

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 236

Introduced by Adams, 24.

Read first time January 11, 2011

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1015.01, 79-1025, and
3 79-1029, Reissue Revised Statutes of Nebraska, and
4 sections 77-3446, 79-1003, 79-1005.01, 79-1007.10,
5 79-1007.11, 79-1007.18, 79-1023, and 79-1030, Revised
6 Statutes Cumulative Supplement, 2010; to change and
7 eliminate provisions relating to state aid to schools; to
8 harmonize provisions; to repeal the original sections; to
9 outright repeal sections 79-1022.02, 79-1026, 79-1028,
10 and 79-1083.03, Reissue Revised Statutes of Nebraska, and
11 section 79-1026.01, Revised Statutes Cumulative
12 Supplement, 2010; and to declare an emergency.

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

1 Section 1. Section 77-3446, Revised Statutes Cumulative
2 Supplement, 2010, 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 to
6 any increases in the rate as a result of special actions taken by a
7 supermajority of any governing board or of any exception allowed by
8 law. The base limitation is two and one-half percent until adjusted,
9 except that the base limitation for school districts for school
10 fiscal years ~~2009-10, 2011-12,~~ and 2012-13 is ~~one and one-half~~ zero
11 percent and the base limitation for school districts for school
12 fiscal year 2010-11 is twenty-five hundredths of one percent. The
13 base limitation may be adjusted annually by the Legislature to
14 reflect changes in the prices of services and products used by school
15 districts and political subdivisions.

16 Sec. 2. Section 79-1003, Revised Statutes Cumulative
17 Supplement, 2010, is amended to read:

18 79-1003 For purposes of the Tax Equity and Educational
19 Opportunities Support Act:

20 (1) Adjusted general fund operating expenditures means
21 (a) for school fiscal years before school fiscal year 2007-08,
22 general fund operating expenditures as calculated pursuant to
23 subdivision (21) of this section minus the transportation allowance
24 and minus the special receipts allowance, (b) for school fiscal year
25 2007-08, general fund operating expenditures as calculated pursuant

1 to subdivision (21) of this section minus the sum of the
2 transportation, special receipts, and distance education and
3 telecommunications allowances, (c) for school fiscal year 2008-09,
4 the difference of the product of the general fund operating
5 expenditures as calculated pursuant to subdivision (21) of this
6 section multiplied by the cost growth factor calculated pursuant to
7 section 79-1007.10 minus the transportation allowance, special
8 receipts allowance, poverty allowance, limited English proficiency
9 allowance, distance education and telecommunications allowance,
10 elementary site allowance, elementary class size allowance, summer
11 school allowance, and focus school and program allowance, (d) for
12 school fiscal year 2009-10, the difference of the product of the
13 general fund operating expenditures as calculated pursuant to
14 subdivision (21) of this section multiplied by the cost growth factor
15 calculated pursuant to section 79-1007.10 minus the transportation
16 allowance, special receipts allowance, poverty allowance, limited
17 English proficiency allowance, distance education and
18 telecommunications allowance, elementary site allowance, elementary
19 class size allowance, summer school allowance, instructional time
20 allowance, and focus school and program allowance, (e) for school
21 fiscal years 2010-11 through 2012-13, the difference of the product
22 of the general fund operating expenditures as calculated pursuant to
23 subdivision (21) of this section multiplied by the cost growth factor
24 calculated pursuant to section 79-1007.10 minus the transportation
25 allowance, special receipts allowance, poverty allowance, limited

1 English proficiency allowance, distance education and
2 telecommunications allowance, elementary site allowance, elementary
3 class size allowance, summer school allowance, instructional time
4 allowance, teacher education allowance, and focus school and program
5 allowance, and (f) for school fiscal year 2013-14 and each school
6 fiscal year thereafter, the difference of the product of the general
7 fund operating expenditures as calculated pursuant to subdivision
8 (21) of this section multiplied by the cost growth factor calculated
9 pursuant to section 79-1007.10 minus the transportation allowance,
10 special receipts allowance, poverty allowance, limited English
11 proficiency allowance, distance education and telecommunications
12 allowance, elementary site allowance, summer school allowance,
13 instructional time allowance, teacher education allowance, and focus
14 school and program allowance;

15 (2) Adjusted valuation means the assessed valuation of
16 taxable property of each local system in the state, adjusted pursuant
17 to the adjustment factors described in section 79-1016. Adjusted
18 valuation means the adjusted valuation for the property tax year
19 ending during the school fiscal year immediately preceding the school
20 fiscal year in which the aid based upon that value is to be paid. For
21 purposes of determining the local effort rate yield pursuant to
22 section 79-1015.01, adjusted valuation does not include the value of
23 any property which a court, by a final judgment from which no appeal
24 is taken, has declared to be nontaxable or exempt from taxation;

25 (3) Allocated income tax funds means the amount of

1 assistance paid to a local system pursuant to section 79-1005.01 or
2 79-1005.02 as adjusted by the minimum levy adjustment pursuant to
3 section 79-1008.02;

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

8 (5) Average daily membership means the average daily
9 membership for grades kindergarten through twelve attributable to the
10 local system, as provided in each district's annual statistical
11 summary, and includes the proportionate share of students enrolled in
12 a public school instructional program on less than a full-time basis;

13 (6) Base fiscal year means the first school fiscal year
14 following the school fiscal year in which the reorganization or
15 unification occurred;

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

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

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

25 (10) Department means the State Department of Education;

1 (11) District means any Class I, II, III, IV, V, or VI
2 school district and, beginning with the calculation of state aid for
3 school fiscal year 2011-12 and each school fiscal year thereafter, a
4 unified system as defined in section 79-4,108;

5 (12) Ensuing school fiscal year means the school fiscal
6 year following the current school fiscal year;

7 (13) Equalization aid means the amount of assistance
8 calculated to be paid to a local system pursuant to sections
9 79-1007.11 to 79-1007.23, 79-1007.25, and 79-1008.01 to 79-1022;~~7~~
10 ~~and 79-1022.02;~~

