

AMENDMENTS TO LB 249

Introduced by Appropriations.

1           1. Strike the original sections and insert the following  
2 new sections:

3           Section 1. Section 79-1003, Revised Statutes Supplement,  
4 2007, is amended to read:

5           79-1003 For purposes of the Tax Equity and Educational  
6 Opportunities Support Act:

7           (1) Adjusted general fund operating expenditures means  
8 (a) for school fiscal years before school fiscal year 2007-08,  
9 general fund operating expenditures as calculated pursuant  
10 to subdivision (24) of this section minus the transportation  
11 allowance and minus the special receipts allowance, (b) for  
12 school fiscal year 2007-08, general fund operating expenditures  
13 as calculated pursuant to subdivision (24) of this section minus  
14 the sum of the transportation, special receipts, and distance  
15 education and telecommunications allowances, and (c) for school  
16 fiscal year 2008-09 and each school fiscal year thereafter,  
17 the difference of the product of the general fund operating  
18 expenditures as calculated pursuant to subdivision (24) of this  
19 section multiplied by the cost growth factor for the school  
20 district's cost grouping calculated pursuant to section 79-1007.10  
21 minus the transportation allowance, special receipts allowance,  
22 poverty allowance, limited English proficiency allowance, distance  
23 education and telecommunications allowance, elementary class size

1 allowance, and focus school and program allowance;

2 (2) Adjusted valuation means the assessed valuation of  
3 taxable property of each local system in the state, adjusted  
4 pursuant to the adjustment factors described in section 79-1016.  
5 Adjusted valuation means the adjusted valuation for the property  
6 tax year ending during the school fiscal year immediately preceding  
7 the school fiscal year in which the aid based upon that value is  
8 to be paid. For purposes of determining the local effort rate yield  
9 pursuant to section 79-1015.01, adjusted valuation does not include  
10 the value of any property which a court, by a final judgment from  
11 which no appeal is taken, has declared to be nontaxable or exempt  
12 from taxation;

13 (3) Allocated income tax funds means the amount of  
14 assistance paid to a local system pursuant to section 79-1005.01 or  
15 79-1005.02 as adjusted by the minimum levy adjustment pursuant to  
16 section 79-1008.02;

17 (4) Average daily attendance of a student who resides on  
18 Indian land means average daily attendance of a student who resides  
19 on Indian land from the most recent data available on November 1  
20 preceding the school fiscal year in which aid is to be paid;

21 (5) Average daily membership means the average daily  
22 membership for grades kindergarten through twelve attributable to  
23 the local system, as provided in each district's annual statistical  
24 summary, and includes the proportionate share of students enrolled  
25 in a public school instructional program on less than a full-time  
26 basis;

27 (6) Base fiscal year means the first school fiscal year

1 following the school fiscal year in which the reorganization or  
2 unification occurred;

3 (7) Board means the school board of each school district;

4 (8) Categorical funds means funds limited to a specific  
5 purpose by federal or state law, including, but not limited to,  
6 Title I funds, Title VI funds, federal vocational education funds,  
7 federal school lunch funds, Indian education funds, Head Start  
8 funds, and funds from the Education Innovation Fund;

9 (9) Consolidate means to voluntarily reduce the number of  
10 school districts providing education to a grade group and does not  
11 include dissolution pursuant to section 79-498;

12 (10) Converted contract means an expired contract that  
13 was in effect for at least fifteen years for the education of  
14 students in a nonresident district in exchange for tuition from  
15 the resident district when the expiration of such contract results  
16 in the nonresident district educating students who would have been  
17 covered by the contract if the contract were still in effect  
18 as option students pursuant to the enrollment option program  
19 established in section 79-234;

20 (11) Converted contract option students means students  
21 who will be option students pursuant to the enrollment option  
22 program established in section 79-234 for the school fiscal year  
23 for which aid is being calculated and who would have been covered  
24 by a converted contract if the contract were still in effect and  
25 such school fiscal year is the first school fiscal year for which  
26 such contract is not in effect;

27 (12) Department means the State Department of Education;

