

# **HISTORICAL AND CURRENT NEBRASKA K-12 SCHOOL DATA**



**PREPARED BY THE LEGISLATIVE FISCAL OFFICE    AUGUST 2015**

# INTRODUCTION

This report contains basic data, both current and historical, regarding Nebraska's K-12 public schools. The report does not provide individual district information, but concentrates on statewide data or data based on school district enrollment size. It's intended to provide a broad overview of K-12 schools in Nebraska over the past 30 years accompanied by some observations and comments where deemed appropriate.

The report is broken down into five sections: Enrollment, Staffing, Disbursements, Revenues, TEEOSA School Aid and Property Taxes and Valuation. The appendix includes a more detailed description of the various disbursement categories used throughout the report as well as a listing of the fund structure used by schools for finance reporting purposes.

The raw data in this report is obtained from the State Department of Education. Information for fall membership and certificated staff was obtained from their annual publication "Statistics and Facts about Nebraska Schools". All revenue and disbursement data as well as enrollment measured by average daily membership (ADM) and average daily attendance (ADA) was obtained from the Annual Financial Report (AFR) prepared by the Department from data submitted by individual school systems.

Property tax and valuation data is compiled by Legislative Fiscal Office from Certificate of Taxes Levied (CTL) data from the Nebraska Department of Revenue Property Assessment Division.

# ENROLLMENT

School enrollment data can be obtained from fall membership, average daily membership (ADM) and average daily attendance (ADA). In this report, Fall Membership data include public schools, ESU's, interim program, and state operated schools. ADM and ADA data include public schools only.

**Fall membership**, the official count of Nebraska public school students, is taken on the last Friday in September of each school year. The count is taken by grade, gender and race/ethnicity. Each student is counted only once by the school district in which they receive the majority of their instruction. Each student must be counted in a grade level, there is no "ungraded" category. That means some students may be counted in grades typical of their chronological age or based on local policy.

**Average Daily Membership** is the average number of students who were in membership on any given day during the school year. Calculated by dividing the aggregate days of membership by school days in session.

**Average Daily Attendance** is the average number of students who were in attendance on any given day during the school year. It is derived by aggregate days of attendance of a school during a reporting period divided by the total possible number of days school is in session during this period. Only days on which the students are under the guidance and direction of school staff should be considered as days in session.

**Elementary / Secondary Breakdown** The breakdown of enrollment (and teachers) by elementary and secondary can vary based on the source of data and can vary over time. The reason for the variation is the treatment of grades 7 and 8. Schools can organize differently. Some have middle schools consisting of grades 6-8 and include 7-8 enrollments under Elementary. In other cases schools have Junior High designations and in these cases 7-8 enrollment is included as Secondary. The Department's publication "Statistics and Facts about Nebraska Schools" includes definitions which show the variety of classifications: *Elementary* represents data for 6-year or less elementary, 7-year elementary, 8-year elementary, middle school, and Special Education. *Secondary* represents data for 2-year junior high, 3-year junior high, 3-year senior high, 4-year senior high, 5-year secondary and 6-year secondary.

### Table 1 Districts, Schools and Enrollments

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	# of Districts	# of Schools	Fall Membership*					Avg Daily Membership (Public Only)			Avg Daily Attendance	
			Elementary (PK-8)	Secondary (9-12)	Grand Total	% of Total Elem      Second		ADM Elementary	ADM Secondary	ADM Total	ADA Total	Attendance Rate
1973-74	1,287	1,927	220,339	104,188	324,527	67.9%	32.1%	--	--	320,326	303,057	94.6%
1983-84	999	1,649	186,068	81,466	267,534	69.5%	30.5%	--	--	263,938	252,484	95.7%
1993-94	718	1,428	203,346	81,671	285,017	71.3%	28.7%	164,427	113,832	278,262	264,668	95.1%
1994-95	706	1,419	203,055	84,045	287,100	70.7%	29.3%	159,885	121,048	280,933	267,443	95.2%
1995-96	685	1,396	203,828	85,925	289,753	70.3%	29.7%	164,565	118,578	283,142	268,559	94.8%
1996-97	681	1,385	202,846	89,121	291,967	69.5%	30.5%	159,151	125,568	284,719	270,959	95.2%
1997-98	665	1,359	201,684	90,997	292,681	68.9%	31.1%	156,925	127,828	284,753	270,518	95.0%
1998-99	627	1,341	199,750	91,386	291,136	68.6%	31.4%	154,874	128,567	283,441	269,116	94.9%
1999-00	593	1,322	196,984	91,247	288,231	68.3%	31.7%	153,124	127,058	280,181	266,879	95.3%
2000-01	567	1,307	195,486	90,713	286,199	68.3%	31.7%	151,716	126,494	278,210	263,932	94.9%
2001-02	556	1,299	194,653	90,442	285,095	68.3%	31.7%	151,513	125,752	277,265	263,559	95.1%
2002-03	539	1,267	195,113	90,289	285,402	68.4%	31.6%	149,259	128,027	277,286	262,531	94.7%
2003-04	523	1,242	195,417	90,125	285,542	68.4%	31.6%	149,245	127,543	276,787	262,104	94.7%
2004-05	532	1,245	194,816	90,945	285,761	68.2%	31.8%	148,472	128,260	276,732	261,857	94.6%
2005-06	500	1,215	195,055	91,590	286,645	68.0%	32.0%	148,563	128,964	277,527	263,497	94.9%
2006-07	307	1,166	195,769	91,811	287,580	68.1%	31.9%	149,333	129,066	278,399	263,830	94.8%
2007-08	304	1,143	200,028	91,083	291,111	68.7%	31.3%	150,196	128,666	278,863	264,117	94.7%
2008-09	304	1,123	202,830	89,635	292,465	69.4%	30.6%	151,418	128,347	279,765	265,328	94.8%
2009-10	302	1,027	207,024	88,630	295,654	70.0%	30.0%	154,191	127,433	281,624	266,904	94.8%
2010-11	298	1,016	210,317	88,130	298,447	70.5%	29.5%	156,873	126,685	283,558	269,901	95.2%
2011-12	297	1,011	213,507	87,752	301,259	70.9%	29.1%	160,613	125,997	286,610	273,852	95.5%
2012-13	293	1,009	215,432	88,073	303,505	71.0%	29.0%	158,321	129,148	287,469	273,953	95.3%
2013-14	294	1,023	219,122	88,555	307,677	71.2%	28.8%	158,270	133,679	291,949	277,873	95.2%
<b>Total % Change</b>						<b>Avg</b>	<b>Avg</b>					<b>Avg</b>
FY 74 to FY84 (10 Yr.)	-22.4%	-14.4%	-15.6%	-21.8%	-17.6%	67.2%	32.8%	--	--	-17.6%	-16.7%	95.2%
FY 84 to FY94 (10 Yr.)	-28.1%	-13.4%	9.3%	0.3%	6.5%	70.7%	29.3%	--	--	5.4%	4.8%	95.5%
FY 94 to FY04 (10 Yr.)	-27.2%	-13.0%	-3.9%	10.4%	0.2%	69.2%	30.8%	-9.2%	12.0%	-0.5%	-1.0%	95.0%
FY 04 to FY14 (10 Yr.)	-43.8%	-17.6%	12.1%	-1.7%	7.8%	69.5%	30.5%	6.0%	4.8%	5.5%	6.0%	95.0%
FY 84 to FY14 (30 Yr.)	-70.6%	-38.0%	17.8%	8.7%	15.0%	69.8%	30.2%	--	--	10.6%	10.1%	95.2%
<b>Total # Change</b>												
FY 74 to FY84 (10 Yr.)	(288)	(278)	(34,271)	(22,722)	(56,993)			--	--	(56,388)	(50,573)	--
FY 84 to FY94 (10 Yr.)	(281)	(221)	17,278	205	17,483			--	--	14,325	12,184	--
FY 94 to FY04 (10 Yr.)	(195)	(186)	(7,929)	8,454	525			(15,182)	13,711	(1,475)	(2,564)	--
FY 04 to FY14 (10 Yr.)	(229)	(219)	23,705	(1,570)	22,135			9,025	6,137	15,162	15,769	--
FY 84 to FY14 (30 Yr.)	(705)	(626)	33,054	7,089	40,143			--	--	28,012	25,389	--

\*Districts and Fall Membership data includes Public, ESU, Interim Program & State Operated Schools

**Comments and Observations, Table 1**

For purposes of Fall Membership in Table 1, all grade 7-8 enrollments are categorized as elementary. The elementary/secondary breakdown of ADM data is based on how schools submitted the data as part of the Annual Financial Report (AFR).

**Districts/School Buildings (Public+ESU+Interim+State Operated)**

- (1) The total number of school districts decreased by 71% in the last 30 years from 999 in FY84 to 294 in FY14. The number of districts includes ESU's, state operated and interim schools. The large drop in FY2006-07 relates to the elimination of Class 1 districts.
- (2) The total number of school buildings decreased by 38% in the last 40 years from 1,649 in FY84 to 1,023 in FY14.
- (3) Of the 294 districts in FY13-14, 256 are public schools (of which 7 are classified as non-operating), 16 interim, 17 ESU, and 5 state operated schools. State operated schools are those run by the state including the Youth Development Centers at Kearney and Geneva.
- (4) In FY13-14 all of the 1,017 school buildings are public schools. Interim schools are included as part of the resident district.

	Public	State Operated	Total # Schools	Fall Membership
<b>2013-14</b>				
Pre-K Schools	54	0	54	3,675
PK-8 or Less Elem	572	0	572	158,528
Middle Schools	124	0	124	49,227
Subtotal - Elementary	750	0	750	211,430
High School (9-12)	105	0	105	72,201
Secondary (7-12)	162	0	162	23,767
Subtotal - Secondary	267	0	267	95,968
State Operated	0	6	6	279
Total # of Schools	1,017	6	1,023	307,677
Total # of Systems	262	5	267	

**Total Fall Membership (Public+ESU+State Operated)**

- (5) Total membership increased by 15% in the last 30 years from 267,534 in FY84 to 307,677 in FY14. The FY14 level is still below the FY74 level of 324,527.
- (6) There was a significant decline in total student membership from FY74 to FY84 of approximately 18%. Elementary membership decreased by 16% and secondary membership decreased by 22%.
- (7) Enrollment started to increase from FY84 to FY94, mostly in the elementary grades. From FY94 to FY04 enrollment remained basically flat but a shift from elementary to secondary students.
- (8) During the last decade, FY04 to FY14 there has been an increase in enrollment by almost 8% driven by a 12% increase in elementary membership. About 39% of the increase in elementary is in PK which has grown from 5,323 in FY04 to 13,831 in FY14.
- (9) From a review of the FY14 data, it appears that about 51% of the 44,312 students in grades 7-8 are treated as Elementary on the Fall Membership.

**Average Daily Membership (Public only)**

- (10) Unlike Fall Membership, it appears that a majority of grade 7-8 enrollment is accounted for as Secondary for ADM reporting.
- (11) During the last decade there has been a 5.5% increase in ADM, relatively equal with elementary and secondary.

**Average Daily Attendance (Public only)**

- (12) The average daily attendance rate in FY14 is 95.2%. This attendance rate (the ratio of ADM to ADA) has varied little over the 30 year period.

### Table 2 Fall Membership by Race and Gender

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	White		Asian / Pacific		Hispanic / Latino		Amer Indian/Alaska		Black		Two or More Races		Total *	Male		Female	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	Number	% of Total	Number	% of Total
1983-84	na	na	na	na	na	na	na	na	na	na	--	--	267,534	na	na	na	na
1986-87	242,677	90.8%	2,303	0.9%	5,843	2.2%	2,790	1.0%	13,526	5.1%	--	--	267,139	137,507	51.5%	129,632	48.5%
1993-94	251,676	88.3%	3,355	1.2%	10,122	3.6%	3,612	1.3%	16,252	5.7%	--	--	285,017	146,681	51.5%	138,336	48.5%
1994-95	252,192	87.8%	3,560	1.2%	11,048	3.8%	3,723	1.3%	16,577	5.8%	--	--	287,100	147,794	51.5%	139,306	48.5%
1995-96	252,528	87.2%	3,664	1.3%	12,608	4.4%	3,924	1.4%	17,029	5.9%	--	--	289,753	149,191	51.5%	140,562	48.5%
1996-97	252,311	86.4%	3,802	1.3%	14,250	4.9%	4,183	1.4%	17,421	6.0%	--	--	291,967	150,290	51.5%	141,677	48.5%
1997-98	250,825	85.7%	3,972	1.4%	15,528	5.3%	4,304	1.5%	18,052	6.2%	--	--	292,681	150,599	51.5%	142,082	48.5%
1998-99	247,003	84.8%	4,114	1.4%	17,186	5.9%	4,359	1.5%	18,474	6.3%	--	--	291,136	149,895	51.5%	141,241	48.5%
1999-00	242,227	84.0%	4,275	1.5%	18,664	6.5%	4,311	1.5%	18,754	6.5%	--	--	288,231	148,471	51.5%	139,760	48.5%
2000-01	237,620	83.0%	4,345	1.5%	20,762	7.3%	4,370	1.5%	19,102	6.7%	--	--	286,199	147,179	51.4%	139,020	48.6%
2001-02	233,088	81.8%	4,502	1.6%	23,459	8.2%	4,452	1.6%	19,594	6.9%	--	--	285,095	146,746	51.5%	138,349	48.5%
2002-03	230,169	80.6%	4,616	1.6%	26,190	9.2%	4,467	1.6%	19,960	7.0%	--	--	285,402	147,090	51.5%	138,312	48.5%
2003-04	227,043	79.5%	4,831	1.7%	28,712	10.1%	4,545	1.6%	20,411	7.1%	--	--	285,542	147,282	51.6%	138,260	48.4%
2004-05	224,198	78.5%	4,979	1.7%	30,770	10.8%	4,640	1.6%	21,174	7.4%	--	--	285,761	147,412	51.6%	138,349	48.4%
2005-06	222,092	77.5%	5,199	1.8%	32,887	11.5%	4,751	1.7%	21,716	7.6%	--	--	286,645	147,737	51.5%	138,908	48.5%
2006-07	219,896	76.5%	5,345	1.9%	35,172	12.2%	4,940	1.7%	22,227	7.7%	--	--	287,580	148,217	51.5%	139,363	48.5%
2007-08	219,654	75.5%	5,698	2.0%	37,550	12.9%	4,964	1.7%	23,245	8.0%	--	--	291,111	150,081	51.6%	141,030	48.4%
2008-09	218,242	74.6%	6,061	2.1%	39,546	13.5%	5,010	1.7%	23,606	8.1%	--	--	292,465	150,970	51.6%	141,495	48.4%
2009-10	218,063	73.8%	6,458	2.2%	42,228	14.3%	5,166	1.7%	23,739	8.0%	--	--	295,654	152,624	51.6%	143,030	48.4%
2010-11	211,187	70.8%	6,352	2.1%	47,899	16.0%	4,403	1.5%	19,967	6.7%	8,639	2.9%	298,447	154,193	51.7%	144,254	48.3%
2011-12	211,366	70.2%	6,630	2.2%	49,400	16.4%	4,397	1.5%	20,256	6.7%	9,210	3.1%	301,259	155,718	51.7%	145,541	48.3%
2012-13	211,167	69.6%	6,984	2.3%	51,068	16.8%	4,327	1.4%	20,217	6.7%	9,742	3.2%	303,505	156,944	51.7%	146,561	48.3%
2013-14	211,878	68.9%	7,484	2.4%	53,309	17.3%	4,383	1.4%	20,522	6.7%	10,101	3.3%	307,677	159,151	51.7%	148,526	48.3%
<b>Total % Change</b>																	
FY 87 to FY94 (7 Yr)	3.7%		45.7%		73.2%		29.5%		20.2%		--		6.7%	6.7%		6.7%	
FY 94 to FY04 (10 Yr)	-9.8%		44.0%		183.7%		25.8%		25.6%		--		0.2%	0.4%		-0.1%	
FY 04 to FY14 (10 Yr)	-6.7%		54.9%		85.7%		-3.6%		0.5%		--		7.8%	8.1%		7.4%	
FY 87 to FY14 (27 Yr)	-12.7%		225.0%		812.4%		57.1%		51.7%		--		15.2%	na		na	
<b>Total # Change</b>																	
FY 87 to FY94 (7 Yr)	8,999		1,052		4,279		822		2,726		--		17,878	9,174		8,704	
FY 94 to FY04 (10 Yr)	(24,633)		1,476		18,590		933		4,159		--		525	601		(76)	
FY 04 to FY14 (10 Yr)	(15,165)		2,653		24,597		(162)		111		--		22,135	11,869		10,266	
FY 87 to FY14 (27 Yr)	(30,799)		5,181		47,466		1,593		6,996				40,538	21,644		18,894	

\*Membership Data includes Public, ESU, Interim Program, & State Operated Schools

## Comments and Observations, Table 2

Race and ethnic categories are defined under directives from the U.S. Government Office of Management and Budget. Each student must be placed in one of the categories as shown below. No data on race was available prior to FY77-78.

White - A person having origins in any of the original peoples of Europe, North Africa or the Middle East.

Asian - A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Native Hawaiian or Other Pacific Islander - A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

Hispanic/Latino - A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

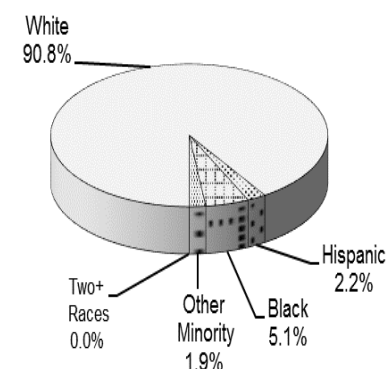
American Indian or Alaska Native - A person having origins in any of the original peoples of North and South or Central America, and who maintains a tribal affiliation or community attachment.

Black or African American - A person having origins in any of the black racial groups of Africa.

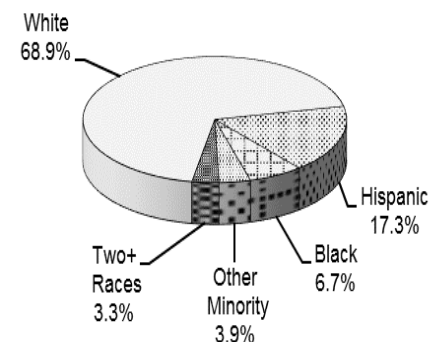
Two or More Races – A person having origins in two or more race categories and not Hispanic/Latino.

- (1) In the last 27 years there is has been virtually no change in the breakdown of membership between males (about 51.7%) and females (about 48.3%). In fact the percent of total hasn't varied by more than two tenths of one percent over the 27 years.
- (2) Unlike the stability in membership by gender, there have been significant changes in membership by race. Over the past 27 years, from FY87 to FY14, minority children as a percent of total membership have increased from 9.2% to 31.1% of total membership. Likewise during the same period, white children as a percent of total membership has declined by a like amount from 90.8% to 68.9%.
- (3) All four minority categories increased their proportion of total membership; Hispanic/Latino 15.1%; Black 1.6%; American Indian/Alaska Native .4%; Asian/Pacific Islander 1.6%, and Two or more races 3.3%.
- (4) Hispanic/Latino membership had by far the largest growth. The number of Hispanic/Latino children in membership has increased almost tenfold in the past 27 years and almost doubled in the last 10 years.

Fall Membership by Race  
FY1986-87



Fall Membership by Race  
FY2013-14



**Table 3 Enrollment Shifts, FY04 to FY14**

	Number of Systems			Number Change in ADM			Pct Change in ADM		
	Grow ing	Declining	Total	Grow ing	Declining	Total	Grow ing	Declining	Total
Under 250	16	73	89	505	(4,155)	(3,651)	20.7%	-24.4%	-18.8%
250-500	12	61	73	907	(4,559)	(3,653)	27.2%	-17.2%	-12.2%
500-1,000	12	33	45	534	(3,768)	(3,234)	7.2%	-14.5%	-9.7%
1,000-2,000	7	9	16	1,867	(909)	958	20.5%	-6.8%	4.3%
2,000-5,000	8	5	13	3,314	(492)	2,822	16.3%	-2.7%	7.3%
Greater 5,000	9	0	9	22,329	0	22,329	16.9%	0.0%	16.9%
<b>State Total</b>	<b>64</b>	<b>181</b>	<b>245</b>	<b>29,455</b>	<b>(13,883)</b>	<b>15,572</b>	<b>16.8%</b>	<b>-13.7%</b>	<b>5.6%</b>

	FY2003-04 ADM			FY2013-14 ADM			# Change		
	Grow ing	Declining	Total	Grow ing	Declining	Total	Grow ing	Declining	Total
Under 250	2,438	17,003	19,441	2,942	12,848	15,791	505	(4,155)	(3,651)
250-500	3,338	26,482	29,819	4,244	21,923	26,167	907	(4,559)	(3,653)
500-1,000	7,443	25,960	33,402	7,977	22,192	30,169	534	(3,768)	(3,234)
1,000-2,000	9,116	13,277	22,394	10,983	12,368	23,351	1,867	(909)	958
2,000-5,000	20,333	18,541	38,873	23,647	18,049	41,696	3,314	(492)	2,822
Greater 5,000	132,448	0	132,448	154,777	0	154,777	22,329	0	22,329
<b>State Total</b>	<b>175,115</b>	<b>101,262</b>	<b>276,377</b>	<b>204,570</b>	<b>87,380</b>	<b>291,949</b>	<b>29,455</b>	<b>(13,883)</b>	<b>15,572</b>

- (1) The number of systems is based on FY2015-16 aid certification. Data for prior years have been compiled to the FY16 school universe.
- (2) Schools were assigned a size category based on FY2013-14 ADM enrollment even though they may have been in a different size category in FY03-04. In fact 63 districts (systems) changed categories from FY04 to FY14. About 78% of these were schools moving to and from the two smallest categories.
- (3) There has been a continuing trend of shifting enrollment from smaller to larger districts. Of the 245 school districts, 181 districts (77%) have declining enrollment over the past 10 years. The enrollment decrease in those districts was -13.7%
- (4) In growing districts, the increase of 29,455 would be equivalent to the enrollment in the third largest school district in the state (Millard is 3rd at 22,748).
- (5) This shifting enrollment has a significant impact on overall statewide spending. Smaller declining enrollment schools have a relatively fixed level of expenditures. Costs don't change significantly if the number of students per class decline. On the other hand, the larger growing districts are adding new buildings and staff to account for their growing enrollment. If declining districts grow at inflation and growing enrollment districts grow at inflation plus enrollment growth, the overall statewide spending will always grow faster than inflation plus enrollment growth.



