2026/27 Budget Form LC-2 Instructions

General Information

The Lid Computation Form 2 (LC-2) verifies that a district has approved a General Fund budget that does not exceed the Certified Budget Authority (§79-1023), Allowable Reserve Percentage (§79-1027), and Certified Property Tax Authority (LB243) as certified by the Department of Education each year.

The LC-2 has been pre-populated using information from the *2026/27 Budget Authority, Access to Prior Year's Unused Budget Authority and Allowable Reserve Percentage Certification* data on file with NDE.

- Only line numbers that are applicable to a specific school district will be displayed in the LC-2.
- Pre-populated information displayed in the LC-2 cannot be changed by the district.

- **Contact information:**
  - Completing the LC-2, requesting an amendment, or unlocking the online system:
    - Stephanie DeGroot 402-540-0649 or stephanie.degroot@nebraska.gov
    - Kelsey Larsen 402-450-1418 or kelsey.larsen@nebraska.gov
    - Michelle Cartwright 402-450-0867 or michelle.cartwright@nebraska.gov

  - Using the NDE Portal:
    - NDE Help Desk 888-285-0556, locally at 402-471-3151, or ADVISERHelp@nebraskacloud.org

Expenditure Exclusions on the LC-2
(Section A of the LC-2)

State Board of Education approval is required for each of the expenditure exclusions listed below. Once the State Board has approved these exclusions, the amount of the exclusion will be pre-populated in Section A of the LC-2.

- **Retirement Incentive Plan & Staff Development Assistance** – This exclusion is only available for the first year a school district has reorganized or unified, Line A-740.

- **Early Childhood Education Grants** – This exclusion is available for districts if 2026/27 is the first-year early childhood membership is included in the district's formula students. This expenditure exclusion for the amount equal to the 2025/26 Early Childhood Education Grant increased by 2.5%.
  - Schools eligible with amounts granted, and template for the Early Childhood Education Grant Exclusion can be found at:

    https://www.education.ne.gov/fos/budgeting-school-district/
  - The amount of this exclusion will display on Line A-772.

- **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 Line A-775.

Expenditure Exclusions on Budget Forms

(Schedule A, found on Budget Forms)

State Board of Education approval is required for each of the expenditure exclusions from Schedule A listed below. School districts accessing any of these exclusions will report them on Schedule A and the total amount of the exclusions will be shown on Line B-130 General Fund Lid Exclusions 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 Agreement Incentives** §79-1028.01(g) - §79-1028.01(K)
  - Incentives paid for voluntary termination agreements with **Certificated Teachers beginning September 1, 2017**, that meet the following stipulations:
    - The value of current and future incentives will not exceed $35,000 in total per teacher.
    - All incentives must be paid within five (5) years of agreement or until the certificated teacher becomes eligible for Medicare, whichever occurs first.
    - The voluntary termination agreement was not part of any collective bargaining agreement.
    - The payment of incentives must result in a net savings in salary and benefit to the district over a five-year period.

- **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 total employer's contribution rate and 7.35%. The 2026/27 rate is 7.3225%. Therefore, the exclusion for 2026/27 will equal 2024/25's rates of 9.88% and 7.35% of the budgeted amount of the employees' salaries.

Templates to request the Voluntary Termination and Retirement Contribution Increase exclusions are available at: http://www.education.ne.gov/FOS/SchoolFinance/Budget/Index.html

- **Native American Impact Aid** – This exclusion is only available to school districts with Indian land within its boundaries and receive Impact Aid due to children residing on the Indian land attending the district. Eligible districts should request this exclusion in the amount of Impact Aid that they anticipate receiving during the 2026/27 school year.

State Board Approval Process

- To receive State Board approval for any of the exclusions listed above, submit a request by email to the Department of Education, School Finance & Organization Services, directly to:
  - **Kelsey Larsen at** kelsey.larsen@nebraska.gov
- The request should provide details regarding the name and purpose of the exclusion along with the requested exclusion amount.
- The following lists the date an expenditure exclusion must be submitted by for the next State Board Meeting:

Deadline to File Request for Expenditure Exclusion	State Board Meeting
February 16, 2026	March 6, 2026
No April State Board Meeting	No April State Board Meeting
April 20, 2026	May 8, 2026
May 18, 2026	June 5, 2026
No July State Board Meeting	No July State Board Meeting
July 20, 2026	August 7, 2026
August 17, 2026	September 4, 2026
September 14, 2026	October 2, 2026
October 19, 2026	November 6, 2026
No December State Board Meeting	No December State Board Meeting

- Approved exclusion requests will be posted within 5 working days after the State Board Meeting on this webpage: Budgeting (School District) – Nebraska Department of Education

Completing the LC-2

Go to the Nebraska Department of Education - Portal, under Data Collections, add the LC-2 for the correct year.

