

Nebraska Department of Education  
School Finance & Organization Services  
(402) 471-0526  
<http://www.education.ne.gov/fos>

**2010/11**  
**Budget Form LC-2**  
**Preparation Guidelines**

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## INSTRUCTIONS FOR COMPLETING THE 2010/11 LC-2

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### Accessing the NDE Portal

- Contact the NDE Help Desk at 888-285-0556, locally at 402-471-3151, or [nde.helpdesk@nebraska.gov](mailto:nde.helpdesk@nebraska.gov) for assistance using the NDE Portal.

### General Information

- For assistance in completing the LC-2:
  - Kay Stilwell Bergquist (402-471-0526 or [kay.bergquist@nebraska.gov](mailto:kay.bergquist@nebraska.gov))
  - Janice Eret (402-471-2248 or [janice.eret@nebraska.gov](mailto:janice.eret@nebraska.gov))
- The LC-2 has been completed using information from the *2010/11 Budget Factors Certification* (certified on March 10, 2010) and data on file with NDE.
  - Only line numbers that are applicable to a school district will be displayed in the LC-2.
  - Information that is displayed on the LC-2 may not be changed.
- Line numbers that will need to be manually completed are printed in **bold font**.
- The following resource materials for completing the LC-2 may be found online at <http://www.education.ne.gov/FOS/SchoolFinance/Budget/Default.htm>
  - Budget Text
  - Budget Timeline
  - Checklist/What to File
  - Expenditure Exclusions Requiring State Board Approval
  - Sample Letter for Data Transmission Network Exclusion
  - Sample Letter for Retirement Contribution Increase

### Budget Authority from Dissolved District(s)

- School districts that are receiving budget authority from a dissolved district will have an amount displayed on Line A-120.
  - A receiving school district utilizes the Certified Budget Authority from the dissolved or merged school district(s).
  - Click on "[Budget Authority from Dissolved District\(s\)](#)" link to see the individual school information that comprises the calculation.
- Budget authority for a new school district will also be displayed on Line A-120.

### Expenditure Exclusions on LC-2

- State Board of Education approval is required for each of the expenditure exclusions listed below.
  - School districts that have been approved to utilize any of these exclusions will have the amount of the exclusion displayed in the LC-2.

## INSTRUCTIONS FOR COMPLETING THE 2010/11 LC-2

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- *Retirement Incentive Plan* – this exclusion is only available to school districts that have reorganized or unified.
  - The amount of this exclusion will display on Line A-740.
- *Staff Development Assistance* – this exclusion is only available to school districts that have reorganized or unified.
  - The amount of this exclusion will display on Line A-750.
- *Data Transmission Networks Exclusion* – this exclusion is available for the first and second school fiscal years a school district will be participating in Network Nebraska for the full school fiscal year. This exclusion will include expenditures for telecommunications services, access to data transmission networks that transmit data to and from the school district, and the transmission of data on such networks.
  - For school districts whose first full school fiscal year of participating in Network Nebraska was the 2009/10 school fiscal year, the amount of this expenditure exclusion will be the difference between 2010/11 estimated expenditures and 2007/08 actual expenditures.
  - For school districts whose first full school fiscal year of participating in Network Nebraska is the 2010/11 school fiscal year, the amount of this expenditure exclusion will be the difference between 2010/11 estimated expenditures and 2008/09 actual expenditures.
  - The amount of this exclusion will display on Line A-761.
- *Expenditures for Transfer of Land* – this exclusion will be the expenditures a school district incurs to pay another school district for the transfer of land.
  - The amount of this exclusion will display on Line A-771.
- *New Elementary Attendance Site(s)* – this exclusion will be the total expenditures for the first year of operating a new elementary attendance site(s) for qualifying school districts.
  - To qualify for this exclusion the elementary attendance site(s) must have been closed for at least one school year and the elementary attendance site would most likely qualify for the elementary site allowance component in the calculation of 2011/12 State Aid.
  - The amount of this exclusion will display on Line A-775.
- Additional information on these exclusions may be found in the *2010/11 Budget Text*.

