

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

**2011/12
Budget Form LC-2
Preparation Guidelines**

TABLE OF CONTENTS

INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2	2
Accessing the NDE Portal	2
Budget Authority from Dissolved District(s)	2
Access to Prior Year’s Unused Budget Authority	2
Expenditure Exclusions on LC-2	3
Expenditure Exclusions on Schedule A of the School District Budget Form	4
State Board Approval Process	5
General Fund Budget of Disbursements & Transfers and Unused Budget Authority....	6
Unused Budget Authority.....	7
Total Unused Budget Authority.....	7
Special Election for Additional Budget Authority	7
Allowable Reserves and Total Reserves.....	8
Recalculate LC-2.....	8
Save LC-2.....	9
Print Summary of LC-2	9
District Approval	9
Amend LC-2	10
Log Out of the LC-2.....	10
Additional Information.....	10
CHECKLIST OF INFORMATION YOU MUST FILE	11
SAMPLE LETTER FOR DATA TRANSMISSION NETWORKS EXPENDITURE EXCLUSION	12
SAMPLE LETTER FOR RETIREMENT CONTRIBUTION INCREASE EXCLUSION ...	13

INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2

Accessing the NDE Portal

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

General Information

- For assistance in completing the LC-2 contact:
 - Kay Stilwell Bergquist (402-471-0526 or kay.bergquist@nebraska.gov)
 - Janice Eret (402-471-2248 or janice.eret@nebraska.gov)
- The LC-2 has been completed using information from the *2011/12 Budget Authority and Allowable Reserve Percentage Certification* (certified on July 1, 2011) 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/Index.html>
 - Budget Text
 - Budget Timeline
 - Checklist/What to File
 - Expenditure Exclusions Requiring State Board Approval
 - Filing Deadlines for Expenditure Exclusions
 - 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.



NEW

Access to Prior Year's Unused Budget Authority

- The amount of the prior year's unused budget authority has been limited by State Statute 79-1030.

INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2

- A school will have access to the lesser of 2 percent of the prior year's adjusted expenditures (Line B-140) or the prior year's unused budget authority (Line B-150).
- The lesser of the amounts described above is printed on the LC-2.
- A school district must enter this amount, or a portion of this amount, that it will be utilizing on Line A-355.
- An error message indicating "Line A-355 cannot exceed the Maximum Prior Year's Unused Budget Authority amount" will display if the school district enters an amount greater than amount printed on the LC-2.

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 pre-populated in the LC-2.
- *Retirement Incentive Plan* – this exclusion is only available for the first year a school district has reorganized or unified.
 - The amount of this exclusion will display on Line A-740.
- *Staff Development Assistance* – this exclusion is only available for the first year a school district has reorganized or unified.
 - The amount of this exclusion will display on Line A-750.
- *Incentive Payments* – this exclusion is only available to Class II or Class III school districts that were part of a consolidation with an effective date on or after May 31, 2009 and before June 1, 2011.
 - The amount of this exclusion will display on Line A-755.
- *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 2010/11 school fiscal year, the amount of this expenditure exclusion will be the difference between 2011/12 estimated expenditures and 2008/09 actual expenditures.
 - For school districts whose first full school fiscal year of participating in Network Nebraska is the 2011/12 school fiscal year, the amount of this expenditure exclusion will be the difference between 2011/12 estimated expenditures and 2009/10 actual expenditures.
 - The amount of this exclusion will display on Line A-761.

INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2

- *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 2012/13 State Aid.
 - The amount of this exclusion will display on Line A-775.

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.
 - 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; or
 - Agreements entered into during the 2010/11 school year for expenditures that will be paid on or after the last day of the 2010/11 school year and prior to the



INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2

first day of the 2013/14 school.

- *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 of 8.97% 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 *2011/12 Budget Text*.

State Board Approval Process

- To receive State Board approval for one of the exclusions listed above, submit a request by letter, email, or fax to the Department of Education, School Finance & Organization Services.
- The request 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.
- Sample letters for the Data Transmission Networks and the Retirement Contribution Increase exclusions may be found at the back of this *Guideline*, in the **Appendix** of the *2011/12 Budget Text* and at the following web page:

<http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html>

- The request must be received by **5:00 P.M. on July 13, 2011** to ensure the State Board will act on the exclusion request at the **August 11, 2011 meeting**.
- The request must be received by **5:00 P.M. on August 10, 2011** to ensure the State Board will act on the exclusion request at the **September 8, 2011 meeting**.
- Additional information on expenditure exclusions requiring State Board approval and deadlines to file requests may be found at:

<http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html>

INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2

2011/12 General Fund Budget of Disbursements and Transfers and Unused Budget Authority

- The 2011/12 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 2011-2012 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 1.78 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 request by letter, email, or fax to the Department of Education, School Finance & Organization Services.

