

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1052

Introduced by Harr, 8.

Read first time January 20, 2016

Committee: Education

1 A BILL FOR AN ACT relating to children; to amend sections 79-1007.13 and
2 79-1119, Reissue Revised Statutes of Nebraska, sections 43-2511 and
3 43-2515, Revised Statutes Cumulative Supplement, 2014, and section
4 79-1018.01, Revised Statutes Supplement, 2015; to state intent
5 relating to grants for the Nebraska Whole Child Project; to change
6 provisions relating to medicaid in public schools and local system
7 formula resources; to harmonize provisions; and to repeal the
8 original sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. It is the intent of the Legislature to appropriate
2 \$250,000 from the General Fund for fiscal year 2017-18 to the State
3 Department of Education, for Program 158, to provide grants to the
4 Nebraska Whole Child Project established as a joint entity under an
5 agreement pursuant to the Interlocal Cooperation Act.

6 Sec. 2. Section 43-2511, Revised Statutes Cumulative Supplement,
7 2014, is amended to read:

8 43-2511 (1) There is hereby established a statewide billing system
9 for accessing federal medicaid funds for special education and related
10 services provided by school districts. The system shall apply to all
11 students verified with disabilities from date of diagnosis to twenty-one
12 years of age as allowed under the federal Medicare Catastrophic Coverage
13 Act of 1988. The system shall be developed, implemented, and administered
14 jointly by the Department of Health and Human Services and the State
15 Department of Education. On or before October 1, 2015, the Department of
16 Health and Human Services and the State Department of Education shall
17 jointly revise the statewide billing system to streamline and simplify
18 the claims process, to update reimbursement rates, and to incorporate
19 services included in the state plan amendment submitted pursuant to
20 subsection (4) of section 68-911. After the reimbursement rates have been
21 updated pursuant to this section, such rates shall be reviewed at least
22 once every five years. School districts, educational service units, or
23 approved cooperatives providing special education and related services
24 shall be required to participate in the statewide billing system. ~~Eleven~~
25 ~~and fifty-four hundredths percent of federal medicaid funds received by~~
26 ~~school districts pursuant to such billing system shall be considered~~
27 ~~reimbursement for the costs to school districts associated with the~~
28 ~~implementation and administration of such a system, and such costs shall~~
29 ~~be included in the medicaid reimbursement rates to be established for~~
30 ~~each service.~~

31 (2) From the amount provided pursuant to section 43-2515 to aid in

1 carrying out the Early Intervention Act, the Department of Health and
2 Human Services shall retain, for the purposes of implementing and
3 administering the statewide billing system and early intervention
4 services coordination services, an amount equal to the lesser of the
5 actual cost of implementing and administering the statewide billing
6 system and early intervention services coordination services or (1) for
7 fiscal year 2014-15, two hundred forty-two thousand dollars, (2) for
8 fiscal year 2015-16, three hundred thousand dollars, or (3) for fiscal
9 year 2016-17 and each fiscal year thereafter, the amount retained for
10 such purposes for the prior year increased by five percent.

11 (3) For fiscal year 2017-18, from federal medicaid funds for special
12 education and related services provided by school districts, the State
13 Department of Education shall retain two hundred fifty thousand dollars
14 to provide grants to the Nebraska Whole Child Project established as a
15 joint entity under an agreement pursuant to the Interlocal Cooperation
16 Act.

17 Sec. 3. Section 43-2515, Revised Statutes Cumulative Supplement,
18 2014, is amended to read:

19 43-2515 For years 1993 through 2015, on or before October 1, the
20 Department of Health and Human Services and the State Department of
21 Education shall jointly certify to the budget administrator of the budget
22 division of the Department of Administrative Services the amount of
23 federal medicaid funds paid to school districts pursuant to the Early
24 Intervention Act for special education services for children five years
25 of age and older for the immediately preceding fiscal year. The General
26 Fund appropriation to the State Department of Education for state special
27 education aid for the then-current fiscal year shall be decreased by an
28 amount equal to the amount that would have been reimbursed with state
29 general funds to the school districts through the special education
30 reimbursement process for special education services for children five
31 years of age and older that was paid to school districts or approved

1 cooperatives with federal medicaid funds.

2 For fiscal years through fiscal year 2015-16, it is the intent of
3 the Legislature that an amount equal to the amount that would have been
4 reimbursed with state general funds to the school districts, certified to
5 the budget administrator, be appropriated from the General Fund to aid in
6 carrying out the provisions of the Early Intervention Act and other
7 related early intervention services.

