

DATE:

TO: ESU #1 Board of Directors

FROM: Bill Heimann, Administrator

RE: Tuesday, September 13, 2022 Board Meeting

There will be a meeting of the ESU #1 Board of Directors, on Tuesday, September 13, 2022, 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 2022-23 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 13th day of September 2022, 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.

2020-2021 Actual Disbursements & Transfers	\$ 10,674,038.00
2021-2022 Actual/Estimated Disbursements & Transfers	\$ 15,004,935.00
2022-2023 Proposed Budget of Disbursements & Transfers	\$ 16,535,235.00
2022-2023 Necessary Cash Reserve	\$ 2,750,000.00
2022-2023 Total Resources Available	\$ 19,285,235.00
Total 2022-2023 Personal & Real Property Tax Requirement	\$ 1,784,637.68
Unused Budget Authority Created For Next Year	\$ 849,659.00

Breakdown of Property Tax:

Personal and Real Property Tax Required for Non-Bond Purposes	\$ 1,784,637.68
Personal and Real Property Tax Required for Bonds	\$ -

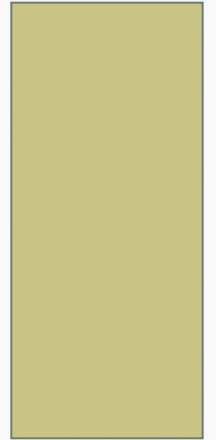
NOTICE OF SPECIAL HEARING TO SET FINAL TAX REQUEST

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Section 77-1632, that the governing body will meet on the 13th day of September 2022, 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.

	2021	2022	Change
Operating Budget	14,984,800.00	16,535,235.00	10%
Property Tax Request	\$ 1,676,831.29	\$ 1,784,637.68	6%
Valuation	11,178,873,399	11,897,584,944	6%
Tax Rate	0.015000	0.015000	0%
Tax Rate if Prior Tax Request was at Current Valuation	0.014094		

ESU #1 BUDGET

OVERVIEW FOR 2022-23



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. 13 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 2022-2023 budget and tax asking during the September 13 regular meeting.
- Budget must be adopted and submitted to the state by September 30.

HISTORICAL INFORMATION AND
PROPOSED BUDGET



HOW ARE ESU'S FUNDED?

- Contracted Services, Trainings, etc. (Schools)
- Grants (State or Federal)
- Core Service Dollars (State)
- State distributes amongst ESU's based on a formula
- Property Taxes (Local)
 - Statutory maximum levy is \$0.015
- What are Core Services and how are they funded?

