

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 873

Introduced by Kopplin, 3; Gay, 14; Pedersen, 39.

Read first time January 11, 2008

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1001, 79-1003, and
3 79-1007.02, Revised Statutes Supplement, 2007; to provide
4 for a student growth adjustment and student growth
5 correction; 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 79-1001, Revised Statutes Supplement,
2 2007, is amended to read:

3 79-1001 Sections 79-1001 to 79-1033 and section 4 of
4 this act shall be known and may be cited as the Tax Equity and
5 Educational Opportunities Support Act.

6 Sec. 2. Section 79-1003, Revised Statutes Supplement,
7 2007, is amended to read:

8 79-1003 For purposes of the Tax Equity and Educational
9 Opportunities Support Act:

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

1 education and telecommunications allowance, elementary class size
2 allowance, and focus school and program allowance;

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

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

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

22 (5) Average daily membership means the average daily
23 membership for grades kindergarten through twelve attributable to
24 the local system, as provided in each district's annual statistical
25 summary, and includes the proportionate share of students enrolled

1 in a public school instructional program on less than a full-time
2 basis;

3 (6) Base fiscal year means the first school fiscal year
4 following the school fiscal year in which the reorganization or
5 unification occurred;

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

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

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

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

23 (11) Converted contract option students means students
24 who will be option students pursuant to the enrollment option
25 program established in section 79-234 for the school fiscal year

1 for which aid is being calculated and who would have been covered
2 by a converted contract if the contract were still in effect and
3 such school fiscal year is the first school fiscal year for which
4 such contract is not in effect;

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

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

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

22 (15) Ensuing school fiscal year means the school fiscal
23 year following the current school fiscal year;

24 (16) Equalization aid means the amount of assistance
25 calculated to be paid to a local system pursuant to sections

1 79-1008.01 to 79-1022 and 79-1022.02;

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

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

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

24 (20) Free lunch and free milk student means a student
25 who qualified for free lunches or free milk from the most recent

1 data available on November 1 of the school fiscal year immediately
2 preceding the school fiscal year in which aid is to be paid;

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

6 (22) General fund budget of expenditures means the total
7 budget of disbursements and transfers for general fund purposes as
8 certified in the budget statement adopted pursuant to the Nebraska
9 Budget Act, except that for purposes of the limitation imposed in
10 section 79-1023, the calculation of Class I total allowable general
11 fund budget of expenditures minus the special education budget of
12 expenditures pursuant to section 79-1083.03, and the calculation
13 pursuant to subdivision (2) of section 79-1027.01, the general fund
14 budget of expenditures does not include any special grant funds,
15 exclusive of local matching funds, received by a district subject
16 to the approval of the department;

17 (23) General fund expenditures means all expenditures
18 from the general fund;

19 (24) General fund operating expenditures means the total
20 general fund expenditures minus categorical funds, tuition paid,
21 transportation fees paid to other districts, adult education,
22 summer school, community services, redemption of the principal
23 portion of general fund debt service, retirement incentive plans,
24 staff development assistance, and transfers from other funds into
25 the general fund for the second school fiscal year immediately

1 preceding the school fiscal year in which aid is to be paid as
2 reported on the annual financial report prior to December 1 of the
3 school fiscal year immediately preceding the school fiscal year in
4 which aid is to be paid;

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

7 (26) Income tax liability means the amount of the
8 reported income tax liability for resident individuals pursuant
9 to the Nebraska Revenue Act of 1967 less all nonrefundable credits
10 earned and refunds made;

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

14 (28) Limited English proficiency student means a student
15 with limited English proficiency from the most recent data
16 available on November 1 of the school fiscal year preceding
17 the school fiscal year in which aid is to be paid;

18 (29) Local system means a Class VI district and the
19 associated Class I districts or a Class II, III, IV, or V district
20 and any affiliated Class I districts or portions of Class I
21 districts and for school fiscal year 2008-09 and each school fiscal
22 year thereafter, a learning community or a Class II, III, IV,
23 or V district that is not a member of a learning community.
24 The membership, expenditures, and resources of Class I districts
25 that are affiliated with multiple high school districts will be