8 ~~For 2015 and each year thereafter, on or before December 1, the~~
9 ~~Department of Health and Human Services and the State Department of~~
10 ~~Education shall jointly certify to the budget administrator of the budget~~
11 ~~division of the Department of Administrative Services the aggregate~~
12 ~~amount to be included in the local system formula resources pursuant to~~
13 ~~subdivision (16) of section 79-1018.01 for all local systems for aid to~~
14 ~~be calculated pursuant to the Tax Equity and Educational Opportunities~~
15 ~~Support Act for the next school fiscal year.~~

16 For fiscal year 2016-17 and each fiscal year thereafter, it is the
17 intent of the Legislature that, in addition to other state and federal
18 funds used to carry out the Early Intervention Act, funds equal to the
19 lesser of the amount certified to the budget administrator or the amount
20 appropriated or transferred for such purposes pursuant to this section
21 for the immediately preceding fiscal year increased by five percent be
22 appropriated from the General Fund to aid in carrying out the provisions
23 of the Early Intervention Act and other related early intervention
24 services.

25 Sec. 4. Section 79-1007.13, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 79-1007.13 The department shall calculate a special receipts
28 allowance for each district equal to the amount of special education,
29 state ward, and accelerated or differentiated curriculum program receipts
30 included in local system formula resources under subdivisions (7), (8),
31 and (16), ~~and (17)~~ of section 79-1018.01 attributable to the school

1 district.

2 Sec. 5. Section 79-1018.01, Revised Statutes Supplement, 2015, is
3 amended to read:

4 79-1018.01 Except as otherwise provided in this section, local
5 system formula resources include other actual receipts available for the
6 funding of general fund operating expenditures as determined by the
7 department for the second school fiscal year immediately preceding the
8 school fiscal year in which aid is to be paid. Other actual receipts
9 include:

10 (1) Public power district sales tax revenue;

11 (2) Fines and license fees;

12 (3) Tuition receipts from individuals, other districts, or any other
13 source except receipts derived from adult education, receipts derived
14 from summer school tuition, receipts derived from early childhood
15 education tuition, tuition receipts from converted contracts beginning
16 with the calculation of state aid to be distributed in school fiscal year
17 2011-12, and receipts from educational entities as defined in section
18 79-1201.01 for providing distance education courses through the
19 Educational Service Unit Coordinating Council to such educational
20 entities;

21 (4) Transportation receipts;

22 (5) Interest on investments;

23 (6) Other miscellaneous noncategorical local receipts, not including
24 receipts from private foundations, individuals, associations, or
25 charitable organizations;

26 (7) Special education receipts;

27 (8) Special education receipts and non-special education receipts
28 from the state for wards of the court and wards of the state;

29 (9) All receipts from the temporary school fund. Receipts from the
30 temporary school fund shall only include (a) receipts pursuant to section
31 79-1035 and (b) the receipt of funds pursuant to section 79-1036 for

1 property leased for a public purpose as set forth in subdivision (1)(a)
2 of section 77-202;

3 (10) Motor vehicle tax receipts received;

4 (11) Pro rata motor vehicle license fee receipts;

5 (12) Other miscellaneous state receipts excluding revenue from the
6 textbook loan program authorized by section 79-734;

7 (13) Impact aid entitlements for the school fiscal year which have
8 actually been received by the district to the extent allowed by federal
9 law;

10 (14) All other noncategorical federal receipts;

11 (15) All receipts pursuant to the enrollment option program under
12 sections 79-232 to 79-246;

13 ~~(16) Receipts under the federal Medicare Catastrophic Coverage Act~~
14 ~~of 1988, as such act existed on January 1, 2014, as authorized pursuant~~
15 ~~to sections 43-2510 and 43-2511 for services to school-age children,~~
16 ~~excluding amounts designated as reimbursement for costs associated with~~
17 ~~the implementation and administration of the billing system pursuant to~~
18 ~~section 43-2511;~~

19 (16 ~~17)~~ Receipts for accelerated or differentiated curriculum
20 programs pursuant to sections 79-1106 to 79-1108.03; and

21 (17 ~~18)~~ Revenue received from the nameplate capacity tax distributed
22 pursuant to section 77-6204.

23 Sec. 6. Section 79-1119, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 79-1119 For aid distributed in school fiscal years prior to 2015-16,
26 excess cost means the difference between the total cost of the special
27 education program excluding residential care and the number of students
28 in the special education program multiplied by the adjusted average per
29 pupil cost of the preceding year for the school district of residence of
30 each child. For aid distributed in school fiscal years ~~year~~ 2015-16 and
31 2016-17 ~~each school fiscal year thereafter~~, excess cost means the

1 difference between the total cost of the special education program
2 excluding residential care minus federal medicaid funds received pursuant
3 to section 43-2511 for services to school-age children excluding amounts
4 designated as reimbursement for costs associated with the implementation
5 and administration of the billing system pursuant to section 43-2511 and
6 minus the product of the number of students in the special education
7 program multiplied by the adjusted average per pupil cost of the
8 preceding year for the school district of residence of each child.

9 Sec. 7. Original sections 79-1007.13 and 79-1119, Reissue Revised
10 Statutes of Nebraska, sections 43-2511 and 43-2515, Revised Statutes
11 Cumulative Supplement, 2014, and section 79-1018.01, Revised Statutes
12 Supplement, 2015, are repealed.