NEBRASKA DEPARTMENT OF EDUCATION

RULE 84 (SECTION 8) CORE SERVICES

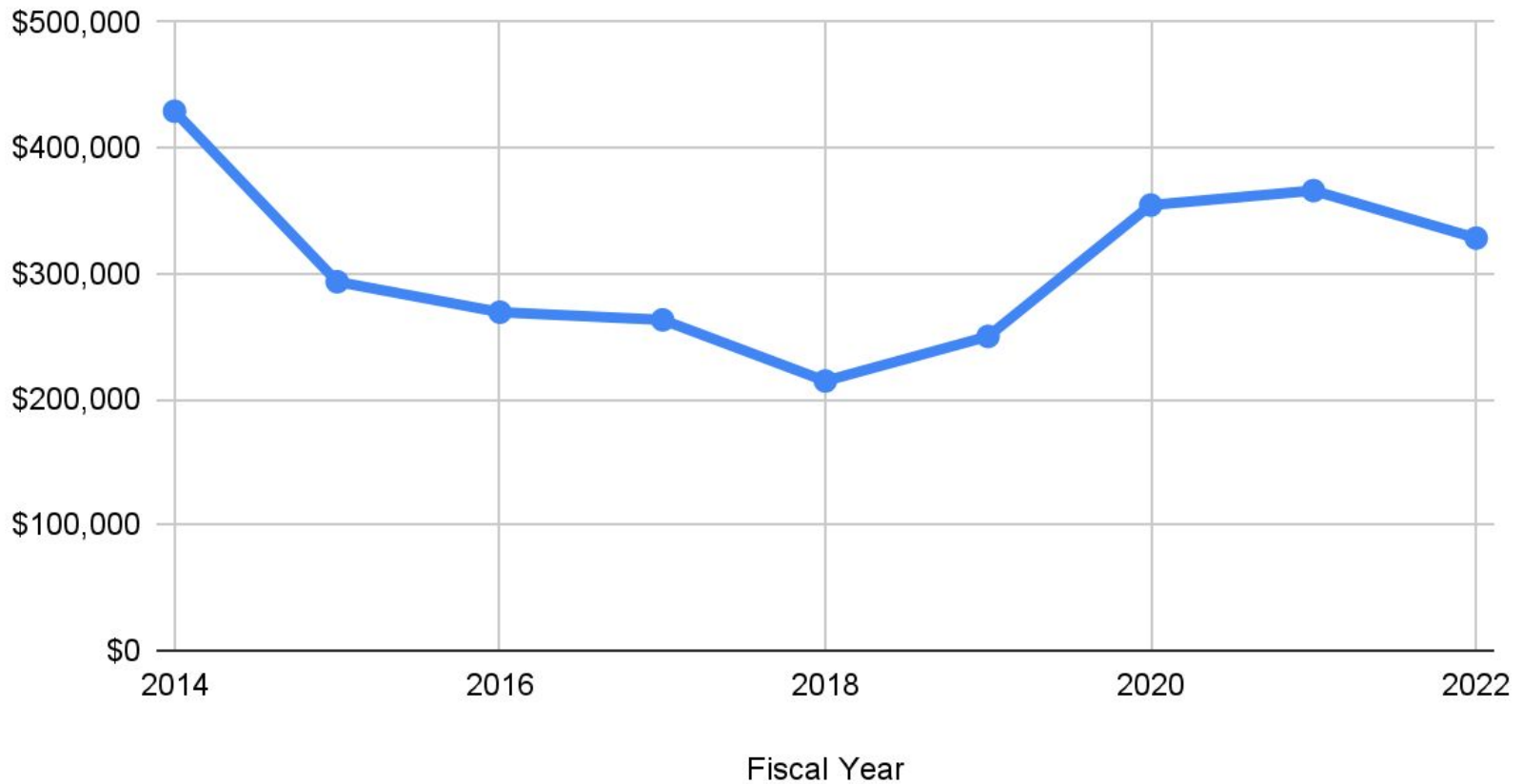
- TITLE 92 CHAPTER 84 008 Core Services
- 008.01 Provision of Core Services. Core services shall be provided by the ESU to all member school districts.
- Core services shall be defined by each ESU as follows:
- 008.01A Core services **shall be** within the following service areas in order of priority: **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.