1 attributed to local systems based on the percent of the Class I
2 valuation that is affiliated with each high school district;

3 (30) Low-income child means (a) for school fiscal years
4 prior to 2008-09, a child under nineteen years of age living in
5 a household having an annual adjusted gross income of fifteen
6 thousand dollars or less for the second calendar year preceding
7 the beginning of the school fiscal year for which aid is being
8 calculated and (b) for school fiscal year 2008-09 and each school
9 fiscal year thereafter, a child under nineteen years of age living
10 in a household having an annual adjusted gross income for the
11 second calendar year preceding the beginning of the school fiscal
12 year for which aid is being calculated equal to or less than the
13 maximum household income that would allow a student from a family
14 of four people to be a free lunch and free milk student during the
15 school fiscal year immediately preceding the school fiscal year for
16 which aid is being calculated;

17 (31) Low-income students means the number of low-income
18 children within the local system multiplied by the ratio of the
19 formula students in the local system divided by the total children
20 under nineteen years of age residing in the local system as derived
21 from income tax information;

22 (32) Most recently available complete data year means
23 the most recent single school fiscal year for which the annual
24 financial report, fall school district membership report, annual
25 statistical summary, Nebraska income tax liability by school

1 district for the calendar year in which the majority of the school
2 fiscal year falls, and adjusted valuation data are available;

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

6 (34) Qualified early childhood education average daily
7 membership means the product of the average daily membership for
8 school fiscal year 2006-07 and each school fiscal year thereafter
9 of students who will be eligible to attend kindergarten the
10 following school year and are enrolled in an early childhood
11 education program approved by the department pursuant to section
12 79-1103 for such school district for such school year if: (a)
13 The program is receiving a grant pursuant to such section for the
14 third year; (b) the program has already received grants pursuant to
15 such section for three years; or (c) the program has been approved
16 pursuant to subsection (5) of section 79-1103 for such school year
17 and the two preceding school years, including any such students
18 in portions of any of such programs receiving an expansion grant,
19 multiplied by the ratio of the actual instructional hours of the
20 program divided by one thousand thirty-two;

21 (35) Qualified early childhood education fall membership
22 means the product of membership on the last Friday in September
23 2006 and each year thereafter of students who will be eligible
24 to attend kindergarten the following school year and are enrolled
25 in an early childhood education program approved by the department

1 pursuant to section 79-1103 for such school district for such
2 school year if: (a) The program is receiving a grant pursuant
3 to such section for the third year; (b) the program has already
4 received grants pursuant to such section for three years; or (c)
5 the program has been approved pursuant to subsection (5) of section
6 79-1103 for such school year and the two preceding school years,
7 including any such students in portions of any of such programs
8 receiving an expansion grant, multiplied by the ratio of the
9 planned instructional hours of the program divided by one thousand
10 thirty-two;

11 (36) Regular route transportation means the
12 transportation of students on regularly scheduled daily routes to
13 and from the attendance center;

14 (37) Reorganized district means any district involved
15 in a consolidation and currently educating students following
16 consolidation;

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

19 (39) Special education means specially designed
20 kindergarten through grade twelve instruction pursuant to section
21 79-1125, and includes special education transportation;

22 (40) Special grant funds means the budgeted receipts for
23 grants, including, but not limited to, Title I funds, Title VI
24 funds, funds from the Education Innovation Fund, reimbursements
25 for wards of the court, short-term borrowings including, but

1 not limited to, registered warrants and tax anticipation notes,
2 interfund loans, insurance settlements, and reimbursements to
3 county government for previous overpayment. The state board shall
4 approve a listing of grants that qualify as special grant funds;

5 (41) Special receipts allowance means the amount of
6 special education, state ward, and accelerated or differentiated
7 curriculum program receipts included in local system formula
8 resources under subdivisions (7), (8), (16), and (17) of section
9 79-1018.01 attributable to the school district;

