



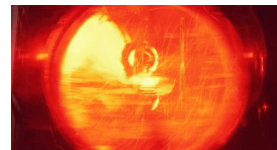
2018 Labor Relations

School Finance: A Better Understanding


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Budget Caution






- **2017/18 Budget**
- General Fund Worksheet
- 1200's included all SPED expenditures
- **2018/19 Budget**
- SPED expenditures are included in the 2100's (OT,PT, Speech, etc.)
- Move SPED expenditures in the 2100's to the 1200's on the **General Fund Worksheet** or Budget Adopted and LC-2 will be incorrect.
- No change to the coding.



Budget Authority

- 2017/18 and 2018/19 was 1.5%.
- Scheduled to return to 2.5% for 2019/20.
- 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.

Schedule B – Levy Compliance

NOTE: The Schedule portion below is to determine if the School District has met the levy limitations.

Line No.		General Fund (Column A)	Bond Funds (Column B)	Special Building Funds (Column C)	Qualified Capital Purpose Undertaking Funds (Column D)
1	Total Personal and Real Property Taxes -Cover Page	7,020,201.95	904,040.40	228,030.30	75,757.58
2	Exclusions:				
3	Bonded indebtedness secured by a levy on property	-	900,000.00		75,000.00
4	Judgments not paid by liability insurance	-			
5	Voluntary termination agreements with certificated staff / employees occurring prior to 9/1/17	480,600.00			
6	Voluntary termination agreements with certificated Teachers 9/1/17 and after	-			
7	Voluntary termination agreements from collective bargaining agreement with certificated employees 9/1/17 to 8/31/18 up to 75%	-			
8					
9					
10					
11					
12	Total Exclusions (Line 3 + Line 11)	480,600.00	900,000.00	-	75,000.00
13	Total Personal and Real Property Tax Requirement Subject to the Levy Limitation (Line 1 minus Line 12)	6,539,601.95	4,040.40	228,030.30	757.58
14	Assessed Valuation	645,000,000	645,000,000	645,000,000	645,000,000
15	Levy Subject to Limitation ((Line 13 / Line 14) x 100)	1.013892	0.000626	0.035354	0.000117
16	Total Levy for Compliance	1.049989			

Schedule B – Levy Setting			
			
Fund	Property Taxes	Valuation	Expected Levy
General Fund	\$ 7,020,201.95	\$ 645,000,000	1.088403
Special Building Fund	\$ 228,030.30	\$ 645,000,000	0.035354
Bond Fund	\$ 904,040.40	\$ 645,000,000	0.140161
Bond Fund	\$ -	\$ 645,000,000	0
Bond Fund	\$ -	\$ 645,000,000	0
QCPUF Fund	\$ 75,757.58	\$ 645,000,000	0.011745
QCPUF Fund	\$ -	\$ 645,000,000	0
		\$ 645,000,000	0
	\$ -	\$ 645,000,000	0
	\$ -	\$ 645,000,000	0
Total	\$ 8,228,030.23		\$ 1.275663

NEBRASKA DEPARTMENT OF EDUCATION
SCHOOL FINANCE & ORGANIZATION SERVICES

SCHOOL DISTRICT BUDGET FORM LC-2
2017/18

NDE 03-056
Revised 6/2017

District Number: 94-0010
District Name: Marley Public Schools
Class: 3

Your 2017/18 Budget Form LC-2 has been submitted and you should receive an email confirmation shortly.

Please load your budget documents here

Choose File No file chosen

PDF ONLY - 20MB limit
Mailed or emailed budgets will not be accepted by NDE.

You have loaded the following Budget Documents:
No Budget Documents loaded

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

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



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



2017/18 AFR & User Manual

Available on FOS Webpage

AFR Online System

No longer requires the Poverty and LEP Narratives

****Due Date Nov 1st****

Audit Deadline

Deadline for Audit Submission is Nov 5.



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.

