

2016  
School Finance & Budget Webinar

NEBRASKA DEPARTMENT OF EDUCATION

June 29

# AUDITOR OF PUBLIC ACCOUNTS

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## Presentation Materials

<http://www.education.ne.gov/EOS/SchoolFinance/Webinar/Index.html>

Presentation Materials (pdf file)  
» 6 slides per page (22 pages)

## Required Filings with APA

- ▶ Budget Forms
  - Due September 20, 2016
- ▶ Report on Interlocal Agreements
  - Due December 31, 2016
- ▶ Audit Report
  - Due November 5, 2016

## Technical Difficulties

**402-471-3503**

## Obtaining Forms

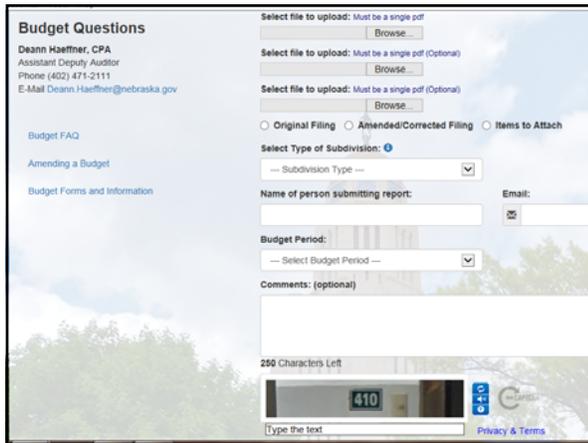
All forms can be downloaded from the website. If you do not have internet access, call our office to have forms sent to you.

The screenshot shows the website for Charlie Janssen, Nebraska Auditor of Public Accounts. It features a navigation menu with 'About Us', 'APA Reports Issued', and 'Local Government'. A red arrow points to the 'Local Government' link. Below the navigation is a 'LOCAL GOVERNMENT' section and a 'Recent Publications Released' list with dates and county names. Another red arrow points to the 'APA Reports Issued' link in the navigation menu.



## Budget Amendments

- ▶ Statute 13-511
- ▶ Hold public hearing
- ▶ Publish 5 days prior to date of hearing
- ▶ Publish
  - Time and Place
  - Amount and for what Purpose
  - Statement of Why
  - Original Publication
  - Proposed revised budget
- ▶ File with APA, Education, and County Clerk
- ▶ Instructions / Example on APA website



STATE OF NEBRASKA  
**REPORT OF JOINT PUBLIC AGENCIES, INTERLOCAL AGREEMENTS, TRADE NAMES, CORPORATE NAMES & BUSINESS NAMES FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016**

State Statute Section 13-513 requires any governing body which is a party to an agreement pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act or is conducting business under a Trade Name, Corporate Name, or Business Name to report such information to the Auditor of Public Accounts on or before **December 31** of each year.

SUBDIVISION NAME	COUNTY
Subdivision Contact Information	
Name & Title:	
Mailing Address:	
City, Zip:	
Phone Number:	
E-Mail Address:	

**INTERLOCAL AGREEMENTS AND JOINT PUBLIC AGENCIES**

This subdivision was NOT involved in any Agreements during the period.

If your subdivision WAS involved in any Agreements during this reporting period, please complete the following page providing the information requested for all Agreements using the directions below:

Column 1: Provide the names of all subdivisions that are part of the Agreement.  
 Note: You do not need to list your own subdivision.

Column 2: Provide the dates covered by the Agreement. For example, 7/1/15 through 6/30/16, or if not specifically written out in the Agreement indicate N/A.

Column 3: Include a brief description of the purpose of the Agreement.

**TRADE NAMES, CORPORATE NAMES AND BUSINESS NAMES**

This subdivision did NOT conduct business under a Trade Name, Corporate Name or Business Name during the period.

If your subdivision DID conduct business under a Trade Name, Corporate Name or other Business Name, please list all such names on the following page.

## Dates to Remember

- August 20 – Assessor valuations
- September 20 – Budget due date
- October 13 –Last day to file property tax request with County Board
- November 5 –Last day to correct an error in levy

**REPORT OF JOINT PUBLIC AGENCIES AND INTERLOCAL AGREEMENTS REPORTING PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016**

0		0
SUBDIVISION NAME		COUNTY
Parties to Agreement (Column 1)	Agreement Period (Column 2)	Description (Column 3)

## Last Suggestion

Communicate with your County Clerks to make sure the levy is set correctly

- County Board cannot make changes to correct levies after November 5th

## 2016/17 Recalculation

- Comparison groups remain the same for the year-end recalculation
- 10 larger and 10 smaller districts closest in size are measured by formula students for Basic Funding

