

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 469

Introduced by Scheer, 19; Davis, 43; Kolowski, 31; Watermeier, 1.
Read first time January 22, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1003 and 79-1028.01,
3 Revised Statutes Cumulative Supplement, 2012; to change
4 provisions relating to budget limitations; to harmonize
5 provisions; to repeal the original sections; and to
6 declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1003, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 79-1003 For purposes of the Tax Equity and Educational
4 Opportunities Support Act:

5 (1) Adjusted general fund operating expenditures means
6 (a) for school fiscal years 2010-11 through 2012-13, the difference
7 of the general fund operating expenditures as calculated pursuant to
8 subdivision (22) of this section increased by, or for aid calculated
9 for school fiscal year 2010-11 multiplied by, the cost growth factor
10 calculated pursuant to section 79-1007.10, minus the transportation
11 allowance, special receipts allowance, poverty allowance, limited
12 English proficiency allowance, distance education and
13 telecommunications allowance, elementary site allowance, elementary
14 class size allowance, summer school allowance, instructional time
15 allowance, teacher education allowance, and focus school and program
16 allowance, and (b) for school fiscal year 2013-14 and each school
17 fiscal year thereafter, the difference of the general fund operating
18 expenditures as calculated pursuant to subdivision (22) of this
19 section increased by the cost growth factor calculated pursuant to
20 section 79-1007.10, minus the transportation allowance, special
21 receipts allowance, poverty allowance, limited English proficiency
22 allowance, distance education and telecommunications allowance,
23 elementary site allowance, summer school allowance, instructional
24 time allowance, teacher education allowance, and focus school and
25 program allowance;

1 (2) Adjusted valuation means the assessed valuation of
2 taxable property of each local system in the state, adjusted pursuant
3 to the adjustment factors described in section 79-1016. Adjusted
4 valuation means the adjusted valuation for the property tax year
5 ending during the school fiscal year immediately preceding the school
6 fiscal year in which the aid based upon that value is to be paid. For
7 purposes of determining the local effort rate yield pursuant to
8 section 79-1015.01, adjusted valuation does not include the value of
9 any property which a court, by a final judgment from which no appeal
10 is taken, has declared to be nontaxable or exempt from taxation;

11 (3) Allocated income tax funds means the amount of
12 assistance paid to a local system pursuant to section 79-1005.01 as
13 adjusted by the minimum levy adjustment pursuant to section
14 79-1008.02;

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

20 (5) Base fiscal year means the first school fiscal year
21 following the school fiscal year in which the reorganization or
22 unification occurred;

23 (6) Board means the school board of each school district;

24 (7) Categorical funds means funds limited to a specific
25 purpose by federal or state law, including, but not limited to, Title

1 I funds, Title VI funds, federal vocational education funds, federal
2 school lunch funds, Indian education funds, Head Start funds, and
3 funds from the Education Innovation Fund. Categorical funds does not
4 include funds received pursuant to section 79-1028.02 or 79-1028.04;

5 (8) Consolidate means to voluntarily reduce the number of
6 school districts providing education to a grade group and does not
7 include dissolution pursuant to section 79-498;

8 (9) Converted contract means an expired contract that was
9 in effect for at least fifteen school years beginning prior to school
10 year 2012-13 for the education of students in a nonresident district
11 in exchange for tuition from the resident district when the
12 expiration of such contract results in the nonresident district
13 educating students, who would have been covered by the contract if
14 the contract were still in effect, as option students pursuant to the
15 enrollment option program established in section 79-234;

16 (10) Converted contract option student means a student
17 who will be an option student pursuant to the enrollment option
18 program established in section 79-234 for the school fiscal year for
19 which aid is being calculated and who would have been covered by a
20 converted contract if the contract were still in effect and such
21 school fiscal year is the first school fiscal year for which such
22 contract is not in effect;

23 (11) Department means the State Department of Education;

24 (12) District means any Class I, II, III, IV, V, or VI
25 school district and, beginning with the calculation of state aid for

1 school fiscal year 2011-12 and each school fiscal year thereafter, a
2 unified system as defined in section 79-4,108;

