



2017 NASBO SCHOOL FINANCE UPDATE

Bryce Wilson
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2017/18 TEEOSA RECAP

TEEOSA AID

2015/16 Certified	973.0 Million	4.3%
2016/17 Certified	979.3 Million	0.6%
2017/18 Model	1,046.9 Billion	6.9%
Appropriations Preliminary Report	1 Billion	2.1%

174
NON-EQUALIZED



71
EQUALIZED

LB119 - Senator Groene

- Moves certification from March 1st to June 1st for the current year
- Fit within budget & time to work out details
- Certification date returns to March 1st after 2017

Note: Percentages represent growth over prior year

2017 LEGISLATIVE SESSION

AM 955
LB 409

FISCAL IMPACT

Change vs Current Law Estimates	NDE FY2017-18	LFO FY2018-19
Under Current Law	\$1,046,943,592	\$1,102,315,575
Reduce Cost Growth Factor from 2.5% to 1.5%	\$ (21,452,050)	\$ (43,981,000)
Increase LER from \$1.00 to \$1.0203	\$ (19,799,987)	\$ (24,313,451)
Net Option Funding at 95.5% BS/FS	\$ (5,820,246)	\$ (6,000,000)
Transition Aid to Include 2017-18 CAP	\$ (1,129,546)	\$ -
Per LB 409 (AM 955)	\$ 998,741,763	\$1,028,021,124
Decrease in Aid per LB 409 (AM 955)	\$ (48,201,829)	\$ (74,294,451)

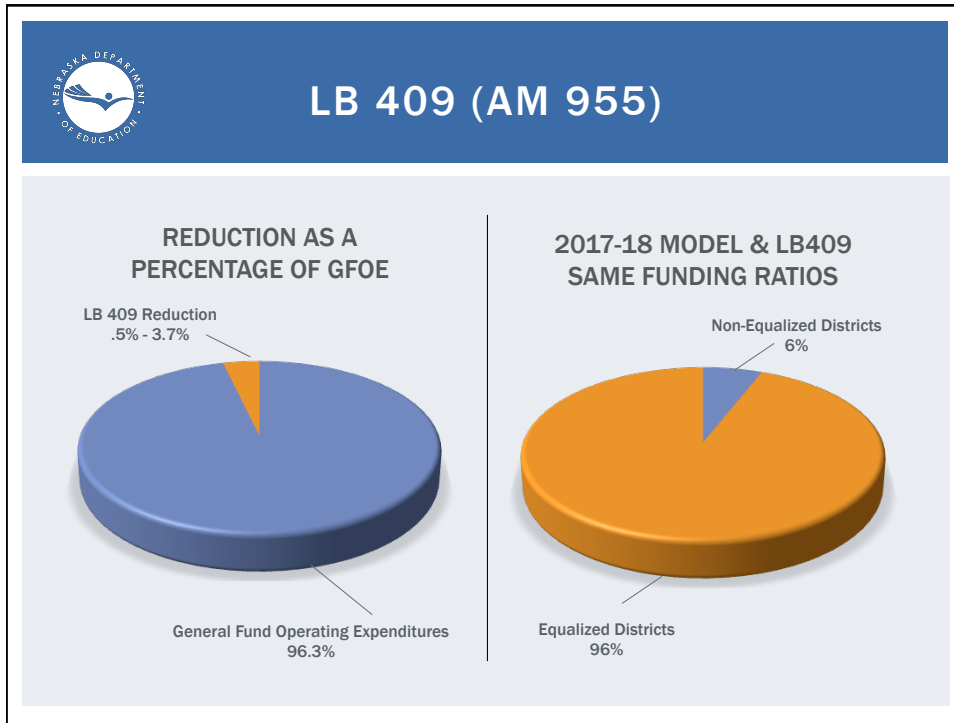
Note: FY2019-20 Cost Growth Factor 4%, \$25 Million Savings

2017 LEGISLATIVE SESSION

AM 955
LB 409

FISCAL IMPACT

Cost Growth Factor	FY2017-18	FY2018-19	FY2019-20	FY2020-21
Current Law				
Year of Aid	2.5%	2.5%	2.5%	2.5%
Year Before Aid	2.5%	2.5%	2.5%	2.5%
Total	5.0%	5.0%	5.0%	5.0%
Per LB 409 (AM 955)				
Year of Aid	1.5%	1.5%	2.5%	2.5%
Year Before Aid	2.5%	1.5%	1.5%	2.5%
Total	4.0%	3.0%	4.0%	5.0%



2017 LEGISLATIVE SESSION

LB409 (AM 955) Senator Groene

Certified Budget Authority

- 2017-18 and 2018-19
- Budget based calculation, 1.5% growth
- Formula needs calculation, reduced needs

Moving Forward

- Legislative schedule
- Possibilities

LB 640 (AM 992)

