

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 959**

Introduced by Sullivan, 41; at the request of the Governor.

Read first time January 14, 2016

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 79-1022.02,  
2 79-1027, 79-1030, 79-10,110, 79-10,110.01, 79-10,120, 79-10,126, and  
3 85-1517, Reissue Revised Statutes of Nebraska, and sections 13-519,  
4 79-1007.11, 79-1023, and 79-1028.01, Revised Statutes Supplement,  
5 2015; to change and eliminate provisions relating to budgets, levy  
6 authority, and school funding; to harmonize provisions; to repeal  
7 the original sections; and to declare an emergency.  
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-519, Revised Statutes Supplement, 2015, is  
2 amended to read:

3 13-519 (1)(a) Subject to subdivision (1)(b) of this section, for all  
4 fiscal years beginning on or after July 1, 1998, no governmental unit  
5 shall adopt a budget containing a total of budgeted restricted funds more  
6 than the last prior year's total of budgeted restricted funds plus  
7 allowable growth plus the basic allowable growth percentage of the base  
8 limitation established under section 77-3446. For the second fiscal year  
9 in which a county will receive a full year of receipts from the tax  
10 imposed in sections 77-27,223 to 77-27,227, the prior year's total of  
11 restricted funds shall be the prior year's total of restricted funds plus  
12 the total receipts from the tax imposed in sections 77-27,223 to  
13 77-27,227 in the prior year. If a governmental unit transfers the  
14 financial responsibility of providing a service financed in whole or in  
15 part with restricted funds to another governmental unit or the state, the  
16 amount of restricted funds associated with providing the service shall be  
17 subtracted from the last prior year's total of budgeted restricted funds  
18 for the previous provider and may be added to the last prior year's total  
19 of restricted funds for the new provider. For governmental units that  
20 have consolidated, the calculations made under this section for  
21 consolidating units shall be made based on the combined total of  
22 restricted funds, population, or full-time equivalent students of each  
23 governmental unit.

24 (b) For all fiscal years beginning on or after the effective date of  
25 this act ~~July 1, 2008~~, educational service units may exceed the  
26 limitations of subdivision (1)(a) of this section to the extent that one  
27 hundred five ~~ten~~ percent of the needs for the educational service unit  
28 calculated pursuant to section 79-1241.03 exceeds the budgeted restricted  
29 funds allowed pursuant to subdivision (1)(a) of this section.

30 (2) A governmental unit may exceed the limit provided in subdivision  
31 (1)(a) of this section for a fiscal year by up to an additional one

1 percent upon the affirmative vote of at least seventy-five percent of the  
2 governing body.

3 (3) A governmental unit may exceed the applicable allowable growth  
4 percentage otherwise prescribed in this section by an amount approved by  
5 a majority of legal voters voting on the issue at a special election  
6 called for such purpose upon the recommendation of the governing body or  
7 upon the receipt by the county clerk or election commissioner of a  
8 petition requesting an election signed by at least five percent of the  
9 legal voters of the governmental unit. The recommendation of the  
10 governing body or the petition of the legal voters shall include the  
11 amount and percentage by which the governing body would increase its  
12 budgeted restricted funds for the ensuing year over and above the current  
13 year's budgeted restricted funds. The county clerk or election  
14 commissioner shall call for a special election on the issue within thirty  
15 days after the receipt of such governing body recommendation or legal  
16 voter petition. The election shall be held pursuant to the Election Act,  
17 and all costs shall be paid by the governing body. The issue may be  
18 approved on the same question as a vote to exceed the levy limits  
19 provided in section 77-3444.

20 (4) In lieu of the election procedures in subsection (3) of this  
21 section, any governmental unit may exceed the allowable growth percentage  
22 otherwise prescribed in this section by an amount approved by a majority  
23 of legal voters voting at a meeting of the residents of the governmental  
24 unit, called after notice is published in a newspaper of general  
25 circulation in the governmental unit at least twenty days prior to the  
26 meeting. At least ten percent of the registered voters residing in the  
27 governmental unit shall constitute a quorum for purposes of taking action  
28 to exceed the allowable growth percentage. If a majority of the  
29 registered voters present at the meeting vote in favor of exceeding the  
30 allowable growth percentage, a copy of the record of that action shall be  
31 forwarded to the Auditor of Public Accounts along with the budget

1 documents. The issue to exceed the allowable growth percentage may be  
2 approved at the same meeting as a vote to exceed the limits or final levy  
3 allocation provided in section 77-3444.

4 Sec. 2. Section 79-1007.11, Revised Statutes Supplement, 2015, is  
5 amended to read:

6 79-1007.11 (1) Except as otherwise provided in this section, for  
7 school fiscal years 2013-14 through 2015-16, each school district's  
8 formula need shall equal the difference of the sum of the school  
9 district's basic funding, poverty allowance, limited English proficiency  
10 allowance, focus school and program allowance, summer school allowance,  
11 special receipts allowance, transportation allowance, elementary site  
12 allowance, instructional time allowance, teacher education allowance,  
13 distance education and telecommunications allowance, averaging  
14 adjustment, new learning community transportation adjustment, student  
15 growth adjustment, any positive student growth adjustment correction, and  
16 new school adjustment, minus the sum of the limited English proficiency  
17 allowance correction, poverty allowance correction, and any negative  
18 student growth adjustment correction.

19 (2) Except as otherwise provided in this section, for school fiscal  
20 year 2016-17 and each school fiscal year thereafter, each school  
21 district's formula need shall equal the difference of the sum of the  
22 school district's basic funding, poverty allowance, limited English  
23 proficiency allowance, focus school and program allowance, summer school  
24 allowance, special receipts allowance, transportation allowance,  
25 elementary site allowance, best practices allowance, distance education  
26 and telecommunications allowance, averaging adjustment, new learning  
27 community transportation adjustment, student growth adjustment, any  
28 positive student growth adjustment correction, and new school adjustment,  
29 minus the sum of the limited English proficiency allowance correction,  
30 poverty allowance correction, and any negative student growth adjustment  
31 correction.