3 (13) Ensuing school fiscal year means the school fiscal
4 year following the current school fiscal year;

5 (14) Equalization aid means the amount of assistance
6 calculated to be paid to a local system pursuant to sections
7 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,
8 79-1022.02, 79-1028.02, and 79-1028.04;

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

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

15 (17) Formula students means:

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

1 students enrolled in kindergarten that is not full-day kindergarten
2 from the fall membership multiplied by 0.5; and

3 (b) For the final calculation of state aid pursuant to
4 section 79-1065, the sum of average daily membership plus sixty
5 percent of the qualified early childhood education average daily
6 membership plus tuitioned students minus the product of the number of
7 students enrolled in kindergarten that is not full-day kindergarten
8 from the average daily membership multiplied by 0.5 from the school
9 fiscal year immediately preceding the school fiscal year in which aid
10 was paid;

11 (18) Free lunch and free milk student means a student who
12 qualified for free lunches or free milk from the most recent data
13 available on November 1 of the school fiscal year immediately
14 preceding the school fiscal year in which aid is to be paid;

15 (19) Full-day kindergarten means kindergarten offered by
16 a district for at least one thousand thirty-two instructional hours;

17 (20) General fund budget of expenditures means the total
18 budget of disbursements and transfers for general fund purposes as
19 certified in the budget statement adopted pursuant to the Nebraska
20 Budget Act, except that for purposes of the limitation imposed in
21 section 79-1023 and the calculation pursuant to subdivision (2) of
22 section 79-1027.01, the general fund budget of expenditures does not
23 include any special grant funds, exclusive of local matching funds,
24 received by a district;

25 (21) General fund expenditures means all expenditures

1 from the general fund;

2 (22) General fund operating expenditures means:

3 (a) For state aid calculated for school fiscal years
4 2010-11 and 2011-12, as reported on the annual financial report for
5 the second school fiscal year immediately preceding the school fiscal
6 year in which aid is to be paid, the total general fund expenditures
7 minus (i) the amount of all receipts to the general fund, to the
8 extent 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, federal impact
15 aid, and levy override elections pursuant to section 77-3444, (ii)
16 the amount of expenditures for categorical funds, tuition paid,
17 transportation fees paid to other districts, adult education,
18 community services, redemption of the principal portion of general
19 fund debt service, retirement incentive plans authorized by section
20 79-855, and staff development assistance authorized by section
21 79-856, (iii) the amount of any transfers from the general fund to
22 any bond fund and transfers from other funds into the general fund,
23 (iv) any legal expenses in excess of fifteen-hundredths of one
24 percent of the formula need for the school fiscal year in which the
25 expenses occurred, (v) expenditures to pay for sums agreed to be paid

1 by a school district to certificated employees in exchange for a
2 voluntary termination occurring prior to July 1, 2009, and (vi)(A)
3 expenditures in school fiscal years 2009-10 through 2013-14 to pay
4 for employer contributions pursuant to subsection (2) of section
5 79-958 to the School Retirement System of the State of Nebraska to
6 the extent that such expenditures exceed the employer contributions
7 under such subsection that would have been made at a contribution
8 rate of seven and thirty-five hundredths percent or (B) expenditures
9 in school fiscal years 2009-10 through 2013-14 to pay for school
10 district contributions pursuant to subdivision (1)(c)(i) of section
11 79-9,113 to the retirement system established pursuant to the Class V
12 School Employees Retirement Act to the extent that such expenditures
13 exceed the school district contributions under such subdivision that
14 would have been made at a contribution rate of seven and thirty-seven
15 hundredths percent; ~~and~~

16 (b) For state aid calculated for school fiscal ~~years~~
17 ~~2012-13 and each school fiscal year thereafter, year 2012-13,~~ as
18 reported on the annual financial report for the second school fiscal
19 year immediately preceding the school fiscal year in which aid is to
20 be paid, the total general fund expenditures minus (i) the amount of
21 all receipts to the general fund, to the extent that such receipts
22 are not included in local system formula resources, from early
23 childhood education tuition, summer school tuition, educational
24 entities as defined in section 79-1201.01 for providing distance
25 education courses through the Educational Service Unit Coordinating