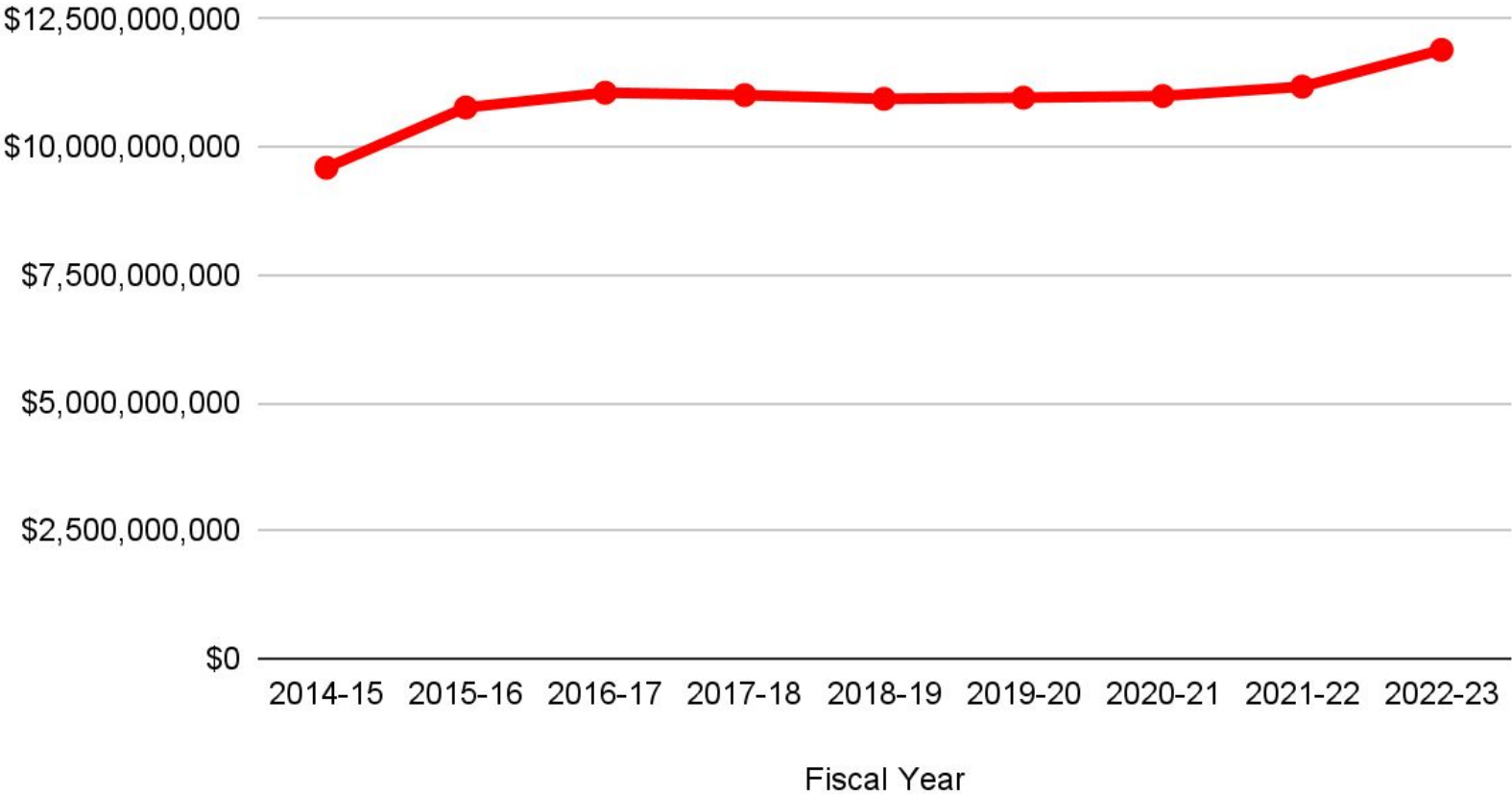
ESU1 CORE SERVICE HISTORY

Core Service Dollars



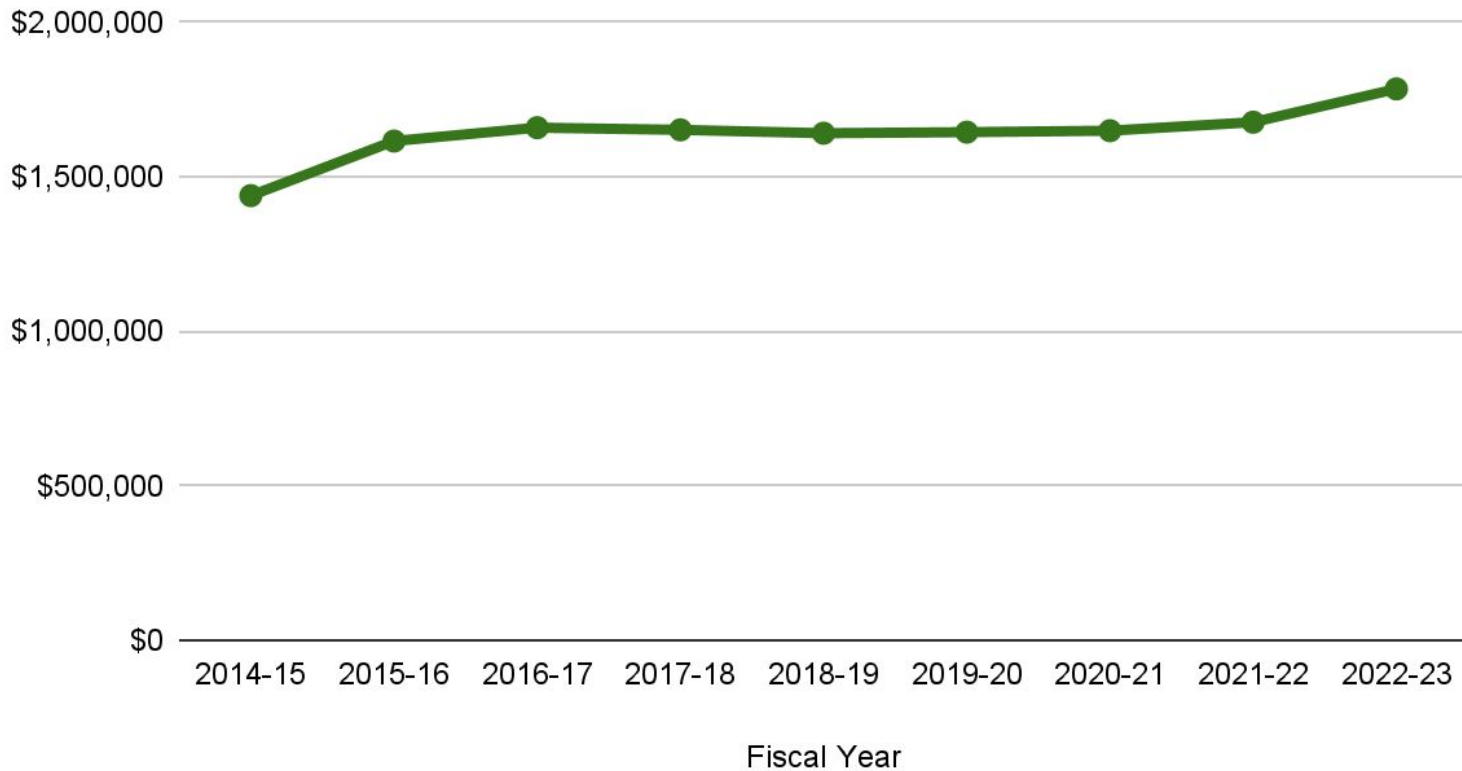
