

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 545

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 77-3446, 79-1005.01,
3 79-1007.18, and 79-1007.19, Reissue Revised Statutes
4 of Nebraska; to redefine a term; to change provisions
5 relating to allocated income tax receipts, the averaging
6 adjustment, and the teacher education adjustment;
7 to repeal the original sections; and to declare an
8 emergency.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3446, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3446 Base limitation means the budget limitation rate
4 applicable to school districts and the limitation on growth of
5 restricted funds applicable to other political subdivisions prior
6 to any increases in the rate as a result of special actions
7 taken by a supermajority of any governing board or of any
8 exception allowed by law. The base limitation is two and one-half
9 percent until adjusted, except that the base limitation for school
10 districts for school fiscal years ~~2003-04 and 2004-05 is zero.~~
11 2009-10 and 2010-11 is one percent. The base limitation may be
12 adjusted annually by the Legislature to reflect changes in the
13 prices of services and products used by school districts and
14 political subdivisions.

15 Sec. 2. Section 79-1005.01, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-1005.01 ~~For state aid calculated for all school fiscal~~
18 ~~years except school fiscal years 2002-03 through 2007-08.~~

19 (1) An amount equal to the amount appropriated to
20 the School District Income Tax Fund for distribution in school
21 fiscal year 1992-93 shall be disbursed as option payments as
22 determined under section 79-1009 and as allocated income tax
23 funds as determined in this section and sections 79-1008.01,
24 79-1015.01, 79-1017.01, and 79-1018.01, except as provided in
25 section 79-1008.02. Funds not distributed as allocated income tax

1 funds due to minimum levy adjustments shall not increase the amount
2 available to local systems for distribution as allocated income tax
3 funds.~~+~~

4 (2) Not later than November 15 of each year, the Tax
5 Commissioner shall certify to the department for the preceding tax
6 year the income tax liability of resident individuals for each
7 local system. The 1996 income tax liability of resident individuals
8 of Class I districts that are affiliated with multiple high school
9 districts shall be divided between local systems based on the
10 percentage of the Class I district's valuation affiliated with each
11 high school district.~~+~~ and

12 (3) Using the data certified by the Tax Commissioner
13 pursuant to ~~subdivision~~ subsection (2) of this section, the
14 department shall calculate the allocation percentage and each local
15 system's allocated income tax funds. The allocation percentage
16 shall be an amount equal to the amount appropriated to the School
17 District Income Tax Fund for distribution in school fiscal year
18 1992-93 minus the total amount paid for option students pursuant
19 to section 79-1009 and, for aid calculated for school fiscal year~~s~~
20 ~~2008-09~~, years 2008-09, 2009-10, and 2010-11, minus twenty million
21 dollars with the difference divided by the aggregate statewide
22 income tax liability of all resident individuals certified pursuant
23 to ~~subdivision~~ subsection (2) of this section. Each local system's
24 allocated income tax funds shall be calculated by multiplying the
25 allocation percentage times the local system's income tax liability

1 certified pursuant to ~~subdivision~~ subsection (2) of this section.

2 Sec. 3. Section 79-1007.18, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-1007.18 (1) For school fiscal year 2008-09 and each
5 school fiscal year thereafter, the department shall calculate an
6 averaging adjustment for districts if the basic funding per formula
7 student is less than the statewide average basic funding per
8 formula student and the general fund levy for the school fiscal
9 year immediately preceding the school fiscal year for which aid
10 is being calculated was at least ninety-six cents per one hundred
11 dollars of taxable valuation for aid calculated for school fiscal
12 year 2008-09 and ~~at least one dollar per one hundred dollars of~~
13 ~~taxable valuation~~ not less than the local effort rate calculated
14 pursuant to section 79-1015.01 for the immediately preceding school
15 fiscal year for aid calculated for school fiscal year 2009-10
16 and each school fiscal year thereafter. For school districts that
17 are members of a learning community, the general fund levy for
18 purposes of this section includes both the common general fund levy
19 and the school district general fund levy authorized pursuant to
20 subdivisions (2)(b) and (2)(c) of section 77-3442. The averaging
21 adjustment for aid calculated for school fiscal year 2008-09 shall
22 equal seventy-five percent of the product of the district's formula
23 students multiplied by the percentage specified in this section for
24 such district of the difference between the statewide average basic
25 funding per formula student minus such district's basic funding per

1 formula student. The averaging adjustment for aid calculated for
2 school fiscal year 2009-10 and each school fiscal year thereafter
3 shall equal the district's formula students multiplied by the
4 percentage specified in this section for such district of the
5 difference between the statewide average basic funding per formula
6 student minus such district's basic funding per formula student.

7 (2) The percentage to be used in the calculation of an
8 averaging adjustment shall be based on the general fund levy for
9 the school fiscal year immediately preceding the school fiscal year
10 for which aid is being calculated.

