

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1083

Introduced by Raikes, 25; Ashford, 20; Friend, 10.

Read first time January 22, 2008

Committee: Education

A BILL

1 FOR AN ACT relating to school funds; to amend sections 77-3442,
2 79-1028, 79-1201, 79-1205, and 79-1241.03, Revised
3 Statutes Supplement, 2007; to change tax levy and
4 funding provisions for school districts and educational
5 service units; to harmonize provisions; and to repeal the
6 original sections.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Supplement,
2 2007, is amended to read:

3 77-3442 (1) Property tax levies for the support of local
4 governments for fiscal years beginning on or after July 1, 1998,
5 shall be limited to the amounts set forth in this section except as
6 provided in section 77-3444.

7 (2) (a) Except as provided in subdivision (2) (e) of this
8 section, school districts and multiple-district school systems,
9 except learning communities and school districts that are members
10 of learning communities, may levy a maximum levy of one dollar and
11 five cents per one hundred dollars of taxable valuation of property
12 subject to the levy.

13 (b) For each fiscal year, learning communities may levy
14 a maximum levy for the general fund budgets of member school
15 districts equal to the local effort rate prescribed in section
16 79-1015.01 for such fiscal year. The proceeds from the levy
17 pursuant to this subdivision shall be distributed pursuant to
18 section 79-1073.

19 (c) Except as provided in subdivision (2) (e) of this
20 section, for each fiscal year, school districts that are members
21 of learning communities may levy for purposes of such districts'
22 general fund budget and special building funds a maximum combined
23 levy of the difference of (i) if the school district is a member
24 of an educational service unit, one dollar and five cents on each
25 one hundred dollars of taxable property subject to the levy minus

1 the learning community levies pursuant to subdivisions (2)(b) and
2 (2)(g) of this section for such learning community or (ii) if the
3 school district is not a member of an educational service unit,
4 one dollar and six cents on each one hundred dollars of taxable
5 property subject to the levy minus the learning community levies
6 pursuant to subdivisions (2)(b) and (2)(g) of this section for such
7 learning community.

8 (d) Excluded from the limitations in subdivisions (2)(a)
9 and (2)(c) of this section are amounts levied to pay for
10 sums agreed to be paid by a school district to certificated
11 employees in exchange for a voluntary termination of employment
12 and amounts levied to pay for special building funds and sinking
13 funds established for projects commenced prior to April 1, 1996,
14 for construction, expansion, or alteration of school district
15 buildings. For purposes of this subsection, commenced means any
16 action taken by the school board on the record which commits
17 the board to expend district funds in planning, constructing, or
18 carrying out the project.

19 (e) Federal aid school districts may exceed the maximum
20 levy prescribed by subdivision (2)(a) or (2)(c) of this section
21 only to the extent necessary to qualify to receive federal aid
22 pursuant to Title VIII of Public Law 103-382, as such title existed
23 on September 1, 2001. For purposes of this subdivision, federal
24 aid school district means any school district which receives ten
25 percent or more of the revenue for its general fund budget from

1 federal government sources pursuant to Title VIII of Public Law
2 103-382, as such title existed on September 1, 2001.

3 (f) For school fiscal year 2002-03 through school fiscal
4 year 2007-08, school districts and multiple-district school systems
5 may, upon a three-fourths majority vote of the school board of
6 the school district, the board of the unified system, or the
7 school board of the high school district of the multiple-district
8 school system that is not a unified system, exceed the maximum
9 levy prescribed by subdivision (2) (a) of this section in an amount
10 equal to the net difference between the amount of state aid that
11 would have been provided under the Tax Equity and Educational
12 Opportunities Support Act without the temporary aid adjustment
13 factor as defined in section 79-1003 for the ensuing school fiscal
14 year for the school district or multiple-district school system
15 and the amount provided with the temporary aid adjustment factor.
16 The State Department of Education shall certify to the school
17 districts and multiple-district school systems the amount by which
18 the maximum levy may be exceeded for the next school fiscal year
19 pursuant to this subdivision (f) of this subsection on or before
20 February 15 for school fiscal years 2004-05 through 2007-08.