11 (14) Fall membership means the total membership in
12 kindergarten through grade twelve attributable to the local system as
13 reported on the fall school district membership reports for each
14 district pursuant to section 79-528;

15 (15) Fiscal year means the state fiscal year which is the
16 period from July 1 to the following June 30;

17 (16) Formula students means:

18 (a) For school fiscal years prior to school fiscal year
19 2008-09, (i) for state aid certified pursuant to section 79-1022, the
20 sum of fall membership from the school fiscal year immediately
21 preceding the school fiscal year in which the aid is to be paid,
22 multiplied by the average ratio of average daily membership to fall
23 membership for the second school fiscal year immediately preceding
24 the school fiscal year in which aid is to be paid and the prior two
25 school fiscal years, plus qualified early childhood education fall

1 membership plus tuitioned students from the school fiscal year
2 immediately preceding the school fiscal year in which the aid is to
3 be paid and (ii) for final calculation of state aid pursuant to
4 section 79-1065, the sum of average daily membership plus qualified
5 early childhood education average daily membership plus tuitioned
6 students from the school fiscal year immediately preceding the school
7 fiscal year in which the aid was paid; and

8 (b) For school fiscal year 2008-09 and each school fiscal
9 year thereafter, (i) for state aid certified pursuant to section
10 79-1022, the sum of the product of fall membership from the school
11 fiscal year immediately preceding the school fiscal year in which the
12 aid is to be paid multiplied by the average ratio of average daily
13 membership to fall membership for the second school fiscal year
14 immediately preceding the school fiscal year in which the aid is to
15 be paid and the prior two school fiscal years plus sixty percent of
16 the qualified early childhood education fall membership plus
17 tuitioned students from the school fiscal year immediately preceding
18 the school fiscal year in which aid is to be paid minus the product
19 of the number of students enrolled in kindergarten that is not full-
20 day kindergarten from the fall membership multiplied by 0.5 and (ii)
21 for final calculation of state aid pursuant to section 79-1065, the
22 sum of average daily membership plus sixty percent of the qualified
23 early childhood education average daily membership plus tuitioned
24 students minus the product of the number of students enrolled in
25 kindergarten that is not full-day kindergarten from the average daily

1 membership multiplied by 0.5 from the school fiscal year immediately
2 preceding the school fiscal year in which aid was paid;

3 (17) Free lunch and free milk student means a student who
4 qualified for free lunches or free milk from the most recent data
5 available on November 1 of the school fiscal year immediately
6 preceding the school fiscal year in which aid is to be paid;

7 (18) Full-day kindergarten means kindergarten offered by
8 a district for at least one thousand thirty-two instructional hours;

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

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

19 (21) General fund operating expenditures means:

20 (a) For state aid calculated for school fiscal years
21 prior to school fiscal year 2008-09, the total general fund
22 expenditures minus categorical funds, tuition paid, transportation
23 fees paid to other districts, adult education, summer school,
24 community services, redemption of the principal portion of general
25 fund debt service, retirement incentive plans, staff development

1 assistance, and transfers from other funds into the general fund for
2 the second school fiscal year immediately preceding the school fiscal
3 year in which aid is to be paid as reported on the annual financial
4 report prior to December 1 of the school fiscal year immediately
5 preceding the school fiscal year in which aid is to be paid;

6 (b) For state aid calculated for school fiscal year
7 2008-09, as reported for the second school fiscal year immediately
8 preceding the school fiscal year in which aid is to be paid on the
9 annual financial report submitted prior to December 1 of the school
10 fiscal year immediately preceding the school fiscal year in which aid
11 is to be paid, the total general fund expenditures minus (i) the
12 amount of all receipts to the general fund, to the extent that such
13 receipts are not included in local system formula resources, from
14 early childhood education tuition, summer school tuition, educational
15 entities as defined in section 79-1201.01 for providing distance
16 education courses through the Educational Service Unit Coordinating
17 Council to such educational entities, private foundations,
18 individuals, associations, charitable organizations, the textbook
19 loan program authorized by section 79-734, and federal impact aid,
20 (ii) the amount of expenditures for categorical funds, tuition paid,
21 transportation fees paid to other districts, adult education,
22 community services, redemption of the principal portion of general
23 fund debt service, retirement incentive plans authorized by section
24 79-855, and staff development assistance authorized by section
25 79-856, and (iii) the amount of any transfers from the general fund

1 to any bond fund and transfers from other funds into the general
2 fund;

3 (c) For state aid calculated for school fiscal year
4 2009-10, as reported on the annual financial report for the second
5 school fiscal year immediately preceding the school fiscal year in
6 which aid is to be paid, the total general fund expenditures minus
7 (i) the amount of all receipts to the general fund, to the extent
8 that such receipts are not included in local system formula
9 resources, from early childhood education tuition, summer school
10 tuition, educational entities as defined in section 79-1201.01 for
11 providing distance education courses through the Educational Service
12 Unit Coordinating Council to such educational entities, private
13 foundations, individuals, associations, charitable organizations, the
14 textbook loan program authorized by section 79-734, and federal
15 impact aid, (ii) the amount of expenditures for categorical funds,
16 tuition paid, transportation fees paid to other districts, adult
17 education, community services, redemption of the principal portion of
18 general fund debt service, retirement incentive plans authorized by
19 section 79-855, and staff development assistance authorized by
20 section 79-856, (iii) the amount of any transfers from the general
21 fund to any bond fund and transfers from other funds into the general
22 fund, and (iv) any legal expenses in excess of fifteen-hundredths of
23 one percent of the formula need for the school fiscal year in which
24 the expenses occurred; and