Uploading Excel Budget Document Steps

To minimize errors, it is highly recommended the Excel School District Budget Form be uploaded directly into the LC-2 and then click Save LC-2 button.

1. In the "Please load your budget documents here" section click the "Choose File" button.
2. In the dialog box that appears, locate the directory and file location of the Excel budget file.
3. Double click on the file name of the school district budget.
4. Click "Upload Budget Document" button.
5. Click "Recalculate LC-2" and "Save LC-2".

****Click the Save LC-2 Button periodically to avoid a loss of information.***

2026/27 Section A: Access to Prior Year's Unused Budget Authority

- *Line A-355* – Access to Prior Year's Unused Budget Authority*:*
  - The maximum access is displayed on the LC-2 to the left of Line A-355 ("Maximum Amount: _____").
  - This amount must be entered on A-355 to access the additional budget

amount. If an amount is not entered, the district will not be able to increase their total allowable budget authority available.

- An error message indicating "Line A-355 cannot exceed the Maximum Prior Year's Unused Budget Authority amount" will appear if an amount greater than amount indicated as "Maximum Amount" on the LC-2 is entered.
- After clicking the "Recalculate" button at the bottom of the page, Line A-780 will reflect the total allowable budget authority for the district. *Click the "**Save LC-2**" button to retain this information.*

2026/27 Section B: General Fund Budget of Disbursements & Transfers and Unused Budget Authority

- **Line B-100 – 2026/27 General Fund Budget of Disbursements & Transfers:**
  - Total Budget of Disbursements & Transfers from Line 1, Column 7 on page 2 of the School District Budget Forms appears online B-100.

- **Line B-110 – 2026/27 Special Grant Fund List – this information is manually entered.**
  - Clicking on the "Special Grant Fund List" (blue link), takes you to the list of special grants that have been approved by the State Board.
  - Enter estimated amounts expected to receive for the year. State Board Approval is not necessary for lines 1.11 to 1.56.
  - Lines 1.565 to 1.6 (noted with an *) are district specific and must be submitted to the State Board for approval.
  - When grant totals have been entered, click the "**Save Grants**" button and then "Print Grants" for a copy of the Special Grant Fund List.
  - Click "Return to LC-2" button.
  - Click **"Recalculate LC-2" and "Save LC-2"** buttons at the bottom of the LC-2.

- **Line B-120 – 2026/27 Special Education Budget of Disbursements & Transfers:**
  - Total Budget of Disbursements & Transfers – Special Education from Line 1, Column 5 on page 2 of the School District Budget Forms appears online B-120.

- **Line B-130 – 2026/27 General Fund Lid Exclusions**
  - Total General Fund Lid Exclusions from Line 22, on Schedule A of the School District Budget Forms appears online B-130.

- Once all the information has been entered into the LC-2, click "**Recalculate LC-2" and "Save LC-2"**. *The "Recalculate" Button must be clicked each time a change is made*. Click "Save LC-2" before exiting the LC-2 to retain the information.

Unused Budget Authority

- **Line B-150 – 2026/27 Unused Budget Authority**
  - An amount on line B-150 appears 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 Certified Budget Authority has been exceeded, the 2026/27 Unused Budget Authority amount online B-150 will appear as a negative number 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.

- Line B-100 will need to be reduced, or Lines B-110, B-120, and/or B-130 will need to be increased to correct this error message.

➢ The LC-2 cannot be approved or submitted with error messages.

♦ **Line B-180 – Did you hold a successful special election for additional Budget Authority***? (Not a levy override)*

➢ If the school district held a special election for additional budget authority, click "Yes".
➢ Enter the Voter Approved Dollar Amount Increase on line B-310.
➢ Click **"Recalculate LC-2" and "Save LC-2"**.
➢ *Please note: Districts that received voter approval for additional budget authority must include the entire amount of additional budget authority in the General Fund Total Disbursements and Transfers to maximize the additional budget authority and carry forward into future school fiscal years. A special election for additional budget authority is only applicable for one school fiscal year.*

2026/27 Section C: Allowable Reserves and Total Reserves

♦ Line C-300 – *General Fund Necessary Cash Reserves*
➢ The amount for the General Fund Necessary Cash Reserve from Row 6, Column 8 on Page 2 of the School District Budget Forms will populate when the form is uploaded.
♦ Line C-310 – *Depreciation Fund Total Requirements*
➢ The Total Budget of Disbursements & Transfers for the Depreciation Fund from Row 7, Column 7 on Page 2 of the School District Budget Forms will populate when the form is uploaded.
♦ Line C-320 – *Employee Benefit Fund Necessary Cash Reserves*
➢ The amount for the Employee Fund Necessary Cash Reserve amount from Row 8, Column 8 on Page 2 of the School District Budget Forms will populate when the form is uploaded.
➢ Click **"Recalculate LC-2" and "Save LC-2"** after completing Section C.