10 (42) State aid means the amount of assistance paid to a
11 district pursuant to the Tax Equity and Educational Opportunities
12 Support Act;

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

14 (44) State support means all funds provided to districts
15 by the State of Nebraska for the general fund support of elementary
16 and secondary education;

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

1 telecommunications allowance and the product of the local system's
2 adjusted formula students multiplied by the average formula cost
3 per student in the local system's cost grouping;

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

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

25 (48) Tuitioned students means students in kindergarten

1 through grade twelve of the district whose tuition is paid by the
2 district to some other district or education agency.

3 Sec. 3. Section 79-1007.02, Revised Statutes Supplement,
4 2007, is amended to read:

5 79-1007.02 For state aid calculated for school fiscal
6 year 1998-99 and each school fiscal year thereafter:

7 (1) Using data from the annual financial reports for the
8 second school fiscal year immediately preceding the school fiscal
9 year in which aid is to be paid, the annual statistical summary
10 reports for the school fiscal year immediately preceding the school
11 fiscal year in which aid is to be paid, the fall membership reports
12 and supplements thereto for the school fiscal year immediately
13 preceding the school fiscal year in which aid is to be paid,
14 and the school district census as reported under sections 79-524
15 and 79-578 for the second school fiscal year preceding the school
16 fiscal year in which aid is to be paid, the department shall
17 divide the local systems into three cost groupings prior to the
18 certification of state aid based upon the following criteria:

19 (a) The very sparse cost grouping will consist of local
20 systems that have (i) (A) less than one-half student per square
21 mile in each county in which each high school attendance center
22 is located, based on the school district census, (B) less than
23 one formula student per square mile in the local system, and (C)
24 more than fifteen miles between the high school attendance center
25 and the next closest high school attendance center on paved roads

1 or (ii) (A) more than four hundred fifty square miles in the local
2 system, (B) less than one-half student per square mile in the local
3 system, and (C) more than fifteen miles between each high school
4 attendance center and the next closest high school attendance
5 center on paved roads;

6 (b) The sparse cost grouping will consist of local
7 systems that do not qualify for the very sparse cost grouping but
8 which meet the following criteria:

9 (i) (A) Less than two students per square mile in the
10 county in which each high school is located, based on the school
11 district census, (B) less than one formula student per square mile
12 in the local system, and (C) more than ten miles between each
13 high school attendance center and the next closest high school
14 attendance center on paved roads;

15 (ii) (A) Less than one and one-half formula students per
16 square mile in the local system and (B) more than fifteen miles
17 between each high school attendance center and the next closest
18 high school attendance center on paved roads;

19 (iii) (A) Less than one and one-half formula students per
20 square mile in the local system and (B) more than two hundred
21 seventy-five square miles in the local system; or

22 (iv) (A) Less than two formula students per square mile in
23 the local system and (B) the local system includes an area equal
24 to ninety-five percent or more of the square miles in the largest
25 county in which a high school attendance center is located in the

1 local system; and

2 (c) The standard cost grouping will consist of local
3 systems that do not qualify for the very sparse or the sparse cost
4 groupings.

5 For purposes of subdivision (1) of this section, if a
6 local system did not operate and offer instruction in grades nine
7 through twelve within the boundaries of the local system during the
8 school fiscal year immediately preceding the school fiscal year in
9 which aid is to be paid, the local system shall not be considered
10 to have a high school attendance center;

11 (2) (a) The department shall calculate the average formula
12 cost per student in each cost grouping by dividing the total
13 estimated general fund operating expenditures for the cost grouping
14 by the difference between the total adjusted formula students for
15 all local systems in the cost grouping minus (i) the adjusted
16 formula students attributed to early childhood education programs
17 approved by the department pursuant to section 79-1103 for the
18 first two school fiscal years for which students attributed to
19 early childhood education programs approved by the department
20 pursuant to section 79-1103 are being included in the calculation
21 of state aid for the local system and (ii) for the first two
22 school fiscal years immediately following the school fiscal year in
23 which a district in the local system received an expansion grant
24 pursuant to section 79-1103, the difference between the adjusted
25 formula students attributed to early childhood education programs