25 (d) For state aid calculated for school fiscal year

1 2010-11 and each school fiscal year thereafter, as reported on the
2 annual financial report for the second school fiscal year immediately
3 preceding the school fiscal year in which aid is to be paid, the
4 total general fund expenditures minus (i) the amount of all receipts
5 to the general fund, to the extent that such receipts are not
6 included in local system formula resources, from early childhood
7 education tuition, summer school tuition, educational entities as
8 defined in section 79-1201.01 for providing distance education
9 courses through the Educational Service Unit Coordinating Council to
10 such educational entities, private foundations, individuals,
11 associations, charitable organizations, the textbook loan program
12 authorized by section 79-734, federal impact aid, and levy override
13 elections pursuant to section 77-3444, (ii) the amount of
14 expenditures for categorical funds, tuition paid, transportation fees
15 paid to other districts, adult education, community services,
16 redemption of the principal portion of general fund debt service,
17 retirement incentive plans authorized by section 79-855, and staff
18 development assistance authorized by section 79-856, (iii) the amount
19 of any transfers from the general fund to any bond fund and transfers
20 from other funds into the general fund, (iv) any legal expenses in
21 excess of fifteen-hundredths of one percent of the formula need for
22 the school fiscal year in which the expenses occurred, (v)
23 expenditures to pay for sums agreed to be paid by a school district
24 to certificated employees in exchange for a voluntary termination
25 occurring prior to July 1, 2009, and (vi)(A) expenditures in school

1 fiscal years 2009-10 through 2013-14 to pay for employer
2 contributions pursuant to subsection (2) of section 79-958 to the
3 School Retirement System of the State of Nebraska to the extent that
4 such expenditures exceed the employer contributions under such
5 subsection that would have been made at a contribution rate of seven
6 and thirty-five hundredths percent or (B) expenditures in school
7 fiscal years 2009-10 through 2013-14 to pay for school district
8 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113
9 to the Class V School Employees Retirement System to the extent that
10 such expenditures exceed the school district contributions under such
11 subdivision that would have been made at a contribution rate of seven
12 and thirty-seven hundredths percent.

13 For purposes of this subdivision (21) of this section,
14 receipts from levy override elections shall equal ninety-nine percent
15 of the difference of the total general fund levy minus a levy of one
16 dollar and five cents per one hundred dollars of taxable valuation
17 multiplied by the assessed valuation for school districts that have
18 voted pursuant to section 77-3444 to override the maximum levy
19 provided pursuant to section 77-3442;

20 (22) High school district means a school district
21 providing instruction in at least grades nine through twelve;

22 (23) Income tax liability means the amount of the
23 reported income tax liability for resident individuals pursuant to
24 the Nebraska Revenue Act of 1967 less all nonrefundable credits
25 earned and refunds made;

1 (24) Income tax receipts means the amount of income tax
2 collected pursuant to the Nebraska Revenue Act of 1967 less all
3 nonrefundable credits earned and refunds made;

4 (25) Limited English proficiency students means (a) for
5 school fiscal years prior to school fiscal year 2009-10, the number
6 of students with limited English proficiency in a district from the
7 most recent data available on November 1 of the school fiscal year
8 preceding the school fiscal year in which aid is to be paid and (b)
9 for school fiscal year 2009-10 and each school fiscal year
10 thereafter, the number of students with limited English proficiency
11 in a district from the most recent data available on November 1 of
12 the school fiscal year preceding the school fiscal year in which aid
13 is to be paid plus the difference of such students with limited
14 English proficiency minus the average number of limited English
15 proficiency students for such district, prior to such addition, for
16 the three immediately preceding school fiscal years if such
17 difference is greater than zero;

18 (26) Local system means a learning community for purposes
19 of calculation of state aid for the second full school fiscal year
20 after becoming a learning community and each school fiscal year
21 thereafter, a unified system, a Class VI district and the associated
22 Class I districts, or a Class II, III, IV, or V district and any
23 affiliated Class I districts or portions of Class I districts. The
24 membership, expenditures, and resources of Class I districts that are
25 affiliated with multiple high school districts will be attributed to

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

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

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

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

1 and adjusted valuation data are available;

2 (30) Poverty students means (a) for school fiscal years
3 prior to school fiscal year 2009-10, the number of low-income
4 students or the number of students who are free lunch and free milk
5 students in a district, whichever is greater, and (b) for school
6 fiscal year 2009-10 and each school fiscal year thereafter, the
7 number of low-income students or the number of students who are free
8 lunch and free milk students in a district plus the difference of the
9 number of low-income students or the number of students who are free
10 lunch and free milk students in a district, whichever is greater,
11 minus the average number of poverty students for such district, prior
12 to such addition, for the three immediately preceding school fiscal
13 years if such difference is greater than zero;

14 (31) Qualified early childhood education average daily
15 membership means the product of the average daily membership for
16 school fiscal year 2006-07 and each school fiscal year thereafter of
17 students who will be eligible to attend kindergarten the following
18 school year and are enrolled in an early childhood education program
19 approved by the department pursuant to section 79-1103 for such
20 school district for such school year multiplied by the ratio of the
21 actual instructional hours of the program divided by one thousand
22 thirty-two if: (a) The program is receiving a grant pursuant to such
23 section for the third year; (b) the program has already received
24 grants pursuant to such section for three years; or (c) the program
25 has been approved pursuant to subsection (5) of section 79-1103 for

1 such school year and the two preceding school years, including any
2 such students in portions of any of such programs receiving an
3 expansion grant;

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

18 (33) Regular route transportation means the
19 transportation of students on regularly scheduled daily routes to and
20 from the attendance center;

21 (34) Reorganized district means any district involved in
22 a consolidation and currently educating students following
23 consolidation;

24 (35) School year or school fiscal year means the fiscal
25 year of a school district as defined in section 79-1091;

1 (36) Sparse local system means a local system that is not
2 a very sparse local system but which meets the following criteria:

3 (a)(i) Less than two students per square mile in the
4 county in which each high school is located, based on the school
5 district census, (ii) less than one formula student per square mile
6 in the local system, and (iii) more than ten miles between each high
7 school attendance center and the next closest high school attendance
8 center on paved roads;

9 (b)(i) Less than one and one-half formula students per
10 square mile in the local system and (ii) more than fifteen miles
11 between each high school attendance center and the next closest high
12 school attendance center on paved roads;

13 (c)(i) Less than one and one-half formula students per
14 square mile in the local system and (ii) more than two hundred
15 seventy-five square miles in the local system; or