### **Expenditure Exclusions on Schedule A of the School District Budget Form**

- State Board of Education approval is required for each of the expenditure exclusions from Schedule A listed below.
  - School districts that have been approved to utilize any of these exclusions will report the amount of the exclusion in the total of General Fund Lid Exclusions on Line B-130 in the LC-2.
- *Infrastructure Damaged by Natural Disaster* – this exclusion is available to school districts with expenditures for repairs to infrastructure damaged by a natural disaster.

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- The Governor or the Federal Emergency Management Agency (FEMA) must declare a disaster emergency pursuant to the Emergency Management Act.
- *Judgments Not Paid by Liability Insurance* – this exclusion is available to a school district that has a judgment entered against it that requires or obligates the school district to pay such judgment.
  - The exclusion is limited to the amount not paid by the liability insurance coverage of the school district.
    - This exclusion does not apply to judgments or orders from the Commission of Industrial Relations (CIR).
- *Distance Education Courses* – this exclusion will be the amount received from educational entities for providing distance education courses through the Educational Service Unit Coordinating Council to such educational entities.
  - Educational entities are defined in §79-1201.01.
- *Voluntary Termination Agreements with Certificated Employees* – the amount of this exclusion will be the expenditures for sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment.
  - The Agreement for the specific expenditure must have occurred prior to July 1, 2009.
- *Retirement Contribution Increase* – this exclusion allows a school district to exceed the expenditure limitation by a specific dollar amount not to exceed the difference between the employer's contribution rate and 7.35% of the budgeted amount of employee salaries subject to retirement.
  - The expenditure exclusion for Class V school districts will be the difference between the employer's contribution rate and 7.37%
- Additional information on these exclusions may be found in the *2010/11 Budget Text*.

### State Board Approval Process

- To receive State Board approval for one of the exclusions listed above, submit a letter, email, or fax to the Department of Education, School Finance & Organization Services.
- The letter, email, or fax should provide details regarding the purpose of the exclusion and the requested exclusion amount. The Office of School Finance & Organization Services will notify the school district of the approval, modification, or denial of the requested exclusion.
- A sample letter for the Data Transmission Networks exclusion may be found at the back of this *Guideline* or in the **Appendix** of the *2010/11 Budget Text*.

## INSTRUCTIONS FOR COMPLETING THE 2010/11 LC-2

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- A sample letter for the Retirement Contribution Increase exclusion may be found at the back of this *Guideline* or in the **Appendix** of the *2010/11 Budget Text*.
- The letter, email, or fax must be received by **5:00 P.M. on July 20, 2010** to ensure the State Board will act on the exclusion request at the **August 11, 2010 meeting**.
- The letter, email, or fax must be received by **5:00 P.M. on August 11, 2010** to ensure the State Board will act on the exclusion request at the **September 2, 2010 meeting**.

### 2010/11 General Fund Budget of Disbursements and Transfers and Unused Budget Authority

- The 2010/11 General Fund Budget of Disbursements & Transfers and Unused Budget Authority section, Lines B-100 through B-150 may be completed by uploading the budget data from the 2010-2011 School District Budget Form.
  - Click on the “Browse...” button to locate the School District Budget spreadsheet on the school district’s computer.
  - Double click on the file name of the School District Budget spreadsheet.
  - Click on the “Upload Budget Data” button in the LC-2 online system.
  - The budget data may also be entered manually on the line numbers shown in **bold font**
- The Special Grant Fund List (Line B-110) must be manually completed.
  - Click on the “[Special Grant Funds](#)” link shown in **blue** and complete Lines 1.01 through 1.87 with the dollar amount budgeted to be received for each grant.
    - Click on “Save Grants” and click on “Return to LC-2” when the Special Grant Fund List is completed.
  - Special Supplementary Grants on Lines 1.79 through 1.87 require State Board of Education approval.
- To receive State Board approval for a Special Supplementary Grant, submit a letter, email, or fax to the Department of Education, School Finance & Organization Services.
- The letter, email, or fax should provide details regarding the purpose of the grant and the amount of funds anticipated to be received. The Office of School Finance & Organization Services will notify the school district of the approval, modification, or denial of the requested exclusion.
  - Detailed information on these applying for these grants may be found in the *2010/11 Budget Text*.
- The letter, email, or fax must be received by **5:00 P.M. on July 20, 2010** to ensure the State Board will act on the exclusion request at the **August 11, 2010 meeting**.

