

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 947

Introduced by Hadley, 37; Campbell, 25; Coash, 27; Cook, 13; Cornett, 45; Council, 11; Dubas, 34; Gloor, 35; Haar, 21; Harms, 48; Harr, 8; Howard, 9; Karpisek, 32; Krist, 10; Lathrop, 12; McGill, 26; Mello, 5; Nordquist, 7; Wallman, 30.

Read first time January 11, 2012

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 77-3446, 79-1007.18,
3 79-1022, 79-1023, 79-1027, and 79-1031.01, Revised
4 Statutes Supplement, 2011; to change provisions relating
5 to an averaging adjustment and a certification date; to
6 repeal the original sections; and to declare an
7 emergency.

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

1 Section 1. Section 77-3446, Revised Statutes Supplement,
2 2011, 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 year ~~2010-11 is twenty five hundredths of one percent, the~~
11 ~~base limitation for school districts for school fiscal year 2011-12~~
12 is zero percent, and the base limitation for school districts for
13 school fiscal year 2012-13 is ~~one half of one two~~ percent. The base
14 limitation may be adjusted annually by the Legislature to reflect
15 changes in the prices of services and products used by school
16 districts and political subdivisions.

17 Sec. 2. Section 79-1007.18, Revised Statutes Supplement,
18 2011, is amended to read:

19 79-1007.18 (1) The department shall calculate an
20 averaging adjustment for districts if the basic funding per formula
21 student is less than the averaging adjustment threshold and the
22 general fund levy for the school fiscal year immediately preceding
23 the school fiscal year for which aid is being calculated was at least
24 one dollar per one hundred dollars of taxable valuation. For school
25 districts that are members of a learning community, the general fund

1 levy for purposes of this section includes both the common general
2 fund levy and the school district general fund levy authorized
3 pursuant to subdivisions (2)(b) and (2)(c) of section 77-3442. The
4 averaging adjustment shall equal the district's formula students
5 multiplied by the percentage specified in this section for such
6 district of the difference between the averaging adjustment threshold
7 minus such district's basic funding per formula student.

8 (2)(a) For school fiscal year 2010-11, the averaging
9 adjustment threshold shall equal the lesser of (i) the averaging
10 adjustment threshold for the school fiscal year immediately preceding
11 the school fiscal year for which aid is being calculated increased by
12 the sum of the basic allowable growth rate plus five-tenths of one
13 percent or (ii) the statewide average basic funding per formula
14 student for the school fiscal year for which aid is being calculated.

15 (b) For school fiscal year 2011-12, the averaging
16 adjustment threshold shall equal ninety-five percent of the lesser of
17 (i) the averaging adjustment threshold for school fiscal year 2010-11
18 increased by the basic allowable growth rate or (ii) the statewide
19 average basic funding per formula student for school fiscal year
20 2011-12.

21 (c) For school fiscal year 2012-13 and each school fiscal
22 year thereafter, the averaging adjustment threshold shall equal the
23 lesser of (i) the averaging adjustment threshold for the school
24 fiscal year immediately preceding the school fiscal year for which
25 aid is being calculated increased by the basic allowable growth rate

1 plus five-tenths of one percent or (ii) the statewide average basic
2 funding per formula student for the school fiscal year for which aid
3 is being calculated.

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

8 (4) The percentages to be used in the calculation of
9 averaging adjustments shall be as follows:

10 (a) If such levy was at least one dollar per one hundred
11 dollars of taxable valuation but less than one dollar and one cent
12 per one hundred dollars of taxable valuation, the percentage shall be
13 fifty percent;

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

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

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

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

4 Sec. 3. Section 79-1022, Revised Statutes Supplement,
5 2011, is amended to read:

6 79-1022 (1) On or before March 10, 2010, and March 1,
7 2011, for school fiscal year 2010-11, on or before July 1, 2011, for
8 school fiscal year 2011-12, on or before April 15, 2012, for school
9 fiscal year 2012-13, and on or before March 1 of each year thereafter
10 for each ensuing fiscal year, the department shall determine the
11 amounts to be distributed to each local system and each district
12 pursuant to the Tax Equity and Educational Opportunities Support Act
13 and shall certify the amounts to the Director of Administrative
14 Services, the Auditor of Public Accounts, each learning community,
15 and each district. The amount to be distributed to each district that
16 is not a member of a learning community from the amount certified for
17 a local system shall be proportional based on the formula students
18 attributed to each district in the local system. The amount to be
19 distributed to each district that is a member of a learning community
20 from the amount certified for the local system shall be proportional
21 based on the formula needs calculated for each district in the local
22 system. On or before March 1, 2011, for school fiscal year 2010-11,
23 on or before July 1, 2011, for school fiscal year 2011-12, on or
24 before April 15, 2012, for school fiscal year 2012-13, and on or
25 before March 1 of each year thereafter for each ensuing fiscal year,