16 (d)(i) Less than two formula students per square mile in
17 the local system and (ii) the local system includes an area equal to
18 ninety-five percent or more of the square miles in the largest county
19 in which a high school attendance center is located in the local
20 system;

21 (37) Special education means specially designed
22 kindergarten through grade twelve instruction pursuant to section
23 79-1125, and includes special education transportation;

24 (38) Special grant funds means the budgeted receipts for
25 grants, including, but not limited to, Title I funds, Title VI funds,

1 funds from the Education Innovation Fund, reimbursements for wards of
2 the court, short-term borrowings including, but not limited to,
3 registered warrants and tax anticipation notes, interfund loans,
4 insurance settlements, and reimbursements to county government for
5 previous overpayment. The state board shall approve a listing of
6 grants that qualify as special grant funds;

7 (39) State aid means the amount of assistance paid to a
8 district pursuant to the Tax Equity and Educational Opportunities
9 Support Act;

10 (40) State board means the State Board of Education;

11 (41) State support means all funds provided to districts
12 by the State of Nebraska for the general fund support of elementary
13 and secondary education;

14 (42) Statewide average basic funding per formula student
15 means the statewide total basic funding for all districts divided by
16 the statewide total formula students for all districts;

17 (43) Statewide average general fund operating
18 expenditures per formula student means the statewide total general
19 fund operating expenditures for all districts divided by the
20 statewide total formula students for all districts;

21 (44) Teacher has the definition found in section 79-101;

22 (45) Temporary aid adjustment factor means (a) for school
23 fiscal years before school fiscal year 2007-08, one and one-fourth
24 percent of the sum of the local system's transportation allowance,
25 the local system's special receipts allowance, and the product of the

1 local system's adjusted formula students multiplied by the average
2 formula cost per student in the local system's cost grouping and (b)
3 for school fiscal year 2007-08, one and one-fourth percent of the sum
4 of the local system's transportation allowance, special receipts
5 allowance, and distance education and telecommunications allowance
6 and the product of the local system's adjusted formula students
7 multiplied by the average formula cost per student in the local
8 system's cost grouping;

9 (46) Tuitioned students means students in kindergarten
10 through grade twelve of the district whose tuition is paid by the
11 district to some other district or education agency; and

12 (47) Very sparse local system means a local system that
13 has:

14 (a)(i) Less than one-half student per square mile in each
15 county in which each high school attendance center is located based
16 on the school district census, (ii) less than one formula student per
17 square mile in the local system, and (iii) more than fifteen miles
18 between the high school attendance center and the next closest high
19 school attendance center on paved roads; or

20 (b)(i) More than four hundred fifty square miles in the
21 local system, (ii) less than one-half student per square mile in the
22 local system, and (iii) more than fifteen miles between each high
23 school attendance center and the next closest high school attendance
24 center on paved roads.

25 Sec. 3. Section 79-1005.01, Revised Statutes Cumulative

1 Supplement, 2010, is amended to read:

2 79-1005.01 ~~For state aid calculated for all school fiscal~~
3 ~~years except school fiscal years 2002-03 through 2007-08:~~

4 (1) An amount equal to the amount appropriated to the
5 School District Income Tax Fund for distribution in school fiscal
6 year 1992-93 shall be disbursed as option payments as determined
7 under section 79-1009 and as allocated income tax funds as determined
8 in this section and sections 79-1008.01, 79-1015.01, 79-1017.01, and
9 79-1018.01, except as provided in section 79-1008.02. Funds not
10 distributed as allocated income tax funds due to minimum levy
11 adjustments shall not increase the amount available to local systems
12 for distribution as allocated income tax funds. †

13 (2) Not later than November 15 of each year, the Tax
14 Commissioner shall certify to the department for the preceding tax
15 year the income tax liability of resident individuals for each local
16 system. The 1996 income tax liability of resident individuals of
17 Class I districts that are affiliated with multiple high school
18 districts shall be divided between local systems based on the
19 percentage of the Class I district's valuation affiliated with each
20 high school district. †~~and~~

21 (3) Using the data certified by the Tax Commissioner
22 pursuant to ~~subdivision~~subsection (2) of this section, the
23 department shall calculate the allocation percentage and each local
24 system's allocated income tax funds. The allocation percentage shall
25 be an amount equal to the amount appropriated to the School District

1 Income Tax Fund for distribution in school fiscal year 1992-93 minus
 2 the total amount paid for option students pursuant to section 79-1009
 3 and (a) for aid calculated for school fiscal year 2010-11, minus
 4 twenty million dollars and (b) for aid calculated for school fiscal
 5 years 2011-12 and 2012-13, minus twenty-one million dollars with the
 6 difference divided by the aggregate statewide income tax liability of
 7 all resident individuals certified pursuant to ~~subdivision subsection~~
 8 (2) of this section. Each local system's allocated income tax funds
 9 shall be calculated by multiplying the allocation percentage times
 10 the local system's income tax liability certified pursuant to
 11 ~~subdivision subsection~~ (2) of this section.

12 Sec. 4. Section 79-1007.10, Revised Statutes Cumulative
 13 Supplement, 2010, is amended to read:

14 79-1007.10 (1) For state aid calculated for all school
 15 fiscal years except school fiscal ~~years 2009-10 through 2013-14, year~~
 16 2010-11, the cost growth factor shall equal the sum of: (a) One; plus
 17 (b) the basic allowable growth rate pursuant to section 79-1025 for
 18 the school fiscal year in which the aid is to be distributed; plus
 19 (c) the basic allowable growth rate pursuant to section 79-1025 for
 20 the school fiscal year immediately preceding the school fiscal year
 21 in which the aid is to be distributed. ~~; plus (d) one percent.~~

22 ~~(2)(a) For state aid calculated for school fiscal year~~
 23 ~~2009-10, the cost growth factor shall equal the sum of: (i) One; plus~~
 24 ~~(ii) the basic allowable growth rate pursuant to section 79-1025 for~~
 25 ~~the school fiscal year in which the aid is to be distributed; plus~~

1 ~~(iii) the basic allowable growth rate pursuant to section 79-1025 for~~
2 ~~the school fiscal year immediately preceding the school fiscal year~~
3 ~~in which the aid is to be distributed; plus (iv) one and five tenths~~
4 ~~percent.~~

5 ~~(b)(2)~~ For state aid calculated for school fiscal year
6 2010-11, the cost growth factor shall equal the sum of: (i) One; plus
7 (ii) the basic allowable growth rate pursuant to section 79-1025 for
8 the school fiscal year in which the aid is to be distributed; plus
9 (iii) the basic allowable growth rate pursuant to section 79-1025 for
10 the school fiscal year immediately preceding the school fiscal year
11 in which the aid is to be distributed; plus (iv) two percent.