# STAFFING

Data in this section relate only to the certificated staff. These are school employees that require certification including teachers. This would not include employees such as custodial and maintenance staff, school lunch, bus drivers, etc...

### Table 4 Certificated School Personnel

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Certificated Staff (Public, ESU, Interim, State Operated)					Teachers as % of Cert.Staff	Statewide Average Pupil / Staff Ratio		Fall Membership
	Teachers Elem.	Teachers Sec.	Teachers Total	Admin & Other	Total Cert. Staff		Teacher	Admin/Other	
1973-74	9,443	8,813	18,256	1,821	20,077	90.9%	17.8	178.2	324,527
1983-84	9,277	8,245	17,522	2,976	20,498	85.5%	15.3	89.9	267,534
1993-94	11,204	8,330	19,534	3,991	23,525	83.0%	14.6	71.4	285,017
1994-95	11,367	8,405	19,772	4,107	23,879	82.8%	14.5	69.9	287,100
1995-96	11,552	8,527	20,079	4,233	24,312	82.6%	14.4	68.5	289,753
1996-97	11,651	8,519	20,170	4,197	24,367	82.8%	14.5	69.6	291,967
1997-98	11,768	8,373	20,141	4,160	24,301	82.9%	14.5	70.4	292,681
1998-99	12,037	8,272	20,309	4,162	24,471	83.0%	14.3	70.0	291,136
1999-00	12,429	8,287	20,716	4,300	25,016	82.8%	13.9	67.0	288,231
2000-01	12,618	8,363	20,981	4,430	25,411	82.6%	13.6	64.6	286,199
2001-02	12,669	8,335	21,004	4,540	25,544	82.2%	13.6	62.8	285,095
2002-03	12,797	8,245	21,042	4,672	25,714	81.8%	13.6	61.1	285,402
2003-04	12,951	8,033	20,984	4,650	25,634	81.9%	13.6	61.4	285,542
2004-05	13,509	7,581	21,090	4,671	25,761	81.9%	13.5	61.2	285,761
2005-06	13,653	7,642	21,295	4,784	26,079	81.7%	13.5	59.9	286,645
2006-07	13,784	7,811	21,595	4,994	26,589	81.2%	13.3	57.6	287,580
2007-08	14,121	7,857	21,978	5,189	27,167	80.9%	13.2	56.1	291,111
2008-09	14,246	7,859	22,105	5,229	27,334	80.9%	13.2	55.9	292,465
2009-10	13,798	8,518	22,316	5,337	27,653	80.7%	13.2	55.4	295,654
2010-11	13,927	8,571	22,498	5,419	27,917	80.6%	13.3	55.1	298,447
2011-12	13,934	8,396	22,330	5,237	27,567	81.0%	13.5	57.5	301,259
2012-13	14,126	8,421	22,547	5,123	27,670	81.5%	13.5	59.2	303,505
2013-14	14,409	8,443	22,852	5,171	28,023	81.5%	13.5	59.5	307,677
<b>Total % Change</b>						<b>Avg</b>			
FY 74 to FY84 (10 Yr.)	-1.8%	-6.4%	-4.0%	63.4%	2.1%	87.2%	16.3	111.2	-17.6%
FY 84 to FY94 (10 Yr.)	20.8%	1.0%	11.5%	34.1%	14.8%	84.3%	14.9	80.2	6.5%
FY 94 to FY04 (10 Yr.)	15.6%	-3.6%	7.4%	16.5%	9.0%	82.6%	14.1	66.8	0.2%
FY 04 to FY14 (10 Yr.)	11.3%	5.1%	8.9%	11.2%	9.3%	81.2%	13.4	58.0	7.8%
FY 84 to FY14 (30 Yr.)	55.3%	2.4%	30.4%	73.8%	36.7%	82.6%	14.1	66.9	15.0%
<b>Total # Change</b>									
FY 74 to FY84 (10 Yr.)	(166)	(568)	(734)	1,155	421				(56,993)
FY 84 to FY94 (10 Yr.)	1,927	85	2,012	1,015	3,027				17,483
FY 94 to FY04 (10 Yr.)	1,747	(297)	1,450	659	2,109				525
FY 04 to FY14 (10 Yr.)	1,458	410	1,868	521	2,389				22,135
FY 84 to FY14 (30 Yr.)	5,132	198	5,330	2,195	7,525				40,143

## ***Comments and Observations, Table 4***

### **Teachers and Pupil Teacher Ratios**

- (1) The total number of teachers increased by 30% in the last 30 years from 17,522 in FY84 to 22,852 in FY14. About 96% of the increase in teachers was in the elementary grades. Part of this could reflect growth in P-K programs and full day kindergarten.
- (2) Student membership increased by about 15% from FY84 to FY14. However the percent increase in total teachers was 30% resulting in the reduced pupil teacher ratio from 15.3 to 13.5.
- (3) The statewide average elementary pupil/teacher ratio has declined from 17.8 in FY74 to 13.5 in FY14. See Table 6 for elementary and secondary pupil/teacher ratios for each class of school district.

### **Non-Teacher Certificated Staff (Administrative and Other)**

- (4) The total non-teacher certificated staff increased 74% in the last 30 years, from 2,976 in FY84 to 5,171 in FY14.
- (5) The most significant growth in non-teacher certificated staff occurred during the 10 year period from FY74 to FY84 when the number increased by 63% with lower growth in each following decade.

### **Total Certificated Staff**

- (6) Total certificated staff in school districts (teachers and other administrative staff) has increased by 36.7% in the last 30 years from 20,498 in FY84 to 28,023 in FY14.
- (7) Total certificated staff increased by 15% from FY84 to FY94, which was more than double the increase in student membership for the decade. Total staff continued to grow by 9% in the next decade from FY94 to FY04 even as student membership increased by less than 1%.
- (8) Teachers as a percentage of total certificated staff have declined from 91% in FY74 to 81.5% in FY14. Most of this decline occurred from FY74 to FY94. The percentage since FY94 has only declined by 1.5% points.
- (9) The average number of pupils per non-teacher certificated staff has decreased from 178 in FY74 to 59 in FY14.

**Table 5 Breakdown of Certificated Personnel by Job and Category**

	Category	Certificated Public School Personnel (FTE)				30 Yr Change 04-14		% of Total Staff			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		1983-84	1993-94	2003-04	2013-14	#	%	83-84	93-94	03-04	13-14
Teacher (includes SPED)	Teaching	17,185.1	19,231.1	20,686.3	22,630.1	5,445.1	31.7%	84.4%	83.1%	82.8%	82.7%
Head Teacher	Teaching	235.9	157.0	97.5	11.3	(224.5)	-95.2%	1.2%	0.7%	0.4%	0.0%
Department Head	Teaching	29.5	32.2	9.0	13.1	(16.4)	-55.5%	0.1%	0.1%	0.0%	0.0%
Elementary Counselor	Counselors	na	229.6	277.4	320.6	320.6	100.0%	--	1.0%	1.1%	1.2%
Secondary Counselor	Counselors	506.5	467.5	474.4	470.9	(35.6)	-7.0%	2.5%	2.0%	1.9%	1.7%
Vocational Adjust.Counselor	Counselors	--	21.6	--	--	--	--	--	--	--	--
Librarian	Library / Media	298.9	253.1	219.7	141.8	(157.1)	-52.6%	1.5%	1.1%	0.9%	0.5%
Media Specialist	Library / Media	206.2	292.8	325.9	397.3	191.1	92.7%	1.0%	1.3%	1.3%	1.5%
Speech Pathologist	Health Related	186.9	411.1	397.6	515.0	328.0	175.5%	0.9%	1.8%	1.6%	1.9%
Psychologist	Health Related	58.7	129.2	169.3	223.7	165.0	281.3%	0.3%	0.6%	0.7%	0.8%
School Nurse	Health Related	103.3	173.1	197.9	258.2	154.9	150.0%	0.5%	0.7%	0.8%	0.9%
Sign Language Interpreter	Health Related	--	--	67.0	47.4	47.4	--	--	--	--	0.2%
Social Worker	Health Related	7.9	56.9	43.0	67.4	59.5	755.3%	0.0%	0.2%	0.2%	0.2%
Occupational Therapist	Health Related	7.0	11.2	22.5	55.4	48.4	691.7%	0.0%	0.0%	0.1%	0.2%
School Transition Specialist	Health Related	--	--	18.0	25.3	25.3	--	--	--	--	0.1%
Physical Therapist	Health Related	4.4	8.8	12.9	20.9	16.5	371.3%	0.0%	0.0%	0.1%	0.1%
Speech Language Tech.	Health Related	--	4.1	3.0	6.4	6.4	--	--	--	0.0%	0.0%
Audiologist	Health Related	--	4.0	6.6	3.0	3.0	--	--	--	0.0%	0.0%
Psychologist Assistant	Health Related	19.5	2.7	8.8	0.0	(19.5)	-100.0%	0.1%	0.0%	0.0%	0.0%
Mental Health Practitioner (ES)	Health Related	--	--	--	12.4	12.4	--	--	--	--	0.0%
Superintendent	Administration	278.9	254.9	218.7	205.9	(73.1)	-26.2%	1.4%	1.1%	0.9%	0.8%
Assistant Superintendent	Administration	40.5	34.5	39.0	26.5	(14.0)	-34.6%	0.2%	0.1%	0.2%	0.1%
Principal	Administration	706.7	733.4	754.8	774.5	67.8	9.6%	3.5%	3.2%	3.0%	2.8%
Assistant Principal	Administration	154.3	193.3	241.2	281.5	127.1	82.4%	0.8%	0.8%	1.0%	1.0%
Supervisor/Director	Administration	100.0	88.6	100.2	123.5	23.5	23.5%	0.5%	0.4%	0.4%	0.5%
Administrative Assistant	Administration	46.4	24.3	39.8	45.2	(1.3)	-2.8%	0.2%	0.1%	0.2%	0.2%
Business Manager	Administration	--	13.5	20.4	0.0	0.0	--	--	--	0.1%	0.0%
Prog. Consult./Coordinator	Coordinators	79.7	104.8	308.7	401.9	322.2	404.5%	0.4%	0.5%	1.2%	1.5%
Curriculum Specialist	Coordinators	37.9	57.2	79.5	132.8	94.9	250.5%	0.2%	0.2%	0.3%	0.5%
Prog. Supervisor/Director	Coordinators	48.9	48.3	63.9	72.2	23.3	47.6%	0.2%	0.2%	0.3%	0.3%
Coordinator	Coordinators	29.7	33.8	42.0	37.0	7.3	24.5%	0.1%	0.1%	0.2%	0.1%
SPED Admin./Director	Coordinators	--	44.3	37.0	39.2	39.2	--	--	--	0.1%	0.1%
Home School Liaison	Coordinators	--	7.8	3.6	4.8	4.8	--	--	--	0.0%	0.0%
Staff Development Director	Coordinators	--	8.9	8.5	6.4	6.4	--	--	--	0.0%	0.0%
Staff Development Coordinator	Coordinators	--	--	--	3.5	3.5	--	--	--	--	0.0%
<b>Total Certificated FTE</b>		<b>20,372.6</b>	<b>23,133.6</b>	<b>24,993.8</b>	<b>27,375.2</b>	<b>7,002.5</b>	<b>34.4%</b>	<b>100.0%</b>	<b>99.5%</b>	<b>99.7%</b>	<b>100.0%</b>
<b>By Major Category</b>											
Teaching		17,450.4	19,420.2	20,792.8	22,654.6	5,204.1	29.8%	85.7%	83.9%	83.2%	82.8%
Counselors		506.5	718.7	751.8	791.5	285.0	56.3%	2.5%	3.1%	3.0%	2.9%
Library / Media		505.1	545.9	545.6	539.1	34.0	6.7%	2.5%	2.4%	2.2%	2.0%
Health Related		387.7	801.1	946.5	1,234.9	847.3	218.6%	1.9%	3.5%	3.8%	4.5%
Administration		1,326.9	1,342.5	1,414.1	1,457.5	130.6	9.8%	6.5%	5.8%	5.7%	5.3%
Coordinators		196.1	305.1	543.0	697.7	501.6	255.8%	1.0%	1.3%	2.2%	2.5%
<b>Total Certificated Staff</b>		<b>20,372.6</b>	<b>23,133.6</b>	<b>24,993.8</b>	<b>27,375.2</b>	<b>7,002.5</b>	<b>34.4%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Comments and Observations, - Table 5**

- (1) Total certificated staff in public schools has grown by 7,002 or 34% from FY84 to FY14. The growth rate has been highest during this time period for coordinators, followed by health related staff and counselors. The slowest growing categories of public school personnel have been library/media staff and administrators.
- (2) Staff in charge of program coordination, supervision or direction increased by 256% while health related occupations increased by 219%. Counseling staff increased by 56% while teaching staff increased by 29.8%. Slowest growth categories were library/media staff (6.7%) and administrative related position (9.8%).
- (3) The four positions that increased in number the most from FY84 to FY14 are: Teachers (including SPED) (5,445 FTE, 31.7%), Speech Pathologist (328 FTE, 175%), Program Consultant/Coordinator (322 FTE, 404%); Elementary Counselor (320 FTE), and Psychologist (165 FTE, 281%).
- (4) The four positions that decreased in number the most from FY84 to FY14 are: Head Teacher (-224.5 FTE, -95%); Librarian (-157.1 FTE, -53%) and Superintendent (-73.1 FTE, -26%). Some of the decline in the Head Teacher designation may be related to the growth in the Program Consultant/Coordinator position.
- (5) Teachers are the predominant personnel in public schools, comprising 83% of certificated staff in FY14. Teachers decreased as a percentage of total staff from 86% in FY84 to 83% in FY08. However health related staff increased from 1.9% to 4.5% of total certificated staff.
- (6) Administrative staff declined as a percentage of total staff from 6.5% to 5.3% from FY 84 to FY14.

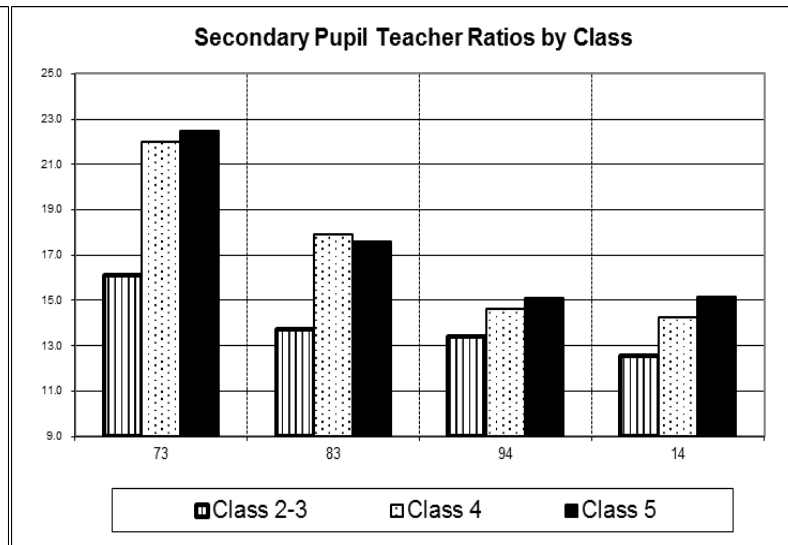
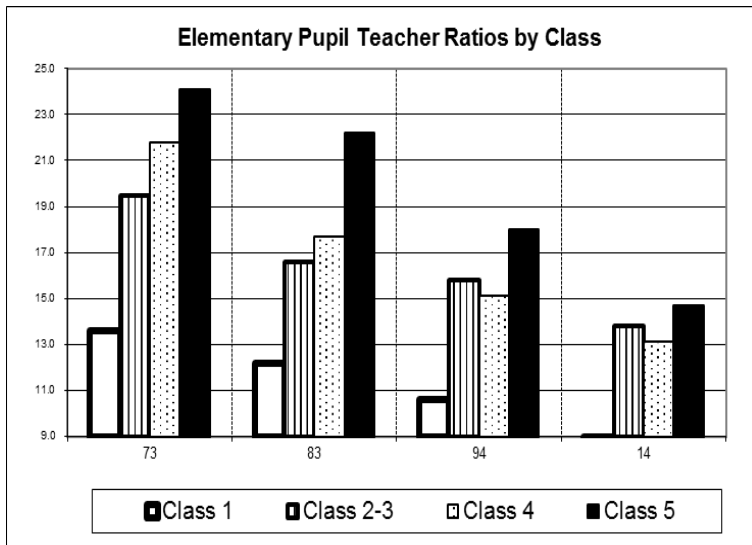
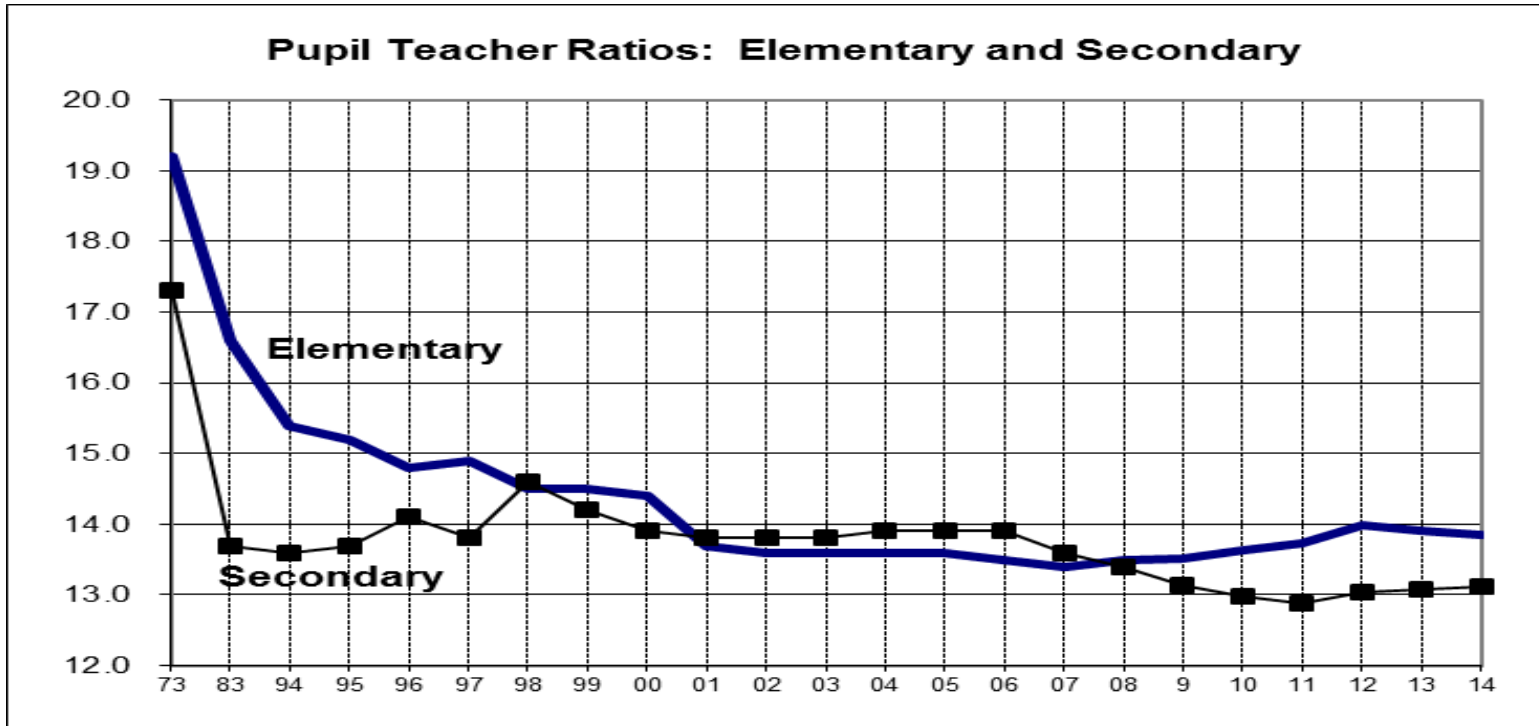
**30 Year Growth in Public School FTE from FY84 to FY14**

<b>Positions with Growth Rate &gt; 100%</b>	<b>Positions with Growth Rate of 50%-100%</b>	<b>Positions with Growth Rate of 0%-50%</b>	<b>Positions with Declining Growth Rate</b>
Social Worker	Media Specialist	Prog. Supervisor/Director	Head Teacher
Occupational Therapist	Assistant Principal	Teacher (includes SPED)	Department Head
Prog. Consult./Coordinator		Coordinator	Librarian
Physical Therapist		Supervisor/Director	Assistant Superintendent
Psychologist		Principal	Superintendent
Curriculum Specialist			Secondary Counselor
Speech Pathologist			Administrative Assistant
School Nurse			
Elementary Counselor			

**Table 6 Average Pupil-Teacher Ratios in Public Schools**

	Class I	Class II/Class III		Class IV (Lincoln)		Class V (Omaha)		State Average	
	Elem.	Elem.	Sec.	Elem.	Sec.	Elem.	Sec.	Elem.	Sec.
1972-73 *	13.6	19.5	16.1	21.8	22.0	24.1	22.5	19.2	17.3
1982-83 *	12.2	16.6	13.7	17.7	17.9	22.2	17.6	16.6	13.7
1993-94	10.6	15.8	13.4	15.1	14.6	18.0	15.1	15.4	13.6
1994-95	10.3	15.5	13.6	14.9	14.4	17.7	14.8	15.2	13.7
1995-96	10.2	15.3	13.9	13.8	15.8	17.0	14.6	14.8	14.1
1996-97	10.2	15.5	13.8	14.7	14.0	16.6	14.5	14.9	13.8
1997-98	9.9	15.1	14.3	12.9	17.1	16.5	15.6	14.5	14.6
1998-99	10.0	14.9	14.0	14.1	14.7	16.0	15.4	14.5	14.2
1999-00	10.3	14.4	13.9	13.5	14.4	15.1	15.6	14.4	13.9
2000-01	10.0	14.0	13.6	13.4	13.9	14.9	15.4	13.7	13.8
2001-02	10.0	13.7	13.5	13.5	14.4	13.5	14.4	13.6	13.8
2002-03	10.0	13.8	13.5	13.4	14.3	14.7	15.7	13.6	13.8
2003-04	10.0	13.8	13.5	13.5	15.0	14.8	15.6	13.6	13.9
2004-05	10.0	13.8	13.5	13.8	15.2	14.2	16.7	13.6	13.9
2005-06	9.7	13.7	13.4	13.7	14.9	14.0	16.9	13.5	13.9
2006-07	--	13.3	13.2	13.6	14.4	13.6	16.4	13.4	13.6
2007-08	--	13.4	13.0	13.5	14.3	13.8	15.6	13.5	13.4
2008-09	--	13.5	12.7	13.5	14.2	13.7	15.6	13.5	13.1
2009-10	--	13.5	12.5	13.4	14.8	14.6	14.2	13.6	13.0
2010-11	--	13.6	12.4	13.7	14.7	14.6	14.2	13.7	12.9
2011-12	--	13.8	12.5	13.9	14.5	14.8	15.1	14.0	13.0
2012-13	--	13.9	12.5	13.3	14.2	14.6	15.5	13.9	13.1
2013-14	--	13.8	12.6	13.1	14.2	14.7	15.2	13.9	13.1
<b>% Change</b>									
FY 73 to FY83 (10 Yr.)	-10.3%	-14.9%	-14.9%	-18.8%	-18.6%	-7.9%	-21.8%	-13.5%	-20.8%
FY 83 to FY94 (11 Yr.)	-13.1%	-4.8%	-2.2%	-14.7%	-18.4%	-18.9%	-14.2%	-7.2%	-0.7%
FY 94 to FY04 (10 Yr.)	-5.7%	-12.7%	0.7%	-10.6%	2.7%	-17.8%	3.3%	-11.7%	2.2%
FY 04 to FY14 (10 Yr.)	--	0.1%	-6.9%	-2.7%	-5.1%	-0.8%	-2.8%	1.8%	-5.7%

\* Data to calculate information for FY73-74 and FY83-84 was not compiled to state totals



# DISBURSEMENTS

Data in this section relate only to public school disbursements.