County	County/County Number	District/System Name	Formula Students	Adjusted General Fund Operating Expenditures	Adjusted General Fund Operating Expenditures per Formula Student
BOYD	08-0036-000	LYNCH PUBLIC SCHOOLS	82 88	1,866,775.85	22,528.22
WHEELER	82-0045-000	WHEELER CENTRAL SCHOOLS	76 07	1,882,412.12	24,745.87
ADAMS	01-0000-000	ADAMS COUNTY PUBLIC SCHOOLS	72 81	1,672,724.62	22,986.05
MITCHELL	05-0000-000	MITCHELL COUNTY SCHOOLS	70 81	1,712,364.53	24,195.85
HOWARD	47-0055-000	ELBA PUBLIC SCHOOLS	89 89	1,504,488.84	16,749.79
BOYD	08-0036-000	BOYD COUNTY PUBLIC SCHOOLS	89 88	2,425,333.47	26,983.86
THOMAS	88-0001-000	THEOPHILUS PUBLIC SCHOOLS	86 54	1,863,881.08	21,536.82
KEA-PANA	32-0050-000	KEA-PANA COUNTY SCHOOLS	86 84	2,028,876.32	23,352.84
HAYES	43-0078-000	HAYES CENTER PUBLIC SCHOOLS	101 04	2,329,481.87	23,053.26
SHERMAN	83-0010-000	LYTCHFIELD PUBLIC SCHOOLS	102 73	1,814,704.13	17,659.24
ARTHUR	03-0050-000	ARTHUR COUNTY SCHOOLS	104 33	1,823,099.57	17,474.89
HOLT	46-0177-000	CHAMBERS PUBLIC SCHOOLS	116 96	2,067,387.27	17,624.37
BLAINE	09-0021-000	SARGENT PUBLIC SCHOOLS	116 32	1,888,688.87	16,254.24
VALLEY	88-0071-000	ARCADIA PUBLIC SCHOOLS	118 28	2,017,896.27	16,924.61
HOLT	46-0020-000	ERINGO PUBLIC SCHOOLS	121 82	1,974,544.93	16,184.81
PALMIRE	35-0054-000	SIOUXLEY PUBLIC SCHOOLS	131 87	2,342,214.88	17,809.88
CUSTER	21-0000-000	ARNDT PUBLIC SCHOOLS	132 89	2,224,265.73	17,142.22
CHERRY	14-0030-000	CODY/KALAMORE PUBLIC SCHOOLS	138 83	1,854,011.27	14,074.73
CUSTER	21-0000-000	ANDREW PUBLIC SCHOOLS	141 57	2,048,228.46	14,491.57
HAMILTON	41-0081-000	HAMILTON PUBLIC SCHOOLS	146 86	2,489,819.22	16,954.00
THAYER	85-0001-000	BRUNING-DAN-FORPORT UNIFIED SYS	153 11	3,787,360.82	24,717.42
SIEMANT	38-0011-000	HYANNIS AREA SCHOOLS	153 28	2,268,816.36	14,811.33
OSCAR	14-0111-000	WYNOT PUBLIC SCHOOLS	156 36	1,788,858.12	11,427.81
WAGNER	32-0000-000	BRADDOCK COUNTY PUBLIC SCHOOLS	158 85	1,747,723.16	10,999.47
FRANKLIN	07-0000-000	LEAVENWORTH CONSOLIDATED SCHOOLS	166 89	2,488,143.81	14,848.15

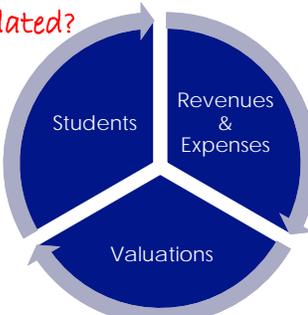


## State Aid

Jen Utemark

## 2016/17 Recalculation

....What is updated?



## 2016/17 Recalculation

What's coming up next?

- August 1<sup>st</sup> - update the formula with more complete data
- Suppose to be an open ended formula (calculates as the state funds). We make the formula fit the budget.
- Creates the Prior Year Correction

## 2016/17 Recalculation

NEEDS
resources
RESOURCES

Yield From Local Effort Rate
Max Option Funding
Income Tax Reduction
Other Receipts
Minimum Levy Adjustment
Teacher Education Aid
Instructional Time Aid

### Local Effort Rate (LER)

- Hypothetical tax rate
- Holds property accountable as a resource
- Rate \$0.05 below maximum levy (\$1.05)
- Certification - \$1.00**
- Example: **Respin - \$0.999988214 or \$1.00008312**  
- floats to redistribute same pot of money (\$973 Million)

## 2015/16 Prior Year Correction

2016/17 Recalculated State Aid  
**Minus** 2016/17 Certified State Aid  
 = Prior Year Correction  
 on **2017/18** Certification

NEBRASKA DEPARTMENT OF EDUCATION SCHOOLS, FINANCE & ORGANIZATION SERVICES 2016/17 STATE AID CERTIFICATION	
STATE AID CALCULATION	
Equalization Aid	\$2,410,178.00
Net Option Funding	0.00
Allocated Income Tax Funds	880,981.00
Non-Equated Minimum Levy Adjustment	0.00
<b>Total State Aid Calculated</b>	<b>\$3,291,159.00</b>
<b>Prior Year (2015/16) State Aid Correction</b>	<b>-\$125,968.41</b>
<b>Total State Aid</b>	<b>\$3,165,190.59</b>
Carryover Adjustment from years prior to 2013/14	0.00

## 2016 Legislative Changes

**Legislative Bill 959**  
*Senator Sullivan at the request of the Governor*

Averaging Adjustment (Eliminate levy criteria)	\$324,569
Minimum levy adjustment (Eliminate)	\$8,253,956
<b>Total</b>	<b>\$8,578,525</b>

## Lump Sum Payment of Positive Prior Year Correction

**Rule 8**  
*Regulations for School Finance and Budgeting*

**Less than \$1,000**  
 NDE automatically makes payment without application (LB 1066)

**Equal to or Greater than \$1,000**

- On or before July 15 - NDE notifies district
- District must respond by August 15
- On or before September 15 - District notification of board approval.