1 the department shall report the necessary funding level to the
2 Governor, the Appropriations Committee of the Legislature, and the
3 Education Committee of the Legislature. Except as otherwise provided
4 in this subsection, certified state aid amounts, including
5 adjustments pursuant to section 79-1065.02, shall be shown as
6 budgeted non-property-tax receipts and deducted prior to calculating
7 the property tax request in the district's general fund budget
8 statement as provided to the Auditor of Public Accounts pursuant to
9 section 79-1024. Increases in state aid for school fiscal year
10 2010-11 from the first certification in 2010 to the second
11 certification on or before March 1, 2011, shall not require a school
12 district to revise its previously adopted budget statement pursuant
13 to section 13-511 for school fiscal year 2010-11 unless expenditures
14 are increased in such school fiscal year as a result of such
15 increases in state aid. The amount of such increased state aid that
16 has not been included in an amended budget for school fiscal year
17 2010-11 shall be included in the unencumbered cash balance pursuant
18 to section 13-504 for the school fiscal year 2011-12 budget for each
19 school district.

20 (2) Except as provided in this subsection, subsection (8)
21 of section 79-1016, and sections 79-1033 and 79-1065.02, the amounts
22 certified pursuant to subsection (1) of this section shall be
23 distributed in ten as nearly as possible equal payments on the last
24 business day of each month beginning in September of each ensuing
25 school fiscal year and ending in June of the following year, except

1 that when a school district is to receive a monthly payment of less
2 than one thousand dollars, such payment shall be one lump-sum payment
3 on the last business day of December during the ensuing school fiscal
4 year. For school fiscal year 2010-11, payments shall be based on the
5 amounts certified pursuant to subsection (1) of this section on March
6 10, 2010, except that on the last business day of April, the
7 department shall make federal Education Jobs Fund allocations
8 available pursuant to section 79-1028.04 equal to any increases in
9 state aid for school fiscal year 2010-11 from the first certification
10 in 2010 to the second certification on or before March 1, 2011,
11 rounded to the nearest whole dollar.

12 Sec. 4. Section 79-1023, Revised Statutes Supplement,
13 2011, is amended to read:

14 79-1023 (1) On or before March 10, 2010, on or before
15 July 1, 2011, on or before April 15, 2012, and on or before March 1
16 of each year thereafter, the department shall determine and certify
17 to each school district budget authority for the general fund budget
18 of expenditures for the immediately following school fiscal year.

19 (2) For school fiscal years prior to school fiscal year
20 2011-12, except as provided in section 79-1028.01, no school district
21 shall have a general fund budget of expenditures minus special grant
22 funds and the special education budget of expenditures more than the
23 greater of (a) the product of the difference of the general fund
24 budget of expenditures minus special grant funds and the special
25 education budget of expenditures for the immediately preceding school

1 fiscal year multiplied by (i) except as otherwise provided in
2 subdivision (a)(ii) of this subsection, the sum of one plus the local
3 system's applicable allowable growth rate or (ii) for school fiscal
4 year 2010-11, the sum of one plus seventy-five hundredths of one
5 percent plus the local system's applicable allowable growth rate or
6 (b)(i) except as otherwise provided in subdivision (b)(ii) of this
7 subsection, the difference of one hundred twenty percent of formula
8 need for such school fiscal year minus the product of the sum of one
9 plus the basic allowable growth rate for such school fiscal year
10 multiplied by the special education budget of expenditures as filed
11 on the school district budget statement on or before September 20 for
12 the immediately preceding school fiscal year or (ii) for school
13 fiscal years 2009-10 and 2010-11, the difference of one hundred
14 sixteen and fifteen-hundredths percent of formula need for such
15 school fiscal year minus the product of the sum of one plus the basic
16 allowable growth rate for such school fiscal year multiplied by the
17 special education budget of expenditures as filed on the school
18 district budget statement on or before September 20 for the
19 immediately preceding school fiscal year.