## INSTRUCTIONS FOR COMPLETING THE 2010/11 LC-2

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- The letter, email, or fax must be received by **5:00 P.M. on August 11, 2010** to ensure the State Board will act on the exclusion request at the **September 2, 2010 meeting**.

### Unused Budget Authority

- A school district will have Unused Budget Authority on Line B-150 when the Total Adjusted General Fund Budget of Disbursements and Transfers (Line B-140) is less than Total Allowable Budget Authority (Line A-780).
  - Unused budget authority carries forward to future budget years.
- If the school district has exceeded its Budget Authority, the Unused Budget Authority amount on Line B-150 will appear in red and an error message indicating “**Budget Authority Exceeded**” will display on the screen.
  - The School District Budget Form will need to be revised if the school district has exceeded its Budget Authority.
  - To enter the revised budget data from the School District Budget Form, click on the “Browse...” button to locate the School District Budget spreadsheet on the school district’s computer.
  - Double click on the file name of the School District Budget spreadsheet.
  - Click on the “Upload Budget Data” button in the LC-2 online system.
  - The revised budget data may also be manually entered in Lines B-100, B-120 or B-130.

### Special Election for Additional Budget Authority

- If the school district held a special election for additional budget authority, click on “Yes”.
  - Enter the Voter Approved Dollar Increase on B-310.
  - The LC-2 online system will calculate the remaining lines in this section.
  - Continue completing the LC-2 by moving to the Allowable Reserves and Total Reserves section found on Line C-170 through Line C-340.
- A special election for additional budget authority is only applicable for one school fiscal year.
- If no special election was held, continue completing the LC-2 by moving to the Allowable Reserves and Total Reserves section found on Line C-170 through Line C-340.

## INSTRUCTIONS FOR COMPLETING THE 2010/11 LC-2

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### Allowable and Total Reserves

- The LC-2 online system will display the Applicable Allowable Reserve Percentage on Line C-170.
- The LC-2 online system will calculate the 2010/11 Allowable Reserves on Line C-180 when an amount has been entered on Line B-100.
- If the school district has chosen the “Upload Budget Data” feature to add the School District Budget information to the LC-2, Lines C-300, C-310, and C-320 will be completed.
  - If the school district chooses to manually enter information from the School District Budget, the amounts will need to be entered in the lines listed above.
- If the amount on C-340 is greater than the amount on C-180, the school district has exceeded the Total Allowable Reserves and an “**Allowable Reserves Exceeded**” message will appear on the screen.
  - The School District Budget Form will need to be revised if the school district has exceeded its Allowable Reserves.
  - To enter the revised budget data from the School District Budget Form in the LC-2, click on the “Browse...” button to locate the School District Budget spreadsheet on the school district’s computer.
  - Double click on the file name of the School District Budget spreadsheet.
  - Click on the “Upload Budget Data” button in the LC-2 online system.
  - The revised budget data may also be manually entered in Lines C-300, C-310 or C-320.

### Recalculate LC-2

- The “Recalculate LC-2” button is located at the bottom of the LC-2 and is available at all times.
  - Clicking on this button will recalculate all totals including unused budget authority.
  - Clicking on this button **will not save** the information in the LC-2.
- Use the “Recalculate LC-2” button any time changes have been made to individual lines in the LC-2, when the Special Grant Fund List has been completed, and before logging out of the LC-2.

