

Nebraska Department of Education
School Finance & Organization Services
<http://www.education.ne.gov/FOS/>

2013/14
Budget Form LC-2
Instructions

General Information

The purpose of the Lid Computation Form 2 (LC-2) is to verify that a school district has approved a General Fund budget that does not exceed the Certified Budget Authority (§79-1023) and does not exceed the Allowable Reserve Percentage (§79-1027) as certified by the Department of Education each year.

The LC-2 has been completed using information from the *2013/14 Budget Authority and Allowable Reserve Percentage Certification* (certified on May 31, 2013) and data on file with NDE.

- Only line numbers that are applicable to a specific school district will be displayed in the LC-2.
- Information that is pre-populated (displayed) on the LC-2 may not be changed.

Enter amounts on Line numbers that 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

Contact information:

- completing the LC-2:
 - Janice Eret (402-471-2248 or janice.eret@nebraska.gov)
- using the NDE Portal:
 - NDE Help Desk at 888-285-0556, locally at 402-471-3151, or nde.helpdesk@nebraska.gov

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.

Access to Prior Year's Unused Budget Authority

- The amount of the prior year's unused budget authority that may be accessed has been limited by State Statute 79-1030.
 - 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 total unused budget authority (Line B-175).
 - 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. *If the amount is not entered, the school will not be able to increase their total allowable budget authority by that amount.*
- An error message indicating "**Line A-355 cannot exceed the Maximum Prior Year's Unused Budget Authority amount**" will appear if the school district enters an amount greater than amount printed as "Maximum Amount" on the LC-2.

Expenditure Exclusions on the 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 the LC-2 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.
- *Data Transmission Networks Exclusion* – this exclusion is available for the first school fiscal year 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 is the 2013/14 school fiscal year, the amount of this expenditure exclusion will be the difference between 2013/14 estimated expenditures and 2011/12 actual expenditures.
 - The amount of this exclusion will display on Line A-761.
 - A sample letter to request this exclusion is available in the Budget Text and at <http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html>
- *Early Childhood Education Grants* - If 2013/14 is the first year early childhood membership is included in the district's formula students, districts can request an expenditure exclusion for the amount equal to the 2012/13 Early Childhood Education Grant.
 - The amount of this exclusion will display on Line A-772.
 - A sample letter to request this exclusion is available in the Budget Text and at <http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html>
- *Board Vote to Access 2% Additional Growth* - **For school fiscal year 2013/14 only**, schools can access an expenditure exclusion up to an amount equal to 2% of the 2012/13 Certified General Fund Budget authority. The local school board must approve the district's access to this

Additional 2% budget authority with a 75% vote to approve. Minutes documenting the vote of the local vote must accompany the request for State Board approval.

- The amount of this exclusion will display on Line A-773.
- A sample letter to request this exclusion is available in the Budget Text and at <http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html>
- *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 2013/14 State Aid.
 - The amount of this exclusion will display on Line A-775.

Additional information on these exclusions may be found in the *2013/14 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 access any of these exclusions will report the total amount of the exclusions 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* - this exclusion is for sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment are available to school districts. These payments may be paid out over a span of several years as detailed in the specific agreement and must be receive state board approval each year to access this expenditure exclusion. Those voluntary termination agreements must in place within any of the following three separate qualifying “timelines:”
 - Prior to July 1, 2009.
 - On or after the last day of the 2010/11 school year (August 31, 2011) and prior to the first day of school for the 2013/14 school year (August 31, 2013).

- On or after the first day of the 2013/14 school year if the school can show a net savings in salary and benefit costs over a five-year period. (*This is the only qualifying timeline that requires information showing the five-year cost benefit of the retirements.*)
- A sample letter to request this exclusion is available in the Budget Text and at <http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html>
- **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 9.88% 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%
 - A sample letter to request this exclusion is available in the Budget Text and at <http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html>

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.
- The request must be received by **July 9, 2013** to ensure the State Board will act on the exclusion request at the **August 9, 2013 meeting**.
- The request must be received by **August 6, 2013** to ensure the State Board will act on the exclusion request at the **September 6, 2013 meeting**.
- Additional information on expenditure exclusions requiring State Board approval, sample request letters, and deadlines to file requests may be found at:

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

Completing the LC-2:

Information is entered into lines within Section A, Section B, Section C and several lines of the Special Grant Fund before the LC-2 can be successfully submitted.