**Table 7 Total School Disbursements – All Funds – FY84 to FY14**

	1983-84	1993-94	2003-04	2013-14	1983-84	2013-14	Avg Annual % Change (30 yrs)			
					% of total	% of total	84 to 94	94 to 04	04 to 14	(30 Yr)
Disbursements-General Fund	774,632,238	1,420,318,241	2,238,463,543	3,332,115,677	83.2%	81.7%	6.3%	4.7%	4.1%	5.0%
Disbursements-Contingency Fund	na	191,813	3,265,969	4,533,792	na	0.1%	na	na	3.3%	na
Disbursements-Activities Fund	42,927,402	70,443,681	71,342,577	92,306,324	4.6%	2.3%	5.1%	0.1%	2.6%	2.6%
Disbursements-School Lunch Fund	36,695,086	59,428,394	95,361,985	155,413,764	3.9%	3.8%	4.9%	4.8%	5.0%	4.9%
Disbursements-Prop Tax Reimburs Fund	na	1,371,669	0	0	na	0.0%	na	na	na	na
Disbursements-Student Fee Fund	na	na	3,058,417	3,607,434	na	0.1%	na	na	na	na
Disbursements-Cooperative Funds	na	Expensed	Expensed	Expensed	na	na	na	na	na	na
Disbursements-Depreciation Fund	Expensed	Expensed	Expensed	Expensed	na	na	na	na	na	na
Disbursements-Unemployment Fund	Expensed	Expensed	Expensed	Expensed	na	na	na	na	na	na
Operations Related Disbursements	854,254,726	1,551,753,798	2,411,492,489	3,587,976,991	91.7%	88.0%	6.2%	4.5%	4.1%	4.9%
Disbursements-Bond Interest/Retire Fund	39,603,127	134,235,145	271,649,818	265,146,825	4.3%	6.5%	13.0%	7.3%	-0.2%	6.5%
Disbursements-Special Building Fund	37,281,698	114,659,460	202,508,653	173,262,993	4.0%	4.2%	11.9%	5.9%	-1.5%	5.3%
Disbursements-Qualified Capital Purpose	0	6,917,338	17,403,140	52,727,322	0.0%	1.3%	na	na	na	na
Construction Related Disbursements	76,884,825	255,811,943	491,561,611	491,137,139	8.3%	12.0%	12.8%	6.7%	0.0%	6.4%
Total School Disbursements - All Funds	931,139,552	1,807,565,741	2,903,054,100	4,079,114,131	100.0%	100.0%	6.9%	4.9%	3.5%	5.0%

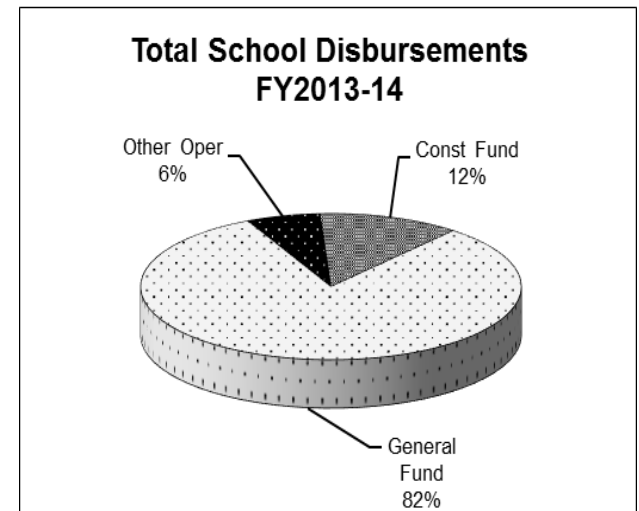
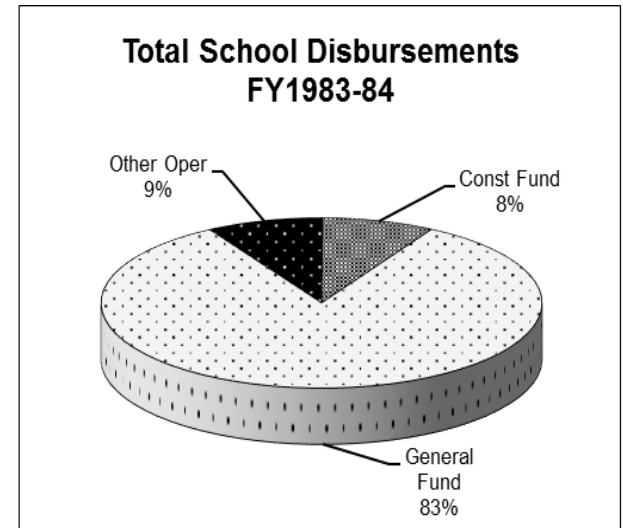
**Comments and Observations, - Table 7**

- (1) School disbursements are accounted for in 12 different funds. Nine of these relate to operating costs while three relate to capital construction. A more detailed description of each fund is found in the Appendix on page 56.
- (2) In the table above in several instances a fund shows the word “Expensed” rather than a dollar amount. In these cases the funds are used as an accounting mechanism and essentially “double count” for a disbursement that already is recorded as a General Fund disbursement. An example is the Depreciation Fund. This fund is used by a school district in order to facilitate the eventual purchase of costly capital outlay and spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year. Each year a portion of the cost is shown as a General Fund disbursement. The monies are then allocated to the Depreciation Fund and when sufficient monies have been accrued, the purchase of the capital item is then shown as a disbursement from the Depreciation Fund.

- (3) The General Fund is the main fund through which schools disburse funds.

***The rest of this report on disbursements concentrates on the General Fund as it accounts for the bulk of the school operations funding (except for school lunch and the activities funds which are basically financed with federal funds or fees) and directly affects the school property tax levy and state aid calculations.***

- (4) The 4.1% average growth over the past 10 years in spending for operations related funds has slowed down compared to the FY84 to FY94 period (6.2% average) and , FY94 to FY04 period (4.5%).
- (5) Spending in the construction related funds has been absolutely flat over the past 10 years in contrast to significant growth in the prior two decades.



**Table 8 School General Fund Disbursements  
FY84 to FY14 - By Major Category - Millions of Dollars**

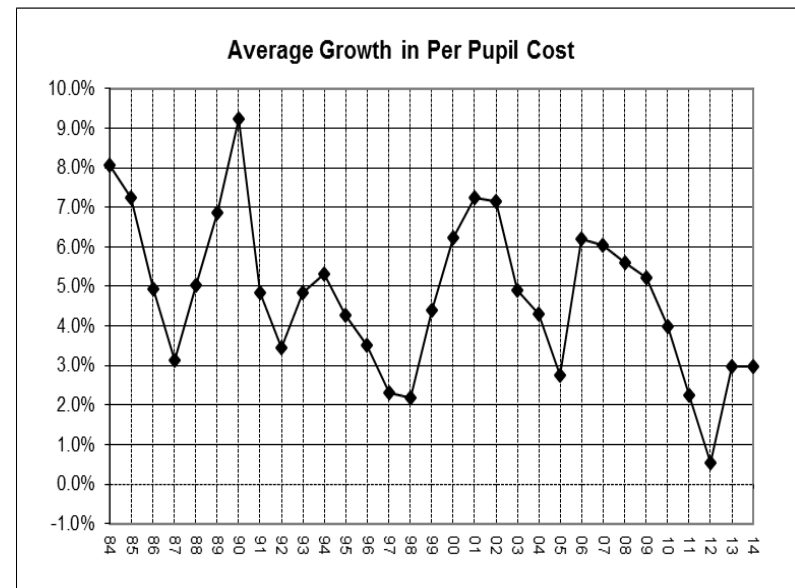
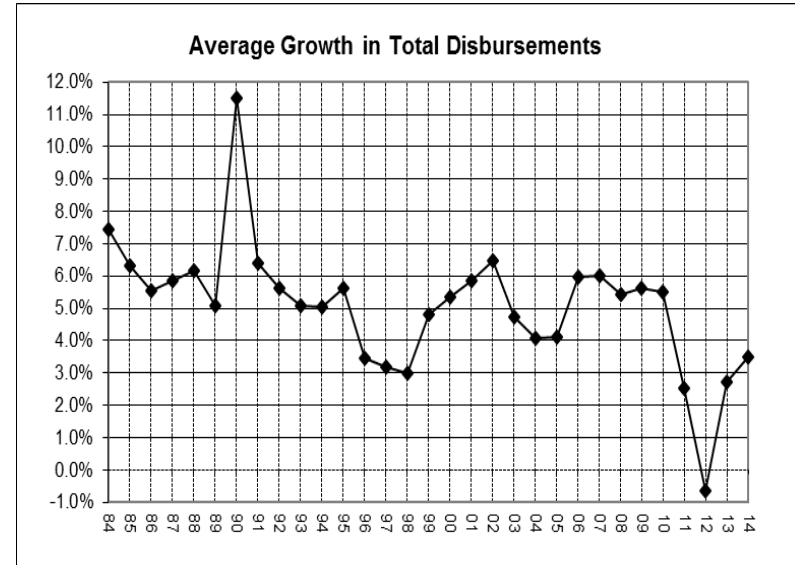
	(1) Reg Instruction	(2) SPED Instruction	(3) Total Instruction	(4) Sprt Svcs (pupil+staff)	(5) Admin + Business	(6) Buildng Op & Maint	(7) Pupil Transport.	(8) All Other *	(9) Total Disburse.	(10) ADM Enrollment	(11) Per Pupil Cost
1983-84	404.2	57.6	461.8	49.9	90.8	100.1	32.5	39.6	774.6	263,938	\$2,907
1993-94	763.6	138.7	902.3	100.1	162.9	138.7	50.5	65.8	1,420.3	278,262	\$4,955
1994-95	808.3	150.0	958.3	106.4	170.8	142.8	52.6	69.4	1,500.3	280,933	\$5,167
1995-96	830.4	155.5	985.9	113.5	174.3	150.5	54.2	73.8	1,552.2	283,142	\$5,349
1996-97	847.2	162.7	1,010.0	116.9	179.0	158.6	56.3	81.0	1,601.7	284,719	\$5,473
1997-98	859.9	167.6	1,027.5	121.4	182.3	172.0	57.1	89.0	1,649.3	284,753	\$5,593
1998-99	888.1	178.5	1,066.6	127.4	192.7	184.8	60.9	96.5	1,728.9	283,441	\$5,838
1999-00	931.3	191.2	1,122.5	136.0	203.0	195.2	62.2	102.5	1,821.4	280,181	\$6,202
2000-01	972.0	205.2	1,177.3	144.9	217.8	213.0	64.1	111.3	1,928.4	278,210	\$6,651
2001-02	1,036.4	224.3	1,260.7	158.2	233.2	211.4	64.5	125.3	2,053.3	277,265	\$7,127
2002-03	1,079.4	245.1	1,324.5	161.0	241.2	215.1	66.8	142.3	2,150.8	277,286	\$7,476
2003-04	1,112.3	255.8	1,368.1	162.8	248.2	226.0	71.1	162.2	2,238.5	276,787	\$7,798
2004-05	1,136.3	239.7	1,376.1	171.5	262.6	238.4	73.9	208.0	2,330.5	276,732	\$8,013
2005-06	1,195.7	260.8	1,456.4	178.0	280.8	252.9	82.2	219.8	2,470.1	277,527	\$8,510
2006-07	1,281.0	278.7	1,559.7	186.6	301.9	267.4	79.8	223.1	2,618.5	278,399	\$9,023
2007-08	1,367.1	299.4	1,666.5	184.1	302.9	283.3	93.6	230.0	2,760.4	278,863	\$9,529
2008-09	1,442.5	321.0	1,763.6	188.1	309.2	309.7	96.0	249.3	2,915.9	279,765	\$10,025
2009-10 **	1,542.8	325.4	1,868.2	190.4	309.8	309.0	100.0	299.3	3,076.7	281,624	\$10,426
2010-11 **	1,589.3	336.2	1,925.5	188.4	317.6	314.2	114.6	294.1	3,154.3	283,558	\$10,660
2011-12 **	1,564.7	355.6	1,920.4	198.0	330.1	312.5	115.7	257.4	3,134.2	286,610	\$10,720
2012-13	1,603.9	373.6	1,977.5	205.8	339.0	322.6	124.7	250.4	3,220.0	287,469	\$11,038
2013-14	1,640.0	397.2	2,037.2	216.5	347.1	337.6	127.4	266.3	3,332.1	291,949	\$11,365
<u>Avg Annual % Change</u>											
FY84 to FY94 (10 yr)	6.6%	9.2%	6.9%	7.2%	6.0%	3.3%	4.5%	5.2%	6.3%	0.5%	5.5%
FY94 to FY04 (10 yr)	3.8%	6.3%	4.3%	5.0%	4.3%	5.0%	3.5%	9.4%	4.7%	-0.1%	4.6%
FY04 to FY14 (10 yr)	4.0%	4.5%	4.1%	2.9%	3.4%	4.1%	6.0%	5.1%	4.1%	0.5%	3.8%
FY94 to FY04 (20 yr)	3.9%	5.4%	4.2%	3.9%	3.9%	4.5%	4.7%	7.2%	4.4%	0.2%	4.2%
FY84 to FY14 (30 yr)	4.8%	6.6%	5.1%	5.0%	4.6%	4.1%	4.7%	6.6%	5.0%	0.3%	4.6%

\* Approximately 75% of the "All Other" (column 8) is federal categorical grants

\*\* These years are "adjusted" by reallocating ARRA SFSF and EDJOBS from federal categorical to other categories using the ARRA AFR supplement

**Comments and Observations, - Table 8**

- (1) The highest spending growth over the past 30 years occurred in the 10 year period from FY84 to FY94. The highest growth year occurred in FY89-90, the year BEFORE enactment of LB1059 which more than doubled the level of state aid. Low spending growth years of 1996-1998 (3.2% average) related to the transition to and implementation of levy limits. The actual decline in disbursements in FY11-12 reflects the impact of the ARRA “cliff effect”.
- (2) Total spending growth over the past 20 years has been relatively consistent at 4.4% rate. With a slightly growing enrollment the growth in per pupil costs is actually slightly lower than the growth in total spending.
- (3) Spending growth by category has been relatively stable over the past 20 years with a higher rate of 7.2% in the “All Other” category and a low of 5% in Building Operation and Maintenance. This higher growth rate in the “All Other” category reflects a 7% average growth in Federal Categorical Grants, 11% growth in Summer School and creation of a new category for Early Retirement and Voluntary Terminations. Prior to FY14 these amounts were spread out in the other categories, almost all in Instruction.
- (4) While total instruction has grown at almost the same rate as overall spending, special education has increased at a 5.4% rate versus 3.9% for regular instruction. This spending growth gap between special and regular instruction has been closing over the past 10 years.
- (5) It appears that the slower growth in special education instruction disbursements over the past 10 years may be more due to a large influx of federal IDEA dollars rather than a slow down in special education expenditures. In FY04-05 there was a 6.3% decline in special education instruction disbursements. This coincided with a large growth in IDEA revenues and disbursements which are recorded separately from the line item “Instruction” categories.
- (6) Administrative and Business spending growth has been virtually the same as Total Instruction and less than Total Disbursements.



**Table 9 Total School General Fund Disbursements  
FY84 to FY14 - By Major Category - % of Total**

	(1) Reg Instruction	(2) SPED Instruction	(3) Total Instruction	(4) Sprt Srvc (pupil+staff)	(5) Admin + Business	(6) Buildng Op & Maint	(7) Pupil Transport.	(8) All Other*	(9) Total Disburse.
1983-84	52.2%	7.4%	59.6%	6.4%	11.7%	12.9%	4.2%	5.1%	100.0%
1993-94	53.8%	9.8%	63.5%	7.0%	11.5%	9.8%	3.6%	4.6%	100.0%
1994-95	53.9%	10.0%	63.9%	7.1%	11.4%	9.5%	3.5%	4.6%	100.0%
1995-96	53.5%	10.0%	63.5%	7.3%	11.2%	9.7%	3.5%	4.8%	100.0%
1996-97	52.9%	10.2%	63.1%	7.3%	11.2%	9.9%	3.5%	5.1%	100.0%
1997-98	52.1%	10.2%	62.3%	7.4%	11.1%	10.4%	3.5%	5.4%	100.0%
1998-99	51.4%	10.3%	61.7%	7.4%	11.1%	10.7%	3.5%	5.6%	100.0%
1999-00	51.1%	10.5%	61.6%	7.5%	11.1%	10.7%	3.4%	5.6%	100.0%
2000-01	50.4%	10.6%	61.0%	7.5%	11.3%	11.0%	3.3%	5.8%	100.0%
2001-02	50.5%	10.9%	61.4%	7.7%	11.4%	10.3%	3.1%	6.1%	100.0%
2002-03	50.2%	11.4%	61.6%	7.5%	11.2%	10.0%	3.1%	6.6%	100.0%
2003-04	49.7%	11.4%	61.1%	7.3%	11.1%	10.1%	3.2%	7.2%	100.0%
2004-05	48.8%	10.3%	59.0%	7.4%	11.3%	10.2%	3.2%	8.9%	100.0%
2005-06	48.4%	10.6%	59.0%	7.2%	11.4%	10.2%	3.3%	8.9%	100.0%
2006-07	48.9%	10.6%	59.6%	7.1%	11.5%	10.2%	3.0%	8.5%	100.0%
2007-08	49.5%	10.8%	60.4%	6.7%	11.0%	10.3%	3.4%	8.3%	100.0%
2008-09	49.5%	11.0%	60.5%	6.5%	10.6%	10.6%	3.3%	8.6%	100.0%
2009-10 **	50.1%	10.6%	60.7%	6.2%	10.1%	10.0%	3.2%	9.7%	100.0%
2010-11 **	50.4%	10.7%	61.0%	6.0%	10.1%	10.0%	3.6%	9.3%	100.0%
2011-12 **	49.9%	11.3%	61.3%	6.3%	10.5%	10.0%	3.7%	8.2%	100.0%
2012-13	49.8%	11.6%	61.4%	6.4%	10.5%	10.0%	3.9%	7.8%	100.0%
2013-14	49.2%	11.9%	61.1%	6.5%	10.4%	10.1%	3.8%	8.0%	100.0%
<u>Avg Annual % Change</u>									
FY84 to FY94 (10 yr)	53.4%	8.3%	61.7%	6.5%	11.5%	11.0%	3.6%	5.6%	100.0%
FY94 to FY04 (10 yr)	51.8%	10.5%	62.2%	7.4%	11.2%	10.2%	3.4%	5.6%	100.0%
FY04 to FY14 (10 yr)	49.5%	10.9%	60.4%	6.6%	10.7%	10.2%	3.5%	8.6%	100.0%
FY94 to FY04 (20 yr)	50.7%	10.7%	61.4%	7.0%	11.0%	10.2%	3.4%	7.0%	100.0%
FY84 to FY14 (30 yr)	51.5%	9.9%	61.4%	6.8%	11.2%	10.5%	3.5%	6.6%	100.0%

\* Approximately 75% of the "All Other" (column 8) is federal categorical grants

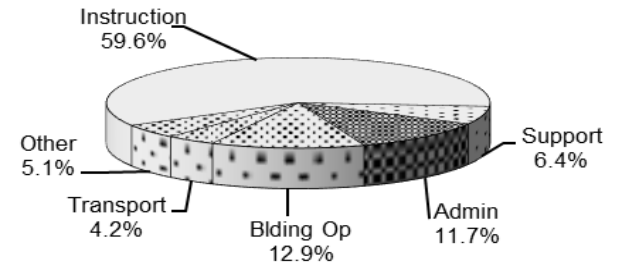
\*\* These years are "adjusted" by reallocating ARRA SFSS and EDJOBS from federal categorical to other categories using the ARRA AFR supplementer

**Comments and Observations, - Table 9**

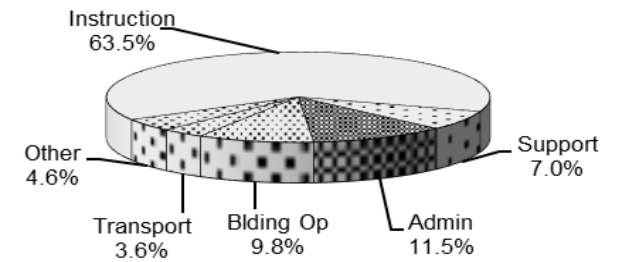
- (1) For the most part, over the last 30 years the portion of spending in the respective categories has changed relatively little.
- (2) The most significant shifts were in Special Education which increased its portion of the total by 4.5% points. However Regular Education declined by 3.0% points.
- (3) Administrative costs declined slightly from 11.7% to 10.4% of total expenditures, as did Building Operations (12.9% to 10.1%) and transportation (4.2% to 3.8%).
- (4) The category “All Other” increased significantly, from 5.1% to 8.0% of the total. About 75% of the amount in this category is federal categorical grants. Also this reflects the creation of a new category in FY13-14 for Early Retirement and Voluntary Terminations amounting to \$17.5 million. Prior to FY14 these amounts were spread out in the other categories, almost all in Instruction.
- (5) “Total Instruction” as a percent of total disbursements ranged from a high of 63.9% in FY1994-95 to a low of 59% ten years later in FY2004-05. This is below the 65% level that some consider to be a target for school expenditures.