1           (13) Distance education and telecommunications allowance  
2 means, for state aid calculated for school fiscal year 2007-08  
3 and each school fiscal year thereafter, eighty-five percent of  
4 the difference of the costs for (a) telecommunications services,  
5 (b) access to data transmission networks that transmit data to  
6 and from the school district, and (c) the transmission of data  
7 on such networks paid by the school districts in the local  
8 system as reported on the annual financial report for the most  
9 recently available complete data year minus the receipts from the  
10 federal Universal Service Fund pursuant to section 254 of the  
11 Telecommunications Act of 1996, 47 U.S.C. 254, as such section  
12 existed on January 1, 2006, for the school districts in the local  
13 system as reported on the annual financial report for the most  
14 recently available complete data year;

15           (14) District means any Class I, II, III, IV, V, or VI  
16 school district;

17           (15) Ensuing school fiscal year means the school fiscal  
18 year following the current school fiscal year;

19           (16) Equalization aid means the amount of assistance  
20 calculated to be paid to a local system pursuant to sections  
21 79-1008.01 to 79-1022 and 79-1022.02;

22           (17) Fall membership means the total membership in  
23 kindergarten through grade twelve attributable to the local system  
24 as reported on the fall school district membership reports for each  
25 district pursuant to section 79-528;

26           (18) Fiscal year means the state fiscal year which is the  
27 period from July 1 to the following June 30;

1                   (19) Formula students means (a) for state aid certified  
2 pursuant to section 79-1022, the sum of fall membership from the  
3 school fiscal year immediately preceding the school fiscal year in  
4 which the aid is to be paid, multiplied by the average ratio of  
5 average daily membership to fall membership for the second school  
6 fiscal year immediately preceding the school fiscal year in which  
7 aid is to be paid and the prior two school fiscal years, plus  
8 qualified early childhood education fall membership plus tuitioned  
9 students from the school fiscal year immediately preceding the  
10 school fiscal year in which the aid is to be paid and (b) for final  
11 calculation of state aid pursuant to section 79-1065, the sum of  
12 average daily membership plus qualified early childhood education  
13 average daily membership plus tuitioned students from the school  
14 fiscal year immediately preceding the school fiscal year in which  
15 the aid was paid;

16                   (20) Free lunch and free milk student means a student  
17 who qualified for free lunches or free milk from the most recent  
18 data available on November 1 of the school fiscal year immediately  
19 preceding the school fiscal year in which aid is to be paid;

20                   (21) Full-day kindergarten means kindergarten offered by  
21 a district for at least one thousand thirty-two instructional  
22 hours;

23                   (22) General fund budget of expenditures means the total  
24 budget of disbursements and transfers for general fund purposes as  
25 certified in the budget statement adopted pursuant to the Nebraska  
26 Budget Act, except that for purposes of the limitation imposed in  
27 section 79-1023, the calculation of Class I total allowable general

1 fund budget of expenditures minus the special education budget of  
2 expenditures pursuant to section 79-1083.03, and the calculation  
3 pursuant to subdivision (2) of section 79-1027.01, the general fund  
4 budget of expenditures does not include any special grant funds,  
5 exclusive of local matching funds, received by a district subject  
6 to the approval of the department;

7 (23) General fund expenditures means all expenditures  
8 from the general fund;

9 (24) General fund operating expenditures means:

10 (a) For state aid calculated for school fiscal years  
11 prior to school fiscal year 2008-09, the total general fund  
12 expenditures minus categorical funds, tuition paid, transportation  
13 fees paid to other districts, adult education, summer school,  
14 community services, redemption of the principal portion of general  
15 fund debt service, retirement incentive plans, staff development  
16 assistance, and transfers from other funds into the general fund  
17 for the second school fiscal year immediately preceding the school  
18 fiscal year in which aid is to be paid as reported on the annual  
19 financial report prior to December 1 of the school fiscal year  
20 immediately preceding the school fiscal year in which aid is to be  
21 paid; and