ESU1 PROPERTY VALUATION

Assessed Property Valuation



ESU1 PROPERTY TAX REQUEST HISTORY

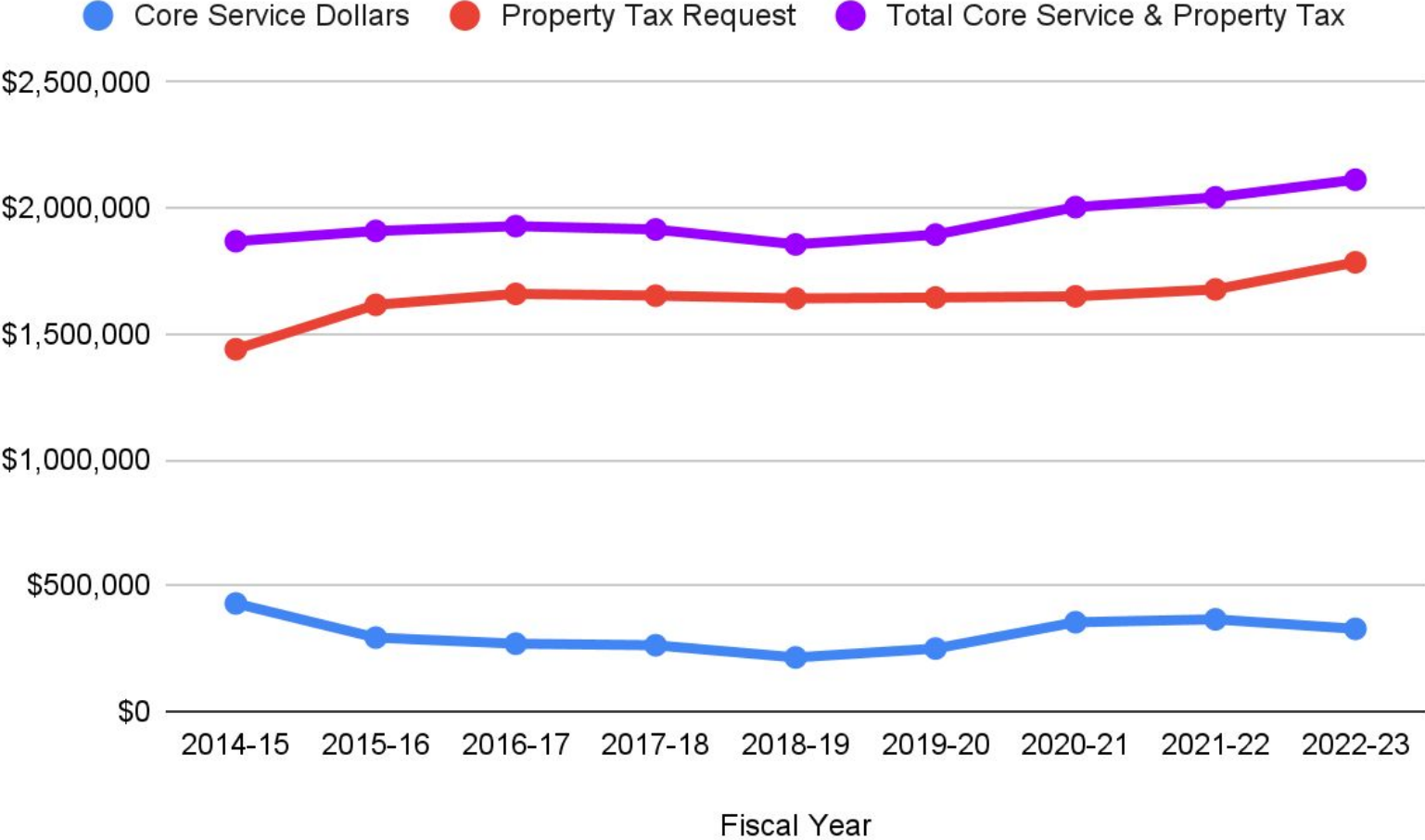
Property Tax Request



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	\$1,676,831	\$27,446	1.664%
2022-23	\$1,784,638	\$107,807	6.429%