## 2016 Legislative Changes

**Legislative Bill 1067**  
*Introduced by Senator Sullivan*

Eliminate Common Levy & Shared Aid	\$4,936,060
<b>New</b> Community Achievement Plan Aid	\$5,739,338
Open Enrollment to Net Option	(\$4,736,506)
<b>Remove \$102M Cap, Rebate to 2.23% of Liability</b>	<b>\$7,519,481</b>
Subtotal	\$13,458,373
<b>+ LB 959</b>	<b>\$8,578,525</b>
<b>Projected Aid Increase</b>	<b>\$22,036,898</b>

## TEEOSA School Aid

	Actual FY2014-15	Actual FY2015-16	Current Law FY2016-17	Estimated FY2017-18	Estimated FY2018-19
<b>Key Assumptions</b>					
School Disbursements	2.7%	3.5%	3.8%	3.4%	4.0%
Gen Fund Operating Expenditures (GFOE)	2.6%	4.2%	3.9%	3.4%	4.0%
Property Valuations (assessed)	8.5%	11.8%	10.4%	5.3%	4.0%
Cost Growth Factor	4.00%	5.00%	5.00%	5.00%	5.00%
Local Effort Rate	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>TEEOSA Total by Fund Source</b>					
General Funds	913,571,842	946,539,661	952,153,581	1,004,137,776	1,061,166,945
Insurance Premium Tax	19,400,000	26,496,964	27,159,388	24,814,373	28,510,332
<b>Total TEEOSA state aid</b>	<b>932,971,842</b>	<b>973,036,625</b>	<b>979,312,969</b>	<b>1,028,952,149</b>	<b>1,089,677,277</b>
<b>General Funds - Change over Prior Year</b>					
Dollar	28,962,525	32,782,000	5,391,919	51,919,195	57,029,170
Percent	3.2%	3.6%	0.6%	5.5%	5.7%
<b>All Funds - Change over Prior Year</b>					
Dollar	26,390,511	40,064,784	6,276,343	49,639,180	60,725,129
Percent	2.9%	4.3%	0.6%	5.1%	5.9%

## 2016 Legislative Changes

**Legislative Bill 1067**  
*Introduced by Senator Sullivan*

**Transition Aid**

- For districts losing resources
- Paid with lottery funds
- FY2017-18 and FY2018-19
- Phased-in over two year period
  - 50% of transition difference the first year
  - 25% of transition difference the second year

## 2016 Legislative Changes

**Legislative Bill 1066**  
*Introduced by Senator Sullivan*  
*Technical Cleanup*

**Free Lunch and Free Milk Calculated Students for CEP**

- Calculated students shall equal the greater of:
  - Students who qualified using most recent pre-CEP or
  - 110% of qualified X Identified Student Percentage (ISP)
  - Not to exceed 100% of school enrollment

**Lump-sum Payment for Prior Year Correction**

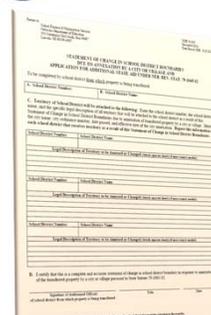
- Automatic if less than \$1,000

**New Enrollment Option Exclusion**

- Previously enrolled as a resident or option student

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## Important Dates



Statement of Change in School District Boundaries due to Annexation by a City or Village

Forms Available upon request

Jen Utemark  
 State Aid Director  
[jen\\_utemark@nebraska.gov](mailto:jen_utemark@nebraska.gov)  
 402-471-3323

Completed forms **due August 20th**

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## 2017/18 State Aid Data

**Upcoming June 30<sup>th</sup> Deadlines**

Consolidated Data Collections (CDC)

- Days in Session/Instructional Program Hours
- Pupil Transportation Report

Nebraska Student & Staff Record System (NSSRS)

- Student Summary Attendance

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## Due Dates

**Due Date**

- All data should be submitted by this date

**Audit Window Close Date**

- Following two weeks - allows District to review data and make adjustments or corrections
- CDC - Collections must locally be **approved on or before** the close date

**Deadlines are Final!!**  
 Once audit window closes, NDE will no longer accept changes

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## 2017/18 State Aid Data

**Upcoming October 15<sup>th</sup> CDC Deadlines**

- Student Growth Adjustment
- Two Year New School Adjustment Application
- Elementary Site Allowance
- Summer School Student Unit
- PK Instructional Program Hours/K Program
- Assessed Valuations & Levies

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## TEEOSA Document Resource



*Decodes* the components of Equalization Aid

*Resource* for more detailed information

*Available* on NDE's website

<http://www.education.ne.gov/FOS/SchoolFinance/StateAid/index.html>

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## NSSRS Verification Reports

- Reports on students & Staff
- By subject area
- Review carefully – not all errors show in Errors & Warnings
- Only district will know if data is missing or incorrect.