1           (3)(a) For school fiscal years prior to 2017-18, if ~~If~~ the formula  
2 need calculated for a school district pursuant to subsections (1) and (2)  
3 of this section is less than one hundred percent of the formula need for  
4 such district for the school fiscal year immediately preceding the school  
5 fiscal year for which aid is being calculated, the formula need for such  
6 district shall equal one hundred percent of the formula need for such  
7 district for the school fiscal year immediately preceding the school  
8 fiscal year for which aid is being calculated.

9           (b) For school fiscal year 2017-18 and each school fiscal year  
10 thereafter, if the formula need calculated for a school district pursuant  
11 to subsections (1) and (2) of this section is less than ninety-eight  
12 percent of the formula need for such district for the school fiscal year  
13 immediately preceding the school fiscal year for which aid is being  
14 calculated, the formula need for such district shall equal ninety-eight  
15 percent of the formula need for such district for the school fiscal year  
16 immediately preceding the school fiscal year for which aid is being  
17 calculated.

18           (4)(a) For school fiscal years prior to 2017-18, except ~~Except~~ as  
19 provided in subsection (6) of this section, if the formula need  
20 calculated for a school district pursuant to subsections (1) and (2) of  
21 this section is more than one hundred twelve percent of the formula need  
22 for such district for the school fiscal year immediately preceding the  
23 school fiscal year for which aid is being calculated, the formula need  
24 for such district shall equal one hundred twelve percent of the formula  
25 need for such district for the school fiscal year immediately preceding  
26 the school fiscal year for which aid is being calculated, except that the  
27 formula need shall not be reduced pursuant to this subsection for any  
28 district receiving a student growth adjustment for the school fiscal year  
29 for which aid is being calculated.

30           (b) For school fiscal year 2017-18 and each school fiscal year  
31 thereafter, except as provided in subsection (6) of this section, if the

1 formula need calculated for a school district pursuant to subsections (1)  
2 and (2) of this section is more than one hundred five percent of the  
3 formula need for such district for the school fiscal year immediately  
4 preceding the school fiscal year for which aid is being calculated, the  
5 formula need for such district shall equal one hundred five percent of  
6 the formula need for such district for the school fiscal year immediately  
7 preceding the school fiscal year for which aid is being calculated, plus  
8 any student growth adjustment for the school fiscal year for which aid is  
9 being calculated.

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

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

1 and five cents multiplied by the school district's assessed valuation for  
2 such school fiscal year, the formula need for such school district for  
3 the school fiscal year for which aid is being calculated shall equal such  
4 sum.

5 Sec. 3. Section 79-1022.02, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 79-1022.02 Notwithstanding any other provision of law, any  
8 certification of ~~state aid pursuant to section 79-1022,~~ certification of  
9 budget authority pursuant to section 79-1023~~,~~ and certification of  
10 applicable allowable reserve percentages pursuant to section 79-1027  
11 completed prior to the effective date of this act ~~February 29, 2012,~~ for  
12 school fiscal year 2016-17 ~~2012-13~~ is null and void.

13 Sec. 4. Section 79-1023, Revised Statutes Supplement, 2015, is  
14 amended to read:

15 79-1023 (1) On or before April 29, 2016 ~~10, 2014,~~ and on or before  
16 March 1 of each year thereafter, the department shall determine and  
17 certify to each school district the school district's budget authority  
18 for the general fund budget of expenditures for the ensuing school fiscal  
19 year.

20 (2) For school fiscal years prior to 2016-17, except ~~Except~~ as  
21 provided in sections 79-1028.01, 79-1029, 79-1030, and 81-829.51, each  
22 school district shall have budget authority for the general fund budget  
23 of expenditures equal to the greater of (a) the general fund budget of  
24 expenditures for the immediately preceding school fiscal year minus  
25 exclusions pursuant to subsection (1) of section 79-1028.01 for such  
26 school fiscal year with the difference increased by the basic allowable  
27 growth rate for the school fiscal year for which budget authority is  
28 being calculated, (b) the general fund budget of expenditures for the  
29 immediately preceding school fiscal year minus exclusions pursuant to  
30 subsection (1) of section 79-1028.01 for such school fiscal year with the  
31 difference increased by an amount equal to any student growth adjustment

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

9 (3) For school fiscal year 2016-17, except as provided in sections  
10 79-1028.01, 79-1029, 79-1030, and 81-829.51, each school district shall  
11 have budget authority for the general fund budget of expenditures equal  
12 to the general fund budget of expenditures minus exclusions pursuant to  
13 subsection (1) of section 79-1028.01, except exclusions for expenditures  
14 to pay for employer contributions to either the School Employees  
15 Retirement System of the State of Nebraska or the retirement system  
16 established pursuant to the Class V School Employees Retirement Act, as  
17 filed on the school district budget statement on or before September 20,  
18 2015, for the 2015-16 school fiscal year with the difference increased by  
19 the basic allowable growth rate for the school fiscal year for which  
20 budget authority is being calculated plus any student growth adjustment  
21 for the school fiscal year for which budget authority is being  
22 calculated.

23 (4) For school fiscal year 2017-18 and each school fiscal year  
24 thereafter, except as provided in sections 79-1028.01, 79-1029, 79-1030,  
25 and 81-829.51, each school district shall have budget authority for the  
26 general fund budget of expenditures equal to the general fund budget of  
27 expenditures minus exclusions pursuant to subsection (1) of section  
28 79-1028.01 as filed on the school district budget statement on or before  
29 September 20 for the immediately preceding school fiscal year with the  
30 difference increased by the basic allowable growth rate for the school  
31 fiscal year for which budget authority is being calculated plus any

1 student growth adjustment for the school fiscal year for which budget  
2 authority is being calculated.