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ESSA Resources to Review

- Review documents on 2018/19 Financial Coding Information Page on FOS Webpage:
 - Frequently Asked Questions (FAQ)
 - ESSA Function & Object Code Descriptions
 - 2016/17 Accounts Cross-Walked to 2018/19 Account Codes
 - 2018-19 ESSA Coding Structure



Allocating District Expenditures

- Majority of expenditures must be allocated to the school level
 - ✓ Allocating salaries and benefits approximately 75% of total expenditures
- Examples of expenditures allocated to district level
 - ✓ Pupil Transportation
 - ✓ Office of Superintendent
 - ✓ School Nutrition Program





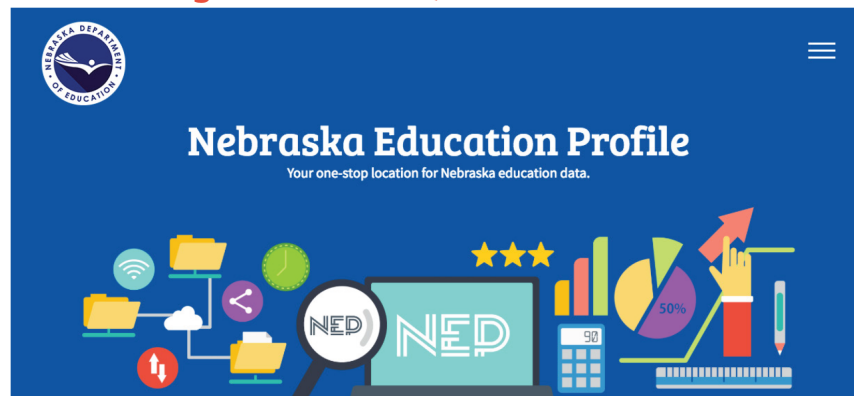
Reminders

- District coding must match coding on the "1819ESSA AFR Master List."
- Codes used that do not appear on this list will not be recognized by NDE Financial Data System. Error message will be generated.
- Upload codes through ESSA File Upload Testing Website to confirm codes are correct.




ESSA Requirements

Coming December 21, 2018!



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TEEOSA

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)

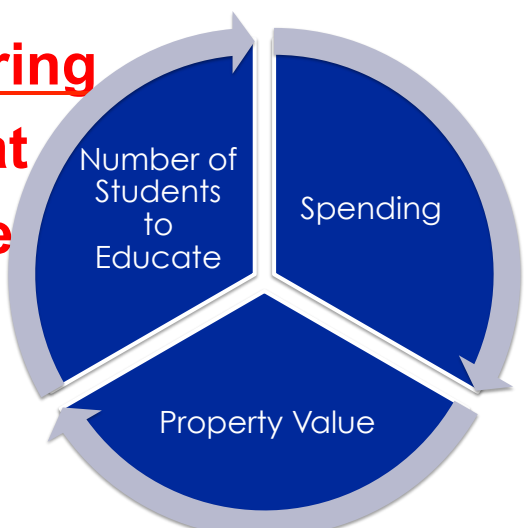
Known as T.E.E.O.S.A.

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Equalization Aid Formula

A cost-sharing
formula that
incorporate



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Equalization Aid

Basic Concept....

$$= \text{Needs} \text{ minus } \text{Resources}$$

...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**

Nebraska Department of Education
School Finance & Organization Services

**Tax Equity and Educational Opportunities Support Act
Certification of 2014/15
State Aid**

This Document Contains:

- Part I.
Data Sources for the 2014/15 State Aid Calculations
- Part II.
2014/15 Concept Summary
- Part III.
Questions and Answers Related to the 2014/15 State Aid Calculation

April 2014


Decodes the components of Equalization Aid

Resource for more detailed information


Available on NDE's website

https://cdn.education.ne.gov/wp-content/uploads/2018/02/1819SA_TEEOSADocument.pdf

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State Aid Process



Calculated Twice Per Year


Recalculation or Respin - Second Calculation

- WHEN** - Fall 2018 for 2018/19 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



2019/20 State Aid 2018/19 Prior Year Correction

Minus 2018/19 Recalculated State Aid

2018/19 Certified State Aid

= Prior Year Correction


on **2019/20** Certification

Example

AFR can be amended
and captured in recalculation

....funding delayed for a year

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TEEOSA FY2019-20 PROJECTIONS

