

DATE:

TO: ESU #1 Board of Directors

FROM: Bill Heimann, Administrator

RE: Tuesday, September 14, 2021 Board Meeting

There will be a meeting of the ESU #1 Board of Directors, on Tuesday, September 14, 2021, at 5:15 PM in the

ESU #1 Conference Room
211 Tenth Street
Wakefield, NE 68784-5014

Consideration, discussion and any action necessary will be taken on the following items.

- A. ESU1 2021-22 Budget Hearing
- B. Adjournment

This agenda contains a list of subjects known at the time of its distribution on . A copy of the agenda reflecting any changes will be kept in the ESU #1 Administrative office and will be readily available for public inspection during normal office hours. Except for items of emergency nature, the agenda will not be enlarged later than twenty-four hours before the scheduled commencement of the meeting. The Board reserves the right to change the order of business discussed.

*Action Items

ESU # One

NOTICE OF BUDGET HEARING AND BUDGET SUMMARY

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Sections 13-501 to 13-513, that the governing body will meet on the 14th day of September 2021, at 5:15 o'clock P.M., at Central Office, Wakefield NE for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following proposed budget. The budget detail is available at the office of the Clerk during regular business hours.

Lisa A. Salmon

	Clerk/Secretary
2019-2020 Actual Disbursements & Transfers	\$ 10,544,686.00
2020-2021 Actual/Estimated Disbursements & Transfers	\$ 12,365,000.00
2021-2022 Proposed Budget of Disbursements & Transfers	\$ 14,984,800.00
2021-2022 Necessary Cash Reserve	\$ 2,750,000.00
2021-2022 Total Resources Available	\$ 17,734,800.00
Total 2021-2022 Personal & Real Property Tax Requirement	\$ 1,676,831.29
Unused Budget Authority Created For Next Year	\$ 346,081.44

Breakdown of Property Tax:

Personal and Real Property Tax Required for Non-Bond Purposes	\$ 1,676,831.29
Personal and Real Property Tax Required for Bonds	\$ -

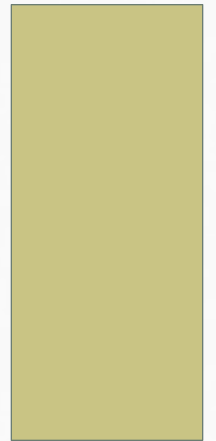
NOTICE OF SPECIAL HEARING TO SET FINAL TAX REQUEST

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Section 77-1601.02, that the governing body will meet on the 14th day of September 2021, at following Budget Hearing o'clock P.M., at Central Office, Wakefield NE for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to setting the final tax request.

	2020	2021	Change
Operating Budget	14,061,985.00	14,984,800.00	7%
Property Tax Request	\$ 1,649,384.54	\$ 1,676,831.29	2%
Valuation	10,995,897,967	11,178,873,399	2%
Tax Rate	0.015000	0.015000	0%
Tax Rate if Prior Tax Request was at Current Valuation	0.014754		

ESU #1 BUDGET

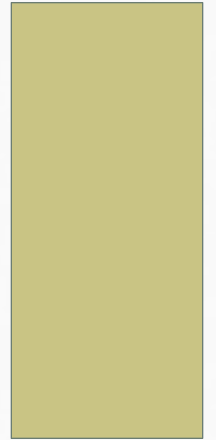
OVERVIEW FOR 2021-22



BUDGET PROCESS

- Fiscal Year is September 1 to August 31
- County Assessor provides property valuation by August 20.
- Publish notice of budget hearing in newspaper
- Tuesday, Sept. 14 budget hearing and property tax request hearing at 5:15 P.M.
- Hearings are mandated by state statute.
- The ESU #1 Board will be asked to approve the 2021-2022 budget and tax asking during the September 14 regular meeting.
- Budget must be adopted and submitted to the state by September 20.

HISTORICAL INFORMATION AND PROPOSED BUDGET



HOW ARE ESU'S FUNDED?