Please note that the upload feature of the LC-2 is no longer available.

See Page 10 for more information regarding completing specific lines in the LC-2.

Section A: 2013/14 Calculation of Total Allowable Budget Authority

- **Line A-355 – Access to Prior Year’s Unused Budget Authority:**
 - In order to access Unused Budget Authority from prior school year, enter an amount that does not exceed the “Maximum Amount” identified to the left.

Section B: 2013/14 General Fund Budget of Disbursements & Transfers and Unused Budget Authority

- *Line B-100 – 2013/14 General Fund Budget of Disbursements & Transfers:*
 - Enter the Total Budget of Disbursements & Transfers from Line 1 Column 7 on page 2 of the School District Budget Document.
 - Click the “Save” button at the bottom of the LC-2.
- *Line B-110 – 2013/14 Special Grant Fund*
 - Clicking on “*Special Grant Funds*” takes you to the list of special grants that have been approved by the State Board. Enter estimated amounts you are expecting to receive for the 2013/14 school year. State Board Approval is not necessary for these special grants.
 - The last nine lines of the Special Grant Fund List are items that are district specific and must be submitted to the State Board for approval. The previous page describes the process to request State Board Approval.
 - When all of the district’s special grants have been entered, click the “Save Grants” button and “Print Grants” for a copy of the Special Grant Fund List.
 - Click the “Return to LC-2”
 - Click the “Save” button at the bottom of the LC-2.
- *Line B-120 – 2013/14 Special Education Budget of Disbursements & Transfers:*
 - Enter the Total Budget of Disbursements & Transfers – Special Education from Line 1 Column 5 on page 2 of the School District Budget Document
 - Click the “Save” button at the bottom of the LC-2.
- *Line B-130 -- 2013/14 2013/14 General Fund Lid Exclusions*
 - Enter the Total General Fund Lid Exclusions from Line 21 of Schedule A of the School District Budget Document.
 - Click the “Save” button at the bottom of the LC-2.

A school district will have 2013/14 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 2013/14 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.
 - Lines B-100, B-120, B-130 or the Special Grant Fund List will need to be revised to correct this error message.

Unused Budget Authority: Total Unused Budget Authority is calculated by reducing the 2012/13 Unused Budget Authority on Line B-160 by the Access to Prior Year’s Unused Budget Authority on Line B-162. (This is the same number as A-355.) The Adjusted Unused Budget Authority on Line B-165 is added to 2013/14 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 the next budget year. 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).

- *Line B-180 – Did you hold a successful special election for additional Budget Authority? (Not a levy override)*
 - 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.
 - 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.
 - Allowable Reserves and Total Reserves will be impacted by an increase to budget authority and is found on Line C-170 through Line C-340.
 - Click the “Save” button at the bottom of the LC-2.

School districts that have received voter approval for additional budget authority must include the entire amount of additional budget authority in the General Fund Total Disbursements and Transfers.

- This will maximize the total disbursements and transfers for the 2013/14 school fiscal year.
- This will ensure the additional budget authority will carry forward into future school fiscal years.

A special election for additional budget authority is only applicable for one school fiscal year.

Section C: 2013/14 Allowable Reserves and Total Reserves

- *Line C-300 – General Fund Necessary Cash Reserves*
 - Enter the General Fund Necessary Cash Reserve amount from Line 1 Column 8 of Page 2 of the School District Budget Document.
- *Line C-310 – Depreciation Fund Total Requirements*
 - Enter the Total Budget of Disbursements & Transfers for the Depreciation Fund from Line 2 Column 8 of Page 2 of the School District Budget Document.
- *Line C-320 – Employee Benefit Fund Necessary Cash Reserves*
 - Enter the Employee Fund Necessary Cash Reserve amount from Line 3 Column 8 of Page 2 of the School District Budget Document.
 - Click the “Save” button at the bottom of the LC-2 after completing Section C..