22 (b) For state aid calculated for school fiscal year  
23 2008-09 and each school fiscal year thereafter, as reported for  
24 the second school fiscal year immediately preceding the school  
25 fiscal year in which aid is to be paid on the annual financial  
26 report submitted prior to December 1 of the school fiscal year  
27 immediately preceding the school fiscal year in which aid is to be

1 paid, the total general fund expenditures minus (i) the amount of  
2 all receipts to the general fund, to the extent that such receipts  
3 are not included in local system formula resources, from early  
4 childhood education tuition, summer school tuition, educational  
5 entities as defined in section 79-1201.01 for providing distance  
6 education courses through the Educational Service Unit Coordinating  
7 Council to such educational entities, private foundations,  
8 individuals, associations, charitable organizations, the textbook  
9 loan program authorized by section 79-734, and federal impact aid,  
10 (ii) the amount of expenditures for categorical funds, tuition  
11 paid, transportation fees paid to other districts, adult education,  
12 community services, redemption of the principal portion of general  
13 fund debt service, retirement incentive plans authorized by section  
14 79-855, and staff development assistance authorized by section  
15 79-856, and (iii) the amount of any transfers from the general fund  
16 to any bond fund and transfers from other funds into the general  
17 fund;

18           (25) High school district means a school district  
19 providing instruction in at least grades nine through twelve;

20           (26) Income tax liability means the amount of the  
21 reported income tax liability for resident individuals pursuant  
22 to the Nebraska Revenue Act of 1967 less all nonrefundable credits  
23 earned and refunds made;

24           (27) Income tax receipts means the amount of income tax  
25 collected pursuant to the Nebraska Revenue Act of 1967 less all  
26 nonrefundable credits earned and refunds made;

27           (28) Limited English proficiency student means a student

1 with limited English proficiency from the most recent data  
2 available on November 1 of the school fiscal year preceding  
3 the school fiscal year in which aid is to be paid;

4 (29) Local system means a Class VI district and the  
5 associated Class I districts or a Class II, III, IV, or V district  
6 and any affiliated Class I districts or portions of Class I  
7 districts and for school fiscal year 2008-09 and each school fiscal  
8 year thereafter, a learning community or a Class II, III, IV,  
9 or V district that is not a member of a learning community.  
10 The membership, expenditures, and resources of Class I districts  
11 that are affiliated with multiple high school districts will be  
12 attributed to local systems based on the percent of the Class I  
13 valuation that is affiliated with each high school district;

14 (30) Low-income child means (a) for school fiscal years  
15 prior to 2008-09, a child under nineteen years of age living in  
16 a household having an annual adjusted gross income of fifteen  
17 thousand dollars or less for the second calendar year preceding  
18 the beginning of the school fiscal year for which aid is being  
19 calculated and (b) for school fiscal year 2008-09 and each school  
20 fiscal year thereafter, a child under nineteen years of age living  
21 in a household having an annual adjusted gross income for the  
22 second calendar year preceding the beginning of the school fiscal  
23 year for which aid is being calculated equal to or less than the  
24 maximum household income that would allow a student from a family  
25 of four people to be a free lunch and free milk student during the  
26 school fiscal year immediately preceding the school fiscal year for  
27 which aid is being calculated;

1           (31) Low-income students means the number of low-income  
2 children within the local system multiplied by the ratio of the  
3 formula students in the local system divided by the total children  
4 under nineteen years of age residing in the local system as derived  
5 from income tax information;

6           (32) Most recently available complete data year means  
7 the most recent single school fiscal year for which the annual  
8 financial report, fall school district membership report, annual  
9 statistical summary, Nebraska income tax liability by school  
10 district for the calendar year in which the majority of the school  
11 fiscal year falls, and adjusted valuation data are available;

12           (33) Poverty students means the number of low-income  
13 students or the number of students who are free lunch and free milk  
14 students in a local system, whichever is greater;