- Contracted Services, Trainings, etc. (Schools)
- Grants (State or Federal)
- Core Service Dollars (State)
- Property Taxes (Local)
- Core Service dollars from the state are distributed amongst ESU's based on a formula
- What are Core Services and how are they funded?

NEBRASKA DEPARTMENT OF EDUCATION

RULE 84 (SECTION 8) CORE SERVICES

- TITLE 92 CHAPTER 84 008 Core Services
- 008.01 Provision of Core Services. Core services shall be provided by the ESU to all member school districts.
- Core services shall be defined by each ESU as follows:
- 008.01A Core services **shall be** within the following service areas in order of priority: **Staff development, which shall include staff development related to improving the achievement of all students including the achievement of students in poverty and students with diverse backgrounds; technology, including distance education services; and instructional materials services;**
- 008.01B Core services shall improve teaching and student learning by focusing on enhancing school improvement efforts, meeting statewide requirements including but not limited to accountability requirements, and achieving statewide goals in the state's system of elementary and secondary education;

CORE SERVICES CONTINUED

- 008.01C Core services shall provide schools with access to services that:
- 008.01C1 the ESU and its **member school districts have identified as necessary services;**
- 008.01C2 are difficult, if not impossible, for most individual school districts to effectively and efficiently provide with their own personnel and financial resources;
- 008.01C3 can be efficiently provided by each ESU to its member school districts; and
- 008.01C4 can be adequately funded to ensure that the service is provided equitably to the state's public school districts;
- 008.01D Core services shall be designed so that the effectiveness and efficiency of the service can be evaluated on a statewide basis; and
- 008.01E Core services shall be provided by the ESU in a manner that minimizes the costs of administration or service delivery to member school districts.

ESU1 CORE SERVICE HISTORY

Fiscal Year	Core Service Dollars	Change from previous year	Percent Change - previous year
2014-15	\$429,196	(\$98,858)	- 18.72%
2015-16	\$293,456	(\$135,740)	- 31.63%
2016-17	\$269,235	(\$24,221)	- 8.25%
2017-18	\$263,129	(\$6,106)	- 2.27%
2018-19	\$214,494	(\$48,635)	- 18.48%
2019-20	\$249,980	\$35,486	16.54%
2020-21	\$354,492	\$104,512	41.81%
2021-22	\$366,018	\$11,526	3.25%

ESU1 PROPERTY VALUATION

Fiscal Year	Assessed Property Valuation	Change in Assessed Value – previous year	Percentage Change – previous year
2014-15	\$ 9,594,797,241	\$1,601,240,867	20.03%
2015-16	\$10,772,289,649	\$1,177,492,408	12.27%
2016-17	\$11,061,341,203	\$289,051,554	2.68%
2017-18	\$11,014,039,192	(\$47,302,011)	- 0.428%
2018-19	\$10,941,458,190	(\$72,581,002)	- 0.659%
2019-20	\$10,964,304,225	\$22,846,035	0.209%
2020-21	\$10,995,897,967	\$31,593,742	0.288%
2021-22	\$11,178,873,399	\$182,975,432	1.664%

ESU1 PROPERTY TAX REQUEST HISTORY

Fiscal Year	Property Tax Request	Change – previous year	Percent Change – previous year
2014-15	\$1,439,220	\$240,187	20.03%
2015-16	\$1,615,843	\$176,623	12.27%
2016-17	\$1,659,201	\$43,358	2.68%
2017-18	\$1,652,105	(\$7,096)	- 0.428%
2018-19	\$1,641,218	(\$10,887)	- 0.659%
2019-20	\$1,644,645	\$3,427	0.209%
2020-21	\$1,649,385	\$4,740	0.288%
2021-22 Proposed	\$1,676,831	\$27,446	1.664%

