

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 548

FINAL READING

Introduced by Adams, 24.

Read first time January 21, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities  
2 Support Act; to amend sections 79-1022, 79-1023,  
3 79-1026.01, 79-1027, and 79-1031.01, Reissue Revised  
4 Statutes of Nebraska, as amended by sections 1, 2,  
5 3, 4, and 5, respectively, Legislative Bill 61, One  
6 Hundred First Legislature, First Session, 2009; to  
7 change certification dates as prescribed; to harmonize  
8 provisions; to repeal the original sections; and to  
9 declare an emergency.

10 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 79-1022, Reissue Revised Statutes of  
2 Nebraska, as amended by section 1, Legislative Bill 61, One Hundred  
3 First Legislature, First Session, 2009, is amended to read:

4           79-1022 (1) On or before ~~April~~ June 1, 2009, and on or  
5 before February 1 of each year thereafter, the department shall  
6 determine the amounts to be distributed to each local system  
7 and each district pursuant to the Tax Equity and Educational  
8 Opportunities Support Act and shall certify the amounts to  
9 the Director of Administrative Services, the Auditor of Public  
10 Accounts, each learning community, and each district. The amount  
11 to be distributed to each district that is not a member of  
12 a learning community from the amount certified for a local  
13 system shall be proportional based on: (a) For school fiscal  
14 years prior to school fiscal year 2008-09, the weighted formula  
15 students attributed to each district in the local system; and  
16 (b) for school fiscal year 2008-09 and each school fiscal year  
17 thereafter, the formula students attributed to each district in  
18 the local system. For the first five complete school fiscal years  
19 for a learning community, the amount to be distributed to each  
20 district that is a member of such learning community shall be  
21 determined pursuant to section 79-1015. For each school fiscal year  
22 thereafter, the amount to be distributed to each district that  
23 is a member of a learning community from the amount certified  
24 for the local system shall be proportional based on the formula  
25 needs calculated for each district in the local system. On or

1 before ~~April~~ June 1, 2009, and February 1 of each year thereafter,  
2 the department shall report the necessary funding level to the  
3 Governor, the Appropriations Committee of the Legislature, and  
4 the Education Committee of the Legislature. Certified state aid  
5 amounts, including adjustments pursuant to section 79-1065.02,  
6 shall be shown as budgeted non-property-tax receipts and deducted  
7 prior to calculating the property tax request in the district's  
8 general fund budget statement as provided to the Auditor of Public  
9 Accounts pursuant to section 79-1024.

10 (2) Except as provided in subsection (8) of section  
11 79-1016 and sections 79-1033 and 79-1065.02, the amounts certified  
12 pursuant to subsection (1) of this section shall be distributed in  
13 ten as nearly as possible equal payments on the last business day  
14 of each month beginning in September of each ensuing school fiscal  
15 year and ending in June of the following year, except that when a  
16 school district is to receive a monthly payment of less than one  
17 thousand dollars, such payment shall be one lump-sum payment on  
18 the last business day of December during the ensuing school fiscal  
19 year.

20 Sec. 2. Section 79-1023, Reissue Revised Statutes of  
21 Nebraska, as amended by section 2, Legislative Bill 61, One Hundred  
22 First Legislature, First Session, 2009, is amended to read:

23 79-1023 (1) On or before ~~April~~ June 1, 2009, and on or  
24 before February 1 of each year thereafter, the department shall  
25 determine and certify to each school district the maximum general

1 fund budget of expenditures minus the special education budget of  
2 expenditures for the immediately following school fiscal year.

3 (2) For school fiscal years prior to 2008-09, no Class  
4 II, III, IV, V, or VI district shall increase its general fund  
5 budget of expenditures more than the local system's applicable  
6 allowable growth rate.

7 (3) For school fiscal year 2008-09 and each school fiscal  
8 year thereafter, except as provided in section 79-1028.01, no  
9 school district shall have a general fund budget of expenditures  
10 minus special grant funds and the special education budget of  
11 expenditures more than the greater of (a) the product of the  
12 difference of the general fund budget of expenditures minus special  
13 grant funds and the special education budget of expenditures for  
14 the immediately preceding school fiscal year multiplied by the sum  
15 of one plus the local system's applicable allowable growth rate or  
16 (b) the difference of one hundred twenty percent of formula need  
17 for such school fiscal year minus the product of the sum of one  
18 plus the basic allowable growth rate for such school fiscal year  
19 multiplied by the special education budget of expenditures as filed  
20 on the school district budget statement on or before September 20  
21 for the immediately preceding school fiscal year.