1 approved by the department pursuant to section 79-1103 for the
2 school fiscal year immediately following the school fiscal year in
3 which a district in the local system received an expansion grant
4 minus the adjusted formula students attributed to early childhood
5 education programs approved by the department pursuant to section
6 79-1103 for the school fiscal year in which a district in the
7 local system received an expansion grant. For the calculation of
8 state aid for school fiscal year 1999-00 and for each school fiscal
9 year thereafter, the average formula cost per student in each cost
10 grouping shall not be recalculated for the final calculation of
11 state aid pursuant to section 79-1065. The calculation of total
12 adjusted formula students for purposes of this subdivision shall
13 take into account the requirements of subdivision (2) of section
14 79-1007.01. For school fiscal years prior to school fiscal year
15 2008-09, the total estimated general fund operating expenditures
16 for the cost grouping is equal to the total adjusted general fund
17 operating expenditures for all local systems in the cost grouping
18 multiplied by a cost growth factor. For school fiscal year 2008-09
19 and each school fiscal year thereafter, the total estimated general
20 fund operating expenditures for the cost grouping is equal to the
21 total adjusted general fund operating expenditures for all local
22 systems in the cost grouping.

23 (b) For school fiscal years prior to school fiscal year
24 2008-09, the cost growth factor for each cost grouping is equal to
25 the sum of: (i) One; plus (ii) the product of two times the ratio

1 of the difference of (A) the formula students attributable to the
2 cost grouping without weighting or adjustment pursuant to section
3 79-1007.01 minus the qualified early childhood education fall
4 membership attributable to the cost grouping without such weighting
5 or adjustment for state aid certified pursuant to section 79-1022
6 minus (B) the difference of the sum of the average daily membership
7 plus tuitioned students attributable to the cost grouping for the
8 most recently available complete data year minus the qualified
9 early childhood education average daily membership attributable to
10 the cost grouping without such weighting or adjustment for the most
11 recently available complete data year divided by the difference of
12 the sum of the average daily membership plus tuitioned students
13 attributable to the cost grouping for the most recently available
14 complete data year minus the qualified early childhood education
15 average daily membership attributable to the cost grouping without
16 such weighting or adjustment for the most recently available
17 complete data year, except that the ratio shall not be less than
18 zero; plus (iii) the basic allowable growth rate pursuant to
19 section 79-1025 for the school fiscal year in which the aid is to
20 be distributed; plus (iv) the basic allowable growth rate pursuant
21 to section 79-1025 for the school fiscal year immediately preceding
22 the school fiscal year in which the aid is to be distributed;
23 plus (v) one-half of any additional growth rate allowed by special
24 action of school boards for the school fiscal year in which the
25 aid is to be distributed as determined for the school fiscal

1 year immediately preceding the school fiscal year when aid is to
2 be distributed; plus (vi) one-half of any additional growth rate
3 allowed by special action of the school boards for the school
4 fiscal year immediately preceding the school fiscal year when the
5 aid is to be distributed;

6 (3) For school fiscal years 2002-03 through 2006-07, each
7 local system's formula need shall be calculated by subtracting
8 the temporary aid adjustment factor from the sum of the local
9 system's transportation allowance, the local system's special
10 receipts allowance, and the product of the local system's adjusted
11 formula students multiplied by the average formula cost per student
12 in the local system's cost grouping. The calculation of total
13 adjusted formula students for purposes of this subdivision shall
14 take into account the requirements of subdivision (2) of section
15 79-1007.01;

16 (4) For school fiscal year 2007-08, each local system's
17 formula need shall be calculated by subtracting the temporary aid
18 adjustment factor from the sum of the local system's transportation
19 allowance, special receipts allowance, and distance education and
20 telecommunications allowance and the product of the local system's
21 adjusted formula students multiplied by the average formula cost
22 per student in the local system's cost grouping. The calculation
23 of total adjusted formula students for purposes of this subdivision
24 shall take into account the requirements of subdivision (2) of
25 section 79-1007.01; ~~and~~