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## Instructions & Guidelines

<http://www.education.ne.gov/fos/SchoolFinance/StateAid/Downloads/1516/TEEOSADocument.pdf>

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## NSSRS Verification Reports

REPORT	DESCRIPTION	TEMPLATES NEEDED	REVIEW TIMEFRAME
Contract Out Students	Count of students reported as contracted out.	Student and School Enrollment	Fall
Options In/Option Out/Net Options	Information to verify Net Option students for State Aid purposes.	October Student Snapshot and School Enrollment from the optioning in districts	Fall
Programs Fact - Early Childhood - for State Aid Purposes	Early Childhood record counts by Early Childhood Program and by Age from the Last Friday in September. This report includes data that will be used for State Aid Certification.	October Student Snapshot and Programs Fact- Early Childhood	Fall
State Aid Components	NSSRS, CDC, and GMS data that will be used in the calculation of state aid.	October Student Snapshot	Fall

**Student Counts**  
Are available in NSSRS following the day of submission

**Financial Components (AFR)**  
Are available after they have been reviewed

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## Calendars

[ndecalendar.mhsoftware.com/](http://ndecalendar.mhsoftware.com/)

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## State Aid Components

NSSRS, CDC, and GMS data that will be used in the calculation of state aid.

NSSRS, GMS, and CDC reporting talk to each other...  
Check verification reports carefully, may be an error in the CDC collection or GMS submission.

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## Instructions and Guidelines

### NSSRS Resources

- Template Instructions for data requirements by field
- NSSRS & CDC Calendars
- Guidance documents
- Coding legends
- CDC Instructions

[education.ne.gov/nssrs](http://education.ne.gov/nssrs)  
or via the Portal  
[NSSRS Secure Information Website](#)

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## Need Help?

Three ways to contact the NDE Helpdesk.  
All three ways get to the same place, **please pick one option.**

**NEW**

**Helpdesk Request**

- Through portal account
- Upper right corner
- Fastest response

**Email**

- Nde.helpdesk@nebraska.gov

**Call Toll Free**

- 888-285-0556



**NDE Helpdesk**

Jen Utemark  
State Aid Director  
[jen.utemark@nebraska.gov](mailto:jen.utemark@nebraska.gov)  
402-471-3323

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## Review process

- Review the LEP/Poverty narrative
- Discuss best practice ideas
- Discuss optional funding ideas
- Review the financial detail for proper coding and reasonableness
- Answer any questions that the district may have

## Poverty and LEP Plan Reviews



NEBRASKA DEPARTMENT OF EDUCATION

Tom Goeschel Jr

## Submission of Plans

- Timelines
  - Opens August 1, 2016
  - Closes October 15, 2016
- Plans
  - Poverty
  - Limited English Proficiency (LEP)

## History

- NDE provided funding from Legislation
- Reviews started in 2013
  - ✓ 2013 pilot group of 9 districts
  - ✓ 2014 22 districts, and 2015 22 districts
  - ✓ 2016 25 districts are scheduled
- Total Districts
  - Currently there are 195 Poverty and 97 LEP
  - Plan is to review every district

## Poverty Plan

- Attendance and Mobility
  - ✓ Proactive and Reactive Polices
  - ✓ Transportation Options
  - ✓ Services to support transition
  - ✓ Services for Students for Absence or Mobility Issues

### Poverty Plan continued

- Parental Involvement
  - ❖ Parent/Family Engagement Opportunities
  - ❖ Surveys/Community Involvement
- Instructional Services
  - ❑ Practices to Maintain Class Size
  - ❑ Support Staff
  - ❑ Uninterrupted Teaching Time

### Poverty Plan continued

- Examples of allowable expenditures
  - Salary and benefits
  - Initiatives to improve attendance
  - Parent Education and Parent Surveys
  - Preschool costs
  - Summer School and extended day services
  - Staff Development

### Poverty Plan continued

- Specialized Services
  - Early Childhood
  - Access to Social Workers
  - Extended School day/or Year
  - Summer School
  - Other Specialized Services

### LEP Plan

- Identification of Students
  - ✓ Process for Identifying Students
  - ✓ Language Assessment Used
  - ✓ Criteria in Determining who Qualifies
- Instructional Approaches
  - ❖ Social and Academic Purposes
  - ❖ Models and Approaches Recognized as Best Practices by Experts in the Field

### Poverty Plan continued

- Professional Development
  - Mentoring New or Newly Reassigned Teachers
  - Staff Development
- Evaluation of Plan
  - Determine Effectiveness of the Plan
- Other
  - Anything that does not fit into a Category Already Provided

### LEP Plan continued

- Assessment of Students' Progress
  - Criteria to Determine Mastery
  - Measures used to Assess
- Evaluation to Determine Effectiveness
  - Approach used to Evaluate Effectiveness
  - Data used to Evaluate
- Other
  - Anything that does not fit into a category already Provided

### LEP Plan continued

- Examples of allowable expenditures
  - Identifying Students
  - Salary and Benefits
  - Library/Media Resources
  - Staff Development
  - Evaluating the Plan

### Resources

- State Statutes for Poverty & LEP Plans
- Rule 15 and Implementation Guide
  - <http://www.education.ne.gov/NATLORIGIN/>
- FAQ for the Poverty and LEP Plans
  - <http://www.education.ne.gov/povertyandlep/>
- Poverty & LEP Allowance Calculation
  - <http://www.education.ne.gov/FOS/SchoolFinance/PovertyAllowance.html>
  - <http://www.education.ne.gov/FOS/SchoolFinance/LEPAllowance.html>
- Poverty and LEP Webpage (Resource Guide)
  - <http://www.education.ne.gov/povertyandlep/>

### Poverty/LEP Support

- Use Census Data
  - Take a head count on a certain day
- Develop a Rationale
  - The reason we provide this service
- Retain Support for State Review
- Develop your plan in Word format

### The End

- Questions

Contact Information  
 Tom Goeschel Jr. – Administrative Specialist II  
 Phone – 402-471-3570  
 E-Mail – [tom.goeschel@nebraska.gov](mailto:tom.goeschel@nebraska.gov)

### Poverty/LEP Plan Ideas

- Other ways to use Poverty/LEP Funding
  - Use funding to help with integrating Poverty/LEP into your entire school plan
    - Program Development, Technology
  - Building Capacity
    - Whole Staff Development, Building Resources
  - Expanding School Time
    - Summer, Before or After, Jump Start
  - Level the Playing Field
    - ACT/SAT Prep, Dual Credit Courses, Activities



## Expenditure & Levy Exclusions

Bill Biven, Jr.

