

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 409

Introduced by Sullivan, 41.

Read first time January 22, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to educational service units; to amend section
2 79-1241.03, Revised Statutes Cumulative Supplement, 2012;
3 to change provisions relating to distribution of funds;
4 and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1241.03, Revised Statutes
2 Cumulative Supplement, 2012, is amended to read:

3 79-1241.03 (1) Two percent of the funds appropriated for
4 core services and technology infrastructure shall be transferred to
5 the Educational Service Unit Coordinating Council. The remainder of
6 such funds shall be distributed pursuant to subsections (2) through
7 (6) of this section.

8 (2)(a) The distance education and telecommunications
9 allowance for each educational service unit shall equal eighty-five
10 percent of the difference of the costs for telecommunications
11 services, for access to data transmission networks that transmit data
12 to and from the educational service unit, and for the transmission of
13 data on such networks paid by the educational service unit as
14 reported on the annual financial report for the most recently
15 available complete data year minus the receipts from the federal
16 Universal Service Fund pursuant to 47 U.S.C. 254, as such section
17 existed on January 1, 2007, for the educational service unit as
18 reported on the annual financial report for the most recently
19 available complete data year and minus any receipts from school
20 districts or other educational entities for payment of such costs as
21 reported on the annual financial report of the educational service
22 unit.

23 (b) The base allocation of each educational service unit
24 shall equal two and one-half percent of the funds appropriated for
25 distribution pursuant to this section.

1 (c) The satellite office allocation for each educational
2 service unit shall equal one percent of the funds appropriated for
3 distribution pursuant to this section for each office of the
4 educational service unit, except the educational service unit
5 headquarters, up to the maximum number of satellite offices. The
6 maximum number of satellite offices used for the calculation of the
7 satellite office allocation for any educational service unit shall
8 equal the difference of the ratio of the number of square miles
9 within the boundaries of the educational service unit divided by four
10 thousand minus one with the result rounded to the closest whole
11 number.

12 (d) The statewide adjusted valuation shall equal the
13 total adjusted valuation for all member districts of educational
14 service units pursuant to section 79-1016 used for the calculation of
15 state aid for school districts pursuant to the Tax Equity and
16 Educational Opportunities Support Act for the school fiscal year for
17 which the distribution is being calculated pursuant to this section.

18 (e) The adjusted valuation for each educational service
19 unit shall equal the total adjusted valuation of the member school
20 districts pursuant to section 79-1016 used for the calculation of
21 state aid for school districts pursuant to the act for the school
22 fiscal year for which the distribution is being calculated pursuant
23 to this section, except that such adjusted valuation for member
24 school districts that are also member districts of a learning
25 community shall be reduced by fifty percent for school fiscal years

1 2008-09 and 2009-10, thirty percent for school fiscal year 2010-11,
2 and ten percent for each school fiscal year thereafter. The adjusted
3 valuation for each learning community shall equal fifty percent, for
4 school fiscal years 2008-09 and 2009-10, thirty percent, for school
5 fiscal year 2010-11, and ten percent, for each school fiscal year
6 thereafter, of the total adjusted valuation of the member school
7 districts pursuant to section 79-1016 used for the calculation of
8 state aid for school districts pursuant to the act for the school
9 fiscal year for which the distribution is being calculated pursuant
10 to this section.

11 (f) The local effort rate shall equal \$0.0135 per one
12 hundred dollars of adjusted valuation.

13 (g) The statewide student allocation shall equal the
14 difference of the sum of the amount appropriated for distribution
15 pursuant to this section plus the product of the statewide adjusted
16 valuation multiplied by the local effort rate minus the distance
17 education and telecommunications allowance, base allocation, and
18 satellite office allocation for all educational service units and
19 minus any adjustments required by subsection (5) of this section.

20 (h) The sparsity adjustment for each educational service
21 unit and learning community shall equal the sum of one plus one-tenth
22 of the ratio of the square miles within the boundaries of the
23 educational service unit divided by the fall membership of the member
24 school districts for the school fiscal year immediately preceding the
25 school fiscal year for which the distribution is being calculated

1 pursuant to this section.