One problem is that Federal categorical expenditures are reported as a whole on the Annual Financial Report and are not separated into instructional and non-instructional costs. It’s clear that a significant portion of these federal categorical grants are expended in areas that would be considered “instruction”. Prorating federal categorical grants to the Instruction category in proportion to non-Federal Categorical expenditures yields “Total Instruction” as a percent of total disbursements ranging from a low of 61.3% in FY84 to a high of 66.4% in FY1994-95. The FY2013-14 level would be right at 65.5% when also adding the Early Retirement and Voluntary Termination amounts back to Instruction.

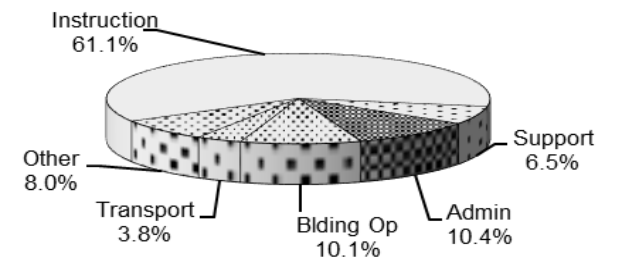
GF Disbursements FY83-84



GF Disbursements FY93-94



GF Disbursements FY13-14



**Table 10 Total School General Fund Disbursements  
FY84 to FY14 - By Major Line Item**

	1983-84	1993-94	2003-04	2013-14	1983-84	1993-94	2003-04	2013-14	Avg Annual % Change (30 yrs)			
					% of total	% of total	% of total	% of total	84 to 94	94 to 04	04 to 14	(30 Yr)
Regular Teacher Salaries	331,475,526	592,356,626	852,289,072	1,196,581,758	42.8%	41.7%	38.1%	35.9%	6.0%	3.7%	3.5%	4.4%
Substitute Teacher Salaries	5,041,603	10,024,326	21,400,970	32,357,343	0.7%	0.7%	1.0%	1.0%	7.1%	7.9%	4.2%	6.4%
Teachers Stipends	0	0	0	10,305,206	0.0%	0.0%	0.0%	0.3%	--	--	--	na
Teacher Aides/Class Mgmt Salaries	11,169,314	37,189,468	61,589,490	121,209,016	1.4%	2.6%	2.8%	3.6%	12.8%	5.2%	7.0%	8.3%
Building Oper/Maint Salaries	38,355,645	52,791,506	82,944,137	114,448,578	5.0%	3.7%	3.7%	3.4%	3.2%	4.6%	3.3%	3.7%
Pupil Transportation Salaries	10,335,755	17,834,857	24,999,201	36,019,401	1.3%	1.3%	1.1%	1.1%	5.6%	3.4%	3.7%	4.2%
Support Services - Pupils Salaries	19,016,330	39,314,034	65,149,000	77,789,346	2.5%	2.8%	2.9%	2.3%	7.5%	5.2%	1.8%	4.8%
Support Services - Staff Salaries	15,650,383	27,479,071	43,114,583	55,166,615	2.0%	1.9%	1.9%	1.7%	5.8%	4.6%	2.5%	4.3%
Support Services - Business Salaries	3,898,016	9,032,252	16,127,802	22,801,396	0.5%	0.6%	0.7%	0.7%	8.8%	6.0%	3.5%	6.1%
Superintendents / Exec Admin Salaries	19,049,194	28,185,936	37,703,856	51,051,449	2.5%	2.0%	1.7%	1.5%	4.0%	3.0%	3.1%	3.3%
Office of Principal Salaries	34,132,761	58,575,489	93,711,150	125,834,273	4.4%	4.1%	4.2%	3.8%	5.5%	4.8%	3.0%	4.4%
Federal Categorical Salaries	na	na	na	na	na	na	na	na	na	na	na	na
Summer School, Comm Service, Other	2,110,158	2,585,179	6,499,063	16,976,107	0.3%	0.2%	0.3%	0.5%	2.1%	9.7%	10.1%	7.2%
<b>Subtotal-Salaries</b>	<b>490,234,685</b>	<b>875,368,743</b>	<b>1,305,528,325</b>	<b>1,860,540,489</b>	<b>63.3%</b>	<b>61.6%</b>	<b>58.3%</b>	<b>55.8%</b>	<b>6.0%</b>	<b>4.1%</b>	<b>3.6%</b>	<b>4.5%</b>
Employee Benefits	88,650,922	219,550,620	379,656,514	606,922,241	11.4%	15.5%	17.0%	18.2%	9.5%	5.6%	4.8%	6.6%
Increased Retirement Contribution Rate	0	0	0	36,725,981	0.0%	0.0%	0.0%	1.1%	na	na	na	na
Early Retirement or Termination	0	0	7,234,548	18,063,215	na	na	0.3%	0.5%	na	na	na	na
<b>Total Personal Services</b>	<b>578,885,606</b>	<b>1,094,919,363</b>	<b>1,692,419,387</b>	<b>2,522,251,926</b>	<b>74.7%</b>	<b>77.1%</b>	<b>75.6%</b>	<b>75.7%</b>	<b>6.6%</b>	<b>4.5%</b>	<b>4.1%</b>	<b>5.0%</b>
Building oper/maint/sites/bldngs	58,180,840	78,974,260	118,102,064	179,158,345	7.5%	5.6%	5.3%	5.4%	3.1%	4.1%	4.3%	3.8%
Pupil Transportation	20,909,648	28,896,241	39,884,717	80,548,133	2.7%	2.0%	1.8%	2.4%	3.3%	3.3%	7.3%	4.6%
Purchased Services	14,690,099	37,739,229	85,273,216	135,118,257	1.9%	2.7%	3.8%	4.1%	9.9%	8.5%	4.7%	7.7%
Lobbyist Fees and Expenses	--	--	--	395,923	na	na	na	0.0%	na	na	na	na
Legal Expenses	1,050,481	1,818,576	5,126,847	4,582,125	0.1%	0.1%	0.2%	0.1%	5.6%	10.9%	-1.1%	5.0%
Distance Education	--	--	--	9,395,720	na	na	na	0.3%	na	na	na	na
Supplies	27,409,758	49,300,522	67,744,822	90,378,207	3.5%	3.5%	3.0%	2.7%	6.0%	3.2%	2.9%	4.1%
Textbooks	in supplies	in supplies	in supplies	15,190,996	na	na	na	0.5%	na	na	na	na
Capital Outlay (new & replacement)	10,078,942	23,246,788	33,220,255	29,998,607	1.3%	1.6%	1.5%	0.9%	8.7%	3.6%	-1.0%	3.7%
Tuition paid others	13,982,051	23,164,635	23,555,996	19,910,139	1.8%	1.6%	1.1%	0.6%	5.2%	0.2%	-1.7%	1.2%
Other expenses	12,540,068	20,685,316	22,910,354	25,268,386	1.6%	1.5%	1.0%	0.8%	5.1%	1.0%	1.0%	2.4%
Transfers (School Lunch)	1,463,901	1,692,081	2,290,857	4,325,599	0.2%	0.1%	0.1%	0.1%	1.5%	3.1%	6.6%	3.7%
Transfers (Other)	3,580,130	3,369,117	3,134,335	9,707,535	0.5%	0.2%	0.1%	0.3%	-0.6%	-0.7%	12.0%	3.4%
Debt Service	10,899,423	2,583,472	7,056,030	7,922,980	1.4%	0.2%	0.3%	0.2%	-13.4%	10.6%	1.2%	-1.1%
<b>Total Operating expenses</b>	<b>174,785,341</b>	<b>271,470,238</b>	<b>408,299,493</b>	<b>611,900,953</b>	<b>22.6%</b>	<b>19.1%</b>	<b>18.2%</b>	<b>18.4%</b>	<b>4.5%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.3%</b>
<b>Total General Fund operating expenses</b>	<b>753,670,948</b>	<b>1,366,389,601</b>	<b>2,100,718,880</b>	<b>3,134,152,879</b>	<b>97.3%</b>	<b>96.2%</b>	<b>93.8%</b>	<b>94.1%</b>	<b>6.1%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>4.9%</b>
Fed Categorical Grants	20,961,290	53,928,640	137,744,663	197,962,798	2.7%	3.8%	6.2%	5.9%	9.9%	9.8%	3.7%	7.8%
<b>Total Disbursements-General Fund</b>	<b>774,632,238</b>	<b>1,420,318,241</b>	<b>2,238,463,543</b>	<b>3,332,115,677</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.3%</b>	<b>4.7%</b>	<b>4.1%</b>	<b>5.0%</b>

**Comments and Observations, - Table 10**

- (1) Average annual spending growth over the past 30 years was 5.0%. This 30 year average is inflated somewhat by the 6.3% average growth in the 10 year period FY83-84 to FY93-94. Since that time the average growth is 4.4%.
- (2) Over the last 10 years the average spending growth has been 4.1% which is less than the prior two decades.
- (3) Over the past 30 years, the fastest growing categories are employee benefits (6.6% average), teacher aides (8.3% average), substitute teachers (6.4% average) and purchased services (7.7% average).
- (4) Regular Teacher Salaries has declined from 42.8% to 35.9% as a percent of total disbursements. While this is a simple fact, it can be misleading without taking into consideration benefits, substitute and teacher Aide salaries, and federal categorical grants. While salaries declined as a percent of total, benefits increased significantly from 11.4% to 18.2% of total spending. Salaries for substitute teachers and teacher aides grew from 2.1% to 4.6% of total spending.

Also in the Annual Financial Report (AFR), federal categorical grants are shown as a separate line item for accounting purposes although these funds are expended for things such as salaries, benefits, purchased services, etc. This category has gone from 2.7% to 5.9% of total disbursements during the last 30 years. In other words, it's likely that some of the decline in teacher salaries as a percent of disbursements as noted above has been shifted to teacher salaries inside of the federal categorical grant line item. Because the AFR does not differentiate specific federal expenditures, the other categories and line items are understated.

The table shown here combines the Regular Teacher Salary line item with substitute teacher salaries, teacher aides, teacher stipends, and prorated amounts of benefits and federal categorical grants based on their proportions relative to non-federal categorical expenditures. These combined teacher salary and benefits has remained virtually constant as a percent of total disbursements, and have actually increased slightly from 53.8% in FY1983-84 to 55.4% in FY2013-14.

	1983-84	2013-14	1983-84 % of total	2013-14 % of total
Regular Teacher Salaries	331,475,526	1,196,581,758	42.8%	35.9%
Substitute Teachers, Aides, Stipends	16,210,918	163,871,565	2.1%	4.9%
Early Retirement or Termination	0	18,063,215	0.0%	0.5%
Prorated Fed Categorical (1)	9,220,480	75,579,808	1.2%	2.3%
Adjusted teacher salaries	356,906,923	1,454,096,346	46.1%	43.6%
Prorated Benefits (2)	59,941,925	390,333,931	7.7%	11.7%
Adjusted Total Salaries and Benefits	416,848,849	1,844,430,277	53.8%	55.4%

(1) Federal categorical grants allocated to teachers salaries is based on the ratio of teacher salaries to non Fed Categorical grants

(2) Total benefits allocated to teacher compensation is based on the ratio of teacher salaries to total salaries



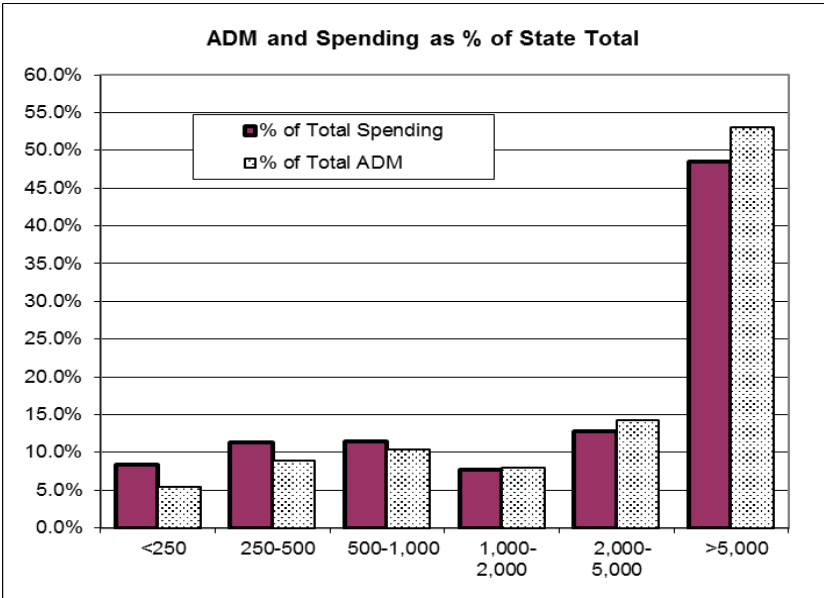
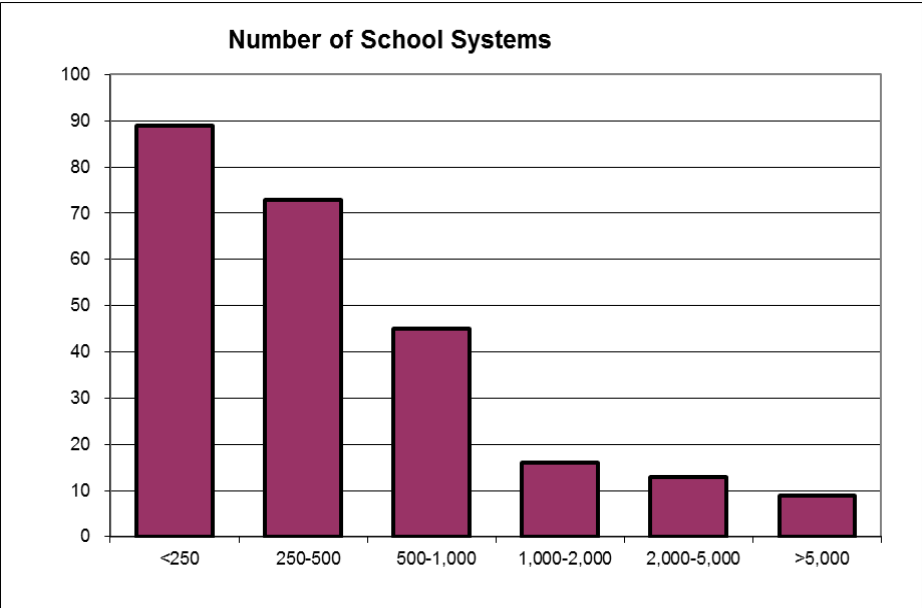
**Table 11**  
**Breakdown of F2013-14 School Data by Size of School System**

System Size	# of Systems		ADM		Disbursements	
	(1) Total	(2) % of Total	(3) Total	(4) % of Total	(5) (Millions \$)	(6) % of Total
<250	89	36.3%	15,790.5	5.4%	277.1	8.3%
250-500	73	29.8%	26,166.7	9.0%	378.3	11.4%
500-1,000	45	18.4%	30,168.8	10.3%	381.6	11.5%
1,000-2,000	16	6.5%	23,351.3	8.0%	255.6	7.7%
2,000-5,000	13	5.3%	41,695.6	14.3%	425.1	12.8%
>5,000	9	3.7%	154,776.6	53.0%	1,614.4	48.4%
<b>State Total</b>	<b>245</b>	<b>100.0%</b>	<b>291,949.4</b>	<b>100.0%</b>	<b>3,332.1</b>	<b>100.0%</b>

**Comments and Observations, - Table 11**

The 245 total school systems shown for FY2013-14 are based on the FY2015-16 aid certification.

1. In FY2013-14 the average size was 1,192 students compared to 1,098 in FY07-08. The median (half above and half below) for FY13-14 is 343 compared to 341 in FY08 and 382 in FY02.
2. Over the past ten years (FY04 to FY14) there were 11 mergers, unifications, or dissolution of Class 2-5 systems
3. The relationship between the % of total ADM (column 4) and % of total disbursements (column 6) is relatively even.



**Table 12**  
**FY2013-14 Total Disbursements by Category (millions of \$)**

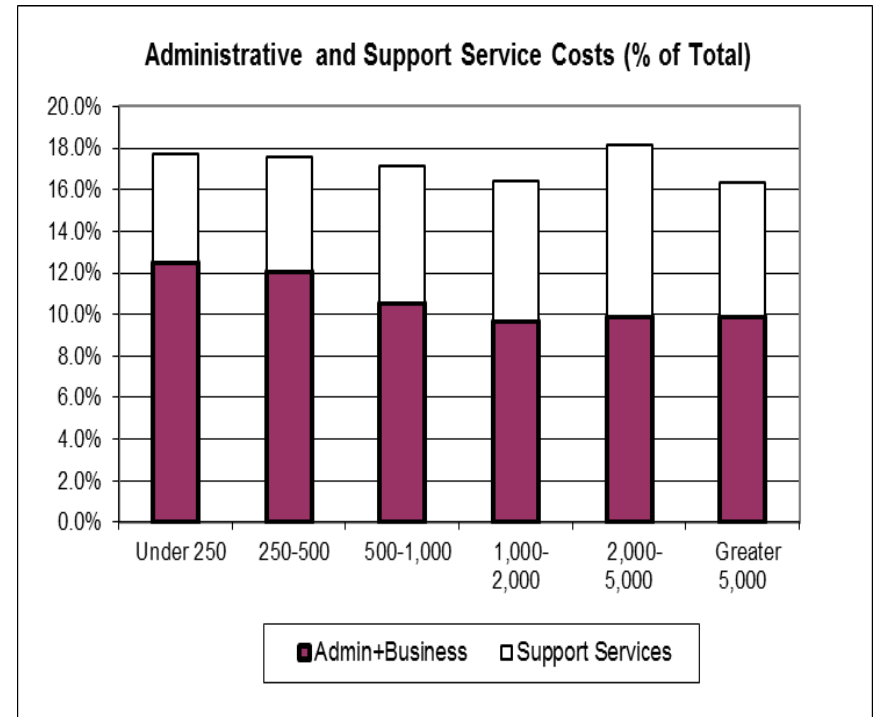
System Size	(1) Non-SPED Instruction	(2) SPED Instruction	(3) Total Instruction	(4) Sprt Svcs Pupil+Staff	(5) Admin + Business	(6) Bldng Oper & Maint.	(7) Pupil Transport.	(8) All Other	(9) Total
Under 250	134.6	27.2	161.8	14.3	34.7	30.8	16.4	19.0	277.1
250-500	183.6	42.7	226.3	20.8	45.8	39.3	20.1	25.9	378.3
500-1,000	187.1	48.3	235.4	25.0	40.3	43.1	14.6	23.3	381.6
1,000-2,000	126.7	33.4	160.1	17.2	24.7	24.5	7.5	21.6	255.6
2,000-5,000	210.4	53.9	264.3	35.0	42.2	43.1	9.2	31.4	425.1
Greater 5,000	797.6	191.7	989.2	104.2	159.4	156.8	59.7	145.2	1,614.4
State Total	\$1,640.0	\$397.2	\$2,037.2	\$216.5	\$347.1	\$337.6	\$127.4	\$266.3	\$3,332.1

**Table 13**  
**FY2013-14 Total Disbursements by Category (% of Total)**

System Size	(1) Non-SPED Instruction	(2) SPED Instruction	(3) Total Instruction	(4) Sprt Svcs Pupil+Staff	(5) Admin + Business	(6) Bldng Oper & Maint.	(7) Pupil Transport.	(8) All Other	(9) Total
Under 250	48.6%	9.8%	58.4%	5.2%	12.5%	11.1%	5.9%	6.8%	100.0%
250-500	48.5%	11.3%	59.8%	5.5%	12.1%	10.4%	5.3%	6.9%	100.0%
500-1,000	49.0%	12.7%	61.7%	6.5%	10.6%	11.3%	3.8%	6.1%	100.0%
1,000-2,000	49.6%	13.0%	62.6%	6.7%	9.7%	9.6%	2.9%	8.5%	100.0%
2,000-5,000	49.5%	12.7%	62.2%	8.2%	9.9%	10.1%	2.2%	7.4%	100.0%
Greater 5,000	49.4%	11.9%	61.3%	6.5%	9.9%	9.7%	3.7%	9.0%	100.0%
State Total	49.2%	11.9%	61.1%	6.5%	10.4%	10.1%	3.8%	8.0%	100.0%

**Comments and Observations, - Table 12 and 13**

1. For the most part, the percent of budget expended in categories is not dramatically different based on the size of school system. In most cases, the difference is  $\pm 2\%$  compared to the state average.
2. Administrative and business costs as a percent of the total budget declines from the 12.5% for systems under 250 to 9.7% for system 1,000-2,000 in size and then increases slightly in the over 5,000 category.
3. While administrative and business costs decrease (as a percent of total) as the system size increases, the opposite occurs with support services for pupils and staff. In this category the percent of total increases as the size increases. The percent of total budget for these two categories combined is almost the same regardless of size. The combined percent of total is 17.7% for under 250 and 18.2% for 2000-5,000 size schools.
4. Most significant differences between small schools and large schools is in Special Education (higher for large schools) and pupil transportation (higher for small schools). For pupil transportation, the percent of total declines by size of school but then increases for those schools with greater than 5,000 enrollment.