- The request 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 *2011/12 Budget Text*.

- The request must be received by **5:00 P.M. on July 13, 2011** to ensure the State Board will act on the exclusion request at the **August 11, 2011 meeting**.

- The request must be received by **5:00 P.M. on August 10, 2011** to ensure the State Board will act on the exclusion request at the **September 8, 2011 meeting**.

- Additional information on expenditure exclusions requiring State Board approval and deadlines to file requests may be found at:

<http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html>

INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2

Unused Budget Authority

- A school district will have 2011/12 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).
- If the school district has exceeded its Budget Authority, the 2011/12 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.

NEW

Total Unused Budget Authority

- Total Unused Budget Authority is calculated by reducing the 2010/11 Unused Budget Authority on Line B-160 by the Access to 2010/11 Unused Budget Authority on Line B-162. The Adjusted 2010/11 Unused Budget Authority on Line B-165 is added to 2011/12 Unused Budget Authority on B-170 to calculate Total Unused Budget Authority on Line B-175.
- Total Unused Budget Authority (Line B-175) carries forward to future budget years.
 - Access to Total Unused Budget Authority is limited to the lesser of 2 percent of the prior year’s adjusted expenditures (Line B-140) or the Total Unused Budget Authority on Line B-175).

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.***

INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2

- 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.

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 2011/12 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 Line C-340 is greater than the amount on Line 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 and total 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.

INSTRUCTIONS FOR COMPLETING THE 2011/12 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.

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.
 - If the LC-2 has been submitted in error, please contact Kay Stilwell Bergquist (402-471-0526, kay.bergquist@nebraska.gov) or Janice Eret (402-471-2248, janice.eret@nebraska.gov) to unlock the LC-2 online system.
- 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.

INSTRUCTIONS FOR COMPLETING THE 2011/12 LC-2

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.
- To amend an LC-2, enter the amended amounts on the necessary lines of the LC-2.
 - Click the “Recalculate LC-2” button.
 - Click the “Amend LC-2” button.
- Clicking the “Amend LC-2” button will submit the amended LC-2 to NDE and will lock the LC-2 online system on the Portal.
 - If you have clicked the “Amend LC-2” button before the amended LC-2 information has been entered, please contact Kay Stilwell Bergquist (402-471-0526, kay.bergquist@nebraska.gov) or Janice Eret (402-471-2248, janice.eret@nebraska.gov) to unlock the LC-2 online system.

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

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	Curt Schnase	(402) 471-6521 curt.schnase@nebraska.gov

CHECKLIST OF WHAT TO FILE

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 2011/12 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

(Current Date)

Nebraska Department of Education
School Finance & Organization Services
301 Centennial Mall South
PO Box 94987
Lincoln, NE 68509

RE: 2011/12 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 2011/12 LC-2.

Actual expenditures for the *(insert fiscal year)* school fiscal year and the estimated expenditures for the 2011/12 school fiscal year are shown below.

	Actual <i>(School Fiscal Year)</i> Data Transmission Expenditures (A)	Estimated 2011/12 Data Transmission Expenditures (B)
<i>(Name of Provider)</i>		
Installation Charges		
Network Nebraska Membership		
Network Nebraska Transport		
Other		
Total		
Requested Data Transmission Networks Expenditure Exclusion [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 2011/12 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

(Current Date)

Nebraska Department of Education
School Finance & Organization Services
301 Centennial Mall South
PO Box 94987
Lincoln, NE 68509

RE: 2011/12 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 2011/12 LC-2.

The estimated increase in expenditures for the 2011/12 school fiscal year is shown below.

	2011/12 (A)	2011/12 (B)
Staff Salaries Subject to Retirement		
Retirement Contribution Rate	7.35%	8.97%
Total Retirement Contribution		
Requested Retirement Contribution Increase Expenditure Exclusion [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 2011/12 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 2011/12 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.