12 ~~(c) For state aid calculated for school fiscal years~~
13 ~~2011-12 through 2013-14, the cost growth factor shall equal the sum~~
14 ~~of: (i) One; plus (ii) the basic allowable growth rate pursuant to~~
15 ~~section 79-1025 for the school fiscal year in which the aid is to be~~
16 ~~distributed; plus (iii) the basic allowable growth rate pursuant to~~
17 ~~section 79-1025 for the school fiscal year immediately preceding the~~
18 ~~school fiscal year in which the aid is to be distributed; plus (iv)~~
19 ~~one and five tenths percent.~~

20 Sec. 5. Section 79-1007.11, Revised Statutes Cumulative
21 Supplement, 2010, is amended to read:

22 79-1007.11 ~~(1) Except as otherwise provided in this~~
23 ~~section, for school fiscal year 2008-09, each school district's~~
24 ~~formula need shall equal the difference of the sum of the school~~
25 ~~district's basic funding, poverty allowance, limited English~~

1 proficiency allowance, elementary class size allowance, focus school
2 and program allowance, summer school allowance, special receipts
3 allowance, transportation allowance, elementary site allowance,
4 distance education and telecommunications allowance, averaging
5 adjustment, and teacher education adjustment, minus the sum of the
6 limited English proficiency allowance correction, poverty allowance
7 correction, and local choice adjustment.

8 (2) Except as otherwise provided in this section, for
9 school fiscal year 2009-10, each school district's formula need shall
10 equal the difference of the sum of the school district's basic
11 funding, poverty allowance, limited English proficiency allowance,
12 elementary class size allowance, focus school and program allowance,
13 summer school allowance, special receipts allowance, transportation
14 allowance, elementary site allowance, instructional time allowance,
15 distance education and telecommunications allowance, averaging
16 adjustment, teacher education adjustment, new learning community
17 transportation adjustment, student growth adjustment, and new school
18 adjustment, minus the sum of the limited English proficiency
19 allowance correction, poverty allowance correction, and local choice
20 adjustment.

21 (3)-(1) Except as otherwise provided in this section, for
22 school fiscal year 2010-11, each school district's formula need shall
23 equal the difference of the sum of the school district's basic
24 funding, poverty allowance, limited English proficiency allowance,
25 elementary class size allowance, focus school and program allowance,

1 summer school allowance, special receipts allowance, transportation
2 allowance, elementary site allowance, instructional time allowance,
3 teacher education allowance, distance education and
4 telecommunications allowance, averaging adjustment, new learning
5 community transportation adjustment, student growth adjustment, and
6 new school adjustment, minus the sum of the limited English
7 proficiency allowance correction, poverty allowance correction, and
8 local choice adjustment.

9 ~~(4)~~ (2) Except as otherwise provided in this section, for
10 school fiscal years 2011-12 and 2012-13, each school district's
11 formula need shall equal the difference of the sum of the school
12 district's basic funding, poverty allowance, limited English
13 proficiency allowance, elementary class size allowance, focus school
14 and program allowance, summer school allowance, special receipts
15 allowance, transportation allowance, elementary site allowance,
16 instructional time allowance, teacher education allowance, distance
17 education and telecommunications allowance, ~~averaging adjustment~~, new
18 learning community transportation adjustment, student growth
19 adjustment, any positive student growth adjustment correction, and
20 new school adjustment, minus the sum of the limited English
21 proficiency allowance correction, poverty allowance correction, any
22 negative student growth adjustment correction, and local choice
23 adjustment.

24 ~~(5)~~ (3) Except as otherwise provided in this section, for
25 school fiscal year 2013-14 and each school fiscal year thereafter,

1 each school district's formula need shall equal the difference of the
2 sum of the school district's basic funding, poverty allowance,
3 limited English proficiency allowance, focus school and program
4 allowance, summer school allowance, special receipts allowance,
5 transportation allowance, elementary site allowance, instructional
6 time allowance, teacher education allowance, distance education and
7 telecommunications allowance, ~~averaging adjustment,~~ new learning
8 community transportation adjustment, student growth adjustment, any
9 positive student growth adjustment correction, and new school
10 adjustment, minus the sum of the limited English proficiency
11 allowance correction, poverty allowance correction, any negative
12 student growth adjustment correction, and local choice adjustment.

13 ~~(6) If~~ (4) For state aid calculated for school fiscal
14 year 2010-11, if the formula need calculated for a school district
15 pursuant to ~~subsections (1) through (5)~~ subsection (1) of this
16 section is less than one hundred percent of the formula need for such
17 district for the school fiscal year immediately preceding the school
18 fiscal year for which aid is being calculated, the formula need for
19 such district shall equal one hundred percent of the formula need for
20 such district for the school fiscal year immediately preceding the
21 school fiscal year for which aid is being calculated.