3 (5 3) For any school fiscal year for which the budget authority for  
4 the general fund budget of expenditures for a school district is based on  
5 a student growth adjustment, the budget authority for the general fund  
6 budget of expenditures for such school district shall be adjusted in  
7 future years to reflect any student growth adjustment corrections related  
8 to such student growth adjustment.

9 Sec. 5. Section 79-1027, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 79-1027 No district shall adopt a budget, which includes total  
12 requirements of depreciation funds, necessary employee benefit fund cash  
13 reserves, and necessary general fund cash reserves, exceeding the  
14 applicable allowable reserve percentages of total general fund budget of  
15 expenditures as specified in the schedule set forth in this section.

16	Average daily	Allowable
17	membership of	reserve
18	district	percentage
19	0 - 471	45
20	471.01 - 3,044	35
21	3,044.01 - 10,000	25
22	10,000.01 and over	20

23 On or before April 10, 2014, and on or before March 1 each year  
24 thereafter, the department shall determine and certify each district's  
25 applicable allowable reserve percentage for the ensuing school fiscal  
26 year.

27 For school fiscal years prior to 2016-17, each ~~Each~~ district with  
28 combined necessary general fund cash reserves, total requirements of  
29 depreciation funds, and necessary employee benefit fund cash reserves  
30 less than the applicable allowable reserve percentage specified in this  
31 section may, notwithstanding the district's applicable allowable growth

1 rate, increase its necessary general fund cash reserves such that the  
2 total necessary general fund cash reserves, total requirements of  
3 depreciation funds, and necessary employee benefit fund cash reserves do  
4 not exceed such applicable allowable reserve percentage.

5 For school fiscal year 2016-17 and each school fiscal year  
6 thereafter, each district with combined necessary general fund cash  
7 reserves, total requirements of depreciation funds, and necessary  
8 employee benefit fund cash reserves less than the applicable allowable  
9 reserve percentage specified in this section may increase its necessary  
10 general fund cash reserves by an amount equal to or less than five  
11 percent of the total general fund budget of expenditures except that the  
12 total necessary general fund cash reserves, total requirements of  
13 depreciation funds, and necessary employee benefit fund cash reserves  
14 shall not exceed such applicable allowable reserve percentage.

15 Sec. 6. Section 79-1028.01, Revised Statutes Supplement, 2015, is  
16 amended to read:

17 79-1028.01 (1) For each school fiscal year, a school district may  
18 exceed its budget authority for the general fund budget of expenditures  
19 as calculated pursuant to section 79-1023 for such school fiscal year by  
20 a specific dollar amount for the following exclusions:

21 (a) Expenditures for repairs to infrastructure damaged by a natural  
22 disaster which is declared a disaster emergency pursuant to the Emergency  
23 Management Act;

24 (b) Expenditures for judgments, except judgments or orders from the  
25 Commission of Industrial Relations, obtained against a school district  
26 which require or obligate a school district to pay such judgment, to the  
27 extent such judgment is not paid by liability insurance coverage of a  
28 school district or a pool of funds maintained by the school district to  
29 self-insure against such liabilities;

30 (c) Expenditures pursuant to the Retirement Incentive Plan  
31 authorized in section 79-855 or the Staff Development Assistance

1 authorized in section 79-856;

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

6 (e) For school fiscal years prior to 2016-17, expenditures  
7 ~~Expenditures~~ to pay for employer contributions pursuant to subsection (2)  
8 of section 79-958 to the School Employees Retirement System of the State  
9 of Nebraska to the extent that such expenditures exceed the employer  
10 contributions under such subsection that would have been made at a  
11 contribution rate of seven and thirty-five hundredths percent;

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

19 (g) Expenditures for sums agreed to be paid by a school district to  
20 certificated employees in exchange for a voluntary termination occurring  
21 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
22 school year and prior to the first day of the 2013-14 school year, or, to  
23 the extent that a district demonstrates to the State Board of Education  
24 pursuant to subsection (3) of this section that the agreement will result  
25 in a net savings in salary and benefit costs to the school district over  
26 a five-year period, occurring on or after the first day of the 2013-14  
27 school year;

28 (h) The special education budget of expenditures; and

29 (i) Expenditures of special grant funds.

30 (2) For each school fiscal year, a school district may exceed its  
31 budget authority for the general fund budget of expenditures as

1 calculated pursuant to section 79-1023 for such school fiscal year by a  
2 specific dollar amount and include such dollar amount in the budget of  
3 expenditures used to calculate budget authority for the general fund  
4 budget of expenditures pursuant to section 79-1023 for future years for  
5 the following exclusions:

6 ~~(a) Expenditures of support grants to be received in such school~~  
7 ~~fiscal year pursuant to section 79-1011;~~

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

18 ~~(a e) Expenditures for new elementary attendance sites in the first~~  
19 ~~year of operation or the first year of operation after being closed for~~  
20 ~~at least one school year if such elementary attendance site will most~~  
21 ~~likely qualify for the elementary site allowance in the immediately~~  
22 ~~following school fiscal year as determined by the state board; and~~

23 ~~(b d) For the first school fiscal year for which early childhood~~  
24 ~~education membership is included in formula students for the calculation~~  
25 ~~of state aid, expenditures for early childhood education equal to the~~  
26 ~~amount the school district received in early childhood education grants~~  
27 ~~pursuant to section 79-1103 for the prior school fiscal year, increased~~  
28 ~~by the basic allowable growth rate. ; ~~and~~~~

29 ~~(e) For school fiscal year 2013-14, an amount not to exceed two~~  
30 ~~percent over the previous school year if such increase is approved by a~~  
31 ~~seventy-five percent majority vote of the school board of such district.~~

1 (3) The state board shall approve, deny, or modify the amount  
2 allowed for any exclusions to the budget authority for the general fund  
3 budget of expenditures pursuant to this section. For exclusions approved  
4 by the state board based on the demonstration of cost savings due to  
5 voluntary terminations occurring on or after the first day of the 2016-17  
6 school year, the state board shall establish a schedule for reducing  
7 budget authority over the five-year period for which cost savings have  
8 been demonstrated in an amount equal to ten percent of the approved  
9 exclusion for each of the five years.