22 Sec. 3. Section 79-1026.01, Reissue Revised Statutes of  
23 Nebraska, as amended by section 3, Legislative Bill 61, One Hundred  
24 First Legislature, First Session, 2009, is amended to read:

25 79-1026.01 For school fiscal year 2008-09 and each school

1 fiscal year thereafter, on or before ~~April~~ June 1, 2009, and on  
2 or before February 1 of each year thereafter, the department shall  
3 determine and certify to each Class II, III, IV, or V district an  
4 applicable allowable growth rate carried out at least four decimal  
5 places as follows:

6 (1) The department shall establish a target budget level  
7 range of general fund operating expenditure levels for each school  
8 fiscal year for each school district which shall begin at twenty  
9 percent less than the school district's formula need and end at the  
10 school district's formula need. The beginning point of the range  
11 shall be assigned a number equal to the maximum allowable growth  
12 rate established in section 79-1025, and the end point of the range  
13 shall be assigned a number equal to the basic allowable growth rate  
14 as prescribed in such section such that the lower end of the range  
15 shall be assigned the maximum allowable growth rate and the higher  
16 end of the range shall be assigned the basic allowable growth rate;  
17 and

18 (2) For each school fiscal year, each school district's  
19 general fund operating expenditures shall be compared to its target  
20 budget level along the range described in subdivision (1) of  
21 this section to arrive at an applicable allowable growth rate  
22 as follows: If each school district's general fund operating  
23 expenditures fall below the lower end of the range, such applicable  
24 allowable growth rate shall be the maximum growth rate identified  
25 in section 79-1025. If each school district's general fund

1 operating expenditures are greater than the higher end of the  
 2 range, the school district's allowable growth rate shall be the  
 3 basic allowable growth rate identified in such section. If each  
 4 school district's general fund operating expenditures fall between  
 5 the lower end and the higher end of the range, the department shall  
 6 use a linear interpolation calculation between the end points of  
 7 the range to arrive at the applicable allowable growth rate for the  
 8 school district.

9           Sec. 4. Section 79-1027, Reissue Revised Statutes of  
 10 Nebraska, as amended by section 4, Legislative Bill 61, One Hundred  
 11 First Legislature, First Session, 2009, is amended to read:

12           79-1027 No district shall adopt a budget, which includes  
 13 total requirements of depreciation funds, necessary employee  
 14 benefit fund cash reserves, and necessary general fund cash  
 15 reserves, exceeding the applicable allowable reserve percentages  
 16 of total general fund budget of expenditures as specified in the  
 17 schedule set forth in this section.

18	Average daily	Allowable
19	membership of	reserve
20	district	percentage
21	0 - 471	45
22	471.01 - 3,044	35
23	3,044.01 - 10,000	25
24	10,000.01 and over	20

25           On or before ~~April~~ June 1, 2009, and on or before

1 February 1 each year thereafter, the department shall determine and  
2 certify each district's applicable allowable reserve percentage.

3           Each district with combined necessary general fund cash  
4 reserves, total requirements of depreciation funds, and necessary  
5 employee benefit fund cash reserves less than the applicable  
6 allowable reserve percentage specified in this section may,  
7 notwithstanding the district's applicable allowable growth rate,  
8 increase its necessary general fund cash reserves such that the  
9 total necessary general fund cash reserves, total requirements  
10 of depreciation funds, and necessary employee benefit fund  
11 cash reserves do not exceed such applicable allowable reserve  
12 percentage.

13           Sec. 5. Section 79-1031.01, Reissue Revised Statutes of  
14 Nebraska, as amended by section 5, Legislative Bill 61, One Hundred  
15 First Legislature, First Session, 2009, is amended to read:

16           79-1031.01    The Appropriations Committee of the  
17 Legislature shall annually include the amount necessary to fund  
18 the state aid that will be certified to school districts on or  
19 before ~~April~~ June 1, 2009, and on or before February 1 for each  
20 school year thereafter in its recommendations to the Legislature  
21 to carry out the requirements of the Tax Equity and Educational  
22 Opportunities Support Act.

23           Sec. 6. Original sections 79-1022, 79-1023, 79-1026.01,  
24 79-1027, and 79-1031.01, Reissue Revised Statutes of Nebraska, as  
25 amended by sections 1, 2, 3, 4, and 5, respectively, Legislative

1 Bill 61, One Hundred First Legislature, First Session, 2009, are  
2 repealed.

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