22 ~~(7) Except~~ (5) For state aid calculated for school fiscal
23 year 2010-11, except as provided in subsection ~~(9)~~ (7) of this
24 section, if the formula need calculated for a school district
25 pursuant to ~~subsections (1) through (5)~~ subsection (1) of this

1 section is more than one hundred twelve percent of the formula need
2 for such district for the school fiscal year immediately preceding
3 the school fiscal year for which aid is being calculated, the formula
4 need for such district shall equal one hundred twelve percent of the
5 formula need for such district for the school fiscal year immediately
6 preceding the school fiscal year for which aid is being calculated,
7 except that the formula need shall not be reduced pursuant to this
8 subsection for any district ~~(a)~~ receiving a student growth adjustment
9 for the school fiscal year for which aid is being calculated, ~~or (b)~~
10 ~~for school fiscal year 2008-09, for which the formula students for~~
11 ~~the certification of aid pursuant to section 79-1022 for school~~
12 ~~fiscal year 2008-09 minus the formula students for the certification~~
13 ~~of aid pursuant to section 79-1022 for school fiscal year 2007-08~~
14 ~~equals at least the greater of twenty five students or one percent of~~
15 ~~the formula students for the certification of aid pursuant to section~~
16 ~~79-1022 for school fiscal year 2007-08.~~

17 ~~(8)~~ (6) For purposes of subsections ~~(6)~~ and ~~(7)~~ (4) and
18 (5) of this section, the formula need for the school fiscal year
19 immediately preceding the school fiscal year for which aid is being
20 calculated shall be the formula need used in the final calculation of
21 aid pursuant to section 79-1065 and for districts that were affected
22 by a reorganization with an effective date in the calendar year
23 preceding the calendar year in which aid is certified for the school
24 fiscal year for which aid is being calculated, the formula need for
25 the school fiscal year immediately preceding the school fiscal year

1 for which aid is being calculated shall be attributed to the affected
2 school districts based on information provided to the department by
3 the school districts or proportionally based on the adjusted
4 valuation transferred if sufficient information has not been provided
5 to the department.

6 ~~(9)~~ (7) For state aid calculated for the first full
7 school fiscal year of a new learning community, if the formula need
8 calculated for a member school district pursuant to subsections (1)
9 through ~~(6)~~ (4) of this section is less than the sum of the school
10 district's state aid certified for the school fiscal year immediately
11 preceding the first full school fiscal year of the learning community
12 plus the school district's other actual receipts included in local
13 system formula resources pursuant to section 79-1018.01 for such
14 school fiscal year plus the product of the school district's general
15 fund levy for such school fiscal year up to one dollar and five cents
16 multiplied by the school district's assessed valuation for such
17 school fiscal year, the formula need for such school district for the
18 school fiscal year for which aid is being calculated shall equal such
19 sum.

20 Sec. 6. Section 79-1007.18, Revised Statutes Cumulative
21 Supplement, 2010, is amended to read:

22 79-1007.18 (1) For school fiscal year ~~2008-09~~ and each
23 ~~school fiscal year thereafter,~~ 2010-11, the department shall
24 calculate an averaging adjustment for districts if the basic funding
25 per formula student is less than the averaging adjustment threshold

1 and the general fund levy for the school fiscal year immediately
2 preceding the school fiscal year for which aid is being calculated
3 was at least ~~ninety six cents per one hundred dollars of taxable~~
4 ~~valuation for aid calculated for school fiscal year 2008-09 and at~~
5 ~~least one dollar per one hundred dollars of taxable valuation.~~ for
6 ~~aid calculated for school fiscal year 2009-10 and each school fiscal~~
7 ~~year thereafter.~~ For school districts that are members of a learning
8 community, the general fund levy for purposes of this section
9 includes both the common general fund levy and the school district
10 general fund levy authorized pursuant to subdivisions (2)(b) and (2)
11 (c) of section 77-3442. The averaging adjustment ~~for aid calculated~~
12 ~~for school fiscal year 2008-09 shall equal seventy five percent of~~
13 ~~the product of the district's formula students multiplied by the~~
14 ~~percentage specified in subsection (4) of this section for such~~
15 ~~district of the difference between the averaging adjustment threshold~~
16 ~~minus such district's basic funding per formula student.~~ The
17 ~~averaging adjustment for aid calculated for school fiscal year~~
18 ~~2009-10 and each school fiscal year thereafter shall equal the~~
19 ~~district's formula students multiplied by the percentage specified in~~
20 ~~this section for such district of the difference between the~~
21 ~~averaging adjustment threshold minus such district's basic funding~~
22 ~~per formula student.~~

23 ~~(2)(a) For school fiscal year 2008-09, the averaging~~
24 ~~adjustment threshold shall equal the statewide average basic funding~~
25 ~~per formula student.~~

1 ~~(b) For school fiscal year 2009-10 and each school fiscal~~
2 ~~year thereafter, the~~ (2) The averaging adjustment threshold shall
3 equal the lesser of (i) the averaging adjustment threshold for ~~the~~
4 school fiscal year immediately preceding the school fiscal year for
5 ~~which aid is being calculated~~ 2009-10 increased by the sum of the
6 basic allowable growth rate plus five-tenths of one percent or (ii)
7 the statewide average basic funding per formula student for ~~the~~
8 school fiscal year for ~~which aid is being calculated.~~ 2010-11.

9 (3) The percentage to be used in the calculation of an
10 averaging adjustment shall be based on the general fund levy for ~~the~~
11 school fiscal year immediately preceding the school fiscal year for
12 ~~which aid is being calculated.~~ 2009-10.

13 ~~(4) The percentages to be used in the calculation of~~
14 ~~averaging adjustments for school fiscal year 2008-09 shall be as~~
15 ~~follows:~~

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

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

24 ~~(c) If such levy was at least ninety eight cents per one~~
25 ~~hundred dollars of taxable valuation but less than ninety nine cents~~

1 ~~per one hundred dollars of taxable valuation, the percentage shall be~~
2 ~~thirty percent;~~

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

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

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

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

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

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

1 ~~(5)~~(4) The percentages to be used in the calculation of
2 averaging adjustments ~~for school fiscal year 2009-10 and each school~~
3 ~~fiscal year thereafter~~ shall be as follows:

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

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

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

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

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

23 Sec. 7. Section 79-1015.01, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-1015.01 (1) Local system formula resources shall

1 include local effort rate yield which shall be computed as prescribed
2 in this section.