10 Sec. 7. Section 79-1030, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 79-1030 A Class II, III, IV, V, or VI district may choose not to  
13 increase its general fund budget of expenditures by the full amount of  
14 budget authority for the general fund budget of expenditures as  
15 calculated pursuant to section 79-1023. In such cases, the department  
16 shall calculate the amount of unused budget authority, not to exceed five  
17 percent of the difference of the general fund budget of expenditures  
18 minus the exclusions pursuant to subsection (1) of section 79-1028.01,  
19 except exclusions for the 2015-16 school fiscal year for expenditures to  
20 pay for employer contributions to either the School Employees Retirement  
21 System of the State of Nebraska or the retirement system established  
22 pursuant to the Class V School Employees Retirement Act, as filed on the  
23 school district budget statement on or before September 20, for the  
24 immediately preceding school fiscal year, which shall be carried forward  
25 to future budget years. The amount of unused budget authority that may be  
26 used by a district in a single school fiscal year to increase its general  
27 fund budget of expenditures above the budget authority for the general  
28 fund budget of expenditures as calculated pursuant to section 79-1023  
29 shall be limited to two percent of the difference of the general fund  
30 budget of expenditures minus the exclusions ~~sum of special grant funds,~~  
31 ~~the special education budget of expenditures, and exceptions pursuant to~~

1 subsection (1) of section 79-1028.01, except exclusions for the 2015-16  
2 school fiscal year for expenditures to pay for employer contributions to  
3 either the School Employees Retirement System of the State of Nebraska or  
4 the retirement system established pursuant to the Class V School  
5 Employees Retirement Act, as filed on the school district budget  
6 statement on or before September 20, for the immediately preceding school  
7 fiscal year.

8 Sec. 8. Section 79-10,110, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 79-10,110 (1) Prior to the effective date of this act, after After  
11 making a determination that an actual or potential environmental hazard  
12 or accessibility barrier exists, that a life safety code violation  
13 exists, or that expenditures are needed for indoor air quality or mold  
14 abatement and prevention within the school buildings or grounds under its  
15 control, a school board may make and deliver to the county clerk of such  
16 county in which any part of the school district is situated, not later  
17 than the date provided in section 13-508, an itemized estimate of the  
18 amounts necessary to be expended for the abatement of such environmental  
19 hazard, for accessibility barrier elimination, or for modifications for  
20 life safety code violations, indoor air quality, or mold abatement and  
21 prevention in such school buildings or grounds. The board shall designate  
22 the particular environmental hazard abatement project, accessibility  
23 barrier elimination project, or modification for life safety code  
24 violations, indoor air quality, or mold abatement and prevention for  
25 which the tax levy provided for by this section will be expended, the  
26 period of years, which shall not exceed ten years, for which the tax will  
27 be levied for such project, and the estimated amount of the levy for each  
28 year of the period based on the taxable valuation of the district at the  
29 time of issuance.

30 (2) Prior to the effective date of this act, after After a public  
31 hearing, a school board may undertake any qualified capital purpose in

1 any qualified zone academy under its control and may levy a tax as  
2 provided in this section to repay a qualified zone academy bond issued  
3 for such undertaking. The board shall designate: (a) The particular  
4 qualified capital purpose for which the qualified zone academy bond was  
5 issued and for which the tax levy provided for by this section will be  
6 expended; (b) the period of years for which the tax will be levied to  
7 repay such qualified zone academy bond, not exceeding the maturity term  
8 for such qualified zone academy bond established pursuant to federal law  
9 or, for any such bond issued prior to May 20, 2009, fifteen years; and  
10 (c) the estimated amount of the levy for each year of the period based on  
11 the taxable valuation of the district at the time of issuance. The  
12 hearing required by this subsection shall be held only after notice of  
13 such hearing has been published for three consecutive weeks prior to the  
14 hearing in a legal newspaper published or of general circulation in the  
15 school district.

16 (3) Prior to the effective date of this act, after ~~After~~ a public  
17 hearing, a school board may undertake any American Recovery and  
18 Reinvestment Act of 2009 purpose and may levy a tax to repay any American  
19 Recovery and Reinvestment Act of 2009 bond issued for such undertaking.  
20 The board shall designate: (a) The American Recovery and Reinvestment Act  
21 of 2009 purpose for which the American Recovery and Reinvestment Act of  
22 2009 bond will be issued and for which the tax levy provided by this  
23 section will be expended; (b) the period of years for which the tax will  
24 be levied to repay such American Recovery and Reinvestment Act of 2009  
25 bond, not exceeding the maturity term for the type of American Recovery  
26 and Reinvestment Act of 2009 bond established pursuant to federal law or,  
27 if no such term is established, thirty years; and (c) the estimated  
28 amount of the levy for each year of such period based on the taxable  
29 valuation of the district at the time of issuance. Prior to the public  
30 hearing, the school board shall prepare an itemized estimate of the  
31 amounts necessary to be expended for the American Recovery and

1 Reinvestment Act of 2009 purpose. The hearing required by this subsection  
2 shall be held only after notice of such hearing has been published for  
3 three consecutive weeks prior to the hearing in a legal newspaper  
4 published or of general circulation in the school district.