15           (34) Qualified early childhood education average daily  
16 membership means the product of the average daily membership for  
17 school fiscal year 2006-07 and each school fiscal year thereafter  
18 of students who will be eligible to attend kindergarten the  
19 following school year and are enrolled in an early childhood  
20 education program approved by the department pursuant to section  
21 79-1103 for such school district for such school year if: (a)  
22 The program is receiving a grant pursuant to such section for the  
23 third year; (b) the program has already received grants pursuant to  
24 such section for three years; or (c) the program has been approved  
25 pursuant to subsection (5) of section 79-1103 for such school year  
26 and the two preceding school years, including any such students  
27 in portions of any of such programs receiving an expansion grant,

1 multiplied by the ratio of the actual instructional hours of the  
2 program divided by one thousand thirty-two;

3           (35) Qualified early childhood education fall membership  
4 means the product of membership on the last Friday in September  
5 2006 and each year thereafter of students who will be eligible  
6 to attend kindergarten the following school year and are enrolled  
7 in an early childhood education program approved by the department  
8 pursuant to section 79-1103 for such school district for such  
9 school year if: (a) The program is receiving a grant pursuant  
10 to such section for the third year; (b) the program has already  
11 received grants pursuant to such section for three years; or (c)  
12 the program has been approved pursuant to subsection (5) of section  
13 79-1103 for such school year and the two preceding school years,  
14 including any such students in portions of any of such programs  
15 receiving an expansion grant, multiplied by the ratio of the  
16 planned instructional hours of the program divided by one thousand  
17 thirty-two;

18           (36) Regular route transportation means the  
19 transportation of students on regularly scheduled daily routes to  
20 and from the attendance center;

21           (37) Reorganized district means any district involved  
22 in a consolidation and currently educating students following  
23 consolidation;

24           (38) School year or school fiscal year means the fiscal  
25 year of a school district as defined in section 79-1091;

26           (39) Special education means specially designed  
27 kindergarten through grade twelve instruction pursuant to section

1 79-1125, and includes special education transportation;

2 (40) Special grant funds means the budgeted receipts for  
3 grants, including, but not limited to, Title I funds, Title VI  
4 funds, funds from the Education Innovation Fund, reimbursements  
5 for wards of the court, short-term borrowings including, but  
6 not limited to, registered warrants and tax anticipation notes,  
7 interfund loans, insurance settlements, and reimbursements to  
8 county government for previous overpayment. The state board shall  
9 approve a listing of grants that qualify as special grant funds;

10 (41) Special receipts allowance means the amount of  
11 special education, state ward, and accelerated or differentiated  
12 curriculum program receipts included in local system formula  
13 resources under subdivisions (7), (8), (16), and (17) of section  
14 79-1018.01 attributable to the school district;

15 (42) State aid means the amount of assistance paid to a  
16 district pursuant to the Tax Equity and Educational Opportunities  
17 Support Act;

18 (43) State board means the State Board of Education;

19 (44) State support means all funds provided to districts  
20 by the State of Nebraska for the general fund support of elementary  
21 and secondary education;

22 (45) Temporary aid adjustment factor means (a) for school  
23 fiscal years before school fiscal year 2007-08, one and one-fourth  
24 percent of the sum of the local system's transportation allowance,  
25 the local system's special receipts allowance, and the product  
26 of the local system's adjusted formula students multiplied by  
27 the average formula cost per student in the local system's

1 cost grouping and (b) for school fiscal year 2007-08, one and  
2 one-fourth percent of the sum of the local system's transportation  
3 allowance, special receipts allowance, and distance education and  
4 telecommunications allowance and the product of the local system's  
5 adjusted formula students multiplied by the average formula cost  
6 per student in the local system's cost grouping;

7 (46) Transportation allowance means the lesser of (a)  
8 each local system's general fund expenditures for regular route  
9 transportation and in lieu of transportation expenditures pursuant  
10 to section 79-611 in the second school fiscal year immediately  
11 preceding the school fiscal year in which aid is to be paid,  
12 but not including special education transportation expenditures or  
13 other expenditures previously excluded from general fund operating  
14 expenditures, or (b) the number of miles traveled in the second  
15 school fiscal year immediately preceding the school fiscal year in  
16 which aid is to be paid by vehicles owned, leased, or contracted  
17 by the district or the districts in the local system for the  
18 purpose of regular route transportation multiplied by four hundred  
19 percent of the mileage rate established by the Department of  
20 Administrative Services pursuant to section 81-1176 as of January 1  
21 of the most recently available complete data year added to in lieu  
22 of transportation expenditures pursuant to section 79-611 from the  
23 same data year;

24 (47) Tuition receipts from converted contracts means  
25 tuition receipts received by a district from another district  
26 in the most recently available complete data year pursuant to a  
27 converted contract prior to the expiration of the contract; and

1           (48) Tuitioned students means students in kindergarten  
2 through grade twelve of the district whose tuition is paid by the  
3 district to some other district or education agency.