3 ~~(2) For school fiscal years prior to school fiscal year~~
4 ~~2008-09: (a) For state aid certified pursuant to section 79-1022, the~~
5 ~~local effort rate shall be the maximum levy, for the school fiscal~~
6 ~~year for which aid is being certified, authorized pursuant to~~
7 ~~subdivision (2)(a) of section 77-3442 less ten cents; (b) for the~~
8 ~~final calculation of state aid pursuant to section 79-1065, the local~~
9 ~~effort rate shall be the rate which, when multiplied by the total~~
10 ~~adjusted valuation of all taxable property in local systems receiving~~
11 ~~equalization aid pursuant to the Tax Equity and Educational~~
12 ~~Opportunities Support Act, will produce the amount needed to support~~
13 ~~the total formula need of such local systems when added to state aid~~
14 ~~appropriated by the Legislature and other actual receipts of local~~
15 ~~systems described in section 79-1018.01; and (c) the local effort~~
16 ~~rate yield shall be determined by multiplying each local system's~~
17 ~~total adjusted valuation by the local effort rate.~~

18 ~~(3) For school fiscal year 2008-09 and~~ (2) For each
19 school fiscal year thereafter: except school fiscal years 2011-12 and
20 2012-13: (a) For state aid certified pursuant to section 79-1022, the
21 local effort rate shall be the maximum levy, for the school fiscal
22 year for which aid is being certified, authorized pursuant to
23 subdivision (2)(a) of section 77-3442 less five cents; (b) for the
24 final calculation of state aid pursuant to section 79-1065, the local
25 effort rate shall be the rate which, when multiplied by the total

1 adjusted valuation of all taxable property in local systems receiving
2 equalization aid pursuant to the Tax Equity and Educational
3 Opportunities Support Act, will produce the amount needed to support
4 the total formula need of such local systems when added to state aid
5 appropriated by the Legislature and other actual receipts of local
6 systems described in section 79-1018.01; and (c) the local effort
7 rate yield for such school fiscal years shall be determined by
8 multiplying each local system's total adjusted valuation by the local
9 effort rate.

10 (3) For school fiscal years 2011-12 and 2012-13: (a) For
11 state aid certified pursuant to section 79-1022, the local effort
12 rate shall be the maximum levy, for the school fiscal year for which
13 aid is being certified, authorized pursuant to subdivision (2)(a) of
14 section 77-3442 less two and one-half cents; (b) for the final
15 calculation of state aid pursuant to section 79-1065, the local
16 effort rate shall be the rate which, when multiplied by the total
17 adjusted valuation of all taxable property in local systems receiving
18 equalization aid pursuant to the Tax Equity and Educational
19 Opportunities Support Act, will produce the amount needed to support
20 the total formula need of such local systems when added to state aid
21 appropriated by the Legislature and other actual receipts of local
22 systems described in section 79-1018.01; and (c) the local effort
23 rate yield for such school fiscal years shall be determined by
24 multiplying each local system's total adjusted valuation by the local
25 effort rate.

1 Sec. 8. Section 79-1023, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

3 79-1023 (1) On or before March 10, 2010, on or before
4 April 1, 2011, and on or before March 1 of each year thereafter, the
5 department shall determine and certify to each school district the
6 maximum general fund budget of expenditures minus the special
7 education budget of expenditures for the immediately following school
8 fiscal year.

9 (2) ~~Except For school fiscal years prior to school fiscal~~
10 year 2011-12, except as provided in section 79-1028.01, no school
11 district shall have a general fund budget of expenditures minus
12 special grant funds and the special education budget of expenditures
13 more than the greater of (a) the product of the difference of the
14 general fund budget of expenditures minus special grant funds and the
15 special education budget of expenditures for the immediately
16 preceding school fiscal year multiplied by (i) except as otherwise
17 provided in subdivision (a)(ii) of this subsection, the sum of one
18 plus the local system's applicable allowable growth rate or (ii) for
19 school fiscal year 2010-11, the sum of one plus seventy-five
20 hundredths of one percent plus the local system's applicable
21 allowable growth rate or (b)(i) except as otherwise provided in
22 subdivision (b)(ii) of this subsection, the difference of one hundred
23 twenty percent of formula need for such school fiscal year minus the
24 product of the sum of one plus the basic allowable growth rate for
25 such school fiscal year multiplied by the special education budget of

1 expenditures as filed on the school district budget statement on or
2 before September 20 for the immediately preceding school fiscal year
3 or (ii) for school fiscal years 2009-10 and 2010-11, the difference
4 of one hundred sixteen and fifteen-hundredths percent of formula need
5 for such school fiscal year minus the product of the sum of one plus
6 the basic allowable growth rate for such school fiscal year
7 multiplied by the special education budget of expenditures as filed
8 on the school district budget statement on or before September 20 for
9 the immediately preceding school fiscal year.

10 (3) For school fiscal year 2011-12 and each school fiscal
11 year thereafter, except as provided in sections 79-1028.01, 79-1029,
12 and 79-1030, no school district shall have a general fund budget of
13 expenditures minus special grant funds and the special education
14 budget of expenditures more than the greater of (a) the general fund
15 budget of expenditures minus special grant funds and the special
16 education budget of expenditures for the immediately preceding school
17 fiscal year with the difference increased by the basic allowable
18 growth rate or (b) one hundred ten percent of formula need for the
19 school fiscal year for which the calculation is being made minus the
20 special education budget of expenditures as filed on the school
21 district budget statement on or before September 20 for the
22 immediately preceding school fiscal year increased by the basic
23 allowable growth rate for the school fiscal year for which the
24 calculation is being made.

25 Sec. 9. Section 79-1025, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-1025 The basic allowable growth rate for general fund
3 expenditures other than expenditures for special education shall be
4 the base limitation established under section 77-3446. ~~and the~~
5 ~~allowable growth range shall be from the base limitation to three~~
6 ~~percent above the base limitation.~~ The budget authority for special
7 education for all classes of school districts shall be the actual
8 anticipated expenditures for special education subject to the
9 approval of the state board. Such budget authority and funds
10 generated pursuant to such budget authority shall be used only for
11 special education expenditures.