5 (4) Prior to the effective date of this act, ~~The~~ board may  
6 designate more than one project under subsection (1) of this section,  
7 more than one qualified capital purpose under subsection (2) of this  
8 section, or more than one American Recovery and Reinvestment Act of 2009  
9 purpose under subsection (3) of this section and levy a tax pursuant to  
10 this section for each such project, qualified capital purpose, or  
11 American Recovery and Reinvestment Act of 2009 purpose, concurrently or  
12 consecutively, as the case may be, if the aggregate levy in each year and  
13 the duration of each such levy will not exceed the limitations specified  
14 in this section. Each levy for a project, a qualified capital purpose, or  
15 an American Recovery and Reinvestment Act of 2009 purpose which is  
16 authorized by this section may be imposed for such duration as the board  
17 specifies, notwithstanding the contemporaneous existence or subsequent  
18 imposition of any other levy for another project, qualified capital  
19 purpose, or American Recovery and Reinvestment Act of 2009 purpose  
20 imposed pursuant to this section and notwithstanding the subsequent  
21 issuance by the district of bonded indebtedness payable from its general  
22 fund levy.

23 (5) The county clerk shall levy such taxes, not to exceed five and  
24 one-fifth cents per one hundred dollars of taxable valuation for Class  
25 II, III, IV, V, and VI districts, and not to exceed the limits set for  
26 Class I districts in section 79-10,124, on the taxable property of the  
27 district necessary to (a) cover the environmental hazard abatement or  
28 accessibility barrier elimination project costs or costs for modification  
29 for life safety code violations, indoor air quality, or mold abatement  
30 and prevention itemized by the board pursuant to subsection (1) of this  
31 section and (b) repay any qualified zone academy bonds or American

1 Recovery and Reinvestment Act of 2009 bonds pursuant to subsection (2) or  
2 (3) of this section. Such taxes shall be collected by the county  
3 treasurer at the same time and in the same manner as county taxes are  
4 collected and when collected shall be paid to the treasurer of the  
5 district and used to cover the project costs.

6 (6) If such board operates grades nine through twelve as part of an  
7 affiliated school system, it shall designate the fraction of the project  
8 or undertaking to be conducted for the benefit of grades nine through  
9 twelve. Such fraction shall be raised by a levy placed upon all of the  
10 taxable value of all taxable property in the affiliated school system  
11 pursuant to subsection (2) of section 79-1075. The balance of the project  
12 or undertaking to be conducted for the benefit of grades kindergarten  
13 through eight shall be raised by a levy placed upon all of the taxable  
14 value of all taxable property in the district which is governed by such  
15 board. The combined rate for both levies in the high school district, to  
16 be determined by such board, shall not exceed five and one-fifth cents on  
17 each one hundred dollars of taxable value.

18 (7) Each board which submits an itemized estimate shall establish an  
19 environmental hazard abatement and accessibility barrier elimination  
20 project account, a life safety code modification project account, an  
21 indoor air quality project account, or a mold abatement and prevention  
22 project account, each board which undertakes a qualified capital purpose  
23 shall establish a qualified capital purpose undertaking account, within  
24 the qualified capital purpose undertaking fund, and each board which  
25 undertakes an American Recovery and Reinvestment Act of 2009 purpose  
26 shall establish an American Recovery and Reinvestment Act of 2009 purpose  
27 undertaking account. Taxes collected pursuant to this section shall be  
28 credited to the appropriate account to cover the project or undertaking  
29 costs. Such estimates may be presented to the county clerk and taxes  
30 levied accordingly.

31 (8) For purposes of this section:

1 (a) Abatement includes, but is not limited to, any inspection and  
2 testing regarding environmental hazards, any maintenance to reduce,  
3 lessen, put an end to, diminish, moderate, decrease, control, dispose of,  
4 or eliminate environmental hazards, any removal or encapsulation of  
5 environmentally hazardous material or property, any related restoration  
6 or replacement of material or property, any related architectural and  
7 engineering services, and any other action to reduce or eliminate  
8 environmental hazards in the school buildings or on the school grounds  
9 under the board's control, except that abatement does not include the  
10 encapsulation of any material containing more than one percent friable  
11 asbestos;

12 (b) Accessibility barrier means anything which impedes entry into,  
13 exit from, or use of any building or facility by all people;

14 (c) Accessibility barrier elimination includes, but is not limited  
15 to, inspection for and removal of accessibility barriers, maintenance to  
16 reduce, lessen, put an end to, diminish, control, dispose of, or  
17 eliminate accessibility barriers, related restoration or replacement of  
18 facilities or property, any related architectural and engineering  
19 services, and any other action to eliminate accessibility barriers in the  
20 school buildings or grounds under the board's control;

21 (d) American Recovery and Reinvestment Act of 2009 bond means any  
22 type or form of bond permitted by the federal American Recovery and  
23 Reinvestment Act of 2009, as such act or bond may be amended and  
24 supplemented, including the federal Hiring Incentives to Restore  
25 Employment Act, as amended and supplemented, for use by schools, except  
26 qualified zone academy bonds;

27 (e) American Recovery and Reinvestment Act of 2009 purpose means any  
28 construction of a new public school facility or the acquisition of land  
29 on which such a facility is to be constructed or any expansion,  
30 rehabilitation, modernization, renovation, or repair of any existing  
31 school facilities financed in whole or in part with an American Recovery

1 and Reinvestment Act of 2009 bond;

2 (f) Environmental hazard means any contamination of the air, water,  
3 or land surface or subsurface caused by any substance adversely affecting  
4 human health or safety if such substance has been declared hazardous by a  
5 federal or state statute, rule, or regulation;