4           Sec. 2. Section 79-1007.10, Revised Statutes Supplement,  
5 2007, is amended to read:

6           79-1007.10 For state aid calculated for school fiscal  
7 year 2008-09 and each school fiscal year thereafter, the cost  
8 growth factor for each cost grouping is equal to the sum of: (1)  
9 One; plus (2) the product of two times the ratio of the difference  
10 of (a) the formula students attributable to the cost grouping  
11 without weighting or adjustment pursuant to section 79-1007.03  
12 minus the qualified early childhood education fall membership  
13 attributable to the cost grouping without such weighting or  
14 adjustment for state aid certified pursuant to section 79-1022  
15 minus (b) the difference of the sum of the average daily membership  
16 plus tuitioned students attributable to the cost grouping for the  
17 most recently available complete data year minus the qualified  
18 early childhood education average daily membership attributable to  
19 the cost grouping without such weighting or adjustment for the most  
20 recently available complete data year divided by the difference of  
21 the sum of the average daily membership plus tuitioned students  
22 attributable to the cost grouping for the most recently available  
23 complete data year minus the qualified early childhood education  
24 average daily membership attributable to the cost grouping without  
25 such weighting or adjustment for the most recently available  
26 complete data year, except that the ratio shall not be less than  
27 zero; plus (3) the basic allowable growth rate pursuant to section

1 79-1025 for the school fiscal year in which the aid is to be  
2 distributed; plus (4) the basic allowable growth rate pursuant to  
3 section 79-1025 for the school fiscal year immediately preceding  
4 the school fiscal year in which the aid is to be distributed;  
5 plus (5) any additional growth rate allowed by special action of  
6 school boards for the school fiscal year in which the aid is to  
7 be distributed as determined for the school fiscal year immediately  
8 preceding the school fiscal year when aid is to be distributed;  
9 plus (6) any additional growth rate allowed by special action of  
10 the school boards for the school fiscal year immediately preceding  
11 the school fiscal year when the aid is to be distributed.

12 For state aid calculated for school fiscal year 2008-09  
13 and each school fiscal year thereafter, the cost growth factor  
14 shall equal the sum of: (1) One; plus (2) the basic allowable  
15 growth rate pursuant to section 79-1025 for the school fiscal year  
16 in which the aid is to be distributed; plus (3) the basic allowable  
17 growth rate pursuant to section 79-1025 for the school fiscal year  
18 immediately preceding the school fiscal year in which the aid is to  
19 be distributed; plus (4) one percent.

20 Sec. 3. Section 79-1018.01, Revised Statutes Supplement,  
21 2007, is amended to read:

22 79-1018.01 ~~Local~~ Except as otherwise provided in this  
23 section, local system formula resources include other actual  
24 receipts available for the funding of general fund operating  
25 expenditures as determined by the department for the second school  
26 fiscal year immediately preceding the school fiscal year in which  
27 aid is to be paid. Receipts ~~except that receipts~~ from the

1 Community Improvements Cash Fund, ~~and~~ receipts acquired pursuant to  
2 the Low-Level Radioactive Waste Disposal Act, ~~and~~, beginning with  
3 the calculation of state aid to be distributed in school fiscal  
4 year 2004-05, tuition receipts from converted contracts shall not  
5 be included. Other actual receipts include:

