

Longitudinal Equalization Aid

Explaining Changes in Equalization Aid From Year to Year

There can be many reasons why a specific district experiences a notable aid change from the previous year, as both state-related and local factors can effect Equalization Aid eligibility. From the Equalization Aid formula perspective, significant changes in the amount of state money available for general school aids, shifts in the statewide shared cost ceilings and/or increase in the state average property value per member can contribute to an aid shift. Locally, significant changes in district property value, membership and/or shared cost can further cause a district to experience a change. From a global perspective, since the appropriation is distributed over hundreds of individual districts, a major change in any one district's data can affect each and every one of the other districts.

When assessing the reasons for aid shifting, two easily-identified statistics can quickly indicate what might be happening to the district within the funding formula.

District Shared Cost Per Member as Percent of Secondary Ceiling

Observing how a district's shared cost per member--as a percent of the secondary ceiling--is changing over time can reveal how the district's spending level is changing in comparison to the rest of the districts in the state. For example, if the district in question was spending at 105 percent of the secondary ceiling a few years ago and is now spending at 100 percent of the secondary ceiling, this shows that, on average, the increase in expenditures for this district is not keeping pace with the increase happening in the other districts. This may or may not be causing less aid for this district; however, the general rule is that less cost usually means less aid or less of an increase in aid (for negative tertiary districts, less cost usually means more aid).

District Equalized Value Per Member as Percent of State Average

Observing how a district's property value per member--as a percent of the state average property value per member--is changing over time can indicate whether the formula is viewing the district as more/less rich. For example, if the district in question had 104.5 percent of the state average property value per member a few years ago and now has 100 percent of the state average property value per member, the formula views this district as becoming less wealthy. Generally, as property value per member decreases, aid from the state increases.