21 (g) For each fiscal year, learning communities may levy a
22 maximum levy of two cents on each one hundred dollars of taxable
23 property subject to the levy for special building funds for member
24 school districts. The proceeds from the levy pursuant to this
25 subdivision shall be distributed pursuant to section 79-1073.01.

1 (h) For each fiscal year, learning communities may levy
2 a maximum levy of five cents on each one hundred dollars of
3 taxable property subject to the levy for elementary learning center
4 facilities and for up to fifty percent of the estimated cost for
5 capital projects approved by the learning community coordinating
6 council pursuant to section 79-2111.

7 (3) Community colleges may levy a maximum levy calculated
8 pursuant to the Community College Foundation and Equalization Aid
9 Act on each one hundred dollars of taxable property subject to the
10 levy.

11 (4) (a) Natural resources districts may levy a maximum
12 levy of four and one-half cents per one hundred dollars of taxable
13 valuation of property subject to the levy.

14 (b) Natural resources districts shall also have the power
15 and authority to levy a tax equal to the dollar amount by which
16 their restricted funds budgeted to administer and implement ground
17 water management activities and integrated management activities
18 under the Nebraska Ground Water Management and Protection Act
19 exceed their restricted funds budgeted to administer and implement
20 ground water management activities and integrated management
21 activities for FY2003-04, not to exceed one cent on each one
22 hundred dollars of taxable valuation annually on all of the taxable
23 property within the district.

24 (c) In addition, natural resources districts located in
25 a river basin, subbasin, or reach that has been determined to

1 be fully appropriated pursuant to section 46-714 or designated
2 as overappropriated pursuant to section 46-713 by the Department
3 of Natural Resources shall also have the power and authority to
4 levy a tax equal to the dollar amount by which their restricted
5 funds budgeted to administer and implement ground water management
6 activities and integrated management activities under the Nebraska
7 Ground Water Management and Protection Act exceed their restricted
8 funds budgeted to administer and implement ground water management
9 activities and integrated management activities for FY2005-06, not
10 to exceed three cents on each one hundred dollars of taxable
11 valuation on all of the taxable property within the district for
12 fiscal year 2006-07 and each fiscal year thereafter through fiscal
13 year 2011-12.

14 (5) Educational service units may levy a maximum levy of
15 one and one-half cents per one hundred dollars of taxable valuation
16 of property subject to the levy.

17 (6)(a) Incorporated cities and villages which are not
18 within the boundaries of a municipal county may levy a maximum levy
19 of forty-five cents per one hundred dollars of taxable valuation
20 of property subject to the levy plus an additional five cents per
21 one hundred dollars of taxable valuation to provide financing for
22 the municipality's share of revenue required under an agreement
23 or agreements executed pursuant to the Interlocal Cooperation Act
24 or the Joint Public Agency Act. The maximum levy shall include
25 amounts levied to pay for sums to support a library pursuant

1 to section 51-201, museum pursuant to section 51-501, visiting
2 community nurse, home health nurse, or home health agency pursuant
3 to section 71-1637, or statue, memorial, or monument pursuant to
4 section 80-202.

5 (b) Incorporated cities and villages which are within the
6 boundaries of a municipal county may levy a maximum levy of ninety
7 cents per one hundred dollars of taxable valuation of property
8 subject to the levy. The maximum levy shall include amounts paid
9 to a municipal county for county services, amounts levied to pay
10 for sums to support a library pursuant to section 51-201, a museum
11 pursuant to section 51-501, a visiting community nurse, home health
12 nurse, or home health agency pursuant to section 71-1637, or a
13 statue, memorial, or monument pursuant to section 80-202.

14 (7) Sanitary and improvement districts which have been in
15 existence for more than five years may levy a maximum levy of forty
16 cents per one hundred dollars of taxable valuation of property
17 subject to the levy, and sanitary and improvement districts which
18 have been in existence for five years or less shall not have
19 a maximum levy. Unconsolidated sanitary and improvement districts
20 which have been in existence for more than five years and are
21 located in a municipal county may levy a maximum of eighty-five
22 cents per hundred dollars of taxable valuation of property subject
23 to the levy.

