

School Finance Update

State Aid

Certification Information

- LB 725 with AM 1683 is \$933 million (\$899.9 million under current statute).
- Lowers Local Effort Rate (LER) to \$1.00 from \$1.03.
- Changed how we calculate the Student Growth Adjustment and Student Growth Adjustment Correction.

Changes from prior year

- Retirement Aid sunsets and is not part of the 2014/15 certification.
- Summer School Allowance comparison to actual summer school expenses.
 - Receive the lesser of calculated amount or actual expenses.
 - Adding object codes for early retirement, voluntary terminations, purchased services and capital outlay to Function Code 6000 in the 2013/14 AFR.
- LB 967
 - Allocates \$1 million for 2014/15 and an additional \$1 million for the 2015/16 school year for district re-organization.
 - Eliminates the Teacher Education Allowance and Instructional Time Allowance over a 2 year period.
- LB 1103 Interim Study – Education Committee is to create a statewide vision for education in Nebraska that includes aspirational goals, visionary objectives, meaningful priorities, and practical strategies.

Budget

- Budget growth is back to 2.5% (1.5% last year)
- Schools that completed final year of the Early Childhood Grant in 2013/14 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 July 1st.

Transportation

- Special Education mileage should be included as part of regular route mileage on the pupil transportation report.

Indirect Cost Rates

- Big changes from prior year due to Fed change to calculation.
- Increase will last two years before it returns to a more normal range.

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.

LEP (Limited English Proficiency) & Poverty Plans

- The allowance should not be used to fund administrative and capital outlay expenditures.
- In addition to salary and benefit costs, other allowable costs may include professional development and related travel costs, student transportation, parent involvement activity costs, contracted services, classroom supplies, instructional materials and preschool costs.
- Expenditures allocated to these plans must be for additional costs incurred by the district to serve the needs of LEP students and students from low-income families. As a reminder, these same expenditures must not be claimed under other state aid allowances (i.e. summer school, transportation), Title I, Title III or other federal/state grants.
- In accordance with the NDE User's Manual, accounting records should reflect LEP expenditures under function code 1150, and Poverty expenditures under function code 1160.
- Rule 15 requires school districts with an LEP program to conduct an annual review of their program and submit a written report of this review to the district's superintendent. This report must be kept on file, available to the public upon request, and retained in accordance with the district's records retention schedule.

Other School Finance Information

- Superintendent Transparency Act.