Levy Override Approved by Patron

♦ Line B-400 Did you hold a successful election of your patrons for a levy override that applies to the current year?
➢ If yes, this section will expand; enter the additional information requested in Lines B-420 through B-480.
➢ If no, continue to Section D.

2026/27 Section D: Property Tax Authority Request

Certified Assessed Valuation

♦ B-490 Valuation populates from the School District Form Basic Data Input page, Row 12 Column B when the form is uploaded.
♦ Line D-110 will be pre-populated with the Certified Property Tax Authority
♦ Line D-120 Did 70% of the School Board approve to exceed the Certified Property Tax Authority?
➢ If yes, this section will expand and the Maximum Amount Allowed will be pre-populated, enter the amount the School Board approved on Line D-140.
➢ If no, continue to the next question.
♦ Line D-150 Was a successful election of the patrons held to exceed the Property Tax Request

Authority:
- If yes, this section will expand, enter the amount approved by the voters in line D-160

- Click **"Recalculate LC-2" and "Save LC-2"**.
- Lines D-170, and D-180 will automatically calculate after saving the LC-2. The Total Property Tax Authority Allowed will show in Line D-180.
- Line D-210 amount from Row 9, Column I on Schedule B of the School District Budget Forms will populate when the form is uploaded.
- Line D-220 amount from Row 10, Column I on Schedule B of the School District Budget Forms will populate when the form is uploaded.
- Line D-230 will automatically calculate the total of Lines D-210, and D-220.

- **Line D-240 – 2026/27 Unused Property Tax Request Authority**
  - An amount on line D-240 appears when the Total Property Tax Request, Line D-230 is less than the Total Property Tax Authority Allowed (Line D-180).
  - If the Certified Property Tax Authority Allowed has been exceeded, the 2026/27 Unused Property Tax Request Authority amount on line D-240 will appear as a negative number in red and an error message indicating "Property Tax Request Authority Exceeded" will display on the screen.
  - The School District Budget Form will need to be revised if the school district has exceeded its Property Tax Request Authority.
  - The LC-2 cannot be approved or submitted with error messages.

- **Line D-310 Total Property Tax Authority reduced as a result of increased SPED & Foundation Aid**
  - Must have an entry to approve and submit the LC-2.
  - A red error message will appear if D-310 is left blank. The LC-2 cannot be approved or submitted with error messages.
  - The entry can be an estimated amount, and zero is an allowable entry.

LC-2 Action Buttons

- **Recalculate LC-2**
  - "Recalculate LC-2" button 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 every time changes have been made to the LC-2 including any individual lines in the LC-2 or the Special Grant Funds list.

- **Save LC-2**
  - "Save LC-2" button will be available until the LC-2 has been approved and submitted.
  - Clicking on the "Save LC-2" button will save all the information in the LC-2, but it 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 (Submission to NDE)**
  - When the LC-2 has been completed and ready to submit to NDE, click on the "District Approval" button.
  - A screen will display indicating the LC-2 has been submitted to NDE along with the section to upload the required budget documentation.

- 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, see contact information at the beginning of the document to request an unlock of the LC-2 system.

- **Log Out**
  - Be sure to click "**Save LC-2"** before logging out or all data that was entered during the current session will be lost.
  - This button will take you out of the LC-2 system

Error Messages

The LC-2 online system ***does not*** allow "District Approval" (submission) of an LC-2 if one or both error messages appear:

- **Budget Authority Exceeded**
  - The School District Budget Form will need to be revised if the school district has exceeded its Budget Authority. Upload the revised budget form into the LC-2.
- **Allowable Reserves Exceeded**
  - The School District Budget Form will need to be revised if the school district has exceeded its Allowable Reserves. Upload the revised budget form into the LC-2.
- **Property Tax Request Authority Exceeded**
  - The School District Budget Form will need to be revised if the school district has exceeded its Property Tax Request Authority. Upload the revised budget form into the LC-2.
- **Line D-310 Total Property Tax Authority reduced as a result of increased SPED & Foundation Aid**
  - Must have an entry. The entry can be an estimated amount, and zero is an allowable entry.

Amending the LC-2

If a school district needs to amend their General Fund, Depreciation Fund or Employee Benefit Fund at some point through the year, the LC-2 must also be amended to reflect those changes. Contact the program contacts for guidance and to unlock the LC-2.

- To amend an LC-2, enter the amended amounts on the necessary lines of the LC-2.
  - Click "Recalculate LC-2" button.
  - Click "Save LC2"
  - Click "District Approval" button.

- Clicking the "District Approval" button will submit the amended LC-2 to NDE.
  - This will lock the LC-2 online system in the Portal.
  - If you have clicked the "District Approval" button inadvertently, see contact information at the beginning of this document to request an unlock of the LC-2 online system.
  - Amendments to the budget must be submitted through the LC-2 as described above in "Upload Budget Documents."

Revised: September 2026

This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document. For comments regarding this document contact nde.guidance@nebraska.gov