

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 529**

Introduced by Sullivan, 41.

Read first time January 21, 2015

Committee: Education

1 A BILL FOR AN ACT relating to state aid to schools; to amend sections  
2 79-1003, 79-1007.11, 79-1008.02, 79-1022, and 79-1073, Reissue  
3 Revised Statutes of Nebraska; to redefine a term and change  
4 provisions relating to calculation of formula need, a minimum levy  
5 adjustment, and distribution of funds for purposes of the Tax Equity  
6 and Educational Opportunities Support Act; to change provisions  
7 relating to calculation of certain distributions as prescribed; to  
8 harmonize provisions; and to repeal the original sections.  
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1003, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

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

5 (1) Adjusted general fund operating expenditures means (a) for  
6 school fiscal years 2013-14 through 2015-16, the difference of the  
7 general fund operating expenditures as calculated pursuant to subdivision  
8 (22) of this section increased 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, and (b) for school fiscal year 2016-17 and  
15 each school fiscal year thereafter, the difference of the general fund  
16 operating expenditures as calculated pursuant to subdivision (22) of this  
17 section increased by the cost growth factor calculated pursuant to  
18 section 79-1007.10, minus the transportation allowance, special receipts  
19 allowance, poverty allowance, limited English proficiency allowance,  
20 distance education and telecommunications allowance, elementary site  
21 allowance, summer school allowance, and focus school and program  
22 allowance;

23 (2) Adjusted valuation means the assessed valuation of taxable  
24 property of each local system in the state, adjusted pursuant to the  
25 adjustment factors described in section 79-1016. Adjusted valuation means  
26 the adjusted valuation for the property tax year ending during the school  
27 fiscal year immediately preceding the school fiscal year in which the aid  
28 based upon that value is to be paid. For purposes of determining the  
29 local effort rate yield pursuant to section 79-1015.01, adjusted  
30 valuation does not include the value of any property which a court, by a  
31 final judgment from which no appeal is taken, has declared to be

1 nontaxable or exempt from taxation;

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

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

10 (5) Base fiscal year means the first school fiscal year following  
11 the school fiscal year in which the reorganization or unification  
12 occurred;

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

14 (7) Categorical funds means funds limited to a specific purpose by  
15 federal or state law, including, but not limited to, Title I funds, Title  
16 VI funds, federal vocational education funds, federal school lunch funds,  
17 Indian education funds, Head Start funds, and funds from the Education  
18 Innovation Fund. Categorical funds does not include funds received  
19 pursuant to section 79-1028.02 or 79-1028.04;

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

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

31 (10) Converted contract option student means a student who will be

1 an option student pursuant to the enrollment option program established  
2 in section 79-234 for the school fiscal year for which aid is being  
3 calculated and who would have been covered by a converted contract if the  
4 contract were still in effect and such school fiscal year is the first  
5 school fiscal year for which such contract is not in effect;

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

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

11 (13) Ensuing school fiscal year means the school fiscal year  
12 following the current school fiscal year;

13 (14) Equalization aid means the amount of assistance calculated to  
14 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,  
15 79-1007.25, 79-1008.01 to 79-1022, 79-1022.02, 79-1028.02, and  
16 79-1028.04;

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

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

23 (17) Formula students means:

24 (a) For state aid certified pursuant to section 79-1022, the sum of  
25 the product of fall membership from the school fiscal year immediately  
26 preceding the school fiscal year in which the aid is to be paid  
27 multiplied by the average ratio of average daily membership to fall  
28 membership for the second school fiscal year immediately preceding the  
29 school fiscal year in which the aid is to be paid and the prior two  
30 school fiscal years plus sixty percent of the qualified early childhood  
31 education fall membership plus tuitioned students from the school fiscal

1 year immediately preceding the school fiscal year in which aid is to be  
2 paid minus the product of the number of students enrolled in kindergarten  
3 that is not full-day kindergarten from the fall membership multiplied by  
4 0.5; and

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

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

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

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

25 (21) General fund expenditures means all expenditures from the  
26 general fund;

27 (22) General fund operating expenditures means for state aid  
28 calculated for school fiscal years 2012-13 and each school fiscal year  
29 thereafter, as reported on the annual financial report for the second  
30 school fiscal year immediately preceding the school fiscal year in which  
31 aid is to be paid, the total general fund expenditures minus (a) the