24 (8) Counties may levy or authorize a maximum levy of
25 fifty cents per one hundred dollars of taxable valuation of

1 property subject to the levy, except that five cents per one
2 hundred dollars of taxable valuation of property subject to the
3 levy may only be levied to provide financing for the county's
4 share of revenue required under an agreement or agreements executed
5 pursuant to the Interlocal Cooperation Act or the Joint Public
6 Agency Act. The maximum levy shall include amounts levied to pay
7 for sums to support a library pursuant to section 51-201 or museum
8 pursuant to section 51-501. The county may allocate up to fifteen
9 cents of its authority to other political subdivisions subject
10 to allocation of property tax authority under subsection (1) of
11 section 77-3443 and not specifically covered in this section to
12 levy taxes as authorized by law which do not collectively exceed
13 fifteen cents per one hundred dollars of taxable valuation on any
14 parcel or item of taxable property. The county may allocate to
15 one or more other political subdivisions subject to allocation
16 of property tax authority by the county under subsection (1) of
17 section 77-3443 some or all of the county's five cents per one
18 hundred dollars of valuation authorized for support of an agreement
19 or agreements to be levied by the political subdivision for the
20 purpose of supporting that political subdivision's share of revenue
21 required under an agreement or agreements executed pursuant to the
22 Interlocal Cooperation Act or the Joint Public Agency Act. If an
23 allocation by a county would cause another county to exceed its
24 levy authority under this section, the second county may exceed the
25 levy authority in order to levy the amount allocated.

1 (9) Municipal counties may levy or authorize a maximum
2 levy of one dollar per one hundred dollars of taxable valuation
3 of property subject to the levy. The municipal county may allocate
4 levy authority to any political subdivision or entity subject to
5 allocation under section 77-3443.

6 (10) Property tax levies for judgments, except judgments
7 or orders from the Commission of Industrial Relations, obtained
8 against a political subdivision which require or obligate a
9 political subdivision to pay such judgment, to the extent such
10 judgment is not paid by liability insurance coverage of a
11 political subdivision, for preexisting lease-purchase contracts
12 approved prior to July 1, 1998, for bonded indebtedness approved
13 according to law and secured by a levy on property, and for
14 payments by a public airport to retire interest-free loans from the
15 Department of Aeronautics in lieu of bonded indebtedness at a lower
16 cost to the public airport are not included in the levy limits
17 established by this section.

18 (11) The limitations on tax levies provided in this
19 section are to include all other general or special levies
20 provided by law. Notwithstanding other provisions of law, the
21 only exceptions to the limits in this section are those provided by
22 or authorized by sections 77-3442 to 77-3444.

23 (12) Tax levies in excess of the limitations in this
24 section shall be considered unauthorized levies under section
25 77-1606 unless approved under section 77-3444.

1 (13) For purposes of sections 77-3442 to 77-3444,
2 political subdivision means a political subdivision of this state
3 and a county agricultural society.

4 Sec. 2. Section 79-1028, Revised Statutes Supplement,
5 2007, is amended to read:

6 79-1028 (1) A Class II, III, IV, V, or VI school
7 district may exceed its applicable allowable growth rate for (a)
8 expenditures in support of a service which is the subject of
9 an agreement or a modification of an existing agreement whether
10 operated by one of the parties to the agreement or an independent
11 joint entity or joint public agency, (b) expenditures to pay for
12 repairs to infrastructure damaged by a natural disaster which is
13 declared a disaster emergency pursuant to the Emergency Management
14 Act, (c) expenditures to pay for judgments, except judgments
15 or orders from the Commission of Industrial Relations, obtained
16 against a school district which require or obligate a school
17 district to pay such judgment, to the extent such judgment is not
18 paid by liability insurance coverage of a school district, (d)
19 expenditures to pay for sums agreed to be paid by a school district
20 to certificated employees in exchange for a voluntary termination
21 of employment, or (e) expenditures to pay for lease-purchase
22 contracts approved on or after July 1, 1997, and before July
23 1, 1998, to the extent the lease payments were not budgeted
24 expenditures for fiscal year 1997-98.