20 (3) For school fiscal year 2011-12, except as provided in
21 sections 79-1028.01, 79-1029, and 79-1030, each school district shall
22 have budget authority for the general fund budget of expenditures
23 equal to the greater of (a) the general fund budget of expenditures
24 for school fiscal year 2010-11 minus exclusions for school fiscal
25 year 2010-11 that fit within subsection (1) of section 79-1028.01

1 with the difference increased by an amount equal to one and one
2 hundred fifteen thousandths percent of the formula need calculated
3 for school fiscal year 2010-11, (b) the general fund budget of
4 expenditures for school fiscal year 2010-11 minus exclusions for
5 school fiscal year 2010-11 that fit within subsection (1) of section
6 79-1028.01 with the difference increased by an amount equal to any
7 student growth adjustment calculated for school fiscal year 2011-12,
8 or (c) one hundred ten percent of formula need for school fiscal year
9 2011-12 minus the special education budget of expenditures as filed
10 on the school district budget statement on or before September 20 for
11 school fiscal year 2010-11, which special education budget of
12 expenditures is increased by the basic allowable growth rate for
13 school fiscal year 2011-12.

14 (4) For school fiscal year 2012-13 and each school fiscal
15 year thereafter, except as provided in sections 79-1028.01, 79-1029,
16 and 79-1030, each school district shall have budget authority for the
17 general fund budget of expenditures equal to the greater of (a) the
18 general fund budget of expenditures for the immediately preceding
19 school fiscal year minus exclusions pursuant to subsection (1) of
20 section 79-1028.01 for such school fiscal year with the difference
21 increased by the basic allowable growth rate for the school fiscal
22 year for which budget authority is being calculated, (b) the general
23 fund budget of expenditures for the immediately preceding school
24 fiscal year minus exclusions pursuant to subsection (1) of section
25 79-1028.01 for such school fiscal year with the difference increased

1 by an amount equal to any student growth adjustment calculated for
2 the school fiscal year for which budget authority is being
3 calculated, or (c) one hundred ten percent of formula need for the
4 school fiscal year for which budget authority is being calculated
5 minus the special education budget of expenditures as filed on the
6 school district budget statement on or before September 20 for the
7 immediately preceding school fiscal year, which special education
8 budget of expenditures is increased by the basic allowable growth
9 rate for the school fiscal year for which budget authority is being
10 calculated.

11 (5) For any school fiscal year for which the budget
12 authority for the general fund budget of expenditures for a school
13 district is based on a student growth adjustment, the budget
14 authority for the general fund budget of expenditures for such school
15 district shall be adjusted in future years to reflect any student
16 growth adjustment corrections related to such student growth
17 adjustment.

18 Sec. 5. Section 79-1027, Revised Statutes Supplement,
19 2011, is amended to read:

20 79-1027 No district shall adopt a budget, which includes
21 total requirements of depreciation funds, necessary employee benefit
22 fund cash reserves, and necessary general fund cash reserves,
23 exceeding the applicable allowable reserve percentages of total
24 general fund budget of expenditures as specified in the schedule set
25 forth in this section.

1	Average daily	Allowable
2	membership of	reserve
3	district	percentage
4	0 - 471	45
5	471.01 - 3,044	35
6	3,044.01 - 10,000	25
7	10,000.01 and over	20

8 On or before March 10, 2010, on or before July 1, 2011,
 9 on or before April 15, 2012, and on or before March 1 each year
 10 thereafter, the department shall determine and certify each
 11 district's applicable allowable reserve percentage.

12 Each district with combined necessary general fund cash
 13 reserves, total requirements of depreciation funds, and necessary
 14 employee benefit fund cash reserves less than the applicable
 15 allowable reserve percentage specified in this section may,
 16 notwithstanding the district's applicable allowable growth rate,
 17 increase its necessary general fund cash reserves such that the total
 18 necessary general fund cash reserves, total requirements of
 19 depreciation funds, and necessary employee benefit fund cash reserves
 20 do not exceed such applicable allowable reserve percentage.

21 Sec. 6. Section 79-1031.01, Revised Statutes Supplement,
 22 2011, is amended to read:

23 79-1031.01 The Appropriations Committee of the
 24 Legislature shall annually include the amount necessary to fund the

1 state aid that will be certified to school districts on or before
2 March 1, 2011, for school fiscal year 2010-11, on or before July 1,
3 2011, for school fiscal year 2011-12, on or before April 15, 2012,
4 for school fiscal year 2012-13, and on or before March 1 for each
5 ensuing school fiscal year thereafter in its recommendations to the
6 Legislature to carry out the requirements of the Tax Equity and
7 Educational Opportunities Support Act.

8 Sec. 7. Original sections 77-3446, 79-1007.18, 79-1022,
9 79-1023, 79-1027, and 79-1031.01, Revised Statutes Supplement, 2011,
10 are repealed.

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