**Table 14**  
**FY2013-14 Total Disbursements by Category (Per ADM Pupil)**

System Size	(1) Non-SPED Instruction	(2) SPED Instruction	(3) Total Instruction	(4) Sprt Svcs Pupil+Staff	(5) Admin + Business	(6) Bldng Oper & Maint.	(7) Pupil Transport.	(8) All Other	(9) Total
Under 250	\$8,522	\$1,726	\$10,248	\$909	\$2,200	\$1,952	\$1,038	\$1,202	\$17,548
250-500	\$7,017	\$1,631	\$8,648	\$796	\$1,749	\$1,504	\$769	\$991	\$14,457
500-1,000	\$6,202	\$1,602	\$7,804	\$828	\$1,335	\$1,428	\$484	\$771	\$12,650
1,000-2,000	\$5,426	\$1,428	\$6,855	\$737	\$1,057	\$1,051	\$320	\$927	\$10,947
2,000-5,000	\$5,047	\$1,293	\$6,339	\$839	\$1,012	\$1,033	\$220	\$752	\$10,195
Greater 5,000	\$5,153	\$1,238	\$6,391	\$673	\$1,030	\$1,013	\$385	\$938	\$10,430
State Total	\$5,617	\$1,360	\$6,978	\$742	\$1,189	\$1,156	\$436	\$912	\$11,413

**Table 15**  
**FY2013-14 Per Pupil Disbursements as % Variance from State Average**

System Size	(1) Non-SPED Instruction	(2) SPED Instruction	(3) Total Instruction	(4) Sprt Svcs Pupil+Staff	(5) Admin + Business	(6) Bldng Oper & Maint.	(7) Pupil Transport.	(8) All Other	(9) Total
Under 250	51.7%	26.8%	46.9%	22.5%	85.1%	68.8%	137.8%	31.7%	53.8%
250-500	24.9%	19.9%	23.9%	7.3%	47.1%	30.0%	76.3%	8.7%	26.7%
500-1,000	10.4%	17.7%	11.8%	11.7%	12.3%	23.5%	10.9%	-15.5%	10.8%
1,000-2,000	-3.4%	5.0%	-1.8%	-0.6%	-11.1%	-9.1%	-26.8%	1.6%	-4.1%
2,000-5,000	-10.2%	-5.0%	-9.1%	13.2%	-14.9%	-10.7%	-49.6%	-17.6%	-10.7%
Greater 5,000	-8.3%	-9.0%	-8.4%	-9.3%	-13.4%	-12.4%	-11.7%	2.8%	-8.6%
State Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**NOTE:** Per Pupil Disbursements are based on total disbursements. This is not the same as what is commonly referred to as per pupil cost. Per pupil costs are derived by taking total disbursements and subtracting federal categorical grants, community services, state categorical grants debt service, summer school, adult education, and transfers to achieve what's called Total Current Expense. From this, tuition paid and capital outlay is subtracted, and a depreciation allowance, equal to 3% of the value of buildings and contents, is added in.

**Comments and Observations, - Table 14 and 15**

(1) While the percent of total expended in the different categories is not dramatically different based on the size of school system (Table 13), the amount per ADM pupil is (Table 14). Average per pupil total disbursements range from \$17,548 in systems under 250 ADM to \$10,195 for schools with ADM between 2,000 and 5,000.

A comparison of districts shows the highest disbursements per pupil was \$33,477 (Santee) and the lowest \$8,710.(Bennington)

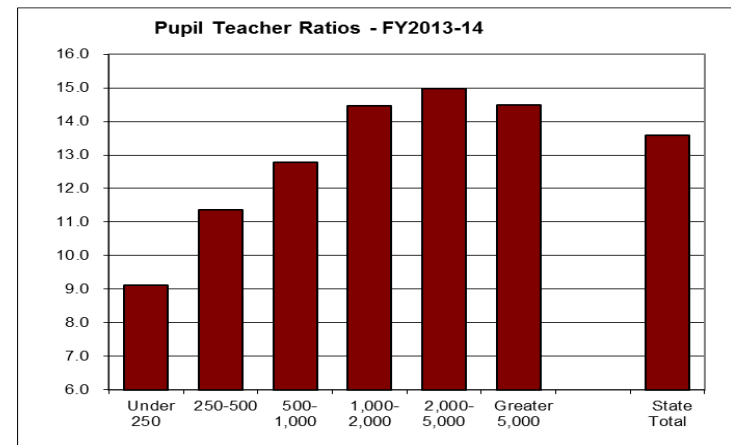
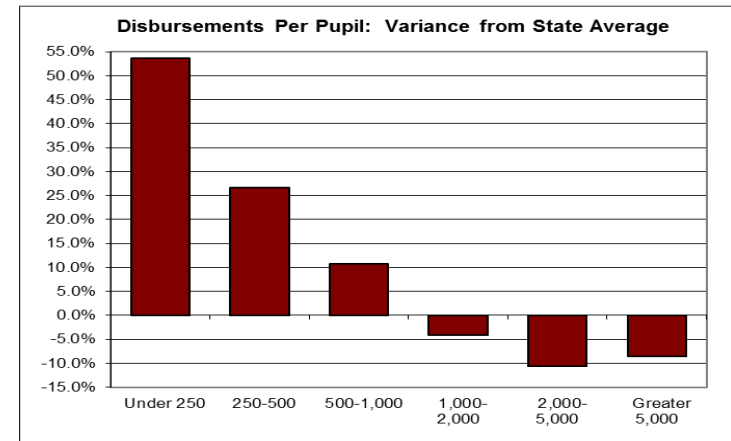
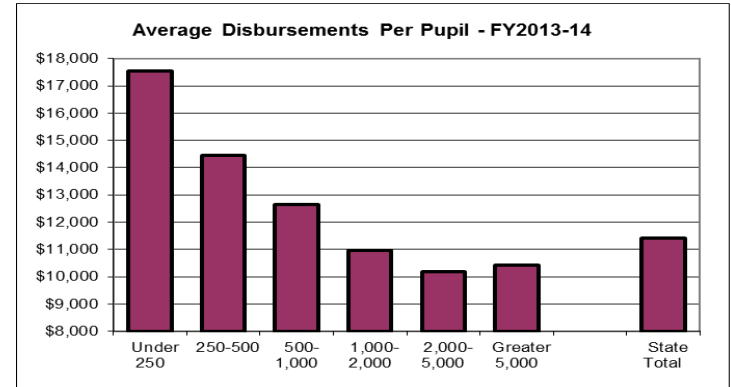
(2) The average disbursements per pupil in systems with less than 250 ADM are 53.8% higher than the state average. This variance drops significantly to 26.7% higher for systems with 250-500 ADM and 10.8% for systems with 500-1000 ADM.

(3) Of the 207 systems under 1,000 ADM, 196 (95%) had disbursements per pupil above the state average. Of the 38 systems with more than 1,000 ADM, 8 or 21% had disbursements per pupil above the state average.

(4) Per pupil transportation costs in schools with under 250 ADM are over two times higher than the state average. However, this only accounts for 10% of the difference in total per pupil costs.

(5) Because teacher salary and benefits are the largest school expenditure, the pupil-teacher ratio is probably the largest determining factor of per pupil disbursements. Systems with under 250 ADM have per pupil disbursements that are 54% above the state average and a pupil teacher ratio 33% below the state average.

FY2013-14 Pupil Teacher Ratios					Per Pupil Disbursements	
System Size	Fall Membership	# of Teachers	P-T Ratio	Ratio as % State Avg	\$	% of State Avg
Under 250	16,913	1,856	9.1	-32.9%	\$17,548	53.8%
250-500	28,301	2,492	11.4	-16.4%	\$14,457	26.7%
500-1,000	32,027	2,508	12.8	-5.9%	\$12,650	10.8%
1,000-2,000	24,839	1,717	14.5	6.6%	\$10,947	-4.1%
2,000-5,000	43,759	2,922	15.0	10.3%	\$10,195	-10.7%
Greater 5,000	161,559	11,147	14.5	6.8%	\$10,430	-8.6%
State Total	43,759	2,922	13.6	0.0%	\$11,413	0.0%

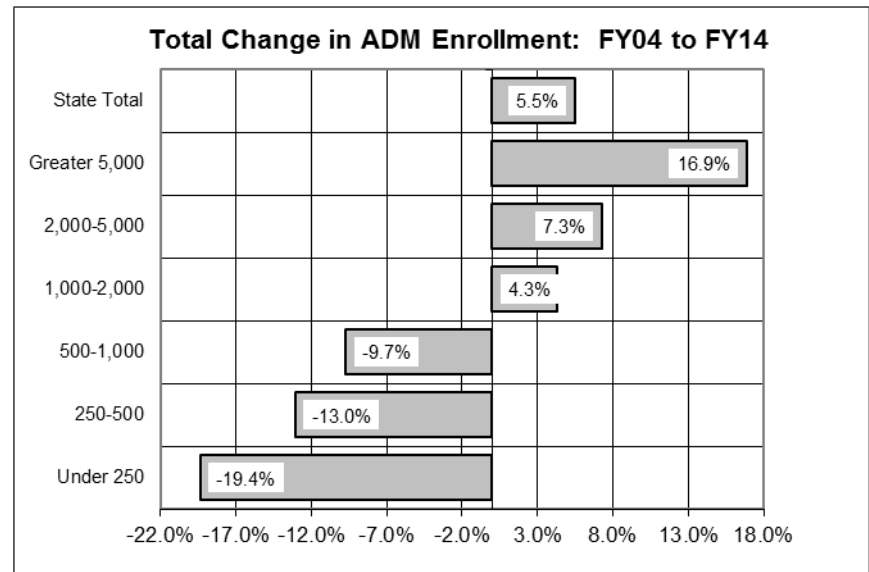
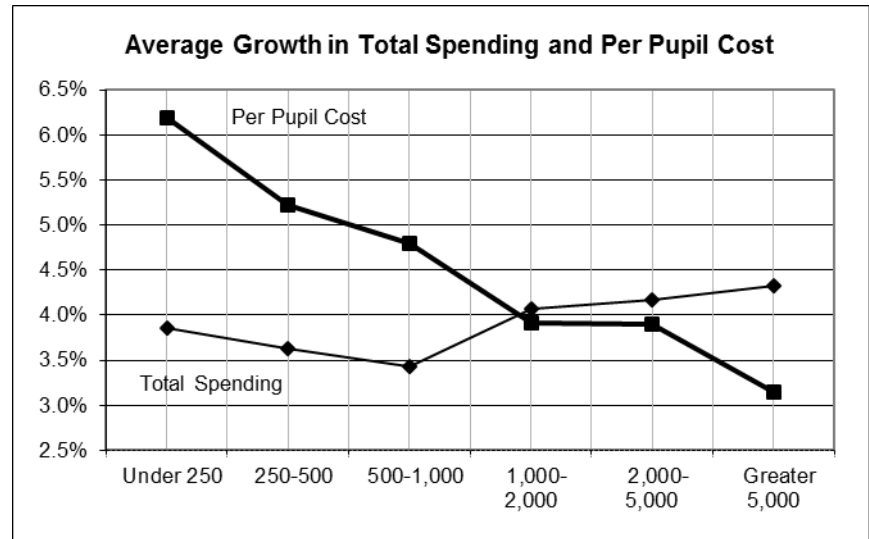


**Table 16**  
**Change from FY2003-04 to FY2013-14**

	(1) ADM Elementary	(2) ADM Secondary	(3) ADM Total	(4) % of State Total	(5) Ratio Elem/Scnd	(6) Spending (millions)	(7) % of State Total	(8) Per Pupil Cost (ADM)
<b>FY2013-14</b>								
Under 250	8,011.3	7,779.2	15,790.5	5.4%	1.03	277.1	8.3%	\$17,635
250-500	13,663.6	12,503.1	26,166.7	9.0%	1.09	378.3	11.4%	\$14,577
500-1,000	15,737.5	14,431.2	30,168.8	10.3%	1.09	381.6	11.5%	\$12,822
1,000-2,000	12,303.1	11,048.2	23,351.3	8.0%	1.11	255.6	7.7%	\$10,950
2,000-5,000	24,500.4	17,195.1	41,695.6	14.3%	1.42	425.1	12.8%	\$10,422
Greater 5,000	84,054.3	70,722.4	154,776.6	53.0%	1.19	1,614.4	48.4%	\$10,214
State Total	158,270.2	133,679.2	291,949.4	100.0%	1.18	3,332.1	100.0%	\$11,365
<b>FY2003-04</b>								
Under 250	9,769.0	9,813.9	19,582.9	6.7%	1.00	189.7	5.7%	\$9,667
250-500	15,651.1	14,436.2	30,087.4	10.3%	1.08	264.9	7.9%	\$8,758
500-1,000	18,450.6	14,951.8	33,402.4	11.4%	1.23	272.4	8.2%	\$8,032
1,000-2,000	13,192.8	9,200.8	22,393.6	7.7%	1.43	171.4	5.1%	\$7,460
2,000-5,000	22,947.4	15,925.7	38,873.1	13.3%	1.44	282.6	8.5%	\$7,110
Greater 5,000	69,239.6	63,208.5	132,448.1	45.4%	1.10	1,057.3	31.7%	\$7,493
State Total	149,250.4	127,536.9	276,787.4	94.8%	1.17	2,238.3	67.2%	\$7,793
<b>Average Annual % Change: FY04 to FY14</b>								
Under 250	-2.0%	-2.3%	-2.1%	---	---	3.9%	---	6.2%
250-500	-1.3%	-1.4%	-1.4%	---	---	3.6%	---	5.2%
500-1,000	-1.6%	-0.4%	-1.0%	---	---	3.4%	---	4.8%
1,000-2,000	-0.7%	1.8%	0.4%	---	---	4.1%	---	3.9%
2,000-5,000	0.7%	0.8%	0.7%	---	---	4.2%	---	3.9%
Greater 5,000	2.0%	1.1%	1.6%	---	---	4.3%	---	3.1%
State Total	0.6%	0.5%	0.5%	---	---	4.1%	---	3.8%

**Comments and Observations, - Table 16**

1. Over the past ten years, average spending growth tends to increase as the size of school system increases. The lowest average spending growth is in the 500-1,000 ADM category while the highest growth is in the >5,000 category.
2. Average spending growth per pupil is the exact opposite. Size categories with the lowest growth in total spending had the highest growth in per pupil costs reflecting the impacts of declining enrollment and relatively fixed costs.
3. The rising cost per pupil in smaller schools is more the result of declining enrollments than high spending growth. This can be seen even in schools that have consolidated. Despite savings achieved through reorganization, the cost per pupil still increases as the continued decline in enrollment more than offsets the savings. This trend is likely to continue as evidenced by the low ratio of elementary to secondary students in smaller schools.





# REVENUES

Data in this section relate only to public school revenues

**Table 17 Total School General Fund Revenues  
FY84 to FY14 - By Major Category and Detail**

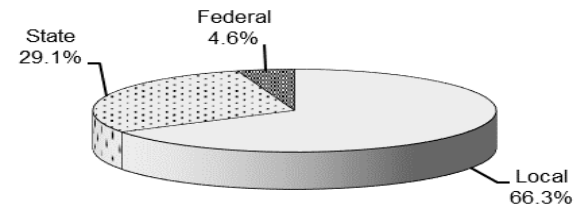
	(1) Property Tax & MV Tax	(2) Other Local Sources	(3) State Sources	(4) Federal Sources	(5) Total Revenues
1983-84	455.8	56.7	225.1	35.3	772.9
1993-94	742.5	65.2	542.9	66.3	1,417.0
1994-95	809.0	60.9	577.1	63.8	1,510.7
1995-96	854.2	69.0	586.0	64.2	1,573.5
1996-97	882.6	66.0	620.4	74.1	1,643.1
1997-98	842.9	71.7	645.9	82.6	1,643.2
1998-99	861.4	77.4	780.2	98.8	1,817.9
1999-00	888.3	89.1	788.9	93.0	1,859.2
2000-01	951.5	87.1	776.4	107.9	1,922.9
2001-02	1,008.5	87.5	854.0	129.0	2,079.0
2002-03	1,057.3	77.1	860.1	155.1	2,149.5
2003-04	1,169.8	89.5	848.6	168.2	2,276.2
2004-05	1,224.7	78.4	850.8	213.8	2,367.7
2005-06	1,266.8	100.8	921.9	224.3	2,513.8
2006-07	1,332.3	117.7	965.2	216.9	2,632.1
2007-08	1,390.2	98.3	1,059.4	239.4	2,787.3
2008-09	1,487.3	93.8	1,148.0	210.1	2,939.1
2009-10	1,525.0	85.1	1,151.7	366.9	3,128.7
2010-11	1,598.3	86.0	1,123.2	472.7	3,280.0
2011-12	1,667.7	85.8	1,134.1	253.7	3,141.3
2012-13	1,714.7	78.8	1,181.9	253.2	3,228.5
2013-14	1,809.4	88.7	1,246.4	203.7	3,348.1
<u>Avg Annual % Change</u>					
FY84 to FY94 (10 yr)	5.0%	1.4%	9.2%	6.5%	6.2%
FY94 to FY04 (10 yr)	4.7%	3.2%	4.6%	9.8%	4.9%
FY04 to FY14 (10 yr)	4.5%	-0.1%	3.9%	1.9%	3.9%
FY94 to FY04 (20 yr)	4.6%	1.5%	4.2%	5.8%	4.4%
FY84 to FY14 (30 yr)	4.7%	1.5%	5.9%	6.0%	5.0%

	1983-84	2013-14
<b>LOCAL PROPERTY TAXES</b>		
Local Dist taxes / Non-res tuition/MV tax	455,795,256	1,671,935,217
Motor Vehicle tax	na	137,460,257
Local Property / MV Taxes	455,795,256	1,809,395,474
<b>LOCAL SOURCES (NON-PROPERTY TAX)</b>		
Public Power district sales	7,659,785	31,171,390
Total Local tuition received	5,166,673	3,950,521
Total Transportation received	364,357	145,258
Interest	11,405,620	1,757,247
Other local receipts	9,447,001	13,569,080
County/ESU sources	7,406,332	18,801,995
Non-revenue receipts	15,271,137	19,297,233
Total Revenue from Local Sources	56,720,904	88,692,723
<b>STATE SOURCES:</b>		
TEEOSA State Aid (GF+Ins Prem)	133,716,100	906,598,834
Early Childhood Programs	0	3,052,411
Adult Ed/Other (not counted, 1059)	0	49,952
Special Education	43,053,468	193,822,950
Vocational education	286,368	0
Textbook loan program	0	330,702
High ability learners	0	2,199,856
Other	2,581,506	1,524,942
Wards of the Court (K-12 schools)	2,698,072	1,998,902
Homestead Exemption	11,697,209	30,404,075
Relief to Property Tax Payers	0	50,423,571
Nameplate Capacity Tax	0	603,247
State Apportionment	17,204,090	44,045,592
In-Lieu of School Land Tax	4,177,293	372
Prorata Motor Vehicle	1,826,406	4,891,893
Insurance Premium Tax	7,817,590	in state aid
Education Innovation Fund	0	2,366,390
Distance Ed Equipment Reimbursement	0	766,580
Distance Ed Incentive	0	826,424
Early Childhood Endowment Grants	0	2,444,467
Total Aid from State Sources	225,058,102	1,246,351,160
<b>FEDERAL SOURCES:</b>		
Non-categorical sources	8,583,086	23,597,735
ARRA: All other	0	1,813,939
Categorical (w/o school lunch)	26,747,843	178,240,698
Total Aid from Federal Sources	35,330,929	203,652,372
<b>TOTAL GENERAL FUND RECEIPTS</b>	772,905,191	3,348,091,728