6 (1) Public power district sales tax revenue;  
7 (2) Fines and license fees;  
8 (3) Tuition receipts from individuals, other districts,  
9 or any other source except receipts derived from adult education,  
10 receipts derived from summer school tuition, receipts derived  
11 from early childhood education tuition, tuition receipts from  
12 converted contracts, and receipts from educational entities as  
13 defined in section 79-1201.01 for providing distance education  
14 courses through the Distance Education Council until July 1, 2008,  
15 and the Educational Service Unit Coordinating Council on and after  
16 July 1, 2008, to such educational entities;

17 (4) Transportation receipts;  
18 (5) Interest on investments;  
19 (6) Other miscellaneous noncategorical local receipts,  
20 not including receipts from private foundations, individuals,  
21 associations, or charitable organizations;

22 (7) Special education receipts, ~~excluding grant funds~~  
23 ~~received pursuant to section 9-812;~~

24 (8) Special education receipts and non-special education  
25 receipts from the state for wards of the court and wards of the  
26 state;

27 (9) All receipts from the temporary school fund.

1 Beginning with the calculation of aid for school fiscal year  
2 2002-03 and each school fiscal year thereafter, receipts from  
3 the temporary school fund shall only include receipts pursuant  
4 to section 79-1035 and the receipt of funds pursuant to section  
5 79-1036 for property leased for a public purpose as set forth in  
6 subdivision (1)(a) of section 77-202;

7 (10) Motor vehicle tax receipts received on or after  
8 January 1, 1998;

9 (11) Pro rata motor vehicle license fee receipts;

10 (12) Other miscellaneous state receipts excluding revenue  
11 from the textbook loan program authorized by section 79-734;

12 (13) Impact aid entitlements for the school fiscal year  
13 which have actually been received by the district to the extent  
14 allowed by federal law;

15 (14) All other noncategorical federal receipts;

16 (15) All receipts pursuant to the enrollment option  
17 program under sections 79-232 to 79-246;

18 (16) Receipts under the federal Medicare Catastrophic  
19 Coverage Act of 1988, as such act existed on May 8, 2001, as  
20 authorized pursuant to sections 43-2510 and 43-2511 but only to the  
21 extent of the amount the local system would have otherwise received  
22 pursuant to the Special Education Act; and

23 (17) Receipts for accelerated or differentiated  
24 curriculum programs pursuant to sections 79-1106 to 79-1108.03.

25 Sec. 4. Section 79-1022.02, Reissue Revised Statutes of  
26 Nebraska, is amended to read:

27 79-1022.02 Notwithstanding any other provision of law,

1 the certification of state aid pursuant to section 79-1022 to  
2 be paid to school districts during school year ~~2003-04~~, 2008-09,  
3 the certification of applicable allowable growth rates pursuant to  
4 section 79-1026 for school fiscal year ~~2003-04~~, 2008-09, and the  
5 certifications of Class I school district allowable general fund  
6 budgets of expenditures pursuant to section 79-1083.03 for school  
7 fiscal year ~~2003-04~~ 2008-09 are null and void. State aid to be paid  
8 during such school year and the certifications pursuant to ~~section~~  
9 sections 79-1022 and 79-1026 shall be recertified on or before ~~June~~  
10 ~~15~~, ~~2003~~, April 30, 2008, using data sources as they existed on  
11 February 1, ~~2003~~, 2008.

12           Sec. 5. Section 79-1031.01, Revised Statutes Supplement,  
13 2007, is amended to read:

14           79-1031.01    The    Appropriations    Committee    of    the  
15 Legislature shall annually include the amount necessary to fund the  
16 state aid that will be certified to school districts on or before  
17 ~~February 15~~, ~~2007~~, April 30, 2008, and on or before February 1 for  
18 each ~~ensuing~~ school year thereafter in its recommendations to the  
19 Legislature to carry out the requirements of the Tax Equity and  
20 Educational Opportunities Support Act.

21           Sec. 6. Original section 79-1022.02, Reissue Revised  
22 Statutes of Nebraska, and sections 79-1003, 79-1007.10, 79-1018.01,  
23 and 79-1031.01, Revised Statutes Supplement, 2007, are repealed.

24           Sec. 7. Since an emergency exists, this act takes effect  
25 when passed and approved according to law.