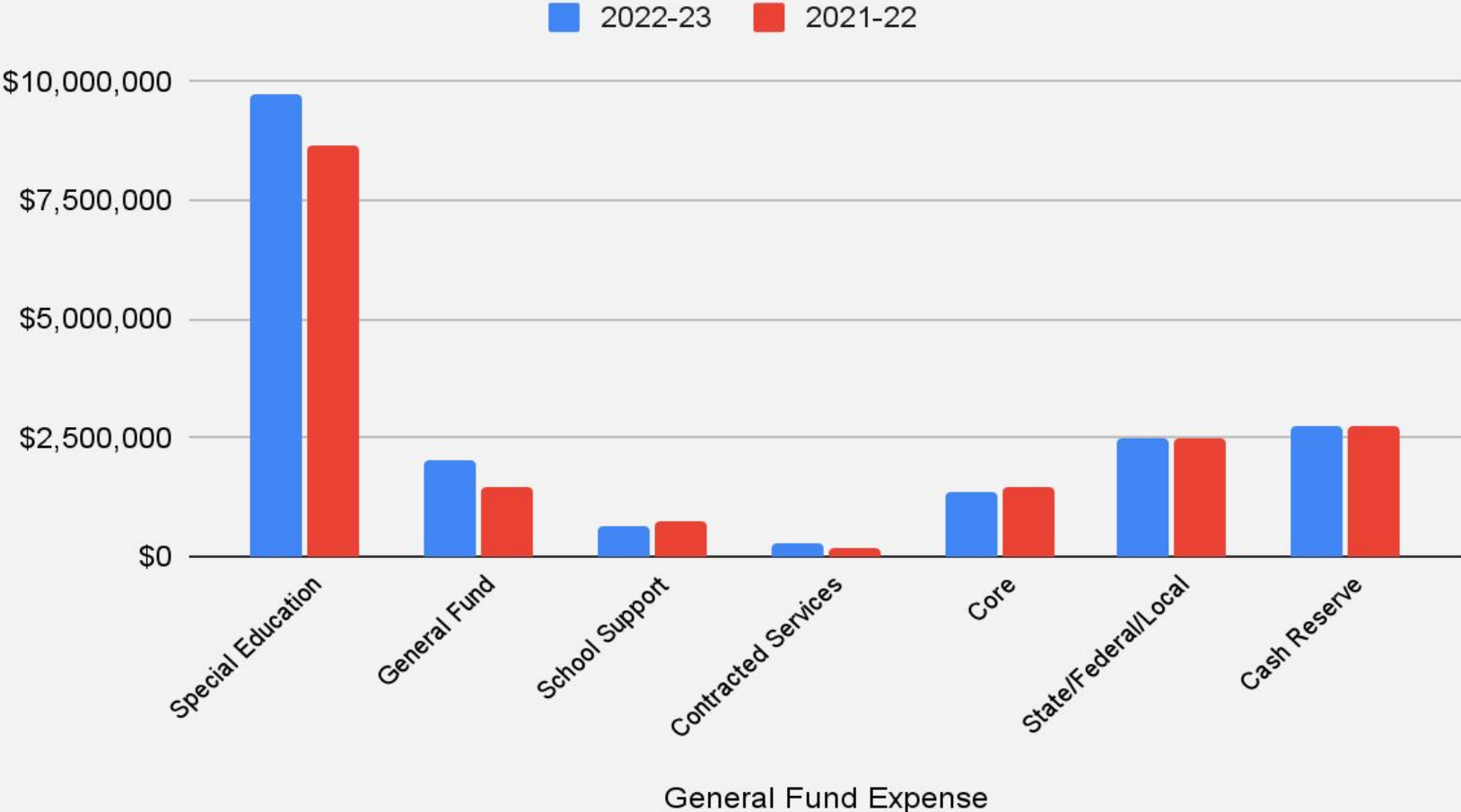
ESU1 PROPERTY TAX & CORE SERVICE DOLLARS HISTORY



BUDGET OF EXPENDITURES COMPARISON

General Fund Expense	2022-23	2021-22	2020-21
Special Education	\$9,722,995	\$8,661,490	8,458,910
General Fund	\$2,040,535	\$1,481,860	\$1,320,525
School Support General Fund	\$647,250	\$750,900	\$737,075
Contracted Services (other)	\$262,125	\$177,125	\$219,275
Core Service/Infrastructure	\$1,343,830	\$1,442,175	\$1,331,200
State/Federal/Local	\$2,518,500	\$2,471,250	\$1,995,000
Cash Reserve	\$2,750,000	\$2,750,000	\$2,500,000
Total	\$19,285,235	\$17,734,800	\$16,561,985

