formula student})) + ((d-c) \times (.1125 \times \text{Statewide Average GFOE per formula student})) + ((e-d) \times (.15 \times \text{Statewide Average GFOE per formula student})) + (((\text{Poverty}) - e) \times (.1875 \times \text{Statewide Average GFOE per formula student})) = (\text{Povadj})$
- If (Poverty) is greater than f, then $((b-a) \times (.0375 \times \text{Statewide Average GFOE per formula student})) + ((c-b) \times (.075 \times \text{Statewide Average GFOE per formula student})) + ((d-c) \times (.1125 \times \text{Statewide Average GFOE per formula student})) + ((e-d) \times (.15 \times \text{Statewide Average GFOE per formula student})) + ((f-e) \times (.1875 \times \text{Statewide Average GFOE per formula student})) + (((\text{Poverty}) - f) \times (.225 \times \text{Statewide Average GFOE per formula student})) = (\text{Povadj})$

DATA SOURCES:

- √ Low income student count comes from the 2024 Nebraska Income Tax Returns, Department of Revenue website (Due to the delay of 2024 data, 2023 was used)
- √ Free lunch count and free milk students **and/or the report of community eligibility provision, multiplied by the identified student percentage, multiplied by 110%**, is taken from the October 2024 Lunch Report, Department of Education, Nutrition Services

LIMITED ENGLISH PROFICIENCY (LEP) ALLOWANCE (§79-1007.8)

The lesser of:

Maximum Limited English Proficiency Allowance designated by the school district

-Or-

25% of the statewide average general fund operating expenditures per formula student (3,698.57) multiplied by (the number of limited English proficient students + (limited English proficient students – 3 year average of limited English proficient students)) if greater than 0.

If the number of limited English proficient students is greater than or equal to 1 but less than 12, the number of limited English proficient students used in the calculation is 12.

DATA SOURCE:

√ 2025/26 ADVISER October 1, Fall Membership count.

FOCUS SCHOOL & PROGRAM ALLOWANCE – (Only applies to school districts in a learning community) (§79-1007.5)

- 1st year (Statewide Average General Fund Operating Expenditures per Formula Student X.10) X Number of Students in Focus School
- 2nd year (Statewide Average General Fund Operating Expenditure per Formula Student X.10) X [(Fall Membership Participating in Focus School X 2) – estimated number of students used in prior year calculation]
- 3rd year (Statewide Average General Fund Operating Expenditure per Formula Student X.10) X (Fall Membership Participating in Focus School)

DATA SOURCES:

□ 2025/26 ADVISER October 1, Fall Membership count

□ 2024/25 Annual Financial Report

SUMMER SCHOOL ALLOWANCE (§79-1003.1)

- Lesser of Actual Summer School Expenditures (1300's) or (.025 X Summer School Student Units) X (.85 X Statewide Average General Fund Operating Expenditure per Formula Student (12,575.13).
 - Summer School Student Units = each student enrolled in summer school for at least 12 days, whether or not the student is in the membership of the school district.
 - The initial number of units for each student =
Sum of the ratios, each rounded down to the nearest whole number: Number of days the student attended summer school for at least 3 hours and less than 6 hours per day ÷ by 12, plus 2 times the number of days the student attended summer school classes for 6 or more hours per day ÷ 12.
 - Additional Summer School Units for each summer school student attributed to a remedial math or reading programs, and for each summer school student attributed to a free lunch or free milk.
 - Summer school student units shall not be calculated for school districts which collect fees for summer school from students who qualify for free or reduced-price lunches.

DATA SOURCES:

√ Fall 2025 TEEOSA Collection, Summer School Student Unit Report

√ 2024/25 Annual Financial Report

SPECIAL RECEIPTS ALLOWANCE (§79-1007.13)

State Receipts for School-Age Special Education	01-1-03120-000
State Receipts for School-Age Special Education Transportation	01-1-03125-000
Payments for Wards of the State/Wards of the Court	01-1-03160-000, 01-1-03161-000
Receipts for Accelerated or Differentiated Curriculum Programs	01-1-03535-000
Flex Funding: Support Services	01-1-03165-000, 01-1-03166-000
Special Education Tuition Received from other Districts.....	01-1-01323-000, 01-1-01335-000
Special Education Tuition Received from Individuals	01-1-01313-000
Special Education Transportation Receipts from other Districts	01-1-01423-000
Receipts from Medicare Catastrophic Coverage Act of 1988 to the extent the district would have received payment pursuant to the Special Education Act.	