1 Council to such educational entities, private foundations,
2 individuals, associations, charitable organizations, the textbook
3 loan program authorized by section 79-734, federal impact aid, and
4 levy override elections pursuant to section 77-3444, (ii) the amount
5 of expenditures for categorical funds, tuition paid, transportation
6 fees paid to other districts, adult education, community services,
7 redemption of the principal portion of general fund debt service,
8 retirement incentive plans authorized by section 79-855, and staff
9 development assistance authorized by section 79-856, (iii) the amount
10 of any transfers from the general fund to any bond fund and transfers
11 from other funds into the general fund, (iv) any legal expenses in
12 excess of fifteen-hundredths of one percent of the formula need for
13 the school fiscal year in which the expenses occurred, (v)
14 expenditures to pay for sums agreed to be paid by a school district
15 to certificated employees in exchange for a voluntary termination
16 occurring prior to July 1, 2009, or occurring on or after the last
17 day of the 2010-11 school year and prior to the first day of the
18 2013-14 school year, (vi)(A) expenditures in school fiscal years
19 2009-10 through 2016-17 to pay for employer contributions pursuant to
20 subsection (2) of section 79-958 to the School Employees Retirement
21 System of the State of Nebraska to the extent that such expenditures
22 exceed the employer contributions under such subsection that would
23 have been made at a contribution rate of seven and thirty-five
24 hundredths percent or (B) expenditures in school fiscal years 2009-10
25 through 2016-17 to pay for school district contributions pursuant to

1 subdivision (1)(c)(i) of section 79-9,113 to the retirement system
2 established pursuant to the Class V School Employees Retirement Act
3 to the extent that such expenditures exceed the school district
4 contributions under such subdivision that would have been made at a
5 contribution rate of seven and thirty-seven hundredths percent, and
6 (vii) any amounts paid by the district for lobbyist fees and expenses
7 reported to the Clerk of the Legislature pursuant to section 49-1483;
8 and -

9 (c) For state aid calculated for school fiscal years
10 2013-14 and each school fiscal year thereafter, as reported on the
11 annual financial report for the second school fiscal year immediately
12 preceding the school fiscal year in which aid is to be paid, the
13 total general fund expenditures minus (i) the amount of all receipts
14 to the general fund, to the extent that such receipts are not
15 included in local system formula resources, from early childhood
16 education tuition, summer school tuition, educational entities as
17 defined in section 79-1201.01 for providing distance education
18 courses through the Educational Service Unit Coordinating Council to
19 such educational entities, private foundations, individuals,
20 associations, charitable organizations, the textbook loan program
21 authorized by section 79-734, federal impact aid, and levy override
22 elections pursuant to section 77-3444, (ii) the amount of
23 expenditures for categorical funds, tuition paid, transportation fees
24 paid to other districts, adult education, community services,
25 redemption of the principal portion of general fund debt service,

1 retirement incentive plans authorized by section 79-855, and staff
2 development assistance authorized by section 79-856, (iii) the amount
3 of any transfers from the general fund to any bond fund and transfers
4 from other funds into the general fund, (iv) any legal expenses in
5 excess of fifteen-hundredths of one percent of the formula need for
6 the school fiscal year in which the expenses occurred, (v)
7 expenditures to pay for sums agreed to be paid by a school district
8 to certificated employees in exchange for a voluntary termination to
9 the extent that a district can demonstrate a savings in salary and
10 benefit costs to the district over a five-year period, (vi)(A)
11 expenditures in school fiscal years 2009-10 through 2016-17 to pay
12 for employer contributions pursuant to subsection (2) of section
13 79-958 to the School Employees Retirement System of the State of
14 Nebraska to the extent that such expenditures exceed the employer
15 contributions under such subsection that would have been made at a
16 contribution rate of seven and thirty-five hundredths percent or (B)
17 expenditures in school fiscal years 2009-10 through 2016-17 to pay
18 for school district contributions pursuant to subdivision (1)(c)(i)
19 of section 79-9,113 to the retirement system established pursuant to
20 the Class V School Employees Retirement Act to the extent that such
21 expenditures exceed the school district contributions under such
22 subdivision that would have been made at a contribution rate of seven
23 and thirty-seven hundredths percent, and (vii) any amounts paid by
24 the district for lobbyist fees and expenses reported to the Clerk of
25 the Legislature pursuant to section 49-1483.