### Save LC-2

- The “Save LC-2” button is located at the bottom of the LC-2 and will be available until the LC-2 has been submitted.
  - Clicking on the “Save LC-2” button will save all the information in the LC-2 but will not submit the LC-2 to NDE.
  - Use this button before moving to the Special Grant Fund List or logging out of the LC-2 to make sure the changes that have been made will be saved with the LC-2.

## INSTRUCTIONS FOR COMPLETING THE 2010/11 LC-2

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### Print a Summary of the LC-2

- Click on the “Print LC-2 Summary” link at the bottom of the LC-2.
  - Only lines that are applicable to a school district will print on the Summary.

### District Approval

- When the LC-2 has been completed and is ready to submit to NDE, click on the “District Approval” button.
  - A screen will display indicating the LC-2 has been submitted to NDE.
  - The school district will receive an email when the LC-2 has been received by NDE.
  - A signature is not required on the LC-2. However, a signature is required on the School District Budget Form.
- The LC-2 online system does not allow submission of an LC-2 if any of the following occurs:
  - The school district has exceeded its Budget Authority.
    - The School District Budget Form will need to be revised if the school district has exceeded its Budget Authority.
    - To enter the revised budget data from the School District Budget Form in the LC-2, click on the “Browse...” button to locate the School District Budget spreadsheet on the school district’s computer.
    - Double click on the file name of the School District Budget spreadsheet.
    - Click on the “Upload Budget Data” button in the LC-2 online system.
    - The revised budget data may also be manually entered in Lines B-100, B-120 or B-130.
  - The school district has exceeded its Allowable Reserves.
    - The School District Budget Form will need to be revised if the school district has exceeded its Allowable Reserves.
    - To enter the revised budget data from the School District Budget Form in the LC-2, click on the “Browse...” button to locate the School District Budget spreadsheet on the school district’s computer.
    - Double click on the file name of the School District Budget spreadsheet.
    - Click on the “Upload Budget Data” button in the LC-2 online system.
    - The revised budget data may also be manually entered in Lines C-300, C-310 or C-320.
- If the LC-2 has been submitted in error, please contact Kay Stilwell Bergquist (402-471-0526, [kay.bergquist@nebraska.gov](mailto:kay.bergquist@nebraska.gov)) or Janice Eret (402-471-2248, [janice.eret@nebraska.gov](mailto:janice.eret@nebraska.gov)) to unlock the LC-2 online system.

## INSTRUCTIONS FOR COMPLETING THE 2010/11 LC-2

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### Amend LC-2

- The “Amend LC-2” button is located at the bottom of the LC-2.
  - The “Amend LC-2” button will not be available until the LC-2 has been submitted by the school district and the LC-2 has been reviewed and approved by NDE.
  - This button will be used during the school fiscal year when the LC-2 is amended.

### Log Out of the LC-2

- To log out of the LC-2, click on the “Log Out” button.
  - The school district may also log out of the LC-2 by clicking on the ☒ in the upper right-hand corner of the screen.

### Additional Information

- A Help button is available in the online system that will take the user to a Frequently Asked Questions (FAQ) page and to a table with the contacts listed below.

Process	NDE Staff	Telephone/E-Mail Address
Accessing the LC-2 through the NDE Portal	NDE Help Desk	888-285-0556 (402) 471-3151 nde.helpdesk@nebraska.gov
Questions on Completing the LC-2 and/or Special Grant Fund List	Kay Stilwell Bergquist	(402) 471-0526 kay.bergquist@nebraska.gov
	Janice Eret	(402) 471-2248 janice.eret@nebraska.gov
Programming Issues	Jill Aurand	(402) 471-3321 jill.aurand@nebraska.gov

- These *Guidelines* are also available through the “Preparation Guidelines” button in the online system.