DATA SOURCES:

- √ Special Receipts Allowance includes district specific special education, state ward, and accelerated or differentiated curriculum program receipts reported on the 2024/25 Annual Financial Report and receipts from the Medicare Catastrophic Coverage Act of 1988 to the extent the district would have received payment pursuant to the Special Education Act (from DHHS records) for 2024/25.

TRANSPORTATION ALLOWANCE (§79-1007.12)

- The lesser of actual specific transportation costs or a calculated amount based on the miles transported (excluding activities) plus in-lieu-of transportation for the most recently available complete data year.

DATA SOURCES:

- √ District specific transportation expenditures reported on the 2024/25 Annual Financial Report: Total Regular Pupil Transportation minus Transportation Paid to Another District and Increased Retirement Contributions (01-2-02710-000 + 01-2-02711-000 + 01-2-02720-000 + 01-2-02721-000 + 01-2-02730-000 + 01-2-02731-000 + 01-2-02790-000 + 01-2-02791-000 less object codes 511 and 237 in those accounts).
- Or-
- √ District specific calculated transportation expenditures based on: Route miles reported on the 2024/25 Pupil Transportation Report in the Portal, (Part I) x 0.725 x 400% + In-Lieu-of Transportation (01-2-02710-332, 01-2-02711-332) reported on the 2024/25 Annual Financial Report.

ELEMENTARY SITE ALLOWANCE (§79-1007.15)

- Elementary Site Allowance is calculated for any district that has at least one qualifying elementary site and submits an application in the TEEOSA Collection.
 - A qualifying elementary attendance site:
 1. Is in a District with multiple elementary attendance sites
 2. Does not have another elementary attendance site within 7 miles in the same school district OR
 3. Is the only public elementary attendance site located in an incorporated city or village
 4. Each District determines which grades are elementary grades
 5. The building where the majority of formula students attend is the primary elementary site
 6. The primary elementary site shall not be a qualifying elementary attendance site
 7. All grades designated as elementary grades shall be offered in each elementary attendance site
 8. Elementary grades shall not include grades 9, 10, 11 or 12

The Elementary Site Allowance = Sum of Elementary Site Allowances for each qualifying elementary attendance site in the district.

(Statewide Average General Fund Operating Expenditure per Formula Student times 500% (73,971.35) times Fall membership per building divided by 8 (result is rounded up to a whole number)

If the whole number is greater than the number of elementary site grades, the whole number is equal to the number of elementary site grades.

DATA SOURCES:

√ Fall 2025 TEEOSA Collection, Elementary Site Allowance

DISTANCE EDUCATION & TELECOMMUNICATIONS ALLOWANCE (§79-1007.14)

Is equal to 85% of the difference of the costs for (a) telecommunications services, (b) access to data transmission networks that transmit data to and from the school district, and (c) the transmission of data on such networks paid by the school districts in the local system minus the receipts from the Federal Universal Service Fund.

DATA SOURCES:

√ District specific distance education and telecommunications expenditures on the 2024/25 Annual Financial Report (01-2-01xxx-382, 01-2-02xxx-382, 01-2-03xxx-382) Minus Universal Service Fund (E-Rate 01-1-04105-000).

SYSTEM AVERAGING ADJUSTMENT (§79-1007.18)

System Averaging Adjustment is calculated for any district with more than 900 formula students and a lower basic funding per formula student than the average basic funding per formula student for all districts with 900 or more formula students (11,110.69).

System Averaging Adjustment = ((Avg Basic Funding per formula student for districts with 900 or more formula students – Districts Basic Funding Per Formula student) X 90 Percent X Districts Formula Students

TWO-YEAR NEW SCHOOL ADJUSTMENT (§79-1007.21)

The Two-year New School Adjustment is for districts that build new buildings that increase the capacity of their facilities and are expected to increase student enrollment. Application must be made in the year prior to the opening of the new building.

1st year New School Adjustment = District Basic Funding per formula student X (.20 X Estimated Increased Student Capacity)

2nd year New School Adjustment = District Basic Funding per formula student X (.10 X Estimated Increased Student Capacity)

DATA SOURCES:

√ Fall 2025 TEEOSA Collection, Two-Year New School Adjustment

√ Fall 2024 CDC Collection, Two-Year New School Adjustment

STUDENT GROWTH ADJUSTMENT (§79-1007.20)

Application for the Student Growth Adjustment must be submitted to the Nebraska Department of Education the year prior to the year of growth.

District Basic Funding per formula student X (Approved Student Growth – (greater of 25 or 1% X Fall Membership)) + .5 X (District Basic Funding per formula student X greater of 25 or 1% of the Fall Membership)

DATA SOURCES:

- Fall 2025 TEEOSA Collection, Student Growth Adjustment

COMMUNITY ACHIEVEMENT PLAN ALLOWANCE – (Only applies to school districts in a learning community) (§79-1005)

District participants will receive an allowance equal to the aid. An approved plan shall remain in effect for three years except as revised with the approval of the state board. The learning community shall submit a report on the success of the plan, evaluation results, and proposed revisions by December 1 immediately following the completion of the first two years of implementation and every three years thereafter.