1 For purposes of this subdivision (22) of this section,
2 receipts from levy override elections shall equal ninety-nine percent
3 of the difference of the total general fund levy minus a levy of one
4 dollar and five cents per one hundred dollars of taxable valuation
5 multiplied by the assessed valuation for school districts that have
6 voted pursuant to section 77-3444 to override the maximum levy
7 provided pursuant to section 77-3442;

8 (23) High school district means a school district
9 providing instruction in at least grades nine through twelve;

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

14 (25) Income tax receipts means the amount of income tax
15 collected pursuant to the Nebraska Revenue Act of 1967 less all
16 nonrefundable credits earned and refunds made;

17 (26) Limited English proficiency students means the
18 number of students with limited English proficiency in a district
19 from the most recent data available on November 1 of the school
20 fiscal year preceding the school fiscal year in which aid is to be
21 paid plus the difference of such students with limited English
22 proficiency minus the average number of limited English proficiency
23 students for such district, prior to such addition, for the three
24 immediately preceding school fiscal years if such difference is
25 greater than zero;

1 (27) Local system means a learning community for purposes
2 of calculation of state aid for the second full school fiscal year
3 after becoming a learning community and each school fiscal year
4 thereafter, a unified system, a Class VI district and the associated
5 Class I districts, or a Class II, III, IV, or V district and any
6 affiliated Class I districts or portions of Class I districts. The
7 membership, expenditures, and resources of Class I districts that are
8 affiliated with multiple high school districts will be attributed to
9 local systems based on the percent of the Class I valuation that is
10 affiliated with each high school district;

11 (28) Low-income child means a child under nineteen years
12 of age living in a household having an annual adjusted gross income
13 for the second calendar year preceding the beginning of the school
14 fiscal year for which aid is being calculated equal to or less than
15 the maximum household income that would allow a student from a family
16 of four people to be a free lunch and free milk student during the
17 school fiscal year immediately preceding the school fiscal year for
18 which aid is being calculated;

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

24 (30) Most recently available complete data year means the
25 most recent single school fiscal year for which the annual financial

1 report, fall school district membership report, annual statistical
2 summary, Nebraska income tax liability by school district for the
3 calendar year in which the majority of the school fiscal year falls,
4 and adjusted valuation data are available;

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

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

1 such students in portions of any of such programs receiving an
2 expansion grant;

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

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

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

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

25 (37) Sparse local system means a local system that is not

1 a very sparse local system but which meets the following criteria:

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

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

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

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

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

23 (39) Special grant funds means the budgeted receipts for
24 grants, including, but not limited to, categorical funds,
25 reimbursements for wards of the court, short-term borrowings

1 including, but not limited to, registered warrants and tax
2 anticipation notes, interfund loans, insurance settlements, and
3 reimbursements to county government for previous overpayment. The
4 state board shall approve a listing of grants that qualify as special
5 grant funds;

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

9 (41) State board means the State Board of Education;

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

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

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

20 (45) Teacher has the definition found in section 79-101;

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

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

8 (47) Tuition receipts from converted contracts means
9 tuition receipts received by a district from another district in the
10 most recently available complete data year pursuant to a converted
11 contract prior to the expiration of the contract;

12 (48) Tuitioned students means students in kindergarten
13 through grade twelve of the district whose tuition is paid by the
14 district to some other district or education agency; and

15 (49) Very sparse local system means a local system that
16 has:

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

23 (b)(i) More than four hundred fifty square miles in the
24 local system, (ii) less than one-half student per square mile in the
25 local system, and (iii) more than fifteen miles between each high

1 school attendance center and the next closest high school attendance
2 center on paved roads.