1 amount of all receipts to the general fund, to the extent that such  
2 receipts are not included in local system formula resources, from early  
3 childhood education tuition, summer school tuition, educational entities  
4 as defined in section 79-1201.01 for providing distance education courses  
5 through the Educational Service Unit Coordinating Council to such  
6 educational entities, private foundations, individuals, associations,  
7 charitable organizations, the textbook loan program authorized by section  
8 79-734, federal impact aid, and levy override elections pursuant to  
9 section 77-3444, (b) the amount of expenditures for categorical funds,  
10 tuition paid, transportation fees paid to other districts, adult  
11 education, community services, redemption of the principal portion of  
12 general fund debt service, retirement incentive plans authorized by  
13 section 79-855, and staff development assistance authorized by section  
14 79-856, (c) the amount of any transfers from the general fund to any bond  
15 fund and transfers from other funds into the general fund, (d) any legal  
16 expenses in excess of fifteen-hundredths of one percent of the formula  
17 need for the school fiscal year in which the expenses occurred, (e)  
18 expenditures to pay for sums agreed to be paid by a school district to  
19 certificated employees in exchange for a voluntary termination occurring  
20 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
21 school year and prior to the first day of the 2013-14 school year, or, to  
22 the extent that a district has demonstrated to the State Board of  
23 Education pursuant to section 79-1028.01 that the agreement will result  
24 in a net savings in salary and benefit costs to the school district over  
25 a five-year period, occurring on or after the first day of the 2013-14  
26 school year, (f)(i) expenditures to pay for employer contributions  
27 pursuant to subsection (2) of section 79-958 to the School Employees  
28 Retirement System of the State of Nebraska to the extent that such  
29 expenditures exceed the employer contributions under such subsection that  
30 would have been made at a contribution rate of seven and thirty-five  
31 hundredths percent or (ii) expenditures to pay for school district

1 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to  
2 the retirement system established pursuant to the Class V School  
3 Employees Retirement Act to the extent that such expenditures exceed the  
4 school district contributions under such subdivision that would have been  
5 made at a contribution rate of seven and thirty-seven hundredths percent,  
6 and (g) 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 For purposes of this subdivision (22) of this section, receipts from  
9 levy override elections shall equal ninety-nine percent of the difference  
10 of the total general fund levy minus a levy of one dollar and five cents  
11 per one hundred dollars of taxable valuation multiplied by the assessed  
12 valuation for school districts that have voted pursuant to section  
13 77-3444 to override the maximum levy provided pursuant to section  
14 77-3442;

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

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

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

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

31 (27) Local system means (a) for school fiscal years prior to school

1 fiscal year 2016-17, a learning community for purposes of calculation of  
2 state aid for the second full school fiscal year after becoming a  
3 learning community and each school fiscal year thereafter, a unified  
4 system, a Class VI district and the associated Class I districts, or a  
5 Class II, III, IV, or V district and any affiliated Class I districts or  
6 portions of Class I districts and (b) for school fiscal year 2016-17 and  
7 each school fiscal year thereafter, a unified system, a Class VI district  
8 and the associated Class I districts, or a Class II, III, IV, or V  
9 district and any affiliated Class I districts or portions of Class I  
10 districts. The membership, expenditures, and resources of Class I  
11 districts that are affiliated with multiple high school districts will be  
12 attributed to local systems based on the percent of the Class I valuation  
13 that is affiliated with each high school district;

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

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

26 (30) Most recently available complete data year means the most  
27 recent single school fiscal year for which the annual financial report,  
28 fall school district membership report, annual statistical summary,  
29 Nebraska income tax liability by school district for the calendar year in  
30 which the majority of the school fiscal year falls, and adjusted  
31 valuation data are available;



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

9           (32) Qualified early childhood education average daily membership  
10 means the product of the average daily membership for school fiscal year  
11 2006-07 and each school fiscal year thereafter of students who will be  
12 eligible to attend kindergarten the following school year and are  
13 enrolled in an early childhood education program approved by the  
14 department pursuant to section 79-1103 for such school district for such  
15 school year multiplied by the ratio of the actual instructional hours of  
16 the program divided by one thousand thirty-two if: (a) The program is  
17 receiving a grant pursuant to such section for the third year; (b) the  
18 program has already received grants pursuant to such section for three  
19 years; or (c) the program has been approved pursuant to subsection (5) of  
20 section 79-1103 for such school year and the two preceding school years,  
21 including any such students in portions of any of such programs receiving  
22 an expansion grant;