For community achievement plans to be implemented beginning with school year 2018/19 and on or before January 1 immediately preceding the school year when the plan or plan renewal will be implemented. The student achievement coordinator or other department staff designated by the commissioner shall return the plan or plan renewal with any suggestions or comments on or before the immediately following February 15 to allow the plan to be revised prior to submission on or before March 15 for final approval by the state board at the state board’s April meeting. If the state board rejects a plan or plan renewal, the reasons for the rejection shall be included with the notice of rejection and an opportunity shall be provided to revise the plan or plan renewal and for participating collaborators to appear before the board prior to a reconsideration of approval.

LIMITED ENGLISH PROFICIENCY (LEP) CORRECTION (§79-1007.09(3))

If the LEP poverty allowance expenditures do not equal 117.65% or more of the LEP allowance for the most recently available complete data year (2024/25) a correction will be calculated as follows:

LEP Allowance Correction = LEP Allowance for 2024/25 – 85% LEP Allowance Expenditures

STUDENT GROWTH CORRECTION (§79-1007.20)

- The district’s actual growth is compared to their estimated growth. The difference is multiplied by the districts recalculated basic funding per formula student.
- Student Growth Adjustment Correction = (Actual Growth – Estimated Growth) X district’s recalculated basic funding per formula student
- Actual Growth = 2024/25 ADM – 2023/24 Fall Membership
The absolute value of negative correction shall not exceed the original adjustment.

POVERTY CORRECTION (§79-1007.07(3))

If poverty allowance expenditures do not equal 117.65% or more of the poverty allowance for the most recently available complete data year (2024/25), a correction will be calculated as follows:

Poverty Allowance Correction = Poverty Allowance for 2024/25 – 85% Poverty Allowance Expenditures

Any correction calculated pursuant to this requirement shall be added to any poverty correction calculated pursuant to requirements stated for 2026/27 to arrive at the total poverty correction.

NON QUALIFYING LIMITED ENGLISH PROFICIENCY (LEP) (§79-1007.09(4))

If the LEP allowance expenditures do not equal 50% or more of the allowance for school fiscal year, the school district shall be disqualified from receiving an LEP allowance for the school fiscal year for which aid is being calculated.

FORMULA RESOURCES

THE SUM OF:

- Yield from Local Effort Rate
- Net Option Funding
- Allocated Income Tax Funds
- Other Receipts Actually Received by the District
- Community Achievement Plan Aid
- Foundation Aid (only 60% included in resources)

YIELD FROM LOCAL EFFORT RATE (§79-1015.01)

Yield from Local Effort Rate = Adjusted Valuation divided by 100 X Local Effort Rate of \$1.00.

LOCAL EFFORT RATE

Set at \$.05 below the maximum levy per §77-3442.

ADJUSTED VALUATION (§79-1016)

For 2026/27 State Aid, the adjusted valuation reflects 2025 levels. The Property Tax Administrator adjusts the values to assure that for State Aid purposes:

- real property other than agricultural land is at 96% of market value;
- agricultural land is at 72% of market value as provided by statute; and
- personal property other than motor vehicles is at net book value as defined by statute.

NET OPTION FUNDING (§79-1009)

Net Enrollment Option/Open students (students opting in minus students opting out) as of the day of the fall membership count, multiplied by 100% of the statewide average Basic Funding per formula student (12,490.95). Per State Statute 79-1006, a Net Option Reduction of \$1500 will be calculated per the positive net number of option students and subtracted from the Net Option Funding.

Net Option Funding is equal to each Local System's:

Net Enrollment Option Students X 100% of the Statewide Average Basic Funding per formula student - \$1,500 per positive student

Except that a Local System's Net Option Funding cannot be less than zero.

DATA SOURCES:

√ 2025/26 ADVISER October 1, Fall Membership count.

ALLOCATED INCOME TAX FUNDS (§79-1022)

A percent calculated annually of the net Nebraska income tax liability of each school district’s resident individuals in tax year 2024. Each local system’s allocated income tax funds shall be calculated by multiplying the local system’s income tax liability certified by 2.23%.

DATA SOURCE:

√ 2024 Income Tax Returns, Department of Revenue

OTHER RECEIPTS ACTUALLY RECEIVED BY THE DISTRICT (§79-1018.01)

Each Local System’s other actual receipts for the most recently available complete data year.