25 (2) A Class II, III, IV, V, or VI district may exceed its

1 applicable allowable growth rate by a specific dollar amount if the
 2 district projects an increase in formula students in the district
 3 over the current school year greater than twenty-five students
 4 or greater than those listed in the schedule provided in this
 5 subsection, whichever is less. Districts shall project increases
 6 in formula students on forms prescribed by the department. The
 7 department shall approve, deny, or modify the projected increases.

8	Average daily	Projected increase
9	membership of	of formula students
10	district	by percentage
11	0- 50	10
12	50.01 - 250	5
13	250.01 - 1,000	3
14	1,000.01 and over	1

15 The department shall compute the district's estimated
 16 allowable budget per pupil using the budgeted general fund
 17 expenditures found on the budget statement for the current school
 18 year divided by the number of formula students in the current
 19 school year and multiplied by the district's applicable allowable
 20 growth rate. The resulting allowable budget per pupil shall be
 21 multiplied by the projected formula students to arrive at the
 22 estimated budget needs for the ensuing year. The department
 23 shall allow the district to increase its general fund budget
 24 of expenditures for the ensuing school year by the amount
 25 necessary to fund the estimated budget needs of the district

1 as computed pursuant to this subsection. On or before July
2 1, the department shall make available to districts which have
3 been allowed additional growth pursuant to this subsection the
4 necessary document to recalculate the actual formula students of
5 such district. Such document shall be filed with the department
6 under subsection (1) of section 79-1024.

7 (3) A Class II, III, IV, V, or VI district may exceed
8 its applicable allowable growth rate by a specific dollar amount
9 if construction, expansion, or alteration of district buildings
10 will cause an increase in building operation and maintenance
11 costs of at least five percent. The department shall document
12 the projected increase in building operation and maintenance costs
13 and may allow a Class II, III, IV, V, or VI district to exceed
14 its applicable allowable growth rate by the amount necessary to
15 fund such increased costs. The department shall compute the actual
16 increased costs for the school year and shall notify the district
17 on or before July 1 of the recovery of the additional growth
18 pursuant to this subsection.

19 (4) A Class II, III, IV, V, or VI district may exceed its
20 applicable allowable growth rate by a specific dollar amount if the
21 district demonstrates to the satisfaction of the department that
22 it will exceed its applicable allowable growth rate as a result
23 of costs pursuant to the Retirement Incentive Plan authorized
24 in section 79-855 or the Staff Development Assistance authorized
25 in section 79-856. The department shall compute the amount by

1 which the increased cost of such program or programs exceeds the
2 district's applicable allowable growth rate and shall allow the
3 district to increase its general fund expenditures by such amount
4 for that fiscal year.

5 (5) A Class II, III, IV, or V district may exceed its
6 applicable allowable growth rate by the specific dollar amount of
7 incentive payments or base fiscal year incentive payments to be
8 received in such school fiscal year pursuant to section 79-1011.

9 (6) A Class II, III, IV, V, or VI district may exceed
10 its applicable allowable growth rate by a specific dollar amount
11 in any year for which the state aid calculation for the local
12 system includes students in the qualified early childhood education
13 fall membership of the district for the first time or for a year
14 in which an early childhood education program of the district is
15 receiving an expansion grant. The department shall compute the
16 amount by which the district may exceed the district's applicable
17 allowable growth rate by multiplying the cost grouping cost
18 per student for the applicable cost grouping by the district's
19 adjusted formula students attributed to early childhood education
20 programs if students are included in the district's qualified
21 early childhood education fall membership for the first time or by
22 the district's adjusted formula students attributed to such early
23 childhood education programs minus the district's adjusted formula
24 students attributed to such early childhood education programs for
25 the prior school fiscal year if a program is receiving an expansion

1 grant in the school fiscal year for which the fall membership is
2 measured. The department shall allow the district to increase its
3 general fund expenditures by such amount for such school fiscal
4 year.