11 (3) The percentages to be used in the calculation of
12 averaging adjustments for school fiscal year 2008-09 shall be as
13 follows:

14 (a) If such levy was at least ninety-six cents per one
15 hundred dollars of taxable valuation but less than ninety-seven
16 cents per one hundred dollars of taxable valuation, the percentage
17 shall be ten percent;

18 (b) If such levy was at least ninety-seven cents per one
19 hundred dollars of taxable valuation but less than ninety-eight
20 cents per one hundred dollars of taxable valuation, the percentage
21 shall be twenty percent;

22 (c) If such levy was at least ninety-eight cents per
23 one hundred dollars of taxable valuation but less than ninety-nine
24 cents per one hundred dollars of taxable valuation, the percentage
25 shall be thirty percent;

1 (d) If such levy was at least ninety-nine cents per one
2 hundred dollars of taxable valuation but less than one dollar per
3 one hundred dollars of taxable valuation, the percentage shall be
4 forty percent;

5 (e) If such levy was at least one dollar per one hundred
6 dollars of taxable valuation but less than one dollar and one cent
7 per one hundred dollars of taxable valuation, the percentage shall
8 be fifty percent;

9 (f) If such levy was at least one dollar and one cent per
10 one hundred dollars of taxable valuation but less than one dollar
11 and two cents per one hundred dollars of taxable valuation, the
12 percentage shall be sixty percent;

13 (g) If such levy was at least one dollar and two
14 cents per one hundred dollars of taxable valuation but less than
15 one dollar and three cents per one hundred dollars of taxable
16 valuation, the percentage shall be seventy percent;

17 (h) If such levy was at least one dollar and three cents
18 per one hundred dollars of taxable valuation but less than one
19 dollar and four cents per one hundred dollars of taxable valuation,
20 the percentage shall be eighty percent; and

21 (i) If such levy was at least one dollar and four cents
22 per one hundred dollars of taxable valuation, the percentage shall
23 be ninety percent.

24 (4) The percentages to be used in the calculation of
25 averaging adjustments for school fiscal year 2009-10 and each

1 school fiscal year thereafter shall be fifty percent. as follows:

2 (a) If such levy was at least one dollar per one hundred
3 dollars of taxable valuation but less than one dollar and one cent
4 per one hundred dollars of taxable valuation, the percentage shall
5 be fifty percent;

6 (b) If such levy was at least one dollar and one cent per
7 one hundred dollars of taxable valuation but less than one dollar
8 and two cents per one hundred dollars of taxable valuation, the
9 percentage shall be sixty percent;

10 (c) If such levy was at least one dollar and two
11 cents per one hundred dollars of taxable valuation but less than
12 one dollar and three cents per one hundred dollars of taxable
13 valuation, the percentage shall be seventy percent;

14 (d) If such levy was at least one dollar and three cents
15 per one hundred dollars of taxable valuation but less than one
16 dollar and four cents per one hundred dollars of taxable valuation,
17 the percentage shall be eighty percent; and

18 (e) If such levy was at least one dollar and four cents
19 per one hundred dollars of taxable valuation, the percentage shall
20 be ninety percent.

21 Sec. 4. Section 79-1007.19, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-1007.19 For school fiscal year 2008-09 and each school
24 fiscal year thereafter, the department shall calculate a teacher
25 education adjustment for each district as follows:

1 (1) Teacher education points shall be calculated for each
2 district by the department based upon data from the fall personnel
3 report required pursuant to section 79-804 for the school fiscal
4 year immediately preceding the school fiscal year in which aid is
5 to be paid. Each full-time equivalent teacher shall (a) be under
6 contract with a school district as required pursuant to section
7 79-818 and (b) only be counted one time in the awarding of any
8 points pursuant to this section. Each district shall receive one
9 point for each full-time equivalent teacher who has earned and been
10 awarded a master's degree or an education specialist's degree and
11 two points for each full-time equivalent teacher who has earned and
12 been awarded a doctoral degree;

13 (2) A teacher education index shall be calculated for
14 each district by dividing the ratio of teacher education points for
15 the district divided by the number of full-time equivalent teachers
16 in the district by the ratio of teacher education points for all
17 districts divided by the number of full-time equivalent teachers in
18 all districts; and

19 (3) The teacher education adjustment for each district
20 shall equal ten percent for school fiscal years 2008-09, ~~and~~
21 2009-10, and 2010-11 and thirteen and seventy-five one-hundredths
22 percent for each school fiscal year thereafter of the district's
23 basic funding multiplied by the difference of the product of the
24 district's teacher education index minus one, except that if the
25 result is less than zero, the teacher education adjustment shall

1 equal zero.

2 Sec. 5. Original sections 77-3446, 79-1005.01,
3 79-1007.18, and 79-1007.19, Reissue Revised Statutes of Nebraska,
4 are repealed.

5 Sec. 6. Since an emergency exists, this act takes effect
6 when passed and approved according to law.