Other Actual Receipts are taken from the 2024/25 Annual Financial Report as follows: (*added in 26/27 calculation)

Public Power District Sales Tax.....	01-1-01120-000
Motor Vehicle Receipts.....	01-1-01125-000
Fines and License Fees.....	01-1-01911-000, 01-1-01921-000 & 01-1-02110-000
Tuition Receipts.....	01-1-01311-000, 01-1-01313-000, 01-1-01320-000, 01-1-01321-000, 01-1-01322-000, 01-1-01323-000, 01-1-01330-000
.....	01-1-01331-000, 01-1-1335-000, 01-1-01340-000 & 01-1-01955-000
Transportation Receipts.....	01-1-01410-000, 01-1-01411-000, 01-1-01420-00, 01-1-01421-000, 01-1-01423, 01-1-01431-000 & 01-1-01440-000
Interest.....	01-01510-00, 01-1-01520-000, 01-1-01531-000, & 01-1-01540-000
Other Miscellaneous Local/County Receipts.....	01-1-01115-000, *01-1-01140-000, 01-1-01190, 01-1-01910-000, 01-1-01951-000, 01-1-01952-000
.....	01-1-01960-000, 01-1-01965-000, 01-1-01970-000, 01-1-01980-000, 01-1-01990-000, 01-1-01995-000, 01-1-02130-000 & 01-1-02210-000
Special Education/Flex Funding.....	01-1-03120-000, 01-1-03125-000, 001-1-3165-000 & 01-1-03166-000
Payments for Wards of the State/Wards of the Court.....	0 1-1-03160-000 & 01-1-03161-000
Receipts from the Temporary School Fund for State Apportionment and Property leased for a Public Purpose.....	01-1-03400-000
Pro-Rate Motor Vehicle.....	01-1-03180-000
Other State Receipts.....	01-1-03990-000
Federal Impact Aid included to the extent allowed by Federal Law.....	01-1-04305-000
Other Non-Categorical Federal Receipts.....	01-1-04524-000, 01-1-04705-000, 01-1-04706-000 & 01-1-04707-000
Receipts from Medicare Catastrophic Coverage Act of 1988 to the extent the district would have received payment pursuant to the Special Education Act (received from DHHS records)	
Receipts for Accelerated or Differentiated Curriculum Programs.....	01-1-03535-000
Nameplate Capacity Tax.....	01-1-03133-000

DATA SOURCES:

√ Other Actual Receipts are taken primarily from the Annual Financial Report submitted by each district. Receipt information related to the Medicare Catastrophic Coverage Act of 1988 and Impact Aid, if applicable, are taken from other source documents on file with the Department of Education. Other Actual Receipts include various local, state, and non-categorical federal receipts.

For the final calculation of State Aid, other actual receipts shall be as reported in the 2024/25 Annual Financial Report.

COMMUNITY ACHIEVEMENT PLAN AID (§79-1005)

Only applies to school districts in a learning community.

Is equal to 2% of the learning community districts Poverty allowance + 2% of the learning community districts LEP allowance + Poverty students over 40% x 3% x Statewide average GFOE per Formula Students. This determines the districts fully funded community achievement plan allowance. Then the learning community’s formula students x statewide average GFOE per formula student x 0.004643 (per State Statute) = an allocation percentage. That allocation percentage x the districts fully funded community achievement plan adjustment = the calculated community achievement plan allowance for that year. Plans not approved will be removed for the fall State Aid Recalculation.

FOUNDATION AID INCLUDED IN RESOURCES (§79-1006)

Per State Statute 79-1006 Foundation Aid shall be calculated by multiplying \$1,500 x total Formula Students. Beginning with fiscal year 2025-26 only 60% of foundation aid shall be included as a formula resource. Foundation Aid included in resources is calculated by multiplying the school district’s Formula Students x \$900.

EQUALIZATION AID

Formula Needs – Formula Resources = Equalization Aid

STATE AID CALCULATION

Total State Aid

- ▶ Total State Aid is the sum of: Equalization Aid + Net Option Funding + Income Tax Rebate + Community Achievement Plan Aid + Foundation Aid included in Resources+ Foundation Aid outside of Resources + Prior Year Correction.

Corrections for the Prior Year

- ▶ In addition to the items that make up a Local System’s calculated State Aid for a given year, each year’s actual State Aid payments may include adjustments to the prior year’s State Aid calculations in accordance with statutory provisions. The corrections to the 2026/27 payments primarily reflect the recalculation of 2025/26 State Aid based on the incorporation of 2024/25 ADM data in place of 2024/25 Fall Membership and allowing the local effort rate to “float” during the recalculation process.

Revised: February 27, 2026