2 (i) The adjusted students for each multidistrict
3 educational service unit shall equal the fall membership for the
4 school fiscal year immediately preceding the school fiscal year for
5 which aid is being calculated of the member school districts that
6 will not be members of a learning community and ninety percent of the
7 fall membership for such school fiscal year of the member school
8 districts that will be members of a learning community pursuant to
9 this section multiplied by the sparsity adjustment for the
10 educational service unit. The adjusted students for each single-
11 district educational service unit shall equal ninety-five percent of
12 the fall membership for the school fiscal year immediately preceding
13 the school fiscal year for which aid is being calculated if the
14 member school district will not be a member of a learning community
15 and eighty-five percent of the fall membership for such school fiscal
16 year if the member school district will be a member of a learning
17 community pursuant to this section, multiplied by the sparsity
18 adjustment for the educational service unit. The adjusted students
19 for each learning community shall equal ten percent of the fall
20 membership for such school fiscal year of the member school districts
21 multiplied by the sparsity adjustment for the learning community.

22 (j) The per student allocation shall equal the statewide
23 student allocation divided by the total adjusted students for all
24 educational service units and learning communities.

25 (k) The student allocation for each educational service

1 unit and learning community shall equal the per student allocation
2 multiplied by the adjusted students for the educational service unit
3 or learning community.

4 (1) The needs for each educational service unit shall
5 equal the sum of the distance education and telecommunications
6 allowance, base allocation, satellite office allocation, and student
7 allocation for the educational service unit and the needs for each
8 learning community shall equal the student allocation for the
9 learning community.

10 (m) The distribution of core services and technology
11 infrastructure funds for each educational service unit and learning
12 community shall equal the needs for each educational service unit or
13 learning community minus the product of the adjusted valuation for
14 the educational service unit or learning community multiplied by the
15 local effort rate.

16 (3) If an educational service unit is the result of a
17 merger or received new member school districts from another
18 educational service unit, the educational service unit shall be
19 considered a new educational service unit for purposes of this
20 section. For each new educational service unit, the needs minus the
21 distance education and telecommunications allowance for such new
22 educational service unit shall, for each of the three fiscal years
23 following the fiscal year in which the merger takes place or the new
24 member school districts are received, equal an amount not less than
25 the needs minus the distance education and telecommunications

1 allowance for the portions of the educational service units
2 transferred to the new educational service unit for the fiscal year
3 immediately preceding the merger or receipt of new member school
4 districts, except that if the total amount available to be
5 distributed pursuant to subsections (2) through (6) of this section
6 for the year for which needs are being calculated is less than the
7 total amount distributed pursuant to such subsections for the fiscal
8 year immediately preceding the merger or receipt of new member school
9 districts, the minimum needs minus the distance education and
10 telecommunications allowance for each educational service unit
11 pursuant to this subsection shall be reduced by a percentage equal to
12 the ratio of such difference divided by the total amount distributed
13 pursuant to subsections (2) through (6) of this section for the
14 fiscal year immediately preceding the merger or receipt of new member
15 school districts. The needs minus the distance education and
16 telecommunications allowance for the portions of educational service
17 units transferred to the new educational service unit for the fiscal
18 year immediately preceding a merger or receipt of new member school
19 districts shall equal the needs minus the distance education and
20 telecommunications allowance calculated for such fiscal year pursuant
21 to subsections (2) through (6) of this section for any educational
22 service unit affected by the merger or the transfer of school
23 districts multiplied by a ratio equal to the valuation that was
24 transferred to the new educational service unit for which the minimum
25 is being calculated divided by the total valuation of the educational

1 service unit transferring the territory.