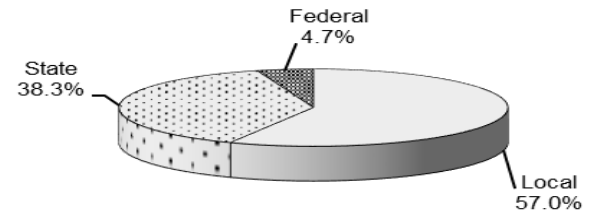
**Table 18 Total School General Fund Revenues  
FY84 to FY14 - % of Total**

	(1) Property Tax & MV Tax	(2) Other Local Sources	(3) State Sources	(4) Federal Sources	(5) Total Revenues
1983-84	59.0%	7.3%	29.1%	4.6%	100.0%
1993-94	52.4%	4.6%	38.3%	4.7%	100.0%
1994-95	53.6%	4.0%	38.2%	4.2%	100.0%
1995-96	54.3%	4.4%	37.2%	4.1%	100.0%
1996-97	53.7%	4.0%	37.8%	4.5%	100.0%
1997-98	51.3%	4.4%	39.3%	5.0%	100.0%
1998-99	47.4%	4.3%	42.9%	5.4%	100.0%
1999-00	47.8%	4.8%	42.4%	5.0%	100.0%
2000-01	49.5%	4.5%	40.4%	5.6%	100.0%
2001-02	48.5%	4.2%	41.1%	6.2%	100.0%
2002-03	49.2%	3.6%	40.0%	7.2%	100.0%
2003-04	51.4%	3.9%	37.3%	7.4%	100.0%
2004-05	51.7%	3.3%	35.9%	9.0%	100.0%
2005-06	50.4%	4.0%	36.7%	8.9%	100.0%
2006-07	50.6%	4.5%	36.7%	8.2%	100.0%
2007-08	49.9%	3.5%	38.0%	8.6%	100.0%
2008-09	50.6%	3.2%	39.1%	7.1%	100.0%
2009-10	48.7%	2.7%	36.8%	11.7%	100.0%
2010-11	48.7%	2.6%	34.2%	14.4%	100.0%
2011-12	53.1%	2.7%	36.1%	8.1%	100.0%
2012-13	53.1%	2.4%	36.6%	7.8%	100.0%
2013-14	54.0%	2.6%	37.2%	6.1%	100.0%
<u>Avg % of Total</u>					
FY84 to FY94 (10 yr)	57.7%	6.4%	31.3%	4.7%	100.0%
FY94 to FY04 (10 yr)	50.6%	4.2%	39.6%	5.5%	100.0%
FY04 to FY14 (10 yr)	51.2%	3.2%	36.8%	8.9%	100.0%
FY94 to FY04 (20 yr)	50.9%	3.6%	37.9%	7.6%	100.0%
FY84 to FY14 (30 yr)	52.2%	4.1%	36.6%	7.1%	100.0%

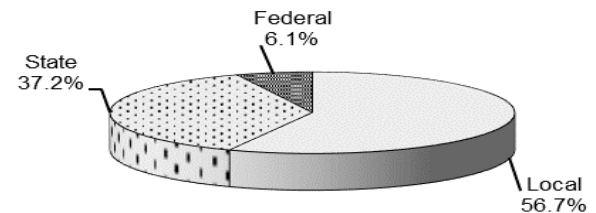
**School General Fund Revenues  
FY83-84**



**School General Fund Revenues  
FY93-94**



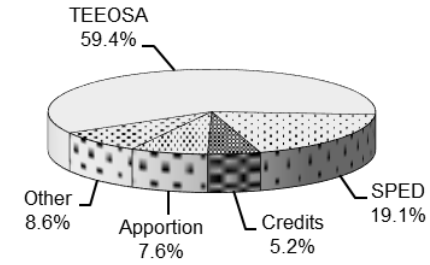
**School General Fund Revenues  
FY13-14**



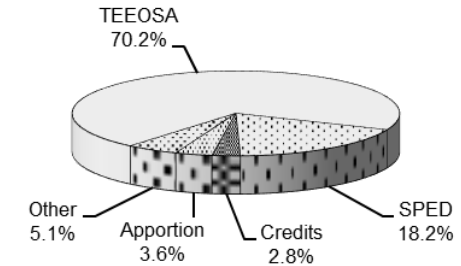
**Table 19 Breakdown of Revenue from State Sources  
FY84 to FY14 – Millions of Dollars**

	(1) TEEOSA State Aid	(2) Special Ed	(3) Prop Tax Credits	(4) Homestd Exempt	(5) State Apportion	(6) All Other	(7) Total State
1983-84	133.7	43.1	0.0	11.7	17.2	19.4	225.1
1993-94	381.3	99.0	0.0	15.1	19.7	27.9	542.9
1994-95	398.9	108.4	0.0	16.8	21.2	31.7	577.1
1995-96	414.1	114.8	0.0	14.5	20.1	22.5	586.0
1996-97	448.2	118.9	0.0	15.9	20.5	16.9	620.4
1997-98	465.9	122.9	0.0	16.7	20.4	20.0	645.9
1998-99	593.2	125.6	0.0	15.1	23.5	22.7	780.2
1999-00	595.4	129.1	0.0	15.1	24.0	25.2	788.9
2000-01	563.1	134.4	9.4	17.4	24.5	27.5	776.4
2001-02	646.9	141.7	0.0	18.0	27.9	19.5	854.0
2002-03	661.9	139.4	0.0	19.3	24.2	15.2	860.1
2003-04	640.6	149.4	0.0	22.5	23.7	12.5	848.6
2004-05	634.0	156.4	0.0	24.2	24.5	11.7	850.8
2005-06	700.8	159.7	0.0	24.8	23.4	13.2	921.9
2006-07	718.3	168.3	0.0	26.2	38.0	14.3	965.2
2007-08	769.5	173.1	38.2	29.5	32.0	17.2	1,059.4
2008-09	839.4	179.6	43.6	27.7	39.1	18.5	1,148.0
2009-10	840.2	181.5	43.4	30.6	36.2	19.9	1,151.7
2010-11	810.0	177.1	44.4	30.5	42.4	18.8	1,123.2
2011-12	822.1	179.4	43.5	32.8	39.1	17.2	1,134.1
2012-13	852.1	184.9	46.9	33.1	45.8	19.2	1,181.9
2013-14	906.6	193.8	50.4	30.4	44.0	21.1	1,246.4
<u>Avg Annual % Change</u>							
FY84 to FY94 (10 yr)	11.0%	8.7%	--	2.6%	1.4%	3.7%	9.2%
FY94 to FY04 (10 yr)	5.3%	4.2%	--	4.1%	1.9%	-7.7%	4.6%
FY04 to FY14 (10 yr)	3.5%	2.6%	--	3.1%	6.4%	5.4%	3.9%
FY94 to FY04 (20 yr)	4.4%	3.4%	--	3.6%	4.1%	-1.4%	4.2%
FY84 to FY14 (30 yr)	6.6%	5.1%	--	3.2%	3.2%	0.3%	5.9%

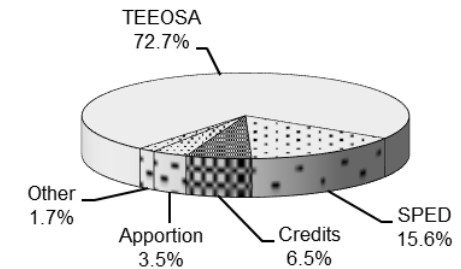
State Sources FY83-84



State Sources FY93-94



State Sources FY13-14



**Comments and Observations, - Table 19**

1. Many consider TEEOSA aid (and more specifically equalization aid) to be the only source of state aid. But there are other sources. In FY2013-14, TEEOSA is 73% of total state sources followed by Special Education (16%), Property Tax Credit reimbursement (4%) and State Apportionment (3.5%). Equalization aid (\$852 million in FY16) is 88% of TEEOSA aid and 69% of all state sources.
2. Homestead Exemption and Property Tax Credit reimbursements are two areas not often considered to be state aid, but are the fastest growing area of state support, specifically the property tax credit program.

In both cases, the dollar amounts originally show up as property taxes levied in the certificate of taxes levied (CTL) data compiled by the Nebraska Department of Revenue, Property Assessment Division. However the individual taxpayer then gets a “credit” against their property tax bill. They pay the amount after the credit and the state then reimburses the taxing districts for the credit amount.

<u>Property Tax Credit</u>	<u>Taxes Levied</u>	<u>Prop Taxes Paid</u>
Paid by Taxpayers	na	3,820
Paid by State	na	180
Total Taxes Levied	4,000	4,000

3. The Annual Financial Report for FY2013-14 shows schools receiving about \$57.0 million of the \$115 million total property tax credit amount, \$50.4 million in the General Fund and \$6.6 million in the bond and building funds. This amount may be understated. A review of the AFR data from individual school districts reveals that there were eight districts that did not report any property tax credit receipts including several larger districts. It’s likely the amounts received was reported in the AFR as property taxes. Also, an estimate of property tax credit amounts using CTL data indicated schools should receive \$65-\$70 million of the \$115 million total. This would indicate state support of schools is understated in the AFR. It’s our understanding that this will be checked closely as part of the FY14-15 AFR submittal.
4. The data shown here is from FY2013-14 when the property tax credit amount was \$115 million. This will increase to \$140 million in FY2014-15 and \$204 million in FY2015-16.
5. With respect to distribution of funds, TEEOSA and the Property Tax Credit program are virtual opposites. Schools with higher valuations receive less TEEOSA state aid. The Property Tax Credit distributes the credit amounts based on valuation so the districts with the highest valuation ultimately receive more state support after the credit reimbursement.

**Table 20 School General Fund Revenues – FY2013-14  
By Enrollment Size**

		Avg Daily System Membership Count (ADM)	(1) Property Taxes	(2) Other Local	(3) State Sources	(4) Federal Sources	(5) Total Receipts
--	--	---	--------------------------	-----------------------	-------------------------	---------------------------	--------------------------

**Total**

<250	89	15,790.5	205,782,950	5,591,313	59,777,696	11,732,076	282,884,034
250-500	73	26,166.7	265,283,792	8,493,798	92,385,474	22,090,789	388,253,854
500-1,000	45	30,168.8	262,159,166	10,859,149	98,600,258	20,276,709	391,895,281
1,000-2,000	16	23,351.3	142,304,226	10,235,332	94,728,155	13,224,202	260,491,915
2,000-5,000	13	41,695.6	185,356,550	10,791,886	208,221,487	23,324,375	427,694,298
>5,000	9	154,776.6	748,508,790	42,721,245	695,619,164	113,004,221	1,599,853,420
State Total	245	291,949.4	1,809,395,474	88,692,723	1,249,332,234	203,652,372	3,351,072,802

**Percent of State Total**

<250	89	5.4%	11.4%	6.3%	4.8%	5.8%	8.4%
250-500	73	9.0%	14.7%	9.6%	7.4%	10.8%	11.6%
500-1,000	45	10.3%	14.5%	12.2%	7.9%	10.0%	11.7%
1,000-2,000	16	8.0%	7.9%	11.5%	7.6%	6.5%	7.8%
2,000-5,000	13	14.3%	10.2%	12.2%	16.7%	11.5%	12.8%
>5,000	9	53.0%	41.4%	48.2%	55.7%	55.5%	47.7%
State Total	245	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Percent of System Total**

<250	89	--	72.7%	2.0%	21.1%	4.1%	100.0%
250-500	73	--	68.3%	2.2%	23.8%	5.7%	100.0%
500-1,000	45	--	66.9%	2.8%	25.2%	5.2%	100.0%
1,000-2,000	16	--	54.6%	3.9%	36.4%	5.1%	100.0%
2,000-5,000	13	--	43.3%	2.5%	48.7%	5.5%	100.0%
>5,000	9	--	46.8%	2.7%	43.5%	7.1%	100.0%
State Total	245	--	54.0%	2.6%	37.3%	6.1%	100.0%

**Per Pupil**

<250	89	--	\$13,032	\$354	\$3,786	\$743	\$17,915
250-500	73	--	10,138	325	3,531	844	14,838
500-1,000	45	--	8,690	360	3,268	672	12,990
1,000-2,000	16	--	6,094	438	4,057	566	11,155
2,000-5,000	13	--	4,445	259	4,994	559	10,258
>5,000	9	--	4,836	276	4,494	730	10,337
State Total	245	--	6,198	304	4,279	698	11,478

**Table 21 Breakdown of Revenue from State Sources – FY2013-14  
By Enrollment Size**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
System Count	TEEOSA Aid	Special Education	Property Tax Credits	Homestead Exemption	State Apportion.	All Other	Total State Sources
<b>Total</b>							
<250	89	31,817,595	12,699,048	8,712,812	1,551,673	2,175,856	59,777,696
250-500	73	51,605,603	20,818,203	10,378,430	2,638,829	3,825,656	92,385,474
500-1,000	45	54,736,846	22,408,770	9,355,097	3,647,115	4,646,260	98,600,258
1,000-2,000	16	65,321,734	16,002,555	4,118,658	2,728,063	3,625,113	94,728,155
2,000-5,000	13	162,863,329	26,432,080	4,412,675	5,316,076	6,597,614	208,221,487
>5,000	9	540,253,729	95,350,503	13,445,898	14,522,319	23,175,094	695,619,164
State Total	245	906,598,834	193,711,159	50,423,571	30,404,075	44,045,592	1,249,332,234

**Percent of State Total**

<250	89	3.5%	6.6%	17.3%	5.1%	4.9%	11.7%	4.8%
250-500	73	5.7%	10.7%	20.6%	8.7%	8.7%	12.9%	7.4%
500-1,000	45	6.0%	11.6%	18.6%	12.0%	10.5%	15.8%	7.9%
1,000-2,000	16	7.2%	8.3%	8.2%	9.0%	8.2%	12.1%	7.6%
2,000-5,000	13	18.0%	13.6%	8.8%	17.5%	15.0%	10.8%	16.7%
>5,000	9	59.6%	49.2%	26.7%	47.8%	52.6%	36.7%	55.7%
State Total	245	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Percent of System Total**

<250	89	53.2%	21.2%	14.6%	2.6%	3.6%	4.7%	100.0%
250-500	73	55.9%	22.5%	11.2%	2.9%	4.1%	3.4%	100.0%
500-1,000	45	55.5%	22.7%	9.5%	3.7%	4.7%	3.9%	100.0%
1,000-2,000	16	69.0%	16.9%	4.3%	2.9%	3.8%	3.1%	100.0%
2,000-5,000	13	78.2%	12.7%	2.1%	2.6%	3.2%	1.2%	100.0%
>5,000	9	77.7%	13.7%	1.9%	2.1%	3.3%	1.3%	100.0%
State Total	245	72.6%	15.5%	4.0%	2.4%	3.5%	1.9%	100.0%

**Per Pupil**

<250	89	\$2,015	\$804	\$552	\$98	\$138	\$179	\$3,786
250-500	73	1,972	796	397	101	146	119	3,531
500-1,000	45	1,814	743	310	121	154	126	3,268
1,000-2,000	16	2,797	685	176	117	155	126	4,057
2,000-5,000	13	3,906	634	106	127	158	62	4,994
>5,000	9	3,491	616	87	94	150	57	4,494
State Total	245	3,105	664	173	104	151	83	4,279

### ***Comments and Observations, - Table 20***

1. Table 20 breaks down FY2013-14 school revenue sources by size of school district showing not just total dollar amounts but those amounts as a percent of the state total and the percent of their own total revenues. The table also shows the dollar amounts on a per pupil basis.
2. There are significant differences in Total Revenues per pupil ranging from a high of \$6,437 for schools with less than 250 students to a low of \$10,258 for schools with enrollment of 2,000 to 5,000. Note that these revenue per pupil numbers are virtually identical to the disbursements per pupil as found in Table 14.
3. Per pupil revenue from Other Local and Federal Sources varies little by size of school. Even per pupil revenue from state sources is surprisingly similar relative to total revenue differences. For example schools with under 250 students receive \$494 less state support per student than the state average which is relatively small compared to the total revenue difference of \$6,437.
4. Because revenues per pupil from all non-property tax sources are relatively even, the significant differences in total revenue (ie spending) per pupil are translated into similar significant differences in property taxes per pupil. In other words, on a per pupil basis the significant differences in property taxes relates to spending levels.

### ***Comments and Observations, - Table 21***

1. Table 21 provides an enrollment size breakdown similar to Table 20 except it looks at the individual components of state sources.
2. In terms of the source of state support, all size districts receive the largest portion of their support from TEEOSA. However, smaller size districts receive a higher portion of their state support from Special Education and Property Tax Credit reimbursement. This is especially true for the Property Tax Credit reimbursement which constitutes 14.6% of state support for <250 enrollment districts versus only 1.9% for districts above 5,000.



# TEEOSA STATE AID

This section provides a history of formula based state aid to schools from FY1968-69 to the present. This includes aid distributed through the basic aid formula and not other aid programs like special education.

In 1990, the Legislature enacted the Tax Equity and Educational Opportunities Support Act (TEEOSA) through Legislative Bill 1059. The purpose of LB 1059 was to provide additional State Aid to schools, reduce the reliance on property taxes to fund public education, and to try to remedy inequities in educational fiscal resources for students. Financing of the additional State Aid was through increases in the sales tax (1 cent effective July 1, 1990) and individual income tax (8.75% effective July 1, 1990 and another 8.75% effective January 1, 1991). LB 1059 survived a gubernatorial veto and a referendum seeking its repeal in the fall of 1990.

The first year TEEOSA was in effect was FY1990-91 and because of the phase-in of the income tax increase, the first full year implementation of TEEOSA was FY91-92

The 17.5% increase in income tax was phased in over two tax years because of income tax withholding. Because the bill went into effect halfway through a tax year, to achieve a 17.5% increase, the withholding rate would have had to increase to 35% for the last half of the year and then back to a 17.5% increase level thereafter. For this reason, the withholding was increased by the 17.5% on July 1 and then the rate for the first tax year was set at only an 8.75% increase.

**Table 22 TEEOSA Aid by Fund Source**

	State General Funds	Insurance Premium	ARRA, EDJOBS Lottery, & RSTF	Ins Premium and ARRA	TEEOSA (All Funds)	\$ Change	% Change	# of Systems	# of Non Equal
FY1968-69	25,000,000	0	0	0	25,000,000	25,000,000	--	--	--
FY1975-76	52,501,207	0	0	0	52,501,207	(2,498,793)	-4.5%	--	--
FY1985-86	127,110,525	0	0	0	127,110,525	(6,605,575)	-4.9%	--	--
FY1989-90	133,720,830	0	0	0	133,720,830	4,730	0.0%	--	--
FY1990-91	311,462,100	0	0	0	311,462,100	177,741,270	132.9%	--	--
FY1991-92	357,283,727	0	0	0	357,283,727	45,821,627	14.7%	--	--
FY1992-93	370,668,616	0	0	0	370,668,616	13,384,889	3.7%	299	81
FY1993-94	383,069,609	0	0	0	383,069,609	12,400,993	3.3%	299	73
FY1994-95	400,230,135	0	0	0	400,230,135	17,160,526	4.5%	293	60
FY1995-96	414,933,814	0	0	0	414,933,814	14,703,679	3.7%	289	50
FY1996-97	434,834,334	12,409,260	0	12,409,260	447,243,594	32,309,780	7.8%	289	37
FY1997-98	454,273,986	11,670,497	0	11,670,497	465,944,483	18,700,889	4.2%	--	--
FY1998-99	579,978,752	11,261,483	0	11,261,483	591,240,235	125,295,752	26.9%	284	33
FY1999-00	581,552,195	12,490,055	0	12,490,055	594,042,250	2,802,015	0.5%	283	44
FY2000-01	549,272,990	12,053,426	0	12,053,426	561,326,416	(32,715,834)	-5.5%	279	53
FY2001-02	630,212,142	14,868,591	0	14,868,591	645,080,733	83,754,317	14.9%	270	32
FY2002-03	647,477,820	14,450,387	0	14,450,387	661,928,207	16,847,474	2.6%	263	32
FY2003-04	625,337,469	15,364,409	0	15,364,409	640,701,878	(21,226,329)	-3.2%	261	40
FY2004-05	618,298,707	16,018,569	0	16,018,569	634,317,276	(6,384,602)	-1.0%	260	46
FY2005-06	683,473,181	17,121,101	0	17,121,101	700,594,282	66,277,006	10.4%	257	46
FY2006-07	704,377,213	14,090,116	0	14,090,116	718,467,329	17,873,047	2.6%	254	49
FY2007-08	753,555,548	15,058,425	0	15,058,425	768,613,973	50,146,644	7.0%	254	49
FY2008-09	825,056,857	14,333,724	0	14,333,724	839,390,581	70,776,608	9.2%	254	48
FY2009-10	824,960,159	15,247,109	93,668,750	108,915,859	933,876,018	94,485,437	11.3%	254	55
FY2010-11	795,941,721	13,992,839	198,897,916	154,766,272	1,008,832,476	74,956,458	8.0%	253	59
FY2011-12	804,689,087	17,151,812	212,958	17,151,812	822,053,857	(186,778,619)	-18.5%	251	95
FY2012-13	838,452,050	13,415,035	212,958	13,415,035	852,080,043	30,026,186	3.7%	249	102
FY2013-14	884,888,317	21,693,014	0	21,693,014	906,581,331	54,501,288	6.4%	249	114
FY2014-15	913,571,842	19,400,000	0	21,693,014	932,971,842	26,390,511	2.9%	249	124
FY2015-16	950,651,625	22,385,000	0	19,400,000	973,036,625	40,064,784	4.3%	245	158
<u>Avg Annual % Change:</u>									
FY69 to FY76 (7 Yr)	11.2%	--	--	--	11.2%				
FY76 to FY86 (10 Yr)	9.2%	--	--	--	9.2%				
FY86 to FY96 (10 Yr)	12.6%	--	--	--	12.6%				
FY96 to FY06 (10 Yr)	5.1%	--	--	--	5.4%				
FY06 to FY16 (10 Yr)	3.4%	2.7%	--	--	3.3%				
FY69 to FY90 (Pre TEEOSA)	8.3%	--	--	--	8.3%				
FY91 to FY16 (Post TEEOSA)	7.8%	--	--	--	7.9%				

**Comments and Observations, - Table 22**

1. This table shows TEEOSA state aid over the past 47 years. First modern day state aid started in FY1968-69 at \$25 million. This coincided with the first year of state sales and income tax. Actually TEEOSA per se didn't exist prior to FY90-91. The income tax increase that accompanied enactment of TEEOSA was phased-in to avoid fluctuating withholding rates so the first full year of TEEOSA was FY91-92.

