

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1111

Introduced by McDonnell, 5.

Read first time January 22, 2020

Committee: Education

1 A BILL FOR AN ACT relating to school funding; to amend section
2 79-1035.02, Reissue Revised Statutes of Nebraska, sections
3 79-1018.01 and 79-1035, Revised Statutes Cumulative Supplement,
4 2018, and section 79-1003, Revised Statutes Supplement, 2019; to
5 create a grant program; to create the Nebraska Public-Private
6 Partnership for Common Schools Fund; to change provisions regarding
7 and provide for transfers from the temporary school fund; 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. (1) The State Treasurer shall establish and administer a
2 grant program to distribute money from the Nebraska Public-Private
3 Partnership for Common Schools Fund established pursuant to subsection
4 (3) of this section.

5 (2) Beginning with the 2020-21 school year, each common school in
6 each school district may apply to the State Treasurer for grant funding
7 to match private donations that allow a community-based or not-for-profit
8 organization to enhance programming that promotes career opportunities in
9 the trades, mentorship, or alternative school, class, or educational
10 programs.

11 (3) The Nebraska Public-Private Partnership for Common Schools Fund
12 is created. The fund shall be administered by the State Treasurer and
13 shall consist of appropriations from the Legislature, money donated by
14 nonprofit entities or other private donors, money from the federal
15 government, and transfers from the temporary school fund. Each fiscal
16 year, the State Treasurer shall transfer from the temporary school fund
17 to the Nebraska Public-Private Partnership for Common Schools Fund the
18 amount appropriated by the Legislature for such purpose. The Nebraska
19 Public-Private Partnership for Common Schools Fund shall be used to carry
20 out the grant program established pursuant to this section. Any money in
21 the fund available for investment shall be invested by the state
22 investment officer pursuant to the Nebraska Capital Expansion Act and the
23 Nebraska State Funds Investment Act.

24 Sec. 2. Section 79-1003, Revised Statutes Supplement, 2019, is
25 amended to read:

26 79-1003 For purposes of the Tax Equity and Educational Opportunities
27 Support Act:

28 (1) Adjusted general fund operating expenditures means (a) for
29 school fiscal years 2013-14 through 2015-16, the difference of the
30 general fund operating expenditures as calculated pursuant to subdivision
31 (23) of this section increased by the cost growth factor calculated

1 pursuant to section 79-1007.10, minus the transportation allowance,
2 special receipts allowance, poverty allowance, limited English
3 proficiency allowance, distance education and telecommunications
4 allowance, elementary site allowance, summer school allowance,
5 instructional time allowance, teacher