The LC-2 online system will display the Applicable Allowable Reserve Percentage on Line C-170.

The LC-2 online system will calculate the 2013/14 Allowable Reserves on Line C-180 when an amount has been entered on Line B-100. This figure is calculated by multiplying the Applicable Allowable Reserve Percentage (Line B-170) by the General Fund Budget (Line B-100, or if a special election was held for additional budget authority, Line B329.)

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.
 - Enter the revised budget data in Lines C-300, C-310 or C-320.

LC-2 Action Buttons

Several buttons are located at the bottom of the LC-2 that initiate several functions of the LC-2.

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.

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.

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 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. Enter the revised figures on 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. Enter the revised figures on Lines C-300, C-310, or C-320.

District Approval (Used When Amending an LC-2)

- If a school district needs to amend their General Fund, Depreciation Fund or Employee Benefit Fund, the LC-2 will also have to be amended to reflect those changes.
- The “District Approval” button located at the bottom of the LC-2 will be used to submit an amended LC-2 to the Department.
 - The function of the “District Approval” button will change after the LC2 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 “District Approval” button.
- Clicking the “District Approval” button will submit the amended LC-2 to NDE.
 - This will lock the LC-2 online system on the Portal.
 - If you have clicked the “District Approval” button before the amended LC-2 information has been entered, please contact Janice Eret (402-471-2248, janice.eret@nebraska.gov) to unlock the LC-2 online system.

Log Out

- 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.

Submission of Budget Documents

The following documentation is due on or before 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 2013/14 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

Nebraska Department of Education
School Finance & Organization Services

Below is an illustration of the source information from the school district budget for completing the LC2.

- Line B-100 2013/14 General Fund Budget of Disbursements & Transfers
- Line B-120 2013/14 Budget of Disbursements & Transfers – Special Education
- Line B-130 2013/14 General Fund Lid Exclusions -- Schedule A

- Line C-300 2013/14 General Fund Necessary Cash Reserve
- Line C-310 2013/14 Depreciation Fund Total Requirements
- Line C-320 2013/14 Employee Benefit Fund Necessary Cash Reserve

BUDGET STATEMENT AND CERTIFICATION OF TAX

County-District # _____

2013-2014 BUDGET ADOPTED									
	TOTAL BEGINNING BALANCE (Column 1)	TOTAL AVAILABLE RESOURCES BEFORE PROPERTY TAXES (Including Beginning Balances) (Column 2)	PERSONAL AND REAL PROPERTY TAXES (Column 3)	TOTAL RESOURCES AVAILABLE (Col 2 + Col 3) (Column 4)	BUDGET OF DISBURSEMENTS & TRANSFERS - SPECIAL EDUCATION (Column 5)	BUDGET OF DISBURSEMENTS & TRANSFERS - NON-SPECIAL EDUCATION (Column 6)	TOTAL BUDGET OF DISBURSEMENTS & TRANSFERS (Col 5 + Col 6) (Column 7)	NECESSARY CASH RESERVE (Column 8)	TOTAL REQUIREMENTS (Col 7 + Col 8) (Column 9)
General					B-120		B-100	C-300	
Depreciation							C-310		
Employee Benefit								C-320	
Contingency									
Activities									
School Lunch									
Bond									
Special Building									
Qualified Capital Purpose Undertaking									
Cooperative									
Student Fee									
TOTAL ALL FUNDS									

12		
13	GENERAL FUND LID EXCLUSIONS -- SCHEDULE A	
14		
15		
16		
17	Total Judgments (Lines 11 through 16)	
18	Distance Education Courses	
19	Voluntary Termination Agreements	
20	Retirement Contribution Increase (Through Fiscal Year 2016-2017)	
21	Total General Fund Lid Exclusions - To LC-2 Form (Line 9 + Line 17 + Line 18 + Line 19 + Line 20)	B-130