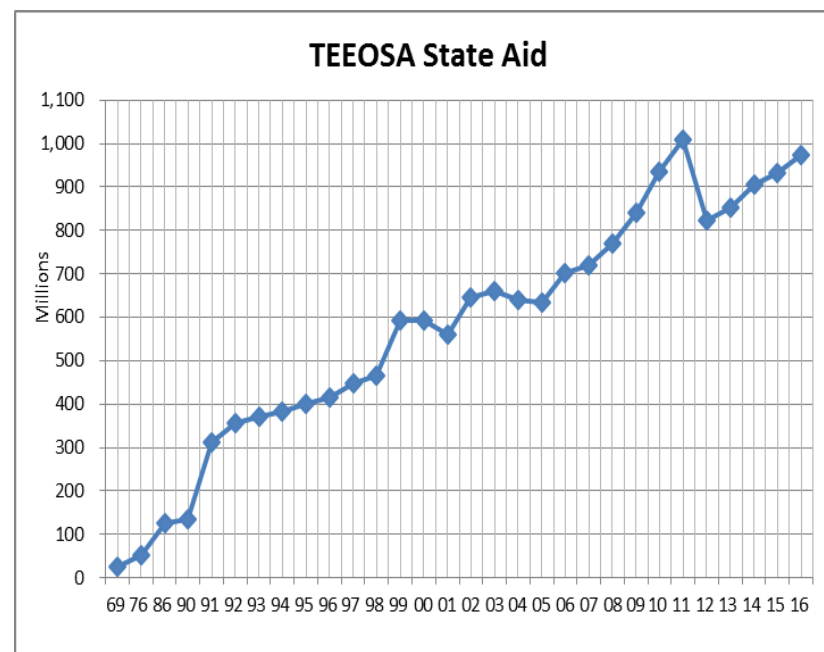
2. Originally the dollar amount for TEEOSA was a set appropriation amount and the local effort rate (LER) fluctuated so that total calculated aid equaled the appropriation. The appropriation level was unofficially arrived at by calculating the estimated amount of revenue generated by the tax increase enacted with TEEOSA and adding that to the level of appropriation the year prior to TEEOSA, \$133.7 million.

When the Legislature enacted levy limits on local taxing districts, the LER became a fixed level (at five to ten cents less than the levy limit) and then the total dollar amount of TEEOSA aid was derived and certified by the formula. That total certified amount is then financed with portion of the insurance premium tax earmarked for schools and the rest with state sales and income taxes (General Fund).

3. In FY2009-10 and FY2010-11 federal ARRA and the EDJOBS funds were available and distributed through the formula. At the time there was much discussion of the "cliff effect", a large decline in funding when these one-time monies were not available and the state would not replace these one-time monies. This "cliff effect" can be seen in FY11-12. Unofficially schools were "encouraged" to save money during the two high growth aid years to have some reserves available when the cliff hit. In the five year period from FY07 through the "cliff" in FY12 there were four high growth years and then the large decline in FY12 but an overall average annual growth of 2.7%.

4. Note that while the number of non-equalized districts has grown significantly, TEEOSA always resulted in districts not receiving equalization aid. In fact, the first full year TEEOSA was in effect there were 81 non-equalized districts.

5. There has been a continued slowdown in the average growth in TEEOSA state aid by decade with the lowest growth, 3.3% average over the past 10 years.



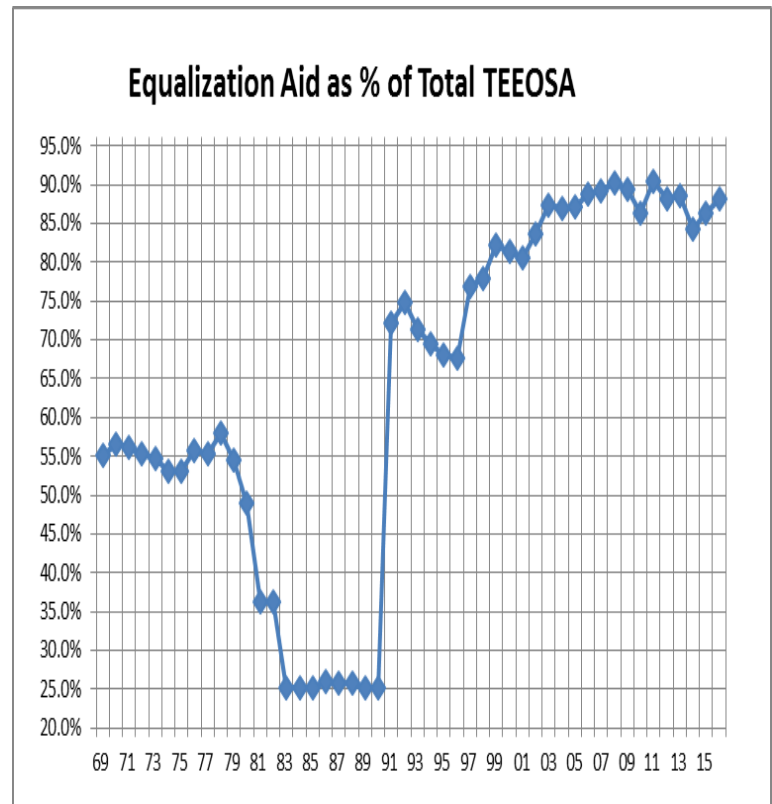
### Table 23 TEEOSA by Aid Category

	Equalization	Foundation or Income Tax *	Option Enrollment	Hold Harmless Stabilization	Incentive or Consolidation	Other Components	Total TEEOSA Aid	Percent of Total	
								Equalization	All Other
FY1968-69	13,790,718	8,865,207	na	na	2,344,075	0	25,000,000	55.2%	44.8%
FY1975-76	29,246,244	19,947,227	na	na	3,307,736	0	52,501,207	55.7%	44.3%
FY1985-86	32,925,480	90,615,324	na	na	3,569,721	0	127,110,525	25.9%	74.1%
FY1989-90	33,590,252	96,376,100	na	na	3,649,748	104,730	133,720,830	25.1%	74.9%
FY1990-91	225,008,887	83,307,600	0	3,145,851	0	0	311,462,338	72.2%	27.8%
FY1991-92	267,681,621	85,944,430	0	3,657,676	0	0	357,283,727	74.9%	25.1%
FY1992-93	264,102,330	102,289,817	325,768	3,868,370	82,332	0	370,668,616	71.3%	28.7%
FY1993-94	266,026,476	111,784,973	1,871,256	3,386,904	0	0	383,069,609	69.4%	30.6%
FY1994-95	272,493,284	119,929,975	4,877,832	2,929,045	0	0	400,230,135	68.1%	31.9%
FY1995-96	280,644,886	125,045,404	7,084,502	0	2,159,021	0	414,933,813	67.6%	32.4%
FY1996-97	344,057,696	82,049,832	20,239,985	0	896,081	0	447,243,594	76.9%	23.1%
FY1997-98	362,865,382	81,506,813	20,783,004	0	789,284	0	465,944,483	77.9%	22.1%
FY1998-99	485,879,395	79,438,024	22,851,793	2,193,730	877,293	0	591,240,235	82.2%	17.8%
FY1999-00	484,006,299	77,551,704	24,738,113	5,988,827	1,757,306	0	594,042,250	81.5%	18.5%
FY2000-01	452,760,943	74,322,835	27,966,982	3,394,479	2,881,177	0	561,326,416	80.7%	19.3%
FY2001-02	539,245,561	69,785,428	32,504,389	967,903	2,577,452	0	645,080,733	83.6%	16.4%
FY2002-03	578,575,673	54,163,636	24,541,677	1,794,678	2,852,543	0	661,928,207	87.4%	12.6%
FY2003-04	557,212,679	49,723,503	28,077,682	4,505,989	1,182,025	0	640,701,878	87.0%	13.0%
FY2004-05	552,391,978	42,402,419	35,060,761	4,462,118	0	0	634,317,276	87.1%	12.9%
FY2005-06	622,639,057	35,943,338	40,021,991	1,989,896	0	0	700,594,282	88.9%	11.1%
FY2006-07	641,172,064	31,362,998	43,661,091	1,624,671	646,505	0	718,467,329	89.2%	10.8%
FY2007-08	693,622,358	27,673,741	46,111,529	1,206,345	0	0	768,613,973	90.2%	9.8%
FY2008-09	749,692,873	22,006,982	60,282,834	6,573,376	834,516	0	839,390,581	89.3%	10.7%
FY2009-10	806,692,397	42,009,501	60,280,316	9,893,804	0	15,000,000	933,876,018	86.4%	13.6%
FY2010-11	911,542,660	20,365,488	61,924,329	0	0	15,000,000	1,008,832,477	90.4%	9.6%
FY2011-12	725,551,082	23,031,139	58,258,678	0	212,958	15,000,000	822,053,857	88.3%	11.7%
FY2012-13	755,577,268	24,001,803	57,288,014	0	212,958	15,000,000	852,080,043	88.7%	11.3%
FY2013-14	764,291,514	43,744,517	58,545,300	0	0	40,000,000	906,581,331	84.3%	15.7%
FY2014-15	805,682,025	45,412,478	56,877,339	0	0	25,000,000	932,971,842	86.4%	13.6%
FY2015-16	858,246,808	43,534,516	58,755,301	0	0	12,500,000	973,036,625	88.2%	11.8%
<b>Avg Annual Percent Change</b>									
FY69 to FY76 (7 Yr)	11.3%	12.3%	--	--	--	--	11.2%	54.8%	45.2%
FY76 to FY86 (10 Yr)	1.2%	16.3%	--	--	--	--	9.2%	35.5%	64.5%
FY86 to FY96 (10 Yr)	23.9%	3.3%	--	--	--	--	12.6%	60.4%	39.6%
FY96 to FY06 (10 Yr)	8.3%	-11.7%	--	--	--	--	5.4%	82.7%	17.3%
FY06 to FY16 (10 Yr)	3.3%	1.9%	--	--	--	--	3.3%	88.1%	11.9%
FY69 to FY90 (Pre TEEOSA)	4.3%	12.0%					8.3%	35.6%	64.4%
FY91 to FY15 (Post TEEOSA)	13.3%	-3.0%					7.9%	83.8%	16.2%

\* Foundation aid until FY89-90, income tax rebate starting in FY90-91

**Comments and Observations, - Table 23**

1. At the inception of modern day state aid in FY1968-69, 55% of the amount was distributed as equalization aid and 45% as foundation and incentive/consolidation funds. As aid increased from \$25 million to \$133 million, about 80% of the increased amount was in foundation aid resulting in equalization aid dropping to only 25% of aid in FY89-90, the year prior to enactment of TEEOSA.
2. TEEOSA (aka LB1059) was enacted to provide more equalization aid as well as to increase total state aid. This was a proactive response to lawsuits in other states which were successful in regards to equalizing spending and tax levels. In its initial implementation, TEEOSA was 75% equalization aid and 25% in other forms mostly income tax rebate. The income tax rebate was 20% of residents' income tax liability.
3. In the first four years of full implementation of TEEOSA (FY92 through FY96), total aid increased by an average of 3.8% per year. Because the income tax rebate grew at almost 10% per year, equalization aid actually declined during this period. Equalization aid declined to 67% of the total with all indications that this trend would continue. The Legislature then capped the income tax rebate at the FY92-93 level, \$102, 289,817. Furthermore, net option funding was first paid out of the \$102.3 million with the remaining amount then distributed as income tax rebate, prorated based on the 20% number. In the FY2015-16 TEEOSA aid, the income tax rebate was \$43.5 million which was 12.25% of the original 20% or 2.45% of state income tax liability.



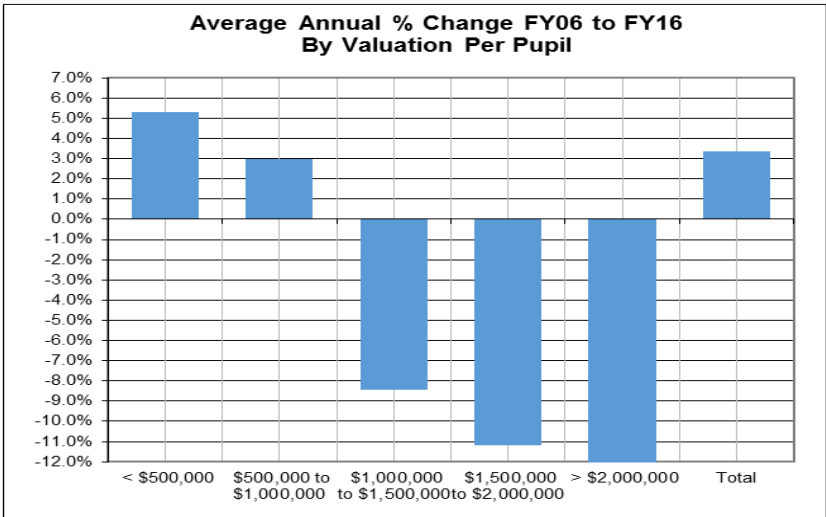
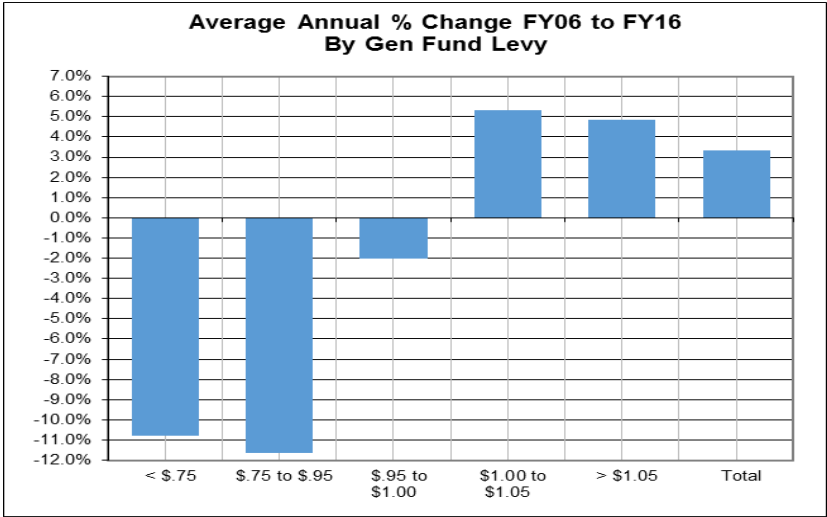
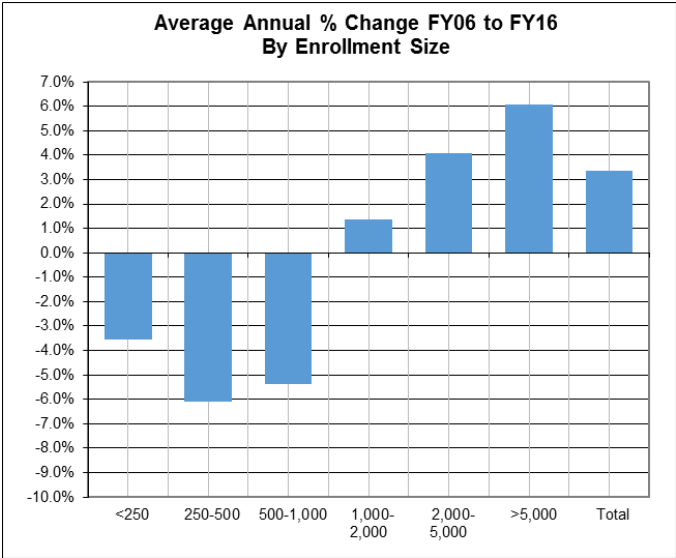
	TEEOSA FY2015-16	% of Total Tax Liability
Capped Amount per State Law	102,289,817	
Less: net option funding	58,755,301	
Available for rebate	43,534,516	
State Income Tax Liability (Tax Yr 2013) Per TEEOSA (at 20%)	1,776,226,560 20.00%	100.00%
Full Amount at Original 20%	355,245,312	20.00%
Prorate Factor (12.25%)	12.25%	
Amount to distribute as rebate	43,534,516	2.45%

**Table 24 TEEOSA Aid by Category of Schools: FY97 to FY16**

	System	ADM	FY1996-97	FY2005-06	2015-16	Avg Annual % Change		
	Count	2013-14	TEEOSA	TEEOSA	TEEOSA	9 Yr 97 to 06	10 Yr 06 to 16	19 Yr 97 to 16
<b>By Enrollment Size</b>								
<250	89	15,791	34,544,822	37,282,572	25,949,444	0.9%	-3.6%	-1.5%
250-500	73	26,167	56,201,606	70,109,819	37,318,932	2.5%	-6.1%	-2.1%
500-1,000	45	30,169	49,041,271	71,002,442	40,937,212	4.2%	-5.4%	-0.9%
1,000-2,000	16	23,351	35,580,406	54,453,059	62,361,961	4.8%	1.4%	3.0%
2,000-5,000	13	41,696	66,055,331	117,554,402	175,146,878	6.6%	4.1%	5.3%
>5,000	9	154,777	204,882,951	350,150,372	631,322,197	6.1%	6.1%	6.1%
Total	245	291,949	446,306,387	700,552,665	973,036,624	5.1%	3.3%	4.2%
<b>Growing/Declining Enrollment</b>								
Growing systems	64	204,570	274,657,901	468,241,175	804,491,788	6.1%	5.6%	5.8%
Declining systems	181	87,380	171,648,485	232,311,490	168,544,836	3.4%	-3.2%	-0.1%
Total	245	291,949	446,306,387	700,552,665	973,036,624	5.1%	3.3%	4.2%
<b>By Equalization Status</b>								
Equalized	87	235,853	349,835,782	584,173,600	941,611,589	5.9%	4.9%	5.3%
Non-Equalized	158	56,097	96,470,605	116,379,066	31,425,035	2.1%	-12.3%	-5.7%
Total	245	291,949	446,306,387	700,552,665	973,036,624	5.1%	3.3%	4.2%
<b>By Per Pupil Cost</b>								
< \$10,000	11	63,920	85,865,558	132,758,139	237,893,436	5.0%	6.0%	5.5%
\$10,000-12,000	40	160,949	229,298,459	397,671,537	627,699,976	6.3%	4.7%	5.4%
\$12,000-14,000	61	33,633	56,112,273	79,452,800	60,959,872	3.9%	-2.6%	0.4%
\$14,000-16,000	54	16,881	36,054,035	47,237,139	21,307,906	3.0%	-7.7%	-2.7%
> \$16,000	79	16,567	38,976,063	43,433,050	25,175,434	1.2%	-5.3%	-2.3%
Total	245	291,949	446,306,387	700,552,665	973,036,624	5.1%	3.3%	4.2%
<b>By GF Levy</b>								
< \$.75	73	20,822	37,204,268	31,042,495	9,920,269	-2.0%	-10.8%	-6.7%
\$.75 to \$.95	57	21,724	38,747,820	51,860,658	15,072,762	3.3%	-11.6%	-4.8%
\$.95 to \$1.00	58	27,770	51,888,491	80,027,875	65,165,741	4.9%	-2.0%	1.2%
\$1.00 to \$1.05	47	112,308	153,858,863	252,900,604	425,664,360	5.7%	5.3%	5.5%
> \$1.05	10	109,325	164,606,945	284,721,033	457,213,493	6.3%	4.9%	5.5%
Total	245	291,949	446,306,387	700,552,665	973,036,624	5.1%	3.3%	4.2%
<b>By Per Pupil Valuation</b>								
< \$500,000	23	172,375	253,827,065	441,329,198	740,248,838	6.3%	5.3%	5.8%
\$500,000 to \$1,000,000	52	63,709	92,451,798	143,375,778	192,676,711	5.0%	3.0%	3.9%
\$1,000,000 to \$1,500,000	66	28,826	47,787,732	66,926,466	27,727,662	3.8%	-8.4%	-2.8%
\$1,500,000 to \$2,000,000	45	13,393	22,238,798	25,357,497	7,750,425	1.5%	-11.2%	-5.4%
> \$2,000,000	59	13,646	30,000,994	23,563,726	4,632,987	-2.6%	-15.0%	-9.4%
Total	245	291,949	446,306,387	700,552,665	973,036,624	5.1%	3.3%	4.2%

**Comments and Observations, - Table 24**

1. For analysis purposes, a variety of data categories were designed to reflect demographics of schools such as size, per pupil spending, property tax levy, and property valuation per pupil. Each school district then falls into the respective categories based on the latest data which is the 2013-14 AFR, FY2015-16 TEEOSA aid certification, or 2014 property tax data.
2. Table 24 shows the number of school systems and ADM student count in each of the various categories as well as TEEOSA aid for FY1996-97, FY2005-06 and FY2015-16. The average annual percent change is then calculated for the first nine year period, the past ten years, and the whole 19 years. For purposes of this table data for FY1995-96 was not available as Class 1 district aid had not been compiled to a system basis.
3. In general, school systems with the highest increase in TEEOSA aid tend to be those with low valuation per pupil, high General Fund levies, growing enrollments and/or low spending per pupil. These also tend to be higher in enrollment size.
4. In general, school systems with declining or low growth in TEEOSA aid tend to be those with high valuation per pupil, low General Fund levies, declining enrollments and/or high spending per pupil. These also tend to be lower in enrollment size.