12 Sec. 10. Section 79-1029, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 79-1029 ~~(1) For school fiscal years prior to school~~
15 ~~fiscal year 2008-09, a Class II, III, IV, V, or VI district may~~
16 ~~exceed the basic allowable growth rate prescribed in section 79-1025~~
17 ~~upon an affirmative vote of at least seventy five percent of the~~
18 ~~board. The total growth shall not exceed the applicable allowable~~
19 ~~growth rate certified for the local system under section 79-1026 plus~~
20 ~~one percent. The vote shall be taken at a public meeting of the board~~
21 ~~following a special public hearing called for the purpose of~~
22 ~~receiving testimony on such proposed increase. The board shall give~~
23 ~~at least five calendar days' notice of such public hearing and shall~~
24 ~~publish such notice at least once in a newspaper of general~~
25 ~~circulation in the local system.~~

1 ~~(2) For school fiscal years prior to school fiscal year~~
2 ~~2008-09, a Class II, III, IV, V, or VI district may exceed the~~
3 ~~applicable allowable growth rate prescribed in section 79-1026 by an~~
4 ~~amount approved by a majority of legal voters voting on the issue at~~
5 ~~a primary, general, or special election called for such purpose upon~~
6 ~~the recommendation of the board or upon the receipt by the county~~
7 ~~clerk or election commissioner of a petition requesting an election~~
8 ~~signed by at least five percent of the legal voters of the district.~~
9 ~~The recommendation of the board or the petition of the legal voters~~
10 ~~shall include the amount and percentage by which the board would~~
11 ~~increase its general fund budget of expenditures for the ensuing~~
12 ~~school year over and above the current year's general fund budget of~~
13 ~~expenditures. The county clerk or election commissioner shall place~~
14 ~~the question on the primary or general election ballot or call for a~~
15 ~~special election on the issue after the receipt of such board~~
16 ~~recommendation or legal voter petition. The election shall be held~~
17 ~~pursuant to the Election Act or section 77-3444, and all costs for a~~
18 ~~special election shall be paid by the district. A vote to exceed the~~
19 ~~applicable allowable growth rate may be approved on the same question~~
20 ~~as a vote to exceed the levy limits provided in section 77-3444.~~

21 ~~(3) For school fiscal year 2008-09 and each school fiscal~~
22 ~~year thereafter, a A Class II, III, IV, V, or VI district may exceed~~
23 ~~the maximum general fund budget of expenditures minus the special~~
24 ~~education budget of expenditures prescribed in section 79-1023 by an~~
25 ~~amount approved by a majority of legal voters voting on the issue at~~

1 a primary, general, or special election called for such purpose upon
2 the recommendation of the board or upon the receipt by the county
3 clerk or election commissioner of a petition requesting an election,
4 signed by at least five percent of the legal voters of the district.
5 The recommendation of the board or the petition of the legal voters
6 shall include the amount by which the board would increase its
7 general fund budget of expenditures for the ensuing school year over
8 and above the maximum general fund budget of expenditures minus the
9 special education budget of expenditures prescribed in section
10 79-1023. The county clerk or election commissioner shall place the
11 question on the primary or general election ballot or call for a
12 special election on the issue after the receipt of such board
13 recommendation or legal voter petition. The election shall be held
14 pursuant to the Election Act or section 77-3444, and all costs for a
15 special election shall be paid by the district. A vote to exceed the
16 maximum general fund budget of expenditures minus the special
17 education budget of expenditures may be approved on the same question
18 as a vote to exceed the levy limits provided in section 77-3444.

19 Sec. 11. Section 79-1030, Revised Statutes Cumulative
20 Supplement, 2010, is amended to read:

21 79-1030 (1) A Class II, III, IV, V, or VI district may
22 choose not to increase its general fund budget of expenditures by the
23 full amount of budget authority as calculated pursuant to ~~sections~~
24 ~~79-1023 and 79-1026.01.~~ section 79-1023. In such cases, the
25 department shall calculate the amount of unused budget authority

1 which shall be carried forward to future ~~budget years so a school~~
2 fiscal years.

3 (2) A Class II, III, IV, V, or VI district may increase
4 its general fund budget of expenditures in future ~~budget years by the~~
5 amount of such total unused budget authority. ~~school fiscal years~~
6 above the budget authority as calculated pursuant to section 79-1023
7 by an amount equal to the basic allowable growth rate for such school
8 fiscal year multiplied by the general fund budget of expenditures
9 minus the sum of the special education budget of expenditures,
10 special grant funds, and exceptions pursuant to section 79-1028.01
11 for the immediately preceding school fiscal year.

12 (3) A Class II, III, IV, V, or VI school district may
13 also increase its general fund budget of expenditures in future
14 school fiscal years above the budget authority as calculated pursuant
15 to section 79-1023 by an amount approved by the State Board of
16 Education for specific expenditures associated with significant
17 events that do not occur regularly within each school year.

18 (4) The total amount by which a district increases its
19 general fund budget of expenditures pursuant to this section shall
20 not exceed either twice the additional amount authorized pursuant to
21 subsection (2) of this section or the amount of such total unused
22 budget authority calculated by the department pursuant to subsection
23 (1) of this section.

24 Sec. 12. Original sections 79-1015.01, 79-1025, and
25 79-1029, Reissue Revised Statutes of Nebraska, and sections 77-3446,

1 79-1003, 79-1005.01, 79-1007.10, 79-1007.11, 79-1007.18, 79-1023, and
2 79-1030, Revised Statutes Cumulative Supplement, 2010, are repealed.

3 Sec. 13. The following sections are outright repealed:
4 Sections 79-1022.02, 79-1026, 79-1028, and 79-1083.03, Reissue
5 Revised Statutes of Nebraska, and section 79-1026.01, Revised
6 Statutes Cumulative Supplement, 2010.

7 Sec. 14. Since an emergency exists, this act takes effect
8 when passed and approved according to law.