6 (g) Modification for indoor air quality includes, but is not limited  
7 to, any inspection and testing regarding indoor air quality, any  
8 maintenance to reduce, lessen, put an end to, diminish, moderate,  
9 decrease, control, dispose of, or eliminate indoor air quality problems,  
10 any related restoration or replacement of material or related  
11 architectural and engineering services, and any other action to reduce or  
12 eliminate indoor air quality problems or to enhance air quality  
13 conditions in new or existing school buildings or on school grounds under  
14 the control of a school board;

15 (h) Modification for life safety code violation includes, but is not  
16 limited to, any inspection and testing regarding life safety codes, any  
17 maintenance to reduce, lessen, put an end to, diminish, moderate,  
18 decrease, control, dispose of, or eliminate life safety hazards, any  
19 related restoration or replacement of material or property, any related  
20 architectural and engineering services, and any other action to reduce or  
21 eliminate life safety hazards in new or existing school buildings or on  
22 school grounds under the control of a school board;

23 (i) Modification for mold abatement and prevention includes, but is  
24 not limited to, any inspection and testing regarding mold abatement and  
25 prevention, any maintenance to reduce, lessen, put an end to, diminish,  
26 moderate, decrease, control, dispose of, or eliminate mold problems, any  
27 related restoration or replacement of material or related architectural  
28 and engineering services, and any other action to reduce or eliminate  
29 mold problems or to enhance air quality conditions in new or existing  
30 school buildings or on school grounds under the control of a school  
31 board;

1 (j) Qualified capital purpose means (i) rehabilitating or repairing  
2 the public school facility in which the qualified zone academy is  
3 established or (ii) providing equipment for use at such qualified zone  
4 academy;

5 (k) Qualified zone academy has the meaning found in (i) 26 U.S.C.  
6 1397E(d)(4), as such section existed on October 3, 2008, for qualified  
7 zone academy bonds issued on or before such date, and (ii) 26 U.S.C.  
8 54E(d)(1), as such section existed on October 4, 2008, for qualified zone  
9 academy bonds issued on or after such date;

10 (l) Qualified zone academy allocation means the allocation of the  
11 qualified zone academy bond limitation by the State Department of  
12 Education to the qualified zone academies pursuant to (i) 26 U.S.C.  
13 1397E(e)(2), as such section existed on October 3, 2008, for allocations  
14 relating to qualified zone academy bonds issued on or before such date,  
15 and (ii) 26 U.S.C. 54E(c)(2), as such section existed on October 4, 2008,  
16 for allocations relating to qualified zone academy bonds issued on or  
17 after such date; and

18 (m) Qualified zone academy bond has the meaning found in (i) 26  
19 U.S.C. 1397E(d)(1), as such section existed on October 3, 2008, for such  
20 bonds issued on or before such date, and (ii) 26 U.S.C. 54E(a), as such  
21 section existed on and after October 4, 2008, for such bonds issued on or  
22 after such date, as such section or bonds may be amended or supplemented.

23 (9) Accessibility barrier elimination project costs includes, but is  
24 not limited to, inspection, maintenance, accounting, emergency services,  
25 consultation, or any other action to reduce or eliminate accessibility  
26 barriers.

27 (10)(a) For the purpose of paying amounts necessary for the  
28 abatement of environmental hazards, for accessibility barrier  
29 elimination, for modifications for life safety code violations, indoor  
30 air quality, or mold abatement and prevention, for a qualified capital  
31 purpose, or for an American Recovery and Reinvestment Act of 2009

1 purpose, the board may borrow money, establish a sinking fund, and issue  
2 bonds and other evidences of indebtedness of the district, which bonds  
3 and other evidences of indebtedness shall be secured by and payable from  
4 an irrevocable pledge by the district of amounts received in respect of  
5 the tax levy provided for by this section and any other funds of the  
6 district available therefor. Bonds issued for a qualified capital purpose  
7 or an American Recovery and Reinvestment Act of 2009 purpose shall be  
8 limited to the type or types of bonds authorized for each purpose in  
9 subsections (2) and (3) of this section, respectively. Bonds and other  
10 evidences of indebtedness issued by a district pursuant to this  
11 subsection shall not constitute a general obligation of the district or  
12 be payable from any portion of its general fund levy.

13 (b) A district may exceed the maximum levy of five and one-fifth  
14 cents per one hundred dollars of taxable valuation authorized by  
15 subsections (5) and (6) of this section in any year in which (i) the  
16 taxable valuation of the district is lower than the taxable valuation in  
17 the year in which the district last issued bonds pursuant to this section  
18 and (ii) such maximum levy is insufficient to meet the combined annual  
19 principal and interest obligations for all bonds issued pursuant to this  
20 section. The amount generated from a district's levy in excess of the  
21 maximum levy upon the taxable valuation of the district shall not exceed  
22 the combined annual principal and interest obligations for such bonds  
23 minus the amount generated by levying the maximum levy upon the taxable  
24 valuation of the district and minus any federal payments or subsidies  
25 associated with such bonds.

26 (11) The total principal amount of bonds for modifications to  
27 correct life safety code violations, for indoor air quality problems, for  
28 mold abatement and prevention, or for an American Recovery and  
29 Reinvestment Act of 2009 purpose which may be issued pursuant to this  
30 section shall not exceed the total amount specified in the itemized  
31 estimate described in subsections (1) and (3) of this section.

1           (12) The total principal amount of qualified zone academy bonds  
2 which may be issued pursuant to this section for qualified capital  
3 purposes with respect to a qualified zone academy shall not exceed the  
4 qualified zone academy allocation granted to the board by the department.  
5 The total amount that may be financed by qualified zone academy bonds  
6 pursuant to this section for qualified purposes with respect to a  
7 qualified zone academy shall not exceed seven and one-half million  
8 dollars statewide in a single year. In any year that the Nebraska  
9 qualified zone academy allocations exceed seven and one-half million  
10 dollars for qualified capital purposes to be financed with qualified zone  
11 academy bonds issued pursuant to this section, (a) the department shall  
12 reduce such allocations proportionally such that the statewide total for  
13 such allocations equals seven and one-half million dollars and (b) the  
14 difference between the Nebraska allocation and seven and one-half million  
15 dollars shall be available to qualified zone academies for requests that  
16 will be financed with qualified zone academy bonds issued without the  
17 benefit of this section.