Property Tax Relief Aid

✓
✓
✓
✓
✓
✓
✓

Limits property tax taxes to not exceed 55% of district's revenue

State pays 75% of the amount over 55% threshold

District responsible for remaining 25% over 55% threshold

Access 25% over 55% threshold, need 2/3 majority vote

Lowers maximum levy limit from \$1.05 to \$0.987

Net option greater than 90% total revenue – relief correction

Funded by "Property Tax Credit Fund"

Would take effect 2018-19 (TY 2017)

Property tax relief aid exceeds funds available:
Districts reduced by reduction percentage

LB 640 CALCULATING THE AID

LB 640 PROPERTY TAX RELIEF AID

SOURCE: 2015-16 AFR OR Update Estimate for 2016-17 Receipts

AFR Account Code	Account Description	Example
01-1-10000-000	Grand Total of all receipts	\$ 100.00
01-1-01110-000	Local Property Taxes	\$ 10.00
01-1-01111-000	Local Property Taxes - LC Comm Levy	\$ 50.00
Amount of Property Tax over 55%		\$ 5.00
(Total Property Taxes - (Total Receipts * .55))		
Property Tax Relief Aid		\$ 3.75
(Property Tax over 55% * .75)		
2/3 Majority Vote to Access		\$ 1.25
(Property Tax over 55% * .25)		

Does Not Calculate LER or Option Reductions

Department of Education

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OTHER BILLS OF INTEREST



Revenue Committee Bill – LB 461

- Income Tax Cuts
- Valuation Method Change
LB 338
- Changes to the Bottom Two
Income Tax Brackets
- Ag Land Valuation Shift
from 75% to 65%


OTHER BILLS OF INTEREST



LB 512

- Eliminates Voluntary
Terminations as Levy and
Expenditure Exclusions
- Part time student
amendment?

ANNUAL FINANCIAL REPORT



AFR & User Manual

Available on FOS Webpage July 1

AFR Online System

New for 2016/17 Collection
Page View Display
Functionality for PY
Comparison
System Generated Alerts


UPDATED AFR UPLOAD SYSTEM

2016/17 AFR --- Depreciation Fund Screen

Account	Description	CY Amount	PY Amount	Difference	% Change	Alerts
02-1-01410-000	Interest	2,861.91	3,122.05	-260.14	-9.1%	
02-1-05500-000	Transfers From the General Fund Expensed from General Fund)	1,300,506.30	1,311,652.00	-11,145.70	-0.9%	
02-1-05610-000	Cash Balance from Dissolved/Merged Districts	0.00	0.00	0.00	0.0%	
02-1-05690-000	Other Non-Revenue Receipts	22,054.62	29,507.18	-7,452.56	-33.8%	⚠
02-1-05000-000	<i>Total Non-Revenue Receipts</i>	<i>1,325,422.83</i>	<i>1,344,281.23</i>	<i>-18,858.40</i>	<i>-1.4%</i>	
02-1-10000-000	GRAND TOTAL OF ALL RECEIPTS	1,325,422.83	1,344,281.23	-18,858.40	-1.4%	
02-2-02500-400	Supplies & Materials	789,347.10	573,789.35	215,557.75	27.3%	⚠
02-2-02500-420	Textbooks	450,222.00	557,707.60	-107,485.60	-23.9%	⚠
02-2-02500-425	E-Books	0.00	0.00	0.00	0.0%	
02-2-02500-500	Capital Outlay	270,512.36	280,025.00	-9,512.64	-3.5%	
02-2-02500-000	<i>Support Services - Business</i>	<i>1,510,081.46</i>	<i>1,411,521.95</i>	<i>98,559.51</i>	<i>6.5%</i>	
02-2-08000-755	Transfers To the General Fund	0.00	0.00	0.00	0.0%	
02-2-20500-000	TOTAL DISBURSEMENTS	1,510,081.46	1,411,521.95	98,559.51	6.5%	
02-0-COH -BEG	Depreciation Fund - Cash on Hand - Beginning Balance	1,774,939.05	1,690,280.42	84,658.63	4.8%	
02-0-COH -END	Depreciation Fund - Cash on Hand - Ending Balance	1,590,280.42	1,623,039.70	-32,759.28	-2.1%	

AFR CODE CHANGES FOR 2016/17

- ✓ **Receipt Code 3132**
 - Personal Property Tax Credit
 - Include Railroad Property Tax Credit
- ✓ **Disbursement Object Code 382**
 - Distance Education & Telecommunications
 - Only include cost for services
 - Does not include purchase of equipment or infrastructure costs to gain access to networks



ESSA FINANCIAL REPORTING



Major ESSA Requirement
➤ **Begin Collecting School Level Financial Data in 2018/19**

Updated Financial Codes Blending Nebraska Specific Function/Object Codes with Federal Function/Object Codes.

➤ **Releasing to Districts and ESUs in April**

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