



# UNDERSTANDING SCHOOL FUNDING & TEEOSA

## TEEOSA 101

$(\text{Needs}) - (\text{Resources}) = (\text{Equalization Aid})$

The Tax Equity and Educational Opportunities Support Act (TEEOSA) calculates state aid by subtracting a school district's resources from its needs using many factors.



*Every district gets "State Aid", not every district gets "Equalization Aid"*

**TEEOSA 101: State Aid and local property taxes fill the cup first, and the state fills in any space that is left with Equalization Aid. If property values increase, the state's portion gets smaller.**

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## TEEOSA 101

(Needs) - (Resources) = (Equalization Aid)

### NEEDS

Needs are based on the number of enrolled students and calculated as the sum of "Basic Funding" expressed as budget from within an "array" of like sized schools with adjustments for:

- Poverty
- English Proficiency
- Transportation
- Summer School Offering
- Distance Education
- Special Receipts (Special Education)
- New Construction
- Student Growth

### RESOURCES

Resources are a combination of State and Local funds.

First drops come from State Aid:

- Foundation Aid (\$1,500 per student)
- Net option funding (approx. \$10,000/student) IF option students are net positive for the district
- Allocated Income Tax (2.43% of income taxes paid by patrons of the district)
- Special Education reimbursement (paid in arrears for up to 80% of the cost to educate a student)

Next come Local Property Taxes:

- Yield from district property tax payers calculated as if levy is \$1.00

IF the cup is not full, the State fills the remainder with "Equalization Aid"

**Every district receives State Aid, not every district receives Equalization Aid. In 2024-25, 60 of 244 districts received equalization aid. For 2025-26, there are only 50 equalized schools.**



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