

# School Finance Update

## Legislation

- LB 522 - \$106 Million increase in TEEOSA
  - 50% of allowances become aid components
  - Creates student support aid
  - Apportionment funding added to TEEOSA and changed to formula students from census students
  - Eliminates the levy requirements for the Avg Adjustment
  - Eliminates the minimum levy adjustment
  - Changes Net Option funding so that student support aid and apportionment funding is taken into consideration.
  - LB 323?
- LB 431 – Increases the amount for construction projects to \$100,000 before requirement to advertise for bids.
- LB, 178, 293 and LB 350 reduce Ag land valuations.
- LB 280
  - Creates a school funding surtax of 19.4% (can be increased to 29.9%)
  - Lowers property tax max levies to \$.805
  - Reduces the LER to \$.75
  - Reduces ag values from 72% to 62.4%
  - Creates a foundation aid amount of \$500 per student
- LB 523 – Changes income tax rates and state intent related to public funding.
  - Increases the income tax rate to 5.8% for first \$100,000 and 8.12% on taxable income in excess of \$100,000.
  - Recognizes the need to replace property taxes if they are cut.
- LB 343
  - Provides funding for dual enrollment courses and career academies or programs of excellence.
    - Reimbursements available based on districts number of students who complete courses.
  - Provides funding for schools who send out distance education classes.
- LB 519 Lottery funds
  - Creates two new programs
    - Competitive Innovative Grants
    - Expanded Learning Opportunity Grants
  - Continues the excellence in teaching fund.

## Budget

- Budget growth is 2.5%
- Schools that completed final year of the Early Childhood Grant in 2014/15 can apply for a one year exclusion.
- Budget information should be available in June (Budget text is currently available).
- AFR and user's manual available in June.

## **Common Budgeting/LC2 mistakes**

- Failing to capture unused budget authority.
- Levies to pay back bonds should not be included on Sch C (Amts will likely need to be adjusted on Sch B).
- Beginning 13/14 balances should match 12/13 ending balances
  - Any differences between audited documents and prior year ending balances should be noted.
- No treasurer's balance on funds that had a tax the prior year.
- Enter valuation on cover page first.
- If you refinance your bonds you will most likely need to amend your budget.

## **Federal Programs**

- Single audit threshold increasing to \$750,000 (was \$500,000) for school year 2015-16.
- Maximizing IDEA and Below Age Five SPED Reimbursements.
  - Claim as much as possible through IDEA for Below Age Five.

## **Supt Transparency Forms**

- Forms available for posting contract on website
  - Returning Supt Form – Must be posted 3 days prior to Board Meeting
  - New Supt Form – Must be posted with 2 days after Board Meeting.
  - New Contracts uploaded in CDC before August 1<sup>st</sup>.

## **Other School Finance Information**

- Annual Financial Report Changes
- Transportation – special ed mileage should be included as part of regular route mileage on the pupil transportation report.
- Poverty and LEP reviews
- GASB 68