3 Sec. 2. Section 79-1028.01, Revised Statutes Cumulative
4 Supplement, 2012, is amended to read:

5 79-1028.01 (1) For each school fiscal year, a school
6 district may exceed its budget authority for the general fund budget
7 of expenditures as calculated pursuant to section 79-1023 for such
8 school fiscal year by a specific dollar amount for the following
9 exclusions:

10 (a) Expenditures for repairs to infrastructure damaged by
11 a natural disaster which is declared a disaster emergency pursuant to
12 the Emergency Management Act;

13 (b) Expenditures for judgments, except judgments or
14 orders from the Commission of Industrial Relations, obtained against
15 a school district which require or obligate a school district to pay
16 such judgment, to the extent such judgment is not paid by liability
17 insurance coverage of a school district;

18 (c) Expenditures pursuant to the Retirement Incentive
19 Plan authorized in section 79-855 or the Staff Development Assistance
20 authorized in section 79-856;

21 (d) Expenditures of amounts received from educational
22 entities as defined in section 79-1201.01 for providing distance
23 education courses through the Educational Service Unit Coordinating
24 Council to such educational entities;

25 (e) Expenditures to pay another school district for the

1 transfer of land from such other school district;

2 (f) Expenditures in school fiscal years 2009-10 through
3 2016-17 to pay for employer contributions pursuant to subsection (2)
4 of section 79-958 to the School Employees Retirement System of the
5 State of Nebraska to the extent that such expenditures exceed the
6 employer contributions under such subsection that would have been
7 made at a contribution rate of seven and thirty-five hundredths
8 percent;

9 (g) Expenditures in school fiscal years 2009-10 through
10 2016-17 to pay for school district contributions pursuant to
11 subdivision (1)(c)(i) of section 79-9,113 to the retirement system
12 established pursuant to the Class V School Employees Retirement Act
13 to the extent that such expenditures exceed the school district
14 contributions under such subdivision that would have been made at a
15 contribution rate of seven and thirty-seven hundredths percent;

16 (h) Expenditures for sums agreed to be paid by a school
17 district to certificated employees in exchange for a voluntary
18 termination ~~occurring prior to July 1, 2009, or occurring on or after~~
19 ~~the last day of the 2010-11 school year and prior to the first day of~~
20 ~~the 2013-14 school year;~~ to the extent that a district can
21 demonstrate a savings in salary and benefit costs to the school
22 district over a five-year period;

23 (i) Any expenditures in school fiscal years 2016-17 and
24 2017-18 of amounts specified in the notice provided by the
25 Commissioner of Education pursuant to section 79-309.01 for teacher

1 performance pay;

2 (j) The special education budget of expenditures; and

3 (k) Expenditures of special grant funds.

4 (2) For each school fiscal year, a school district may
5 exceed its budget authority for the general fund budget of
6 expenditures as calculated pursuant to section 79-1023 for such
7 school fiscal year by a specific dollar amount and include such
8 dollar amount in the budget of expenditures used to calculate budget
9 authority for the general fund budget of expenditures pursuant to
10 section 79-1023 for future years for the following exclusions:

11 (a) Expenditures of incentive payments or base fiscal
12 year incentive payments to be received in such school fiscal year
13 pursuant to section 79-1011;

14 (b) The first school fiscal year the district will be
15 participating in Network Nebraska for the full school fiscal year,
16 for the difference of the estimated expenditures for such school
17 fiscal year for telecommunications services, access to data
18 transmission networks that transmit data to and from the school
19 district, and the transmission of data on such networks as such
20 expenditures are defined by the department for purposes of the
21 distance education and telecommunications allowance minus the dollar
22 amount of such expenditures for the second school fiscal year
23 preceding the first full school fiscal year the district participates
24 in Network Nebraska; and

25 (c) Expenditures for new elementary attendance sites in

1 the first year of operation or the first year of operation after
2 being closed for at least one school year if such elementary
3 attendance site will most likely qualify for the elementary site
4 allowance in the immediately following school fiscal year as
5 determined by the state board.

6 (3) The state board shall approve, deny, or modify the
7 amount allowed for any exclusions to the budget authority for the
8 general fund budget of expenditures pursuant to this section.

9 Sec. 3. Original sections 79-1003 and 79-1028.01, Revised
10 Statutes Cumulative Supplement, 2012, are repealed.

11 Sec. 4. Since an emergency exists, this act takes effect
12 when passed and approved according to law.