## CHECKLIST OF WHAT TO FILE

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### Due by September 20

- Online submission of LC-2 (which includes the Special Grant Fund List) to NDE
- Printed copy of online LC-2 and Special Grant Fund List mailed to the Auditor of Public Accounts and the County Clerk
- Sample Ballot and Certification of Election Results – if a successful Special Election was held to exceed the **expenditure** limitation for the 2010/11 school fiscal year
- School District Budget Form – Cover Page through Page 5
  - The Worksheet Pages do not need to be filed
- Notice of Budget Hearing and Budget Summary
- Proof of Publication for Notice of Budget Hearing
- Schedules A, B, & C of the School District Budget Form
- Copy of Certification of Taxable Value
- Sample Ballot and Certification of Election Results – if a successful Special Election was held to override the **levy** limitation.

### All documents must be filed with:

- Auditor of Public Accounts
- County Clerk/Headquarter County
- Nebraska Department of Education

**SAMPLE LETTER**  
**DATA TRANSMISSION NETWORKS EXCLUSION**

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*(Current Date)*

Nebraska Department of Education  
School Finance & Organization Services  
301 Centennial Mall South  
PO Box 94897  
Lincoln, NE 68509

RE: 2010/11 Data Transmission Networks Expenditure Exclusion

*(Name of School District)* will be joining Network Nebraska as of *(date school will be joining)*. The school district is seeking approval from the State Board of Education for the Data Transmission Networks Expenditure Exclusion listed in the 2010/11 LC-2.

Actual expenditures for the *(insert fiscal year)* school fiscal year and the estimated expenditures for the 2010/11 school fiscal year are shown below.

	Actual <i>(School Fiscal Year)</i> Data Transmission Expenditures (A)	Estimated 2010/11 Data Transmission Expenditures (B)
<i>(Name of Provider)</i>		
Installation Charges		
Network Nebraska Membership		
Network Nebraska Transport		
Other		
<b>Total</b>		
<b>Requested Data Transmission Networks Expenditure Exclusion</b> [Total Column (B) – Total Column (A) ]		

I understand if the State Board of Education approves the request, the amount of the exclusion will be prepopulated in the 2010/11 LC-2.

Please feel free to contact me if you have any questions related to this request.

Sincerely,

*(Name of Superintendent)*

\*Add the names of additional providers as necessary.

**SAMPLE LETTER**  
**RETIREMENT CONTRIBUTION INCREASE EXCLUSION**

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(Current Date)

Nebraska Department of Education  
School Finance & Organization Services  
301 Centennial Mall South  
PO Box 94897  
Lincoln, NE 68509

RE: 2010/11 Retirement Contribution Increase

The (Name of School District) is seeking approval from the State Board of Education for the Retirement Contribution Increase Expenditure Exclusion listed in Schedule A of the School District Budget Form and Line B-130 of the 2010/11 LC-2.

The estimated increase in expenditures for the 2010/11 school fiscal year is shown below.

	2010/11 (A)	2010/11 (B)
Staff Salaries Subject to Retirement		
Retirement Contribution Rate	7.35%	8.36%
<b>Total Retirement Contribution</b>		
<b>Requested Retirement Contribution Increase Expenditure Exclusion</b> [Total Column (B) – Total Column (A)]		

I understand if the State Board of Education approves the request, the school district will report the amount on Schedule A of the 2010/11 School District Budget Form. I also understand the approved amount will be part of the total amount from Schedule A that will be reported by the school district on Line B-130 of the 2010/11 LC-2.

Please feel free to contact me if you have any questions related to this request.

Sincerely,

(Name of Superintendent)

The narrative in this template may be changed or adjusted to meet the specific needs of the school district making the request.

The printed contribution rate is for schools that participate in the School Retirement System (Class II-V school districts). The contribution rate for the Class V School Employee Retirement System will be determined by the Retirement Board of the Class V School Employees Retirement System.