5 (7) For school fiscal year 2005-06, a Class II, III, IV,
6 V, or VI district may exceed its applicable allowable growth rate
7 by a specific dollar amount not to exceed seventy-four hundredths
8 percent of the amount budgeted for employee salaries for such
9 school fiscal year. For school fiscal year 2006-07, a Class II,
10 III, IV, V, or VI district may exceed its applicable allowable
11 growth rate by a specific dollar amount not to exceed fifty-nine
12 hundredths percent of the amount budgeted for employee salaries for
13 such school fiscal year.

14 (8) A Class II, III, IV, or V district that is a member
15 of a learning community may exceed its applicable allowable growth
16 rate for (a) the first full school fiscal year in which the
17 school district will be a member of a learning community for
18 the full school fiscal year by an amount equal to anticipated
19 increases in transportation expenditures necessary to meet the
20 requirements of subsection (2) of section 79-611 as approved by
21 the department and (b) the first school fiscal year for which
22 the school district will no longer be a member of an educational
23 service unit by an amount equal to the core services and technology
24 infrastructure funds to be received in such school fiscal year plus
25 the product of the assessed valuation of the district multiplied by

1 0.0001. The department shall approve, deny, or modify the amount
2 allowed for anticipated increases in transportation expenditures.
3 The department shall compute the actual increase in transportation
4 expenditures necessary to meet the requirements of subsection (2)
5 of section 79-611 for such school fiscal year and shall, if needed,
6 modify the district's applicable allowable growth rate for the
7 ensuing school fiscal year.

8 (9) For school fiscal year 2008-09, a Class II, III,
9 IV, or V district may exceed its applicable allowable growth
10 rate by a specific dollar amount if the sum of the poverty
11 allowance, elementary class size allowance, focus school and
12 program allowance, and limited English proficiency allowance for
13 the school district for school fiscal year 2008-09 exceeds the
14 poverty weightings plus limited English proficiency weightings
15 multiplied by the cost grouping cost per student for the school
16 district for school fiscal year 2007-08. The department shall
17 compute the amount by which the district may exceed the applicable
18 allowable growth rate by subtracting the product of the sum of
19 the poverty weightings and limited English proficiency weightings
20 for school fiscal year 2007-08 multiplied by the average formula
21 cost per student in the school district's cost grouping for school
22 fiscal year 2007-08 from the sum of the school fiscal year 2008-09
23 poverty allowance, elementary class size allowance, focus school
24 and program allowance, and limited English proficiency allowance
25 for the school district. The department shall allow the district to

1 increase its general fund expenditures by such amount for school
2 fiscal year 2008-09.

3 (10) For school fiscal year 2009-10 and each school
4 fiscal year thereafter, a Class II, III, IV, or V district may
5 exceed its applicable allowable growth rate by a specific dollar
6 amount if the sum of the poverty allowance, elementary class size
7 allowance, focus school and program allowance, and limited English
8 proficiency allowance for the school district has grown at a rate
9 higher than the applicable allowable growth rate of the district.
10 The department shall compute the amount by which the district
11 may exceed the applicable allowable growth rate by subtracting
12 the product of the sum of the poverty allowance, elementary class
13 size allowance, focus school and program allowance, and limited
14 English proficiency allowance for the immediately preceding school
15 fiscal year multiplied by the sum of one plus the applicable
16 allowable growth rate to be exceeded from the sum of the poverty
17 allowance, elementary class size allowance, focus school and
18 program allowance, and limited English proficiency allowance for
19 the district for the school fiscal year for which the applicable
20 allowable growth rate would be exceeded. The department shall allow
21 the district to increase its general fund expenditures by such
22 amount for the applicable school fiscal year.

23 (11) A Class II, III, IV, or V school district may exceed
24 its applicable allowable growth rate by a specific dollar amount
25 not to exceed the amount received during such school fiscal year

1 from educational entities as defined in section 79-1201.01 for
2 providing distance education courses through the Distance Education
3 Council until July 1, 2008, and the Educational Service Unit
4 Coordinating Council on and after July 1, 2008, to such educational
5 entities.