BUDGET OF EXPENDITURES COMPARISON



EXPENDITURE SUMMARY

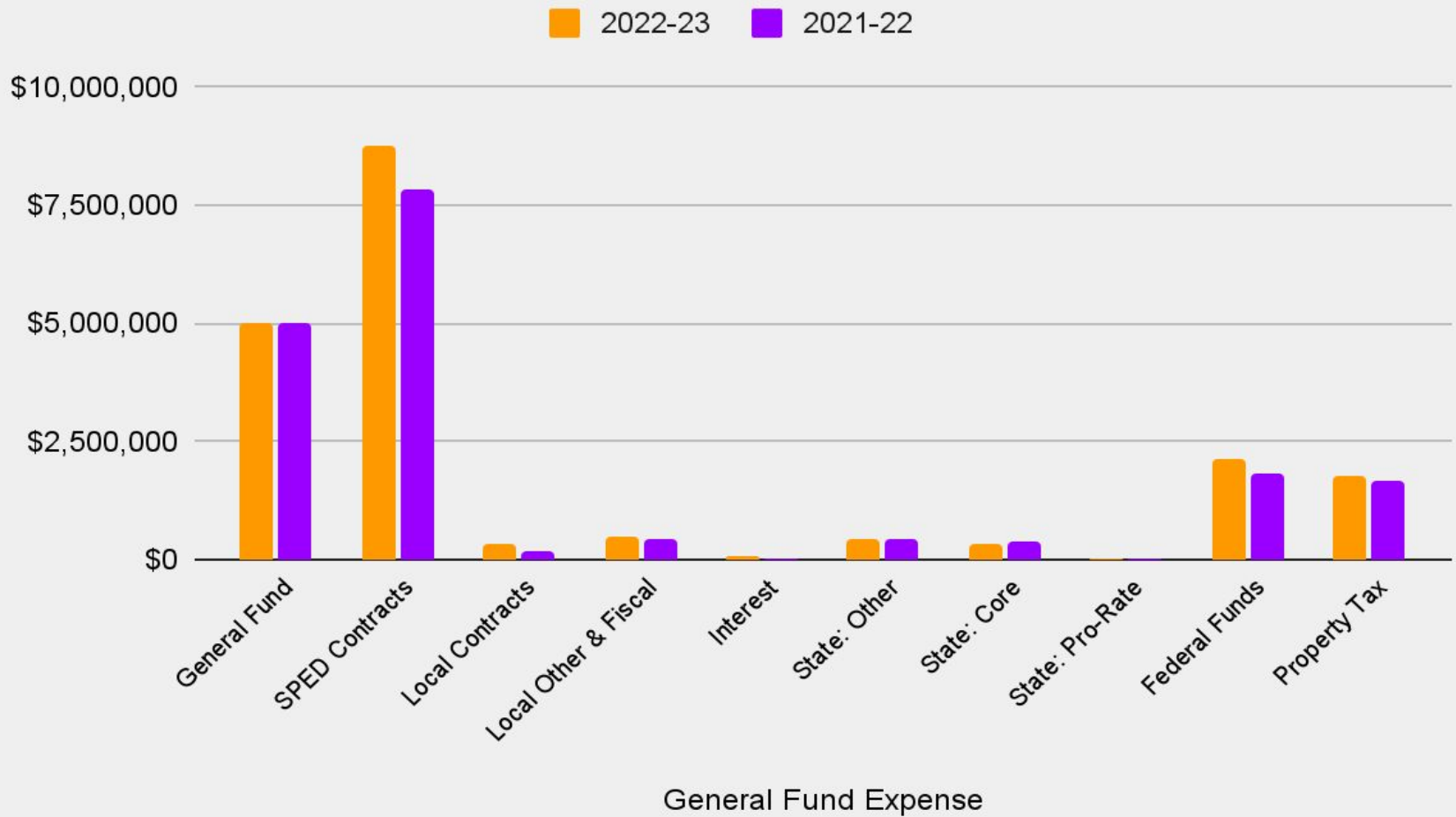
- Budget of Expenditures

- 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, additional FTE at Tower School
 - Higher costs for travel, training, computers, supplies, equipment and related costs
- General Fund
 - Board, Administration, Business Office, Operation and Maintenance
 - Increase for Employee compensation, central office remodel
- School Support - approved in the spring by Superintendents, ESU1 Board
- Contracted Services (other): Tech network support for schools, school nurse
- Core Services/Infrastructure: Media, Staff Development, Technology Infrastructure, Technology Training
- Federal, State, Local Grants: Migrant, ELC, Perkins
 - Increase for NDE MTSS, ELC; Mental Health and Migrant

EXPENDITURE SUMMARY

- Special Education and Contract Services
 - Estimated expenditures equals **60%** of budget
- Core Services/Property Tax/General Fund
 - Estimated expenditures equals **24%** of budget
- Grants Funds
 - Estimated expenditures equals **16%** of budget
- Cash Reserve is budgeted amount that will not expend

BUDGET OF REVENUE COMPARISON



REVENUE 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 3.4% increase
 - Less than 10% of budgeted revenue are local ESU1 property taxes
 - State and Federal Grants provide reimbursement for allowable expenditures