18           Nothing in this section directs the State Department of Education to  
19 give any preference to allocation requests that will be financed with  
20 qualified zone academy bonds issued pursuant to this section.

21           (13) The State Department of Education shall establish procedures  
22 for allocating bond authority to school boards as may be necessary  
23 pursuant to an American Recovery and Reinvestment Act of 2009 bond.

24           Sec. 9. Section 79-10,110.01, Reissue Revised Statutes of Nebraska,  
25 is amended to read:

26           79-10,110.01 (1) If a school board has issued ~~or shall issue~~ bonds  
27 pursuant to section 79-10,110 prior to the effective date of this act and  
28 such bonds or any part of such bonds are unpaid, are a legal liability  
29 against the school district governed by such school board, and are  
30 bearing interest, the school board may issue refunding bonds with which  
31 to call and redeem all or any part of such outstanding bonds at or before

1 the date of maturity or the redemption date of such bonds. Such school  
2 board may include various series and issues of the outstanding bonds in a  
3 single issue of refunding bonds and may issue refunding bonds to pay any  
4 redemption premium and interest to accrue and become payable on the  
5 outstanding bonds being refunded. The refunding bonds may be issued and  
6 delivered at any time prior to the date of maturity or the redemption  
7 date of the bonds to be refunded that the school board determines to be  
8 in the best interests of the school district. The proceeds derived from  
9 the sale of the refunding bonds issued pursuant to this section may be  
10 invested in obligations of or guaranteed by the United States Government  
11 pending the time the proceeds are required for the purposes for which  
12 such refunding bonds were issued. To further secure the refunding bonds,  
13 the school board may enter into a contract with any bank or trust company  
14 within or without the state with respect to the safekeeping and  
15 application of the proceeds of the refunding bonds and the safekeeping  
16 and application of the earnings on the investment. All bonds issued under  
17 this section shall be redeemable at such times and under such conditions  
18 as the school board shall determine at the time of issuance.

19 (2) Any outstanding bonds or other evidences of indebtedness issued  
20 by a school board for which sufficient funds or obligations of or  
21 guaranteed by the United States Government have been pledged and set  
22 aside in safekeeping to be applied for the complete payment of such bonds  
23 or other evidences of indebtedness at maturity or upon redemption prior  
24 to maturity, interest thereon, and redemption premium, if any, shall not  
25 be considered as outstanding and unpaid.

26 (3) Each refunding bond issued under this section shall state on the  
27 bond (a) the object of its issue, (b) this section or the sections of the  
28 law under which such issue was made, including a statement that the issue  
29 is made in pursuance of such section or sections, and (c) the date and  
30 principal amount of the bond or bonds for which the refunding bonds are  
31 being issued.

1           (4) The refunding bonds shall be paid, and the levy made and the tax  
2 collected for their payment in the same manner and under the same  
3 authorization for levy of taxes as applied for the bonds being refunded,  
4 in accordance with section 79-10,110.

5           Sec. 10. Section 79-10,120, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7           79-10,120 The school board or board of education of a Class II, III,  
8 IV, V, or VI school district may establish a special fund for purposes of  
9 acquiring sites for school buildings or teacherages, purchasing existing  
10 buildings for use as school buildings or teacherages, including the sites  
11 upon which such buildings are located, and the erection, alteration,  
12 equipping, and furnishing of school buildings or teacherages and  
13 additions to school buildings for elementary and high school grades and  
14 for no other purpose. For school districts that are not members of  
15 learning communities, the fund shall be established from the proceeds of  
16 an annual levy, to be determined by the board, of not to exceed ten  
17 ~~fourteen~~ cents on each one hundred dollars upon the taxable value of all  
18 taxable property in the district which shall be in addition to any other  
19 taxes authorized to be levied for school purposes. Such tax shall be  
20 levied and collected as are other taxes for school purposes. For school  
21 districts that are members of a learning community, such fund shall be  
22 established from the proceeds of the learning community special building  
23 funds levy directed to the school district for such purpose pursuant to  
24 subdivision (2)(g) of section 77-3442 and the proceeds of any school  
25 district special building fund levy pursuant to subdivision (2)(c) of  
26 section 77-3442.

27           Sec. 11. Section 79-10,126, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29           79-10,126 A Class V school district that is not a member of a  
30 learning community shall establish (1) for the general operation of the  
31 schools, such fund as will result from an annual levy of such rate of tax

1 upon the taxable value of all the taxable property in such school  
2 district as the board of education determines to be necessary for such  
3 purpose, (2) a fund resulting from an annual amount of tax to be  
4 determined by the board of education of not to exceed ten ~~fourteen~~ cents  
5 on each one hundred dollars upon the taxable value of all the taxable  
6 property in the district for the purpose of acquiring sites of school  
7 buildings and the erection, alteration, equipping, and furnishing of  
8 school buildings and additions to school buildings, which tax levy shall  
9 be used for no other purposes, and (3) a further fund resulting from an  
10 annual amount of tax to be determined by the board of education to pay  
11 interest on and retiring, funding, or servicing of bonded indebtedness of  
12 the district.