6 (12) A Class II, III, IV, or V school district may exceed
7 its applicable allowable growth rate for school fiscal year 2007-08
8 by a specific dollar amount equal to the amount paid in school
9 fiscal year 2006-07 to any distance education consortium in which
10 the school district was participating pursuant to an interlocal
11 agreement.

12 Sec. 3. Section 79-1201, Revised Statutes Supplement,
13 2007, is amended to read:

14 79-1201 Sections 79-1201 to 79-1249 and section 4 of this
15 act shall be known and may be cited as the Educational Service
16 Units Act.

17 Sec. 4. On or before March 1 of each year, a school
18 district that is a member of a learning community may provide
19 notice to the educational service unit for which the district
20 is a member and the State Department of Education that the
21 school district is optioning out of such educational service unit
22 effective as of the immediately following September 1. The notice
23 shall be on a form prescribed by the department.

24 Sec. 5. Section 79-1205, Revised Statutes Supplement,
25 2007, is amended to read:

1 79-1205 On ~~or before July 31, 2007,~~ and ~~on~~ or before
2 July 31 of each year thereafter, the State Board of Education
3 shall adjust the boundaries of any educational service unit when
4 the boundaries of ~~which~~ the educational service unit do not align
5 with the boundaries of the member school districts on July 1 of
6 such year and when the department has received notice that a school
7 district that is a member of a learning community will option out
8 of an educational service unit effective the immediately following
9 September 1. Such boundary adjustments shall align the boundaries
10 of the educational service unit with the boundaries of the member
11 school districts for the immediately following school fiscal year
12 as the boundaries of ~~the~~ such member school districts existed on
13 July 1 of such year. Such boundary adjustments shall be referred
14 to the appropriate county and educational service unit officials,
15 and such officials shall implement the adjustments and make the
16 necessary changes in the educational service unit maps and tax
17 records.

18 Sec. 6. Section 79-1241.03, Revised Statutes Supplement,
19 2007, is amended to read:

20 79-1241.03 For school fiscal year 2008-09 and each school
21 fiscal year thereafter:

22 (1) One percent of the funds appropriated for core
23 services and technology infrastructure shall be transferred to
24 the Educational Service Unit Coordinating Council. The remainder
25 of such funds shall be distributed pursuant to subdivisions (2)

1 through (6) of this section;

2 (2)(a) The distance education and telecommunications
3 allowance for each educational service unit shall equal eighty-five
4 percent of the difference of the costs for telecommunications
5 services, for access to data transmission networks that transmit
6 data to and from the educational service unit, and for the
7 transmission of data on such networks paid by the educational
8 service unit as reported on the annual financial report for the
9 most recently available complete data year minus the receipts from
10 the federal Universal Service Fund pursuant to 47 U.S.C. 254,
11 as such section existed on January 1, 2007, for the educational
12 service unit as reported on the annual financial report for the
13 most recently available complete data year and minus any receipts
14 from school districts or other educational entities for payment
15 of such costs as reported on the annual financial report of the
16 educational service unit;

17 (b) The base allocation of each educational service unit
18 shall equal two and one-half percent of the funds appropriated for
19 distribution pursuant to this section;

20 (c) The satellite office allocation for each educational
21 service unit shall equal one percent of the funds appropriated
22 for distribution pursuant to this section for each office of
23 the educational service unit, except the educational service unit
24 headquarters, up to the maximum number of satellite offices. The
25 maximum number of satellite offices used for the calculation of

1 the satellite office allocation for any educational service unit
2 shall equal the difference of the ratio of the number of square
3 miles within the boundaries of the educational service unit divided
4 by four thousand minus one with the result rounded to the closest
5 whole number;

6 (d) The statewide adjusted valuation shall equal the
7 total adjusted valuation for all local systems pursuant to section
8 79-1016 used for the calculation of state aid for school districts
9 pursuant to the Tax Equity and Educational Opportunities Support
10 Act for the school fiscal year for which the distribution is being
11 calculated pursuant to this section;

12 (e) The adjusted valuation for each educational service
13 unit and learning community shall equal the total adjusted
14 valuation of the member school districts pursuant to section
15 79-1016 used for the calculation of state aid for school districts
16 pursuant to the act for the school fiscal year for which the
17 distribution is being calculated pursuant to this section;