### General Fund Expenditure Exclusions

- Allows a school to budget over the expenditure limit
- Most need approval by the State Board of Education

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### Supplemental Grants on Special Grant Fund List

- Short-Term Borrowings
- Special Supplementary Grants from City or County Government
- Special Supplementary Grants from Corporations, Foundations or Other Private Interests

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### Expenditure Exclusions

*State Board Approval Not Required*

- Special Education
- Special Grant Funds
  - Grants specifically identified on Grant Fund List have received State Board Approval in May

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### LC-2 Expenditure Exclusions

- Data Transmission Network Exclusion
- New Elementary Attendance Sites(s)
- 2015/16 Early Childhood Education Grants
- Reorganization Support Grants
- Retirement Incentive/Staff Development

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### Supplemental Grants on Special Grant Fund List

- Insurance Settlements
- Interfund Loans
- Reimbursements for Wards of the Court
- Repayments to County Governments for Previous Overpayments

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### Data Transmission Network Exclusion

- First year of joining Network Nebraska
- Exclusion is equal to the difference of expenditures related to Data Transmission from 2014/15 (object code 284) and estimated costs of first year in Network Nebraska (2016/17)
- Contact ESU for assistance in estimating these costs for 2016/17

### New Elementary Attendance Site(s)

- Exclusion is for all costs related to first year of operating a new elementary attendance site(s).
  - Salaries for all staff in the new site(s) (certificated and non-certificated staff)
  - Utilities
  - Building maintenance
  - Will likely qualify if the district's 2016/17 State Aid includes the elementary site allowance

### Schedule A Expenditure Exclusions

- Repairs to Infrastructure Damaged by a Natural Disaster
- Judgments not Covered by Liability Insurance (Does Not Include Orders from the CIR)
- Distance Education Courses
- Voluntary Termination Agreements
- Retirement Contribution Increase
- Native American Impact Aid

### 2015/16 Early Childhood Education Grants

- Districts can request an expenditure exclusion for an amount equal to their 2015/16 Childhood Education Grant (and increased by the Basic Allowable Growth Rate) if 2016/17 is the first year early childhood membership is included in the district's formula students.

### Repairs to Infrastructure Damaged by Natural Disaster

- Must be declared disaster by Governor or FEMA
- Recent Flooding
- Tornados

### REORGANIZATION SUPPORT GRANTS RETIREMENT INCENTIVE/STAFF DEVELOPMENT

- No schools are eligible for 2016/17
- Newly Merged/Reorganized districts
- Reorganization Support Grant must be approved by State Reorganization Committee

### Judgments Not Covered by Liability Insurance

- District must have a judgment entered against it that obligates district to pay judgment
- Does Not Include Orders from the Commission of Industrial Relations (CIR)

### Distance Education Courses

- Provides distance education courses through the ESU Coordinating Council to other schools
- Exclusion is the amount that is actually received as payment from another school

### Retirement Contribution Increase

- Exclusion is for the difference between the district's contribution rate of 9.88% & the statutory rate of 7.35%.

### Voluntary Termination Agreements

- Amount agreed to be paid to *certificated* employees for voluntary termination of employees during the 2016/17 school year
- Agreements must be in place during three qualifying time frames
  - Prior to 7/1/09
  - Between 8/31/11 and 8/31/13
  - On or after first day of 2013/14 school year

### Native American Impact Aid

- §79-1028.01 (1)(j)  
Available to Districts with Native American land within it's boundaries & receive Impact Aid due to children residing on Native American land attending the school.

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### Voluntary Termination Agreements

- For agreements on or after first day of the 2013/14 year, district provides the five-year cost benefit of those retirements
- The exclusion is for the amount the district will be paying for the 2016/17 school year

#### 2016/17 Budget/LC-2 Forms & Related Materials

- School District Budget Form & related materials (available from the Auditor of Public Accounts website)
- Budget Form LC-2 (Portal)
- Budget Form LC-2 Instructions (PDF file) [available in June]
- Budget Text (PDF file) [revised 06/14/2016]
- Budget Timeline (PDF file) [new 02/16/2016]
- Expenditure Exclusions Requiring State Board Approval (PDF file) [new 04/28/2016]
- Filing Deadlines for Expenditure Exclusions (PDF file) [new 02/29/2016]
- **Template Letters for Expenditure Exclusions**
  - Retirement Contribution Increase Exclusion (Excel file) [new 04/28/2016]
  - Voluntary Termination Exclusion (Excel file) [revised 06/08/2016]
  - 2015/16 Early Childhood Education Grants Exclusion for 2016/17 (Excel file) [new 06/01/2016]

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### State Board Approval Process

- Round request to the nearest dollar
- Include exclusions in budget prior to State Board Approval
- Verify and use the amount approved by the State Board

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### Timeline to Request State Board Approval