13 Sec. 12. Section 85-1517, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 85-1517 (1) For fiscal years 2011-12 and 2012-13:

16 (a) The board may certify to the county board of equalization of  
17 each county within the community college area a tax levy not to exceed  
18 ten and one-quarter cents on each one hundred dollars on the taxable  
19 valuation of all property subject to the levy within the community  
20 college area, uniform throughout the area, for the purpose of supporting  
21 operating expenditures of the community college area;

22 (b) In addition to the levies provided in subdivisions (1)(a) and  
23 (c) of this section, the board may certify to the county board of  
24 equalization of each county within the community college area a tax levy  
25 not to exceed one cent on each one hundred dollars on the taxable  
26 valuation of all property within the community college area, uniform  
27 throughout such area, for the purposes of paying off bonds issued under  
28 sections 85-1520 to 85-1527 and establishing a capital improvement and  
29 bond sinking fund as provided in section 85-1515. The levy provided by  
30 this subdivision may be exceeded by that amount necessary to retire the  
31 general obligation bonds assumed by the community college area or issued

1 pursuant to section 85-1515 according to the terms of such bonds or for  
2 any obligation pursuant to section 85-1535 entered into prior to January  
3 1, 1997; and

4 (c) In addition to the levies provided in subdivisions (1)(a) and  
5 (b) of this section, the board may also certify to the county board of  
6 equalization of each county within the community college area a tax levy  
7 on each one hundred dollars on the taxable valuation of all property  
8 within the community college area, uniform throughout such area, in the  
9 amount which will produce funds only in the amount necessary to pay for  
10 funding accessibility barrier elimination project costs and abatement of  
11 environmental hazards as such terms are defined in section 79-10,110.  
12 Such tax levy shall not be so certified unless approved by an affirmative  
13 vote of a majority of the board taken at a public meeting of the board  
14 following notice and a hearing. The board shall give at least seven days'  
15 notice of such public hearing and shall publish such notice once in a  
16 newspaper of general circulation in the area to be affected by the  
17 increase. The proceeds of such tax levy shall be deposited in the capital  
18 improvement and bond sinking fund provided for in section 85-1515 for use  
19 in funding the projects authorized pursuant to this subdivision.

20 (2) For fiscal year 2013-14 and each fiscal year thereafter:

21 (a) The board may certify to the county board of equalization of  
22 each county within the community college area a tax levy not to exceed  
23 the difference between eleven and one-quarter cents and the rates ~~rate~~  
24 levied for such fiscal year pursuant to subdivisions ~~subdivision~~ (b) and  
25 (c) of this subsection on each one hundred dollars on the taxable  
26 valuation of all property subject to the levy within the community  
27 college area, uniform throughout the area, for the purpose of supporting  
28 operating expenditures of the community college area. For purposes of  
29 calculating the amount of levy authority available for operating  
30 expenditures pursuant to this subdivision, the rate levied pursuant to  
31 subdivision (b) of this subsection shall not include amounts to retire

1 general obligation bonds assumed by the community college area or issued  
2 pursuant to section 85-1515 according to the terms of such bonds or for  
3 any obligation pursuant to section 85-1535 entered into prior to January  
4 1, 1997;

5 (b) In addition to the levies provided in subdivisions (a) and (c)  
6 of this subsection, the board may certify to the county board of  
7 equalization of each county within the community college area a tax levy  
8 not to exceed two cents on each one hundred dollars on the taxable  
9 valuation of all property within the community college area, uniform  
10 throughout such area, for the purposes of paying off bonds issued under  
11 sections 85-1520 to 85-1527 and establishing a capital improvement and  
12 bond sinking fund as provided in section 85-1515. For any bonds issued  
13 under sections 85-1520 to 85-1527 on or after July 1, 2016, the levy  
14 provided by this subdivision may only be used to pay off such bonds if  
15 the issuance of such bonds is approved by a majority of the voters voting  
16 on the issue at a primary, general, or special election. The levy  
17 provided by this subdivision may be exceeded by that amount necessary to  
18 retire general obligation bonds assumed by the community college area or  
19 issued pursuant to section 85-1515 according to the terms of such bonds  
20 or for any obligation pursuant to section 85-1535 entered into prior to  
21 January 1, 1997; and

22 (c) In addition to the levies provided in subdivisions (a) and (b)  
23 of this subsection, the board of a community college area with a campus  
24 located on the site of a former ammunition depot may certify to the  
25 county board of equalization of each county within the community college  
26 area a tax levy not to exceed three-quarters of one cent on each one  
27 hundred dollars on the taxable valuation of all property within the  
28 community college area, uniform throughout such area, to pay for funding  
29 accessibility barrier elimination project costs and abatement of  
30 environmental hazards as such terms are defined in section 79-10,110.  
31 Such tax levy shall not be so certified unless approved by an affirmative

1 vote of a majority of the board taken at a public meeting of the board  
2 following notice and a hearing. The board shall give at least seven days'  
3 notice of such public hearing and shall publish such notice once in a  
4 newspaper of general circulation in the area to be affected by the  
5 increase. The proceeds of such tax levy shall be deposited in the capital  
6 improvement and bond sinking fund provided for in section 85-1515 for use  
7 in funding accessibility barrier elimination project costs and abatement  
8 of environmental hazards as such terms are defined in section 79-10,110.

9 (3) The taxes provided by this section shall be levied and assessed  
10 in the same manner as other property taxes and entered on the books of  
11 the county treasurer. The proceeds of the tax, as collected, shall be  
12 remitted to the treasurer of the board not less frequently than once each  
13 month.

14 Sec. 13. Original sections 79-1022.02, 79-1027, 79-1030, 79-10,110,  
15 79-10,110.01, 79-10,120, 79-10,126, and 85-1517, Reissue Revised Statutes  
16 of Nebraska, and sections 13-519, 79-1007.11, 79-1023, and 79-1028.01,  
17 Revised Statutes Supplement, 2015, are repealed.

18 Sec. 14. Since an emergency exists, this act takes effect when  
19 passed and approved according to law.