18 (f) The local effort rate shall equal \$0.0135 per one
19 hundred dollars of adjusted valuation;

20 (g) Except as provided in subdivision (5) of this
21 section, the statewide student allocation shall equal the
22 difference of the sum of the amount appropriated for distribution
23 pursuant to this section plus the product of the statewide adjusted
24 valuation multiplied by the local effort rate minus the distance
25 education and telecommunications allowance, base allocation, and

1 satellite office allocation for all educational service units;

2 (h) The sparsity adjustment for each educational service
3 unit and learning community shall equal the sum of one plus
4 one-tenth of the ratio of the square miles within the boundaries
5 of the educational service unit divided by the fall membership of
6 the member school districts for the school fiscal year immediately
7 preceding the school fiscal year for which the distribution is
8 being calculated pursuant to this section;

9 (i) The adjusted students for each educational service
10 unit shall equal the fall membership ~~of the member school districts~~
11 for the school fiscal year immediately preceding the school fiscal
12 year for which aid is being calculated of the member school
13 districts that will not be members of a learning community and
14 fifty percent of the fall membership for such school fiscal year
15 of the member school districts that will be members of a learning
16 community pursuant to this section multiplied by the educational
17 service unit sparsity adjustment for the educational service unit,
18 and the adjusted students for each learning community shall equal
19 the fall membership for such school fiscal year of the member
20 school districts that will not be members of an educational service
21 unit and fifty percent of the fall membership for such school
22 fiscal year of the member school districts that will be members of
23 an educational service unit pursuant to this section multiplied by
24 the sparsity adjustment for the learning community;

25 (j) The per student allocation shall equal the statewide

1 student allocation divided by the total adjusted students for all
2 educational service units and learning communities;

3 (k) The student allocation for each educational service
4 unit and learning community shall equal the per student allocation
5 multiplied by the adjusted students for the educational service
6 ~~units,~~ unit or learning community;

7 (l) The needs for each educational service unit shall
8 equal the sum of the distance education and telecommunications
9 allowance, base allocation, satellite office allocation, and
10 student allocation for the educational service unit and the needs
11 for each learning community shall equal the student allocation for
12 the learning community; and

13 (m) The distribution of core services and technology
14 infrastructure funds for each educational service unit and learning
15 community shall equal the needs for each educational service unit
16 or learning community minus the product of the adjusted valuation
17 for the educational service unit or learning community multiplied
18 by the local effort rate;

19 (3) If an educational service unit is the result of
20 a merger or received new member school districts from another
21 educational service unit, such educational service unit shall,
22 for each of the three fiscal years following the fiscal year in
23 which the merger takes place or the new member school districts
24 are received, receive core services and technology infrastructure
25 funds pursuant to subdivisions (2) through (6) of this section

1 in an amount not less than the core services and technology
2 infrastructure funds received in the fiscal year immediately
3 preceding the merger or receipt of new member school districts,
4 except that if the total amount available to be distributed
5 pursuant to subdivisions (2) through (6) of this section for such
6 year is less than the total amount distributed pursuant to such
7 subdivisions or sections 79-1241 and 79-1243 for the immediately
8 preceding fiscal year, the minimum core services and technology
9 infrastructure funds for each educational service unit pursuant to
10 this subdivision shall be reduced by a percentage equal to the
11 ratio of the difference of the total amount distributed pursuant
12 to subdivisions (2) through (6) of this section or sections
13 79-1241 and 79-1243 for the immediately preceding fiscal year
14 minus the total amount available to be distributed pursuant to
15 subdivisions (2) through (6) of this section for the fiscal year
16 in question divided by the total amount distributed pursuant to
17 subdivisions (2) through (6) of this section or sections 79-1241
18 and 79-1243 for the immediately preceding fiscal year. The core
19 services and technology infrastructure funds received in the fiscal
20 year immediately preceding a merger or receipt of new member
21 school districts for an educational service unit shall equal the
22 amount received in such fiscal year pursuant to subdivisions (2)
23 through (6) of this section or sections 79-1241 and 79-1243 by any
24 educational service unit affected by the merger or the transfer
25 of school districts multiplied by a ratio equal to the valuation

