


2016 Labor Relations


School Finance:
A Better Understanding

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Special Hearing and
Tax Request Resolution

- Must be filed with County Clerk on or before October 13
- List the tax dollars requested in each fund
- Property tax requests final on Nov 5th.




School Fund Review

- User's Manual – When you are unsure what fund to use check the user's manual.
- Building Projects (Cannot use General Fund)
 - Bond Proceeds
 - FEMA/NEBA receipts
 - Donations
- Cooperative Fund
 - Teacher
 - Facilities shared with City
- Making the funds work for your situation.
 - Example: Roof, Track


 **Qualified Capital Purpose Undertaking Fund**

- Maximum levy now 3¢ for projects approved after April 22, 2016
- Maximum levy for projects approved **prior** to that date is still 5.2¢
- Can exceed max levy if valuation less than when last levied and additional taxes are needed to meet principal & interest obligation
- Indoor Air quality no longer qualifies as a QCPUF project.

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 **Borrowing Funds**

- Issue promissory notes
 - Up to 70% of districts unexpended balance of anticipated receipts for the current and following year.
 - Must be repaid within 2 years.
- Loans from financial institutions.
 - Up to 70% of districts unexpended balance of current levy.
 - Must be repaid within 1 year.
- Lease Purchase
 - 7 year max repayment period.
 - May be paid from Special Building or General Fund
 - Levy to repay will be counted towards the \$1.05 max levy.

 **Annual Financial Report and Audit**

- Deadline for the Annual Financial Report submission is Nov 1.
- Deadline for audit submissions is Nov 7.
- New AFR upload system this year.
- Audits will have to be in PDF format and uploaded in AFR system.

Annual Financial Report and Audit

Step	Status	Link
AFR Upload	Complete	
Verifications	Complete	
Validations: Errors and Warnings	Complete	
LEP and Poverty Narrative	Complete	
District Approval of AFR	Complete	
Print AFR		Print AFR
Upload Audit	Not Uploaded	Upload Audit
NDE Review		


PDF Only

Annual Financial Report and Audit

- 2015/16 and 2016/17 AFRs and audits will be submitted through this AFR Online System
- 2017/18 AFR will be expanded to collect all object codes. By Feb 2017, expanded coding will be posted on NDE website. (released to school districts, ESUs, software companies.)
- Technical Advisory Group from schools/ESUs to provide input as we develop the expanded collection for 2017/18

District Audits


- Student membership/attendance must be audited by your independent auditors.
 - Template available for auditors.
- School District must have individual capable of overseeing financial statement preparation otherwise:
 - Must hire acct firm to prepare f/s that is different from the firm that audits the f/s.



Legislative Changes

Legislative Bill 958
Senator Floor at the request of the Governor

- Increases funds for Property Tax Credit Act
- Credit allocation will include agriculture land at 120% of taxable value
- Separate rate of credit for all non-agricultural land
- Appropriations:
 - 2016 \$204 Million
 - 2017 \$224 Million



Legislative Changes

Legislative Bill 959
Senator Sullivan at the request of the Governor


Averaging Adjustment <small>(Eliminated levy criteria, Maximum Rate)</small>	\$324,569
Minimum levy adjustment \$8,253,956 <small>(Eliminated)</small>	\$8,578,525
Total	\$8,578,525



2017 Legislation and Beyond


- Term Limits Turnover of 11*
 - Speaker – Galen Hadley
 - Appropriations Committee Chair – Heath Mello
 - Education Chair – Kate Sullivan
 - Health and Human Resources Chair – Kathy Campbell
 - Natural Resources Chair – Ken Schilz
 - Revenue Chair – Mike Gloor
 - Senator's Dave Bloomfield, Tanya Cook, Beau McCoy, Colby Coash and Ken Haar
- 13 Senators are up for re-election in 2016.

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 **State Revenue Receipts**

- Press release in June forecasts \$95 million below forecast
- Actual \$120 million below forecast since Sine Die.
- So what does this mean for schools?

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 **State Aid Projections & Impact on Aid**

Certified

2016/17	\$979.3 million	0.6% ↑
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Projected

2017/18	\$1.029 billion	5.1% ↑
2018/19	\$1.090 billion	5.9% ↑

 **T.E.O.S.S.A.**

Tax
Equity and
Educational
Opportunities
Support
Act

1990s statute that **defines** State Aid through LB 1059

Creates the **basic concept** for the present state aid formula

Equalization Aid – **largest component** of State Aid (important if an equalized district)

Known as T.E.E.O.S.A.

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Equalization Aid Formula

A cost-sharing formula that incorporate

Number of Students to Educate

Spending

Property Value

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Equalization Aid

Basic Concept....

= Needs minus Resources

...intended to make up some of the gap between needs and resources

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State Aid – TEEOSA Document

Questions on the components – **call and we can review**



Decodes the components of Equalization Aid

Resource for more detailed information

Available on NDE website

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

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 **State Aid Process** 


Calculated Twice Per Year

Recalculation or Respin - Second Calculation

- **WHEN** - Fall 2016 for 2016/17 Recalculation
- Update the formula with more complete data
- Suppose to be an open ended formula

Calculate while the State funds
....make the formula fit the budget

- Creates Prior Year Correction


 **2015/16 State Aid**
2014/15 Prior Year Correction

Minus
$$\frac{2016/17 \text{ Recalculated State Aid}}{2016/17 \text{ Certified State Aid}}$$

= Prior Year Correction
on **2017/18** Certification

Example
AFR can be amended
and captured in recalculation
....funding delayed for a year

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 **Look Ahead**

Recalculation of the 2016/17 State Aid

- Data collections closed June 30, 2016
- Amendments to the 2014/15 Annual Financial Report must be received by July 31, 2016
- Posted When Complete (last week in October 2016)

2017/18 State Aid Certification


- Data Collections opening Sept 1, 2016
- Due date is October 15th.
- Audit window closes on October 31st.
- Complete collections you must apply for to receive

 **Common Questions**


**I am a non-equalized district
....does state aid matter?**

Yes, even if you are a non-equalized district you may still receive:


- Net Option Funding
- Income Tax Rebate

 **SPED Program Funding**

- Three Sources of Funding
 - Federal IDEA Program
 - Does reimburse Below Age Five costs
 - 100% reimbursement rate
 - State School Age Program
 - Does not reimburse Below Age Five costs
 - 54.06% reimbursement rate for SY2014-15
 - Local Funds
 - Covers all remaining School Age and Below Age Five costs


 **Innovative Grants**

- School Districts and ESU's are eligible.
- Pre-Application and RFP on website this month.
- Best practices will be incorporated into the state aid calculation as allowances starting in 2021.

 **Twitter Feed**

bryce wilson @NDE_Finance

- School finance related reminders
- Upcoming school finance due dates
- Legislative updates



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 **NDE School Finance Team**

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