23           (33) Qualified early childhood education fall membership means the  
24 product of membership on the last Friday in September 2006 and each year  
25 thereafter of students who will be eligible to attend kindergarten the  
26 following school year and are enrolled in an early childhood education  
27 program approved by the department pursuant to section 79-1103 for such  
28 school district for such school year multiplied by the ratio of the  
29 planned instructional hours of the program divided by one thousand  
30 thirty-two if: (a) The program is receiving a grant pursuant to such  
31 section for the third year; (b) the program has already received grants

1 pursuant to such section for three years; or (c) the program has been  
2 approved pursuant to subsection (5) of section 79-1103 for such school  
3 year and the two preceding school years, including any such students in  
4 portions of any of such programs receiving an expansion grant;

5 (34) Regular route transportation means the transportation of  
6 students on regularly scheduled daily routes to and from the attendance  
7 center;

8 (35) Reorganized district means any district involved in a  
9 consolidation and currently educating students following consolidation;

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

12 (37) Sparse local system means a local system that is not a very  
13 sparse local system but which meets the following criteria:

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

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

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

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

30 (38) Special education means specially designed kindergarten through  
31 grade twelve instruction pursuant to section 79-1125, and includes

1 special education transportation;

2 (39) Special grant funds means the budgeted receipts for grants,  
3 including, but not limited to, categorical funds, reimbursements for  
4 wards of the court, short-term borrowings including, but not limited to,  
5 registered warrants and tax anticipation notes, interfund loans,  
6 insurance settlements, and reimbursements to county government for  
7 previous overpayment. The state board shall approve a listing of grants  
8 that qualify as special grant funds;

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

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

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

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

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

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

23 (46) Temporary aid adjustment factor means (a) for school fiscal  
24 years before school fiscal year 2007-08, one and one-fourth percent of  
25 the sum of the local system's transportation allowance, the local  
26 system's special receipts allowance, and the product of the local  
27 system's adjusted formula students multiplied by the average formula cost  
28 per student in the local system's cost grouping and (b) for school fiscal  
29 year 2007-08, one and one-fourth percent of the sum of the local system's  
30 transportation allowance, special receipts allowance, and distance  
31 education and telecommunications allowance and the product of the local

1 system's adjusted formula students multiplied by the average formula cost  
2 per student in the local system's cost grouping;

3 (47) Tuition receipts from converted contracts means tuition  
4 receipts received by a district from another district in the most  
5 recently available complete data year pursuant to a converted contract  
6 prior to the expiration of the contract;

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

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

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

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

22 Sec. 2. Section 79-1007.11, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 79-1007.11 (1) Except as otherwise provided in this section, for  
25 school fiscal years 2013-14 through 2015-16, each school district's  
26 formula need shall equal the difference of the sum of the school  
27 district's basic funding, poverty allowance, limited English proficiency  
28 allowance, focus school and program allowance, summer school allowance,  
29 special receipts allowance, transportation allowance, elementary site  
30 allowance, instructional time allowance, teacher education allowance,  
31 distance education and telecommunications allowance, averaging

1 adjustment, new learning community transportation adjustment, student  
2 growth adjustment, any positive student growth adjustment correction, and  
3 new school adjustment, minus the sum of the limited English proficiency  
4 allowance correction, poverty allowance correction, and any negative  
5 student growth adjustment correction.

6 (2) Except as otherwise provided in this section, for school fiscal  
7 year 2016-17 and each school fiscal year thereafter, each school  
8 district's formula need shall equal the difference of the sum of the  
9 school district's basic funding, poverty allowance, limited English  
10 proficiency allowance, focus school and program allowance, summer school  
11 allowance, special receipts allowance, transportation allowance,  
12 elementary site allowance, distance education and telecommunications  
13 allowance, averaging adjustment, new learning community transportation  
14 adjustment, student growth adjustment, any positive student growth  
15 adjustment correction, and new school adjustment, minus the sum of the  
16 limited English proficiency allowance correction, poverty allowance  
17 correction, and any negative student growth adjustment correction.

18 (3) If the formula need calculated for a school district pursuant to  
19 subsections (1) and (2) of this section is less than one hundred percent  
20 of the formula need for such district for the school fiscal year  
21 immediately preceding the school fiscal year for which aid is being  
22 calculated, the formula need for such district shall equal one hundred  
23 percent of the formula need for such district for the school fiscal year  
24 immediately preceding the school fiscal year for which aid is being  
25 calculated.