2 (4) For fiscal years 2010-11 through 2013-14, each
3 educational service unit shall have needs minus the distance
4 education and telecommunications allowance equal to an amount not
5 less than ninety-five percent of the needs minus the distance
6 education and telecommunications allowance for the immediately
7 preceding fiscal year, except that if the total amount available to
8 be distributed pursuant to subsections (2) through (6) of this
9 section for the year for which needs are being calculated is less
10 than the total amount distributed pursuant to such subsections for
11 the immediately preceding fiscal year, the minimum needs minus the
12 distance education and telecommunications allowance for each
13 educational service unit pursuant to this subsection shall be reduced
14 by a percentage equal to the ratio of such difference divided by the
15 total amount distributed pursuant to subsections (2) through (6) of
16 this section.

17 (5) If (a) the minimum needs minus the distance education
18 and telecommunications allowance pursuant to subsection (3) or (4) of
19 this section for any educational service unit exceeds the amount that
20 would otherwise be calculated for such educational service unit
21 pursuant to subsection (2) of this section, (b) the needs for any
22 educational service unit or learning community minus the product of
23 the adjusted valuation for the educational service unit or learning
24 community multiplied by the local effort rate is less than zero, or
25 (c) both subdivisions (a) and (b) of this subsection are true, the

1 statewide student allocation shall be reduced such that the total
2 amount to be distributed pursuant to this section equals the
3 appropriation for core services and technology infrastructure funds
4 and no educational service unit has needs minus the distance
5 education and telecommunications allowance less than the greater of
6 any minimum amounts calculated for such educational service unit
7 pursuant to subsections (3) and (4) of this section.

8 (6) The State Department of Education shall certify the
9 distribution of core services and technology infrastructure funds
10 pursuant to subsections (2) through (6) of this section to each
11 educational service unit and learning community on or before July 1
12 of each year for the following school fiscal year. Except as
13 otherwise provided in this subsection, any funds appropriated for
14 distribution pursuant to this section shall be distributed in ten as
15 nearly as possible equal payments on the first business day of each
16 month beginning in September of each school fiscal year and ending in
17 June. Funds to be distributed to a learning community in school
18 fiscal year 2010-11 shall be distributed in ten payments on the first
19 business day of each month beginning in September 2010 and ending in
20 June 2011, with each of the first five payments equal as nearly as
21 possible to seventeen percent of the amount to be distributed and
22 with each of the last five payments equal as nearly as possible to
23 three percent of the amount to be distributed. Funds distributed to
24 educational service units pursuant to this section shall be used for
25 core services and technology infrastructure with the approval of

1 representatives of two-thirds of the member school districts of the
2 educational service unit, representing a majority of the adjusted
3 students in the member school districts used in calculations pursuant
4 to this section for such funds. The valuation of individual school
5 districts shall not be considered in the utilization of such core
6 services or technology infrastructure funds by member school
7 districts for funds received after July 1, 2010. Funds distributed to
8 learning communities on or before January 15, 2011, shall be used for
9 learning community purposes with the approval of the learning
10 community coordinating council. Funds distributed to learning
11 communities after January 15, 2011, shall be used for evaluation and
12 research pursuant to section 79-2104.02 with the approval of the
13 learning community coordinating council.

14 (7) For purposes of this section, the determination of
15 whether or not a school district will be a member of an educational
16 service unit or a learning community shall be based on the
17 information available May 1 for the following school fiscal year.

18 (8) It is the intent of the Legislature that:

19 (a) Funding for core services and technology
20 infrastructure for each educational service unit consist of both
21 amounts received pursuant to this section and an amount greater than
22 or equal to the product of the adjusted valuation for the educational
23 service unit multiplied by the local effort rate; and

24 (b) Each multidistrict educational service unit use an
25 amount equal to at least five percent of such funding for core

1 services and technology infrastructure for cooperative projects
2 between member school districts and that each such educational
3 service unit use an amount equal to at least five percent of such
4 funding for core services and technology infrastructure for statewide
5 projects managed by the Educational Service Unit Coordinating
6 Council.

7 Sec. 2. Original section 79-1241.03, Revised Statutes
8 Cumulative Supplement, 2012, is repealed.