Deadline to File Expenditure Exclusion Request	State Board Meeting
<b>July 11, 2016</b>	<b>August 5, 2016</b>
<b>August 15, 2016</b>	<b>September 2, 2016</b>
September 16, 2016	October 7, 2016
October 14, 2016	November 4, 2016
November 10, 2016	December 2, 2016

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### State Board Approval Process

Submit request as a letter, email, or fax to:

Bill Biven  
School Finance & Organization Services  
301 Centennial Mall South  
PO Box 94987  
Lincoln, NE 68509

**Email:** bill.biven@nebraska.gov  
**Fax:** 402-471-0526

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### Levy Limitation

\$1.05 Levy Limit includes:

- General Fund Levy
- Special Building Fund Levy
- Qualified Capital Purpose Undertaking Fund Levy
  - *Not including bond principal & interest*

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### State Board Approval Process

- Districts will be notified by email of the State Board’s approval, modification, or denial of the amount(s) in exclusion request
- Email will come from:  
nde.sfos@nebraska.gov

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### General Fund Levy Exclusions

- Allows a school to levy over the \$1.05 levy limit
- Budget Schedule B

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## Budget Schedule B Levy Exclusions

- Voluntary Termination Agreements with Certificated Employees
- Judgments not covered by Liability Insurance
- Special Building Fund Projects commenced prior to April 1, 1996

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Levy Exclusions	Expenditure Exclusions
Voluntary Termination Agreements	Voluntary Termination Agreements
Certain Lease Purchase Contracts	
Judgments Not Covered by Liability Insurance	Judgments Not Covered by Liability Insurance
Special Building Fund Projects	
Bonded Indebtedness	
	Repairs to Infrastructure Due to Natural Disaster
	Distance Education Courses
	Retirement Contribution Increase
	Retirement Incentive Plan
	Staff Development Assistance
	Data Transmission Networks Exclusion
	2015/16 Early Childhood Education Grants
	New Elementary Attendance Site(s)
	Special Grant Funds
	Special Education Expenditures
	Native American Impact Aid

## Budget Schedule B Levy Exclusions

- Lease-Purchase Contracts approved prior to July 1, 1998
- Bonded Indebtedness for Bond Principal and Interest
  - Bond Fund
  - Qualified Capital Purpose Undertaking Fund - if issued by local board of education
  - General Fund

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## School District Budget and LC-2

Janice Eret

81

## Budget Schedule C

- Verifies the tax request – *less the levy exclusions* – does not exceed \$1.05
- Do not use to calculate property tax levy to be assessed by a district

81

## Budget Spreadsheet

- Budget Worksheets
  - Do not key into the Budget Summary pages (pages 2-4)
    - *Formulas move info to cover page and summary pages*
  - Error Messages
    - Budget not balanced
    - Identifies cell where number should be entered

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### Budgeting Reminders

- **State Aid Amount**
  - *Make sure using **Total State Aid** amount*
- **Motor Vehicle Taxes**
  - *Shouldn't be less than previous year*
- **County Treasurer's Balance**
  - *Make estimate using previous years*
- **Beginning and Ending Balances**
  - *Important factor in tax request*

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### Budgeting Reminders

- Statutory Maximum Levy \$1.05
- **Minimum Levy Adjustment no longer exists (LB959)**



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### Beginning & Ending Balances

2015/16 Budget

2013/14 Actual  
(Page 4)

Total **Ending**  
Balance

➔

2016/17 Budget

2014/15 Actual  
(Page 4)

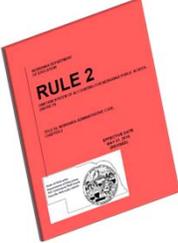
Total **Beginning**  
Balance

86

### Budgeting Reminders

School Lunch Fund is now called **School Nutrition Fund**

– Changed in recent revision to NDE Rule 2



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2013/14 Actual										2015/16 Budget									
Account	Salaries	Personnel	Travel	Contract	Materials	Utilities	Telephone	Printing	Other	Salaries	Personnel	Travel	Contract	Materials	Utilities	Telephone	Printing	Other	Total
State	2,280,714.00	5,380,000.00	1,000,000.00	8,757,882.00	107,000.00	3,241,766.00				2,280,714.00	5,380,000.00	1,000,000.00	8,757,882.00	107,000.00	3,241,766.00				5,753,204.00
Local	103,000.00	140,000.00		140,000.00						103,000.00	140,000.00		140,000.00						
Other	1,027,895.00	200,000.00		200,000.00						1,027,895.00	200,000.00		200,000.00						
Contingency	160,000.00	160,000.00		160,000.00						160,000.00	160,000.00		160,000.00						
Capital Funding	778,837.00	880,000.00		1,380,317.00						778,837.00	880,000.00		1,380,317.00						
Capital Construction																			
Capital Equipment																			
Capital Fee	15,140.00	15,140.00		15,140.00						15,140.00	15,140.00		15,140.00						
<b>TOTAL ALL FUNDS</b>	<b>4,376,446.00</b>	<b>6,775,140.00</b>	<b>1,000,000.00</b>	<b>10,993,079.00</b>	<b>107,000.00</b>	<b>3,241,766.00</b>				<b>4,376,446.00</b>	<b>6,775,140.00</b>	<b>1,000,000.00</b>	<b>10,993,079.00</b>	<b>107,000.00</b>	<b>3,241,766.00</b>				