	Actual FY2016-17	Actual FY2017-18	Current Law FY2018-19	Estimated FY2019-20	Estimated FY2020-21
Key Assumptions					
School Disbursements	3.8%	3.3%	3.4%	3.5%	4.0%
Gen Fund Operating Expenditures (GFOE)	3.9%	3.7%	3.1%	3.5%	4.0%
Property Valuations (assessed)	10.4%	4.6%	2.9%	1.9%	3.5%
Cost Growth Factor	5.00%	4.00%	3.00%	4.00%	5.00%
Local Effort Rate	\$1.0000	\$1.0203	\$1.0203	\$1.0000	\$1.0000
TEEOSA Total by Fund Source					
General Funds	952,153,580	970,011,577	974,507,975	1,045,362,595	1,124,413,259
Insurance Premium Tax	27,159,388	28,256,832	25,000,000	24,700,000	25,200,000
Lottery funds, reorg incentives	0	473,345	906,222	0	0
Total TEEOSA state aid	979,312,968	998,741,754	1,000,414,197	1,070,062,595	1,149,613,259
General Funds - Change over Prior Year					
Dollar	5,613,919	17,857,997	4,496,398	70,854,621	79,050,664
Percent	0.6%	1.9%	0.5%	7.3%	7.6%
Two Yr Avg % Change	2.2%		1.2%		7.4%
All Funds - Change over Prior Year					
Dollar	6,276,343	19,428,786	1,672,444	69,648,398	79,550,664
Percent	0.6%	2.0%	0.2%	7.0%	7.4%
Two Yr Avg % Change	2.5%		1.1%		7.2%

KEY GROWTH ELEMENTS

October 2017 Est. Valuations


Sunset of LB409 (2017):

Cost Growth Factor

2018 LEGISLATIVE SESSION

SINE DIE

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TEEOSA SCHOOL FUNDING LEGISLATIVE STUDY GROUP


- ADDRESS
- Property tax relief
- Stable/equitable funding for public schools

- SENATORS
- Groene Brewer Briese Friesen
- Giest Hilgers Lindstrom Linehan
- Scheer Wayne

- OVER RELIANCE ON PROPERTY TAXES FACTORS
- Rapidly increasing property valuations
- Changes to formula when revenues fell

- MEETINGS
- Learn about history and the current formula

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TEEOSA SCHOOL FUNDING LEGISLATIVE STUDY GROUP


- TOPICS OF DISCUSSION
 1. What is the interplay within TEEOSA between budget authority and actual spending reported in a district's Annual Financial Report (AFR) created under 79-2123?
 2. What factors play into the ability of some school districts (LPS or Kearney) to have additional tax dollars to afford higher pay scales, grow reserves and offer more services than an OPS, North Platte or Fremont?
 3. Explain the three mechanisms available to school districts to grow their budget, which includes the 2.5% annual increase option allowed under 79-1023. What are the factors that a school must meet to utilize a different "Budget Growth" measurement other than the traditional 2.5% (i.e. the 110% exception)
 4. What is the historical growth rate in overall funding (all revenues including TEEOSA state aid, Special education, property taxes etc.) for public schools?
 5. Explain how Allowances come into play with equalization aid and LERs. Can we put a number on the amount of allowances that are covered by local property taxes through the LER and how much is covered by equalization aid?
 6. Does the allowable 5 cent additional max levy increase play any part in the growth of spending limits? Does it show up in their AFR and then incorporated into TEEOSA needs?

GOAL

Drafting a bill by December 1

- Provides property tax relief
- Adequately funding the state's public schools

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Upcoming Dates and Information

Recalculation of 2018/19 TEEOSA

- Amendments to the 2017/18 Annual Financial Report must be received by **July 31, 2018**
- Posted When Complete (last week in October or first week in November)

2019/20 State Aid Certification

- Data Collections opening Sept 1, 2018
- Due date is October 15th.
- Audit window closes on October 31st.
- Complete collections you must apply for to receive

Membership Reporting (LB 1081 Enacted)

- Last Friday in September fall membership reporting - changed
- 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
 - 50.6% reimbursement rate for SY2016-17
 - Local Funds
 - Covers all remaining School Age and Below Age Five costs




Online Exempt School System



- Rule 13 Exempt students can register online.
- School districts can check enrollment status online.
 - Started/Working – contact/ maybe
 - Submitted/pending review – wait
 - Submitted/under review – wait
 - Exempt Date – Filing complete
 - Filing Incomplete – School will be notified and follow up is appropriate


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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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