# VALUATION AND PROPERTY TAXES LEVIED

Property tax and valuation data in this section is compiled by Legislative Fiscal Office from Certificate of Taxes Levied (CTL) data from the Nebraska Department of Revenue Property Assessment Division.



**Table 25 Property Valuations - 1999 to 2014**

Tax Year	Property Valuations by Sector				
	Agricultural	Residential	Comm/Indust	PS/RR	Total
1999	22,390,461,705	39,294,156,738	16,945,885,802	2,869,153,995	81,499,658,240
2000	23,230,800,558	42,532,972,677	19,503,127,293	3,040,652,797	88,307,553,325
2001	24,070,056,135	46,027,877,877	20,589,397,807	3,250,882,393	93,938,214,212
2002	24,868,489,352	48,423,457,282	21,480,955,044	3,389,778,240	98,162,679,918
2003	25,930,317,003	52,046,730,927	22,788,132,187	3,434,860,986	104,200,041,103
2004	27,077,181,713	55,508,061,158	23,209,249,338	3,328,751,501	109,123,243,710
2005	28,655,685,523	59,922,073,133	24,484,627,753	3,205,246,966	116,267,633,375
2006	30,870,954,820	65,015,992,089	25,939,021,051	3,238,210,666	125,064,178,626
2007	31,841,904,530	69,260,735,231	27,564,797,410	3,326,417,392	131,993,854,563
2008	35,040,222,547	71,671,371,346	29,568,110,612	3,630,358,611	139,910,063,116
2009	39,434,563,400	72,536,154,810	31,070,064,562	4,585,430,102	147,626,212,874
2010	43,869,052,743	73,391,373,265	31,588,967,911	5,155,754,302	154,005,148,221
2011	49,060,101,552	74,284,294,830	31,906,927,521	5,476,922,563	160,728,246,466
2012	55,344,161,637	75,468,895,345	32,931,480,471	6,214,187,258	169,958,724,711
2013	67,495,778,335	76,606,449,070	33,851,985,050	6,398,949,460	184,353,161,915
2014	86,000,350,043	78,900,400,307	34,659,967,009	6,609,682,136	206,170,399,495
Average Annual % Change					
1999-2004 (5 yr)	3.9%	7.2%	6.5%	3.0%	6.0%
2004-2009 (5 yr)	7.8%	5.5%	6.0%	6.6%	6.2%
2009-2014 (5 yr)	16.9%	1.7%	2.2%	7.6%	6.9%
1999-2014 (15 yr)	9.4%	4.8%	4.9%	5.7%	6.4%

- Growth in Agricultural property valuations rose in each five year increment while the opposite occurred for residential property

**Table 26 K-12 Property Taxes - 1999 to 2014**

Tax Year	K-12 Property Taxes Levied by Sector				
	Agricultural	Residential	Comm/Indust	PS/RR	Total
1999	244,516,774	470,905,458	203,030,864	32,541,698	950,994,794
2000	257,110,756	514,462,358	236,524,866	35,183,135	1,043,281,114
2001	255,112,797	542,167,042	244,898,593	36,328,464	1,078,506,896
2002	268,067,169	577,743,602	259,198,936	38,569,182	1,143,578,889
2003	288,524,862	642,390,967	283,561,581	40,293,075	1,254,770,486
2004	301,615,041	680,411,970	286,859,552	38,648,060	1,307,534,622
2005	315,739,750	727,134,406	299,325,748	36,714,623	1,378,914,526
2006	339,055,969	783,445,702	314,728,923	37,044,677	1,474,275,271
2007	351,644,375	830,939,487	332,248,493	37,931,025	1,552,763,379
2008	381,253,686	855,165,441	354,733,783	41,009,097	1,632,162,007
2009	421,512,901	868,898,061	374,745,519	51,085,023	1,716,241,505
2010	462,600,374	879,851,026	379,895,116	56,499,493	1,778,846,009
2011	509,896,735	890,339,861	383,897,280	59,103,675	1,843,237,551
2012	561,504,269	900,680,659	394,733,103	65,720,242	1,922,638,274
2013	648,436,363	907,696,482	402,835,816	65,942,077	2,024,910,737
2014	745,817,075	921,845,473	406,813,277	65,171,859	2,139,647,684
Average Annual % Change					
1999-2004 (5 yr)	4.3%	7.6%	7.2%	3.5%	6.6%
2004-2009 (5 yr)	6.9%	5.0%	5.5%	5.7%	5.6%
2009-2014 (5 yr)	12.1%	1.2%	1.7%	5.0%	4.5%
1999-2014 (15 yr)	7.7%	4.6%	4.7%	4.7%	5.6%

- Similar to valuations, taxes levied on agricultural property rose in each five year increment. In the last 10 years taxes levied grew at a slightly lower rate than valuations.
- Note the very low growth in residential and commercial and industrial taxes the past five years.

**Table 27 Sector Valuation and K-12 Property Taxes – 2014  
By Enrollment Size**

- Property taxes include General Fund, bond and building fund.
- As the enrollment size increases, the % of tax base on agricultural goes down while residential and commercial and industrial goes up.
- There is a big difference in average K-12 levy on agricultural property from smallest to largest enrollment size. There is some agricultural property that does pay relatively high levies even though not a large percentage. :
- About 89% of agricultural valuation is in schools with less than 1,000 students. The following shows the percent of the state total agriculture valuation by size of district:

<250	30.0%
250-500	33.8%
500-1,000	25.4%
1,000-2,000	7.5%
2,000-5,000	2.7%
>5,000	0.6%
State Total	100.0%

	Agricultural	Residential	Comm/Indust	PS/RR	Total
<b>Total K-12 Property Taxes</b>					
<250	196,401,860	28,595,778	8,087,274	12,576,572	245,661,483
250-500	247,354,372	52,555,577	17,887,991	13,311,053	331,108,993
500-1,000	197,617,911	85,922,527	24,824,529	12,214,483	320,579,449
1,000-2,000	71,315,225	78,568,750	27,117,765	7,019,586	184,021,325
2,000-5,000	27,166,150	127,027,469	63,440,411	7,767,410	225,401,440
>5,000	7,088,420	548,562,458	264,879,039	12,345,078	832,874,994
State Total	746,943,936	921,232,558	406,237,009	65,234,180	2,139,647,684
<b>Average Levy</b>					
<250	\$0.760	\$0.819	\$0.804	\$0.770	\$0.769
250-500	0.851	0.918	0.860	0.925	0.865
500-1,000	0.906	0.999	0.914	0.969	0.932
1,000-2,000	1.107	1.180	1.133	1.127	1.142
2,000-5,000	1.178	1.228	1.222	1.189	1.219
>5,000	1.278	1.244	1.245	1.235	1.245
State Total	0.869	1.168	1.172	0.987	1.038
<b>% of Tax Base</b>					
<250	79.9%	11.6%	3.3%	5.1%	100.0%
250-500	74.7%	15.9%	5.4%	4.0%	100.0%
500-1,000	61.6%	26.8%	7.7%	3.8%	100.0%
1,000-2,000	38.8%	42.7%	14.7%	3.8%	100.0%
2,000-5,000	12.1%	56.4%	28.1%	3.4%	100.0%
>5,000	0.9%	65.9%	31.8%	1.5%	100.0%
State Total	34.9%	43.1%	19.0%	3.0%	100.0%
<b>Valuation Per Pupil</b>					
<250	1,635,954	221,092	63,735	103,467	2,024,247
250-500	1,110,268	218,739	79,532	54,996	1,463,535
500-1,000	722,972	285,093	89,982	41,801	1,139,848
1,000-2,000	275,928	285,245	102,500	26,664	690,337
2,000-5,000	55,326	248,087	124,483	15,665	443,561
>5,000	3,582	284,796	137,449	6,461	432,288
State Total	294,573	270,254	118,719	22,640	706,185

**Table 28 Sector Valuation and K-12 Property Taxes – 2014  
By Equalized and Non-Equalized Districts**

	Agricultural	Residential	Comm/Indust	PS/RR	Total
<b>Total K-12 Property Taxes</b>					
Equalized	186,597,109	797,800,088	363,132,179	35,749,235	1,383,278,612
Non-Equalized	560,346,828	123,432,471	43,104,829	29,484,945	756,369,072
<b>Total</b>	<b>746,943,936</b>	<b>921,232,558</b>	<b>406,237,009</b>	<b>65,234,180</b>	<b>2,139,647,684</b>
<b>Average Levy</b>					
Equalized	\$1.120	\$1.229	\$1.231	\$1.167	\$1.212
Non-Equalized	0.808	0.884	0.837	0.832	0.822
<b>Total</b>	<b>0.869</b>	<b>1.168</b>	<b>1.172</b>	<b>0.987</b>	<b>1.038</b>
<b>% of Tax Base</b>					
Equalized	13.5%	57.7%	26.3%	2.6%	100.0%
Non-Equalized	74.1%	16.3%	5.7%	3.9%	100.0%
<b>Total</b>	<b>34.9%</b>	<b>43.1%</b>	<b>19.0%</b>	<b>3.0%</b>	<b>100.0%</b>
<b>Valuation Per Pupil</b>					
Equalized	70,611	275,303	125,111	12,994	484,019
Non-Equalized	1,236,195	249,024	91,845	63,197	1,640,262
<b>Total</b>	<b>294,573</b>	<b>270,254</b>	<b>118,719</b>	<b>22,640</b>	<b>706,185</b>

- When comparing equalized and non-equalized districts, the average per pupil valuation on residential and commercial and industrial is surprisingly close. Agricultural valuation is the difference.
- The key point on this table is the difference between per pupil valuations. Non-equalized districts have over three times the valuation per pupil. Low valuation per pupil is Santee (\$37,952). High is Bruning-Davenport (\$5,489,406)

**Table 29 Excess Valuation in TEEOSA Formula – FY2015-16 Certification**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
System	Total	Subtotal	Subtotal	Total	<u>NEEDS - Resources</u>		"Excess" as	"Excess" as
Count	Calculated	Yield from	All other	Calculated	> 0	< 0	% of Yield	% of Ag Land
	NEEDS	Local Effort	Receipts	Resources	Equal Aid	"Excess"	from LER	LER Yield

**By Enrollment Size**

**Total**

<250	89	265,950,884	320,931,875	44,371,444	447,577,041	12,602,144	(194,228,300)	37.5%	47.5%
250-500	73	362,396,301	384,800,029	63,333,270	522,138,835	21,227,081	(180,969,615)	34.4%	40.2%
500-1,000	45	369,244,670	340,386,762	65,540,176	450,967,286	29,156,391	(110,879,007)	24.8%	33.2%
1,000-2,000	16	243,662,539	152,808,288	47,988,104	204,097,184	52,218,500	(12,653,145)	19.7%	15.9%
2,000-5,000	13	416,302,050	179,414,106	71,330,914	250,745,021	165,557,030	0	--	--
>5,000	9	1,549,218,193	686,251,843	279,769,924	966,021,767	583,196,427	0	--	--
State Total	245	3,206,774,637	2,064,592,903	572,333,833	2,841,547,133	863,957,571	(498,730,067)	31.9%	37.5%

**Per Pupil**

<250	89	\$16,842	\$20,324	\$2,810	\$28,345	\$798	(\$12,300)		
250-500	73	13,850	14,706	2,420	19,954	811	(6,916)		
500-1,000	45	12,239	11,283	2,172	14,948	966	(3,675)		
1,000-2,000	16	10,435	6,544	2,055	8,740	2,236	(542)		
2,000-5,000	13	9,984	4,303	1,711	6,014	3,971	0		
>5,000	9	10,009	4,434	1,808	6,241	3,768	0		
State Total	245	10,984	7,072	1,960	9,733	2,959	(1,708)		

**By Equalized and Non-Equalized**

**Total**

Equalized	87	2,439,728,535	1,141,581,629	433,517,381	1,575,770,964	863,957,571	0	--	--
Non-Equalized	158	767,046,102	923,011,274	138,816,451	1,265,776,169	0	(498,730,067)	31.9%	46.6%
Total	245	3,206,774,637	2,064,592,903	572,333,833	2,841,547,133	863,957,571	(498,730,067)	31.9%	37.5%

**Per Pupil**

Equalized	87	\$10,344	\$4,840	\$1,838	\$6,681	\$3,663	\$0		
Non-Equalized	158	13,674	16,454	2,475	22,564	0	(8,891)		
Total	245	10,984	7,072	1,960	9,733	2,959	(1,708)		

## **Comments and Observations, - Table 29**

1. This table provides a summary of FY15-16 TEEOSA aid calculation data broken down by size of district and then equalized and non-equalized districts. Column 1 shows calculated NEEDS while total Resources are in column 4 broken down into its two main components, yield from LER (column 2) and Other Receipts (column 3).
2. On a per pupil basis, formula NEEDS for non-equalized districts are actually higher than for equalized districts (column 1 per pupil). This reflects the fact that the formula generates higher NEEDS for smaller districts. However, this higher level of NEEDS is totally offset by the much higher yield from local effort rate. (column 1)
3. Column 5 and 6 show the results of the NEEDS - RESOURCES equation. If  $NEEDS > RESOURCES$  (column 5) the difference is equalization aid. If  $NEEDS - RESOURCES$  is zero or negative the school gets no equalization aid or is "non-equalized"
4. Column 6 shows that negative result in dollar terms while column 7 and 8 then illustrates that "excess" as a percent of the yield from local effort rate both total valuation (column 7) or agricultural land.(column 8). This illustrates the degree of "non-equalization" and basically shows the extent that yield from LER, and thus valuation, would have to decline before those district would be equalized.

Let's take the <250 enrollment category as an example. Within this category there are schools that receive equalization aid which amounts to \$12.6 million as their NEEDS exceeds RESOURCES (column 5). Also within this enrollment size category, there are districts where  $NEEDS - RESOURCES$  is a negative or in other words the calculated RESOURCES exceeds NEEDS by \$194.2 million (column 6). Columns 7 and 8 then shows this \$194.2 million of excess formula resources as the equivalent of 37% of the total yield from LER or 47.5% of the LER yield from ag land. What this says is that on average total valuation in those districts would have to decline by 37% in order to eliminate this \$194 million of excess "resources" and make those districts equalized.

5. In terms of excess resources as a percent of total LER yield, Bruning-Davenport (74.6%) and Humphrey (67.5%) are the highest. On the other hand Wahoo is a non-equalized district but is only .1% from being equalized

# APPENDIX

## Definition of Spending Categories

INSTRUCTION Column (1), (2) and (3) - Activities dealing directly with the teaching of pupils, or the interaction between teacher and pupils. Included here are the activities of aides or assistants of any type that directly assist in the instructional process.

SUPPORT SERVICES – PUPILS AND STAFF Column (4): Support Services-Pupils includes those activities that are designed to assess and improve the well being of pupils and to supplement the teaching process including casework services for pupils and parents; non-attendance and enforcement of compulsory attendance laws, guidance services, health and psychological services, and safety and security. General Fund disbursements for student publications, social events, club activities, and expenditures for extra-curricular activities are included if these activities are not otherwise provided for in the Activities Fund. Support Services-Staff includes activities associated with assisting the staff with the content and process of providing learning experiences for pupils. Include expenditures for Retirement Incentive Plans and Staff Development Assistance, instructional staff training and curriculum development, school improvement efforts, implementation of standards, audio-visual and educational television and distance learning.

ADMINISTRATION + BUSINESS Column (5) Includes (1) activities performed by the superintendent and such assistants as deputy, associate, and assistant superintendents in the general direction and management of the school district; (2) activities concerned with directing and managing the operation of a particular school or school building including principals, assistant principals, and the clerical staff for these activities; (3) activities concerned with purchasing, paying, transporting, and maintaining goods and services for the school district; (4) activities concerned with the fiscal operations of the school district such as budgeting, financial accounting, payroll, inventory control, and internal auditing; and acquiring or improving school district lands or buildings; (6) activities concerned with acquiring and maintaining general purpose vehicles such as trucks, tractors, and staff vehicles.

MAINTENANCE AND OPERATION OF BUILDING(S) AND SITE(S) Column (6) Includes activities required in keeping the physical plant open, heated, lighted, and ready for use and in keeping the grounds, buildings and non-instruction equipment at their original condition of completeness and efficiency through repairs or replacement.

PUPIL TRANSPORTATION Column (7) Activities concerned with the conveyance of pupils to and from school, as provided by statute. Included are such activities as contracting, payments to parents, purchasing vehicles, leasing vehicles, servicing vehicles, and all costs associated with operating the vehicle.

ALL OTHER Column (8) This includes community services, state categorical programs, federal categorical programs, summer school, adult education, transfers (Inter-fund transfers from the General Fund to the School Lunch, Activities or Bond Fund or from other funds to the General Fund). About 90% of all amounts in this category are federal categorical programs.



## Definition of Funds

A FUND is a sum of money or is the money derived from certain sources and set aside for specific purposes and activities. An ACCOUNT within a fund records the financial transactions that are similar in terms of a given frame of reference, either as a receipt or as a disbursement. The fund accounts collectively constitute a complete record of all transactions encompassed by the fund.

GENERAL FUND The General Fund finances all facets of services rendered by the school district. General Fund receipts are classified according to source while its expenditures are classified according to specific functions. The General Fund is maintained by all operating school districts in the state. General Fund expenditures are limited by statute. The tax levy for this fund is restricted.

DEPRECIATION FUND may be established by a school district in order to facilitate the eventual purchase of costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, a school district will show the movement of monies as an expense from the General Fund and the Depreciation Fund will show the revenue as a transfer from the General Fund. The school district may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of the Depreciation Fund is to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year to meet such an expense. This fund is restricted by statute as part of the Allowable Reserve limitation. The Depreciation Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

EMPLOYEE BENEFIT FUND An Employee Benefit Fund may be established in order to specifically reserve General Fund money for the benefit of school district employees (unemployment compensation, early retirement, health insurance deductibles, etc.) To allocate monies from the General Fund, a school district will show the movement of monies as an expense from the General Fund, and the Employee Benefit Fund will show the revenue as a transfer from the General Fund. A school district may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The cash reserve of this fund is restricted by statute as part of the Allowable Reserve limitation. The Employee Benefit Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

CONTINGENCY FUND A Contingency Fund is authorized by statute and may be established by a school district to fund uninsured losses and legal fees incurred by the school district for defense against public losses. Expenditures from this fund shall not exceed five percent of the total budgeted General Fund expenditures of the school district. To allocate monies from the General Fund, a school district shall show the movement of monies as an expense from the General Fund, and the Contingency Fund shall show the revenue as a transfer from the General Fund.

ACTIVITIES FUND The Activities Fund is required to account for the financial operations of quasi-independent student organizations, inter-school athletics, and other self-supporting or partially self-supporting school activities. The inclusion of such accounts in the General Fund would distort the financial position of the basic school operation and would complicate the computation of the net expense incurred in conducting school services. The Activities Fund shall not be used to record general operation revenues or expenditures, nor shall this fund be used as a clearinghouse for the General Fund. The school district may divide this fund into more than one account to allocate a portion of this fund for different purposes. The financial operations of all school-connected activities are a legal responsibility of the board of

education. If deficits in such activities are incurred, they shall be covered by funds transferred from the General Fund. Such revenue shall finance only those projects that qualify for approval under policies established by the school district board of education for such activities.

SCHOOL LUNCH FUND The School Lunch Fund is required to accommodate the financial activities of all Nutrition Programs operated by the school district. The School Lunch Fund shall reflect a record of all revenues and expenditures incident to the operation of all Nutrition Programs. If a deficit is incurred in the operation, the deficiency shall be covered by funds transferred from the General Fund.

BOND FUND The Bond Fund shall be used to record tax receipts, investment interest, and the payment of bond principal, interest, and other related costs (i.e. trustee fees). If the fund balance is not sufficient to meet interest or bond retirement payments from the Bond Fund, the General Fund shall be used for these payments. Revenue from a levy to retire bonds in any school district is retained in a separate fund by the county treasurer, the financial institution serving as a fiscal agent, or the school district. Funds shall be disbursed upon appropriate demand. All records of the transactions in this area shall be maintained in this fund. Proceeds from a bond issue shall be deposited into the Special Building Fund to be expended on the actual building project. The tax levy for this fund is restricted for expenditures other than principal and interest on bonds.

SPECIAL BUILDING FUND A Special Building Fund shall be established when a school board decides to acquire or improve sites and/or to erect, alter or improve buildings. The sale of bonds, the sale of property, or tax receipts will be the primary sources of revenue for the Special Building Fund. Regardless of the source of money to be used for building construction and related costs, all income for the purposes of this fund shall be accountable through this fund. General Fund expenditures for the purpose of this fund are not allowable. Special Building Fund accounting provides a more effective means of identifying those expenditures associated with construction activities and provides a complete and consolidated record of all costs of the building program at the conclusion of a project(s). If more than one Special Building Fund project is active at the same time, separate accounts for each project may be established within the single Special Building Fund. The tax levy for this fund is restricted.

QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND A Qualified Capital Purpose Undertaking Fund may be established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in school district buildings, the repayment of a qualified zone academy bond issued for a qualified capital purpose, modifications for life safety code violations, indoor air quality projects, and mold abatement and prevention projects. General Fund expenditures for the purpose of this fund are not allowable. The tax levy and duration of this fund is restricted.

COOPERATIVE FUND The Cooperative Fund may be used by the school district acting as the fiscal agent for any cooperative activity between one or more public agencies. All school districts, including the school district acting as the fiscal agent, shall show the payment for services to the cooperative in their General Fund.

STUDENT FEE FUND The Student Fee Fund is a separate school district fund not funded by tax revenue into which all money collected from students pursuant to the Public Elementary and Secondary Student Fee Authorization Act must be deposited. Included are fees for Extracurricular Activities, Postsecondary Education and Summer or Night School. Expenditures from this fund must be for the purposes for which the fees were collected.