2014/15 Actual										2016/17 Budget									
Account	Salaries	Personnel	Travel	Contract	Materials	Utilities	Telephone	Printing	Other	Salaries	Personnel	Travel	Contract	Materials	Utilities	Telephone	Printing	Other	Total
State	2,280,714.00	5,380,000.00	1,000,000.00	8,757,882.00	107,000.00	3,241,766.00				2,280,714.00	5,380,000.00	1,000,000.00	8,757,882.00	107,000.00	3,241,766.00				5,753,204.00
Local	103,000.00	140,000.00		140,000.00						103,000.00	140,000.00		140,000.00						
Other	1,027,895.00	200,000.00		200,000.00						1,027,895.00	200,000.00		200,000.00						
Contingency	160,000.00	160,000.00		160,000.00						160,000.00	160,000.00		160,000.00						
Capital Funding	778,837.00	880,000.00		1,380,317.00						778,837.00	880,000.00		1,380,317.00						
Capital Construction																			
Capital Equipment																			
Capital Fee	15,140.00	15,140.00		15,140.00						15,140.00	15,140.00		15,140.00						
<b>TOTAL ALL FUNDS</b>	<b>4,376,446.00</b>	<b>6,775,140.00</b>	<b>1,000,000.00</b>	<b>10,993,079.00</b>	<b>107,000.00</b>	<b>3,241,766.00</b>				<b>4,376,446.00</b>	<b>6,775,140.00</b>	<b>1,000,000.00</b>	<b>10,993,079.00</b>	<b>107,000.00</b>	<b>3,241,766.00</b>				

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### Required Budget Hearings

- Hearing to Adopt Budget
- Special Hearing to Set Final Tax Request

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## Notice of Budget Hearing

Publish hearing notice **five** calendar days prior to hearing

- If holding hearing on Monday, hearing notice must be in paper on previous Wednesday

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## Clerical, Math, or Accounting Errors

- No hearing required if the total budget ***is not affected by more than 1%*** or the ***property tax does not increase***
- Board action can correct error within 30 days after budget adoption or after notification from Auditor's Office

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## Budget Hearing Process

- Open Hearing
- Provide Hearing Information
- Close Hearing
- Take Board Vote during Meeting



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## Special Hearing to Set Final Tax Request

- Publish five calendar days prior to hearing
  - In newspaper by Wednesday to hold hearing on following Monday
- If errors are found in notice, not required to re-publish

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## Notice of Summary of Changes

- Budget adopted ***is changed*** from what was originally published
- Publish within 20 days after the budget was adopted
- Hearing must be held if over 20 days since budget was adopted

93

## Property Tax Request Resolution

- Must be submitted to County Clerk by **October 13, 2016**
- Specifies tax dollars requested for each taxing fund
  - General Fund
  - Special Building Fund
  - Qualified Capital Purpose Undertaking Fund
  - Bond Fund

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### Email Budget Documents

- Department of Education  
[nde.sfos@nebraska.gov](mailto:nde.sfos@nebraska.gov)
  - pdf items into your budget packet:
    - budget, schedules, certification of valuation, proof of publication, minutes
  - Receive an email confirming receipt at NDE
- County Clerks



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### Filing Requirements for Amended Budget

- LC-2 impacted if amending:
  - General Fund
  - Depreciation Fund
  - Employee Benefit Fund Necessary Cash Reserves

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### Upload Budget Documents

- Auditor of Public Accounts  
Link from Auditors Website  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)



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### Filing Requirements for Amended Budget

**Submit:**

- Page 2 of Budget (Budget Adopted Page)
- Proof of Publication
- Board Minutes showing approval of amendment

**Upload or email to:**

- Auditor of Public Accounts
- NDE
- County Clerk

101

### Amending the Budget

- Review fund spending to make sure have enough budget authority for year
- Amend budget when actual expenditures will exceed budgeted amount – *for any fund*
- Amend *before* exceeding budget
- Can amend until end of school fiscal year
- Remember to amend Bond Fund when bonds are refunded

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### Website for Budget & LC-2 Materials

Finance & Organizational Services Website

<http://www.education.ne.gov/FOS/>

102

## LC-2 on NDE Portal

- Access the LC-2 Online System through the NDE Portal  
<http://portal.education.ne.gov/>
- Contact the NDE Help Desk if you need assistance using the NDE Portal  
888-285-0556      402-471-3151  
[nde.helpdesk@nebraska.gov](mailto:nde.helpdesk@nebraska.gov)

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## Unused Budget Authority

- Access to Prior Year's Unused Budget Authority for 2015/16
- Must manually enter an amount on Line A-355 – Access to Prior Year's Unused Budget Authority

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## LC-2 General Information

- **Activation Code**
  - New activation code every year
  - Need separate activation for each school
- Use **"Upload Budget File"** button
  - More accurate
  - Upload each time change is made to budget file

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## Special Election for Additional Budget Authority

If approved, district can exceed the budget authority for the general fund budget of expenditures by a specific dollar amount.

Election for additional Budget Authority is for **one** school fiscal year, but does carry forward.