26 (4) ~~If Except as provided in subsection (6) of this section,~~ if the  
27 formula need calculated for a school district pursuant to subsections (1)  
28 and (2) of this section is more than one hundred twelve percent of the  
29 formula need for such district for the school fiscal year immediately  
30 preceding the school fiscal year for which aid is being calculated, the  
31 formula need for such district shall equal one hundred twelve percent of

1 the formula need for such district for the school fiscal year immediately  
2 preceding the school fiscal year for which aid is being calculated,  
3 except that the formula need shall not be reduced pursuant to this  
4 subsection for any district receiving a student growth adjustment for the  
5 school fiscal year for which aid is being calculated.

6 (5) For purposes of subsections (3) and (4) of this section, the  
7 formula need for the school fiscal year immediately preceding the school  
8 fiscal year for which aid is being calculated shall be the formula need  
9 used in the final calculation of aid pursuant to section 79-1065 and for  
10 districts that were affected by a reorganization with an effective date  
11 in the calendar year preceding the calendar year in which aid is  
12 certified for the school fiscal year for which aid is being calculated,  
13 the formula need for the school fiscal year immediately preceding the  
14 school fiscal year for which aid is being calculated shall be attributed  
15 to the affected school districts based on information provided to the  
16 department by the school districts or proportionally based on the  
17 adjusted valuation transferred if sufficient information has not been  
18 provided to the department.

19 ~~(6) For state aid calculated for the first full school fiscal year~~  
20 ~~of a new learning community, if the formula need calculated for a member~~  
21 ~~school district pursuant to subsections (1) through (3) of this section~~  
22 ~~is less than the sum of the school district's state aid certified for the~~  
23 ~~school fiscal year immediately preceding the first full school fiscal~~  
24 ~~year of the learning community plus the school district's other actual~~  
25 ~~receipts included in local system formula resources pursuant to section~~  
26 ~~79-1018.01 for such school fiscal year plus the product of the school~~  
27 ~~district's general fund levy for such school fiscal year up to one dollar~~  
28 ~~and five cents multiplied by the school district's assessed valuation for~~  
29 ~~such school fiscal year, the formula need for such school district for~~  
30 ~~the school fiscal year for which aid is being calculated shall equal such~~  
31 ~~sum.~~

1           Sec. 3. Section 79-1008.02, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           79-1008.02   (1) A minimum levy adjustment shall be calculated and  
4 applied to any local system that has a general fund common levy for the  
5 fiscal year during which aid is certified that is less than the maximum  
6 levy, for such fiscal year for such local system, allowed pursuant to  
7 subdivision (2)(a) or (b) of section 77-3442 without a vote pursuant to  
8 section 77-3444 less five cents for learning community general fund  
9 common levies ~~communities~~ and less ten cents for all other general fund  
10 common levies ~~local systems~~.

11           (2) To calculate the minimum levy adjustment, the department shall  
12 subtract the local system general fund common levy for such fiscal year  
13 for such local system from the maximum levy allowed pursuant to  
14 subdivision (2)(a) or (b) of section 77-3442 without a vote pursuant to  
15 section 77-3444 less five cents for learning community general fund  
16 common levies ~~communities~~ and less ten cents for all other general fund  
17 common levies ~~local systems~~ and multiply the result by either the school  
18 district's adjusted valuation divided by one hundred for local systems  
19 that consist of only one school district or the local system's adjusted  
20 valuation divided by one hundred for local systems that consist of more  
21 than one school district.

22           (3) The minimum levy adjustment shall be added to the formula  
23 resources of the local system for the determination of equalization aid  
24 pursuant to section 79-1008.01. If the minimum levy adjustment is greater  
25 than or equal to the allocated income tax funds calculated pursuant to  
26 section 79-1005.01, the local system shall not receive allocated income  
27 tax funds. If the minimum levy adjustment is less than the allocated  
28 income tax funds calculated pursuant to section 79-1005.01, the local  
29 system shall receive allocated income tax funds in the amount of the  
30 difference between the allocated income tax funds calculated pursuant to  
31 section 79-1005.01 and the minimum levy adjustment.

1           (4) This section does not apply to the calculation of aid for a  
2 local system containing a learning community for the first school fiscal  
3 year for which aid is calculated for such local system.