ESU1 PROPERTY TAX & CORE SERVICE DOLLARS HISTORY

Fiscal Year	Core Service Dollars	Property Tax Request	Total Core Service & Prop Tax	Dollar Change	Percent Change
2014-15	\$429,196	\$1,439,220	\$1,868,416	\$141,329	8.12%
2015-16	\$293,456	\$1,615,843	\$1,909,299	\$40,833	2.19%
2016-17	\$269,235	\$1,659,201	\$1,928,436	\$19,137	1.00%
2017-18	\$263,129	\$1,652,105	\$1,915,234	(\$13,202)	- 0.68%
2018-19	\$214,494	\$1,641,218	\$1,855,712	(\$59,522)	- 3.11%
2019-20	\$249,980	\$1,644,645	\$1,894,625	\$38,913	2.10%
2020-21	\$354,492	\$1,649,385	\$2,003,877	\$109,252	5.77%
2021-22	\$366,018	\$1,676,831	\$2,042,849	\$38,972	1.94%

BUDGET OF EXPENDITURES COMPARISON

General Fund Expense	2021-22	2020-21
Special Education	\$8,661,490	8,458,910
General Fund	\$1,481,860	\$1,320,525
General Fund School Support	\$750,900	\$737,075
Contracted Services (other)	\$177,125	\$219,275
Core Service/Infrastructure	\$1,442,175	\$1,331,200
State/Federal/Local	\$2,471,250	\$1,995,000
Cash Reserve	\$2,750,000	\$2,500,000
Total	\$17,734,800	\$16,561,985

EXPENDITURE BUDGET SUMMARY

- Budget of Expenditures

- A budget is an estimate and identifies maximum expenditure limit
- Special Education
 - Personnel provide required services ages birth to age 21 services to all 23 districts
 - Increase: Employee compensation, School Psychology (1 FTE)
- General Fund
 - Board, Administration, Business Office, Operation and Maintenance
 - Increase for Employee compensation, additional position Business Office, window replacement, concrete replacement (Tower & Central), tech server upgrades
- School Support - approved in the spring by Superintendents, ESU1 Board
- Contracted Services (other): LAN manager, school nurse
- Core Services/Infrastructure: Media, Staff Development, Technology Infrastructure, Technology Training, budget increase for additional tech staff
- Federal, State, Local Grants: Migrant, ELC, Perkins
 - Increase for NDE MTSS; anticipated grant Mental Health and Native American support
- Cash Reserve is budgeted amount that will not expend

EXPENDITURE BUDGET SUMMARY

- Special Education and Contract Services
 - Estimated expenditures equals **59%** of budget
- Core Services/Property Tax/General Fund
 - Estimated expenditures equals **26%** of budget
- Grants Funds
 - Estimated expenditures equals **15%** of budget
- Cash Reserve is budgeted amount that will not expend

BUDGET OF REVENUE COMPARISON

General Fund Expense	2021-22	2020-21
General Fund Carryover	\$5,000,000	\$4,750,000
SPED Contracts	\$7,849,000	\$7,648,600
Local Tuition	\$162,000	\$194,000
Local Other & Fiscal Agent	\$422,250	\$332,500
Interest	\$30,828	\$65,639
State: Other	\$425,000	\$125,000
State: Core Serv/Infra	\$366,018	\$354,492
State: Pro-Rate Motor Vehicle, Name Plate Capacity	\$7,500	\$6,700
Federal Funds	\$1,811,750	\$1,452,000
Property Tax	\$1,660,229	\$1,633,054
Total:	\$17,734,800	\$16,561,985

REVENUE BUDGET SUMMARY

- General Fund Revenue
 - Beginning Balance is estimated funds from previous year
 - Strong cash position necessary because ESU1 expends Grants and Special Education funds first, receives reimbursement months afterwards
- Special Education and Contract Service
 - Revenue offsets expenditures – billed quarterly
- Local, State, Federal Resources
 - Property Tax, Core Service Funds combined 1.94% increase
 - Less than 10% of budgeted revenue are local property taxes
 - State and Federal Grants provide reimbursement for allowable expenditures