# 2019 Labor Relations

## School Finance: A Better Understanding

### TEEOSA FY2020-21 PROJECTIONS

<table>
<thead>
<tr>
<th>Key Assumptions / Factors</th>
<th>Certified FY2018-19</th>
<th>Certified FY2019-20</th>
<th>Estimated FY2020-21</th>
<th>Estimated FY2021-22</th>
<th>Estimated FY2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Enrollments</td>
<td>3.80%</td>
<td>4.22%</td>
<td>2.53%</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Net Fund Operating Expenses</td>
<td>3.00%</td>
<td>4.52%</td>
<td>2.53%</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Property Valuations (assessed)</td>
<td>2.08%</td>
<td>1.60%</td>
<td>1.26%</td>
<td>1.11%</td>
<td>1.04%</td>
</tr>
<tr>
<td>Cost Growth Factor</td>
<td>3.00%</td>
<td>6.00%</td>
<td>5.00%</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Local Effort Rate</td>
<td>$1,020.00</td>
<td>$1,020.00</td>
<td>$1,020.00</td>
<td>$1,020.00</td>
<td>$1,020.00</td>
</tr>
</tbody>
</table>

**TEEOSA State Aid**

- **State General Funds**: 974,067,875
- **Insurance Premium Tax (w/o deduct)**: 26,093,163
- **Lottery funds, reg incentives**: 495,222

**Total TEEOSA Aid**: 1,000,141,167

**General Funds - Change of Prior Year**

- **Dollar**: 4,456,000
- **Percent**: 0.00%

**Two Yr, Avg % Change**: 1.27%

**All Funds - Change of Prior Year**

- **Dollar**: 1,672,400
- **Percent**: 0.00%

**Two Yr, Avg % Change**: 1.10%

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### KEY GROWTH ELEMENTS

- **October 2018 Est. Valuations**
- **Cost Growth Factor**
- **Local Effort Rate**
- **Net Option Funding**

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### 2019 LEGISLATIVE SESSION SINE DIE
GENERAL FUND REVENUES

FY2018-19 ACTUAL RECEIPTS
$131.4 million above forecast used at Sine Die
Two year adjusted growth of 6.6%

Budget Authority

• 2019/20 was 2.0%.
• Scheduled to return to 2.5% for 2020/21.
• Will depend on TEEOSA as well as other factors.
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.

Upload Budget to NDE

- Budgets mailed or email will not be accepted
- Upload feature appears after submitting LC-2 by clicking “District Approval”
- Email sent confirming NDE received Budget docs
Budget Hearings

Required Hearings
- Adopt Budget
- Set Tax Request
- Amend Budget

Open Hearing
Provide Hearing Info
Close Hearing
Take Board Vote during Meeting

Publish Notice four days before hearing

School Fund Review

- Accounting Structure/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/NEMA receipts
  - Donations
- Cooperative Fund
  - Teacher
  - Facilities shared with City
- Making the funds work for your situation.
  - Example: Roof, Track
School Fund Review

- Funds moved into the Depreciation/Employee Benefit fund.
  - No transfer object code out of General fund.
  - Must be expensed out of General fund.
  - Function and object code should match the intended use.
    - Board can change the use with a vote.

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

2018/19 AFR & User Manual
- Available on FOS Webpage
- Final Master Code List for 2018/19 (updated from Sept 2018)

AFR Online System
No longer requires the Poverty and LEP Narratives or allocation question

**Due Date Nov 1st**

Resources to Review

- Review documents on 2018/19 Financial Coding Information Page on FOS Webpage:
  - Frequently Asked Questions (FAQ)
    2018/19 Financial Reporting (ESSA) Online FAQ
    https://www.education.ne.gov/fos/financial-reporting-faq/
  - 2016/17 Accounts Cross-Walked to 2018/19 Account Codes
  - Test file
    - https://afreven.education.ne.gov/uploadaffile_Test
Allocating District Expenses

School level allocations
- Districts determines amount for each school
  - Account reported with school number (12-0125-003)
  - More accurate information
- NDE automatically allocates by ADM if reported with district number (12-0125-000)
  - Districts can change NDE allocations if not appropriate

District Audits

- Based on district level transactions
  - Need some testing on expense allocations
- Supplemental Schedule in specific format and order:
  - Functions
  - Fund Totals
  - Fund Beginning & Ending Balances

Verify financial info matches district audit when uploaded into NDE Financial Data Reporting System
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.

Equalization Aid Formula

A cost-sharing formula that incorporate:

- Number of Students to Educate
- Spending
- Property Value
Equalization Aid

Basic Concept....

\[ \text{Needs} \text{ minus } \text{Resources} \]

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

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’s website

Calculated Twice Per Year

Recalculation or Respin - Second Calculation

- **WHEN** - Fall 2019 for 2019/20 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

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2020/21 State Aid
2019/20 Prior Year Correction

\[
\text{2019/20 Recalculated State Aid} - \text{2019/20 Certified State Aid} = \text{Prior Year Correction on 2020/21 Certification}
\]

**Example**
AFR can be amended and captured in recalculation

.....**funding delayed for a year**
Upcoming Dates and Information

Recalculation of 2019/20 TEEOSA
• Posted When Complete (last week in October or first week in November)

2020/21 State Aid Certification
• Data Collections opened Sept 1, 2019
• Due date is October 15th.
• Audit window closes on October 31st.
• Complete collections you must apply for to receive

Membership Reporting
• K – 12 & Pre-K fall school district membership - reported at October 1
• ADVISER timeline

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
    • 50% reimbursement rate for SY2017-18
  – Local Funds
    • Covers all remaining School Age and Below Age Five costs
**Online Exempt School System**

- Parents of Rule 13 exempt students can register online or by paper forms.
- School districts will be able to check enrollment status thru the NDE portal.
  - Started/Working – no filing – school can contact parents
  - Submitted/pending review – wait
  - Submitted/under review – wait
  - Exempt Date – Filing complete
  - Filing Incomplete – School will be notified and follow up is necessary

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**PUPIL TRANSPORTATION CHANGES**

**Rule 91 Changes**
- Physicals will now be required every two years (previously they were required annually).
- Revised definition of “Motor Coach.”
- Pre-trip inspection required for all vehicles must be completed for each trip.
- Children up to age 8 must be seated in federally approved child passenger restraint system.
- Pupil Transportation Plan must address functional capacity of driver.
- 2 Hr. Annual In-Service Training Requirement

**Rule 92 Changes**
- Revised definition of “Motor Coach.”
- 80 day inspection criteria changed to match NSTSP standards.
- No longer allow the use of re-capped tires.
- Many other changes to match federal guidance.
Twitter Feed

bryce wilson @NDE_Finance

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

Website Addresses

Nebraska Department of Education
http://www.education.ne.gov

Finance & Organizational Services
http://www.education.ne.gov/FOS

NDE Payment Information
https://www.education.ne.gov/FOS/PaymentInformation/index.html
### School Finance Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Email</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Bryce Wilson</td>
<td><a href="mailto:bryce.wilson@nebraska.gov">bryce.wilson@nebraska.gov</a></td>
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<td>402-471-2248</td>
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<td>Michelle Cartwright</td>
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<td>402-471-0526</td>
</tr>
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