107

## LC-2 Error Messages

- Cannot submit if errors appear
  - **Exceeds Access to Prior Year's Unused Budget Authority**
    - Line A-355
  - **Budget Authority Exceeded**
    - Line B-150
  - **Allowable Reserves Exceeded**
    - Line C-340

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## Components of Allowable Reserves

- General Fund Necessary Cash Reserve
- Depreciation Fund Total Requirements
- Employee Benefit Fund Necessary Cash Reserve

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### Allowable Reserve Percentage

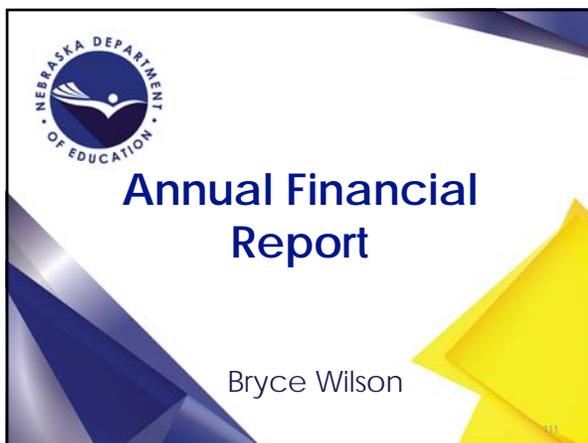
General Fund Budget of Expenditures	6,500,000
Allowable Reserve Percentage	45%
Total Allowable Reserves	2,925,000

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- ### 2015/16 Annual Financial Report
- New Coding:**
- *Receipt: 1925 Categorical Grants from Corporations & Other Private Interests*
    - Formerly receipt code 4995
  - *Disbursement: 3400 Categorical Grants from Corporations & Other Private Interests*
    - Formerly disbursement code 4995
- 112

- ### End of Year Budget Reminders
- If spending authority remains in General Fund, may want to transfer to other funds
    - ✓ Depreciation Fund
    - ✓ School Nutrition Fund
    - ✓ Activity Fund
    - ✓ Employee Benefit Fund
  - Unspent General Fund budgeted authority will increase year end General Fund cash balance
- 110

- ### New Coding in 2015/16 School Year
- 1115 Career Academy Programs
    - Approved Programs NDE Rule 47
  - 4450 Medicaid in Public Schools (MIPS)
    - Adding coding as a disbursement
    - Currently receipt coding
    - New Federal reporting requirement for states
- 113



### 2016 Users' Manual

See "Summary of Changes Page" in the 2016 Users' Manual to see complete list of code changes.

114

## AFR Online System

- AFR submitted through AFR Online System in NDE Portal
  - Complete narratives describing
    - Title Programs (no LEP or Poverty in State Aid, still required to complete narratives).
    - LEP Disbursements
    - Poverty Disbursements

115

## Qualified Capital Purpose Undertaking Fund

- Maximum levy now 3¢ for projects approved after April 22, 2016
- Maximum levy for projects approved *prior* to that date is still 5.2¢
- Can exceed max levy if valuation less than when last levied and additional taxes are needed to meet principal & interest obligation
- LB 959 (2016)

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## District Audits

- Average Daily Membership must be audited by your independent auditors.
  - Template available for auditors.
- School District must have individual capable of overseeing financial statement preparation otherwise:
  - Must hire acct firm to prepare f/s that is different from the firm that audits the f/s.

116

## Superintendent Transparency Act

- Superintendent Contract for 2016/17 must be on file with NDE by August 1
- Upload through CDC in the NDE Portal
- NDE Help Desk *1-888-285-0556*

119

## Response to Letter to Management

**Due January 31, 2017**

- Auditor's Letter to Management
- School district response
  - Issues noted in audit
  - Issues in the Letter to Management
- Request auditor to add audit schedule to report the non-compliant issues and school district response.

*This would complete requirement with no further action by district.*

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## Census Collection

- Count of district resident children age 5-18 as of June 30
- Collection has opened in Portal
- *New this year* - Prior year's counts have been added for comparison purposes
- Census Instructions have been available since mid June
- Due date July 10
- Audit window open from July 11 - 20
- Questions? Contact Janice Eret 402-471-2248

120

## Textbook Loan Hearing

- We will be holding a Rule 4 textbook loan hearing.
  - When - Friday July 22<sup>nd</sup>
  - Where – State Board Room
  - School district input would be appreciated.

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## Budget Assistance

### Administrators' Days

- July 27 & 28
  - 8 a.m. – Noon
  - 1 p.m. – 4 p.m.
- Younes Conference Center – Second Level

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## Opportunities for Budget Assistance

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## Budget Assistance

- Call in to set up an appointment for budget help
- or
- Email in budget documents and discuss during phone calls

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## New Superintendent Orientations

- **North Platte**  
July 19<sup>th</sup> (8:30 a.m. – 3:00 p.m.)  
Holiday Inn Express
- **Lincoln**  
July 21<sup>st</sup> (8:30 a.m. – 3:00 p.m.)  
Lincoln Foundation Building

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## Follow Bryce on Twitter

**bryce wilson@NDE\_Finance**

- School finance related reminders
- Upcoming school finance due dates
- Legislative updates
- Trying out new jokes
- How many 3-pointers Bryce made at basketball



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## NDE School Finance Team

Bryce Wilson <a href="mailto:bryce.wilson@nebraska.gov">bryce.wilson@nebraska.gov</a>	402-471-4320
Jen Utemark <a href="mailto:jen.utemark@nebraska.gov">jen.utemark@nebraska.gov</a>	402-471-3323
Janice Eret <a href="mailto:janice.eret@nebraska.gov">janice.eret@nebraska.gov</a>	402-471-2248
Bill Biven <a href="mailto:bill.biven@nebraska.gov">bill.biven@nebraska.gov</a>	402-471-0526
Tom Goeschel <a href="mailto:tom.goeschel@nebraska.gov">tom.goeschel@nebraska.gov</a>	402-471-3570

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