

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIRST LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 61**

Introduced by Adams, 24.

Read first time January 8, 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; to change certification dates  
5 as prescribed; to harmonize provisions; to repeal the  
6 original sections; and to declare an emergency.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 79-1022, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           79-1022 (1) On or before April 1, 2009, and on or before  
4 February 1 of each year thereafter, the department shall determine  
5 the amounts to be distributed to each local system and each  
6 district pursuant to the Tax Equity and Educational Opportunities  
7 Support Act and shall certify the amounts to the Director of  
8 Administrative Services, the Auditor of Public Accounts, each  
9 learning community, and each district. The amount to be distributed  
10 to each district that is not a member of a learning community  
11 from the amount certified for a local system shall be proportional  
12 based on: (a) For school fiscal years prior to school fiscal year  
13 2008-09, the weighted formula students attributed to each district  
14 in the local system; and (b) for school fiscal year 2008-09  
15 and each school fiscal year thereafter, the formula students  
16 attributed to each district in the local system. For the first  
17 five complete school fiscal years for a learning community, the  
18 amount to be distributed to each district that is a member of  
19 such learning community shall be determined pursuant to section  
20 79-1015. For each school fiscal year thereafter, the amount to  
21 be distributed to each district that is a member of a learning  
22 community from the amount certified for the local system shall  
23 be proportional based on the formula needs calculated for each  
24 district in the local system. On or before February 1 of each  
25 year, the department shall report the necessary funding level to

1 the Governor, the Appropriations Committee of the Legislature,  
 2 and the Education Committee of the Legislature. Certified state  
 3 aid amounts, including adjustments pursuant to section 79-1065.02,  
 4 shall be shown as budgeted non-property-tax receipts and deducted  
 5 prior to calculating the property tax request in the district's  
 6 general fund budget statement as provided to the Auditor of Public  
 7 Accounts pursuant to section 79-1024.

8 (2) Except as provided in subsection (8) of section  
 9 79-1016 and sections 79-1033 and 79-1065.02, the amounts certified  
 10 pursuant to subsection (1) of this section shall be distributed in  
 11 ten as nearly as possible equal payments on the last business day  
 12 of each month beginning in September of each ensuing school fiscal  
 13 year and ending in June of the following year, except that when a  
 14 school district is to receive a monthly payment of less than one  
 15 thousand dollars, such payment shall be one lump-sum payment on  
 16 the last business day of December during the ensuing school fiscal  
 17 year.

18 Sec. 2. Section 79-1023, Reissue Revised Statutes of  
 19 Nebraska, is amended to read:

20 79-1023 (1) On or before ~~April 30, 2008, or the fifteenth~~  
 21 ~~day after April 3, 2008, whichever occurs later,~~ April 1, 2009, and  
 22 on or before February 1 of each year thereafter, the department  
 23 shall determine and certify to each school district the maximum  
 24 general fund budget of expenditures minus the special education  
 25 budget of expenditures for the immediately following school fiscal

1 year.

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

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

21 Sec. 3. Section 79-1026.01, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 79-1026.01 For school fiscal year 2008-09 and each school  
24 fiscal year thereafter, on or before April 1, 2009, and on or  
25 before February 1 of each year thereafter, the department shall

1 determine and certify to each Class II, III, IV, or V district an  
2 applicable allowable growth rate carried out at least four decimal  
3 places as follows:

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

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

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

7           Sec. 4. Section 79-1027, Reissue Revised Statutes of  
 8 Nebraska, is amended to read:

9           79-1027 No district shall adopt a budget, which includes  
 10 total requirements of depreciation funds, necessary employee  
 11 benefit fund cash reserves, and necessary general fund cash  
 12 reserves, exceeding the applicable allowable reserve percentages  
 13 of total general fund budget of expenditures as specified in the  
 14 schedule set forth in this section.

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

22           On or before ~~February 15, 2007,~~ April 1, 2009, and on  
 23 or before February 1 each year thereafter, the department shall  
 24 determine and certify each district's applicable allowable reserve  
 25 percentage.

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

11           Sec. 5. Section 79-1031.01, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13           79-1031.01    The Appropriations Committee of the  
14 Legislature shall annually include the amount necessary to fund the  
15 state aid that will be certified to school districts on or before  
16 ~~April 30, 2008~~, April 1, 2009, and on or before February 1 for each  
17 school year thereafter in its recommendations to the Legislature  
18 to carry out the requirements of the Tax Equity and Educational  
19 Opportunities Support Act.

20           Sec. 6. Original sections 79-1022, 79-1023, 79-1026.01,  
21 79-1027, and 79-1031.01, Reissue Revised Statutes of Nebraska, are  
22 repealed.

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