1 (5) For school fiscal year 2008-09, ~~and each school~~
2 ~~fiscal year thereafter,~~ each school district's formula need
3 shall equal the greater of (a) the difference of the sum of
4 the school district's transportation allowance, elementary class
5 size allowance, focus school and program allowance, limited
6 English proficiency allowance, poverty allowance, special receipts
7 allowance, and distance education and telecommunications allowance
8 plus the product of the school district's adjusted formula students
9 multiplied by the average formula cost per student in the school
10 district's local system cost grouping minus the sum of the limited
11 English proficiency allowance correction and poverty allowance
12 correction or (b) if the school district's general fund levy was
13 at or above ninety-five percent of the school district's maximum
14 levy pursuant to section 77-3442, the school district's prior year
15 formula need multiplied by one hundred percent. The calculation of
16 total adjusted formula students for purposes of this subdivision
17 shall take into account the requirements of subdivision (2) of
18 section 79-1007.03; ~~and -~~

19 (6) For school fiscal year 2009-10 and each school
20 fiscal year thereafter, each school district's formula need
21 shall equal the greater of (a) the difference of the sum of
22 the school district's transportation allowance, elementary class
23 size allowance, focus school and program allowance, limited
24 English proficiency allowance, poverty allowance, special receipts
25 allowance, distance education and telecommunications allowance,

1 and student growth adjustment plus the product of the school
2 district's adjusted formula students multiplied by the average
3 formula cost per student in the school district's local system
4 cost grouping minus the sum of the limited English proficiency
5 allowance correction, poverty allowance correction, and student
6 growth correction or (b) if the school district's general fund
7 levy was at or above ninety-five percent of the school district's
8 maximum levy pursuant to section 77-3442, the school district's
9 prior year formula need multiplied by one hundred percent. The
10 calculation of total adjusted formula students for purposes of this
11 subdivision shall take into account the requirements of subdivision
12 (2) of section 79-1007.03.

13 Sec. 4. (1) For school fiscal year 2009-10 and each
14 school fiscal year thereafter, a qualifying district may apply
15 for a student growth adjustment, on a form prescribed by the
16 department, on or before October 15 of the school fiscal year
17 immediately preceding the school fiscal year for which aid is
18 being calculated. If the application meets the requirements of this
19 section, the application shall be approved by the department and
20 the department shall notify the district of the approval or denial
21 of the student growth adjustment on or before November 15 of the
22 year in which the application was submitted.

23 (2) The student growth adjustment for each qualifying
24 district shall equal the statewide average general fund operating
25 expenditures per formula student multiplied by the difference of

1 the district's projected formula students for such school fiscal
2 year minus the sum of the formula students used in the calculation
3 of aid for such school fiscal year.

4 (3) For school fiscal year 2011-12 and each school fiscal
5 year thereafter, the department shall determine if any district in
6 the most recently available complete data year had total formula
7 students less than the projected formula students used to calculate
8 a student growth adjustment. A student growth correction shall
9 be calculated for such systems equal to the statewide average
10 general fund operating expenditures per formula student used in the
11 final calculation of aid pursuant to section 79-1065 for the most
12 recently available complete data year multiplied by the difference
13 of the projected formula students used to calculate the student
14 growth adjustment used in the final calculation of aid pursuant to
15 section 79-1065 for such data year minus the formula students for
16 the school fiscal year for which aid was calculated.

17 (4) For purposes of this section, qualifying district
18 means a district which projects formula students for such school
19 fiscal year that is greater than the sum of twenty-five students
20 plus the formula students to be used in the calculation of aid for
21 such school fiscal year.

22 Sec. 5. Original sections 79-1001, 79-1003, and
23 79-1007.02, Revised Statutes Supplement, 2007, are repealed.