4           Sec. 4. Section 79-1022, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6           79-1022 (1) On or before ~~April 10, 2014, and on or before~~ March 1 of  
7 each year ~~thereafter~~ for each ensuing fiscal year, the department shall  
8 determine the amounts to be distributed to each local system and each  
9 district for the ensuing school fiscal year pursuant to the Tax Equity  
10 and Educational Opportunities Support Act and shall certify the amounts  
11 to the Director of Administrative Services, the Auditor of Public  
12 Accounts, each learning community, and each district. The amount to be  
13 distributed to each district that is not a member of a learning community  
14 from the amount calculated ~~certified~~ for a local system shall be  
15 proportional based on the formula students attributed to each district in  
16 the local system. For school fiscal years prior to school fiscal year  
17 2016-17, the ~~The~~ amount to be distributed to each district that is a  
18 member of a learning community from the amount calculated ~~certified~~ for  
19 the local system shall be proportional based on the formula needs  
20 calculated for each district in the local system. For school fiscal year  
21 2016-17 and each school fiscal year thereafter, the amount to be  
22 distributed to each district that is a member of a learning community  
23 shall be the amount calculated for such district as a single district  
24 local system. On or before ~~April 10, 2014, and on or before~~ March 1 of  
25 each year ~~thereafter~~ for each ensuing fiscal year, the department shall  
26 report the necessary funding level for the ensuing school fiscal year to  
27 the Governor, the Appropriations Committee of the Legislature, and the  
28 Education Committee of the Legislature. The report submitted to the  
29 committees of the Legislature shall be submitted electronically. Except  
30 as otherwise provided in this subsection, certified state aid amounts,  
31 including adjustments pursuant to section 79-1065.02, shall be shown as



1 budgeted non-property-tax receipts and deducted prior to calculating the  
2 property tax request in the district's general fund budget statement as  
3 provided to the Auditor of Public Accounts pursuant to section 79-1024.

4 (2) Except as provided in this subsection, subsection (8) of section  
5 79-1016, and sections 79-1033 and 79-1065.02, the amounts certified  
6 pursuant to subsection (1) of this section shall be distributed in ten as  
7 nearly as possible equal payments on the last business day of each month  
8 beginning in September of each ensuing school fiscal year and ending in  
9 June of the following year, except that when a school district is to  
10 receive a monthly payment of less than one thousand dollars, such payment  
11 shall be one lump-sum payment on the last business day of December during  
12 the ensuing school fiscal year.

13 Sec. 5. Section 79-1073, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 79-1073 On or before September 1 for each year, each learning  
16 community coordinating council shall determine the expected amounts to be  
17 distributed by the county treasurers to each member school district from  
18 general fund property tax receipts pursuant to subdivision (2)(b) of  
19 section 77-3442 and shall certify such amounts to each member school  
20 district, the county treasurer for each county containing territory in  
21 the learning community, and the State Department of Education. Such  
22 property tax receipts shall be divided among member school districts  
23 proportionally based on the difference of the school district's formula  
24 need calculated pursuant to section 79-1007.11 minus the sum of the state  
25 aid certified pursuant to section 79-1022 and the other actual receipts  
26 included in local system formula resources pursuant to section 79-1018.01  
27 for the school fiscal year for which the distribution is being made,  
28 except that, for school fiscal year 2016-17 and each school fiscal year  
29 thereafter, the expected amount for any member school district shall not  
30 be less than ninety-nine percent of an amount calculated for such member  
31 school district by applying a rate forty cents less than the rate levied

1 by such learning community pursuant to subdivision (2)(b) of section  
2 77-3442 for the school fiscal year for which the funds are being  
3 distributed to the taxable valuation of property subject to levies of the  
4 school district pursuant to subdivision (2)(c) of section 77-3442 for the  
5 immediately preceding school fiscal year.

6       Each time the county treasurer distributes property tax receipts  
7 from the common general fund levy to member school districts, the amount  
8 to be distributed to each district shall be proportional based on the  
9 total amounts to be distributed to each member school district for the  
10 school fiscal year. Each time the county treasurer certifies a property  
11 tax refund pursuant to section 77-1736.06 based on the common general  
12 fund levy for member school districts or any entity issues an in lieu of  
13 property tax reimbursement based on the common general fund levy for  
14 member school districts, including amounts paid pursuant to sections  
15 70-651.01 and 79-1036, the amount to be certified or reimbursed to each  
16 district shall be proportional on the same basis as property tax receipts  
17 from such levy are distributed to member school districts.

18       Sec. 6. Original sections 79-1003, 79-1007.11, 79-1008.02, 79-1022,  
19 and 79-1073, Reissue Revised Statutes of Nebraska, are repealed.