1 that was transferred to or retained by the educational service unit
2 for which the minimum is being calculated divided by the total
3 valuation of the educational service unit transferring or retaining
4 the territory;

5 (4) For fiscal years 2008-09 through 2013-14, each
6 educational service unit which will not have any member school
7 districts that are members of a learning community and which has
8 not had any member school districts option out of the educational
9 service unit pursuant to section 4 of this act shall receive core
10 services and technology infrastructure funds under this section
11 in an amount not less than ninety-five percent of the total of
12 the core services and technology infrastructure funds that the
13 educational service unit received in the immediately preceding
14 fiscal year either pursuant to subdivisions (2) through (6) of
15 this section or pursuant to sections 79-1241 and 79-1243, except
16 that if the total amount available to be distributed pursuant to
17 subdivisions (2) through (6) of this section for such year is less
18 than the total amount distributed pursuant to such subdivisions or
19 sections 79-1241 and 79-1243 for the immediately preceding fiscal
20 year, the minimum core services and technology infrastructure funds
21 for each educational service unit pursuant to this subdivision
22 shall be reduced by a percentage equal to the ratio of the
23 difference of the total amount distributed pursuant to subdivisions
24 (2) through (6) of this section or sections 79-1241 and 79-1243
25 for the immediately preceding fiscal year minus the total amount

1 available to be distributed pursuant to subdivisions (2) through
2 (6) of this section for the fiscal year in question divided by the
3 total amount distributed pursuant to subdivisions (2) through (6)
4 of this section or sections 79-1241 and 79-1243 for the immediately
5 preceding fiscal year;

6 (5) If the minimum core services and technology
7 infrastructure funds pursuant to subdivision (3) or (4) of this
8 section for any educational service unit exceed the amount that
9 would otherwise be distributed to such educational service unit
10 pursuant to subdivision (2) of this section, the statewide student
11 allocation shall be reduced such that the total amount to be
12 distributed pursuant to this section equals the appropriation
13 for core services and technology infrastructure funds and no
14 educational service unit receives less than the greater of any
15 minimum amounts calculated for such educational service unit
16 pursuant to subdivisions (3) and (4) of this section; and

17 (6) The State Department of Education shall certify the
18 distribution of core services and technology infrastructure funds
19 pursuant to subdivisions (2) through (6) of this section to each
20 educational service unit and learning community on or before July
21 1, 2008, for school fiscal year 2008-09 and on or before July
22 1 of each year thereafter for the following school fiscal year.
23 Any funds appropriated for distribution pursuant to this section
24 shall be distributed in ten as nearly as possible equal payments
25 on the first business day of each month beginning in September of

1 each school fiscal year and ending in June. Funds distributed to
2 educational service units pursuant to this section shall be used
3 for core services and technology infrastructure with the approval
4 of representatives of two-thirds of the member school districts
5 of the educational service unit, representing a majority of the
6 students in the member school districts.

7 (7) Each learning community shall distribute a portion of
8 funds obtained pursuant to this section to member school districts
9 that are not members of an educational service unit equal to
10 the product of the per student allocation multiplied by fifty
11 percent of the product of the fall membership of such districts
12 for the school fiscal year immediately preceding the school fiscal
13 year for which aid is being calculated pursuant to this section
14 multiplied by the sparsity adjustment for the learning community.
15 Each learning community coordinating council shall certify the
16 distribution of such funds on or before August 1 of each year for
17 the following school fiscal year. Such funds shall be distributed
18 in ten as nearly as possible equal payments on or before the
19 fifteenth day of each month beginning in September of each school
20 fiscal year and ending in June.

21 (8) For purposes of this section, the determination
22 of whether or not a school district will be a member of an
23 educational service unit or a learning community shall be based on
24 the information available May 1 for the following school fiscal
25 year.

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1 Sec. 7. Original sections 77-3442, 79-1028, 79-1201,
2 79-1205, and 79-1241.03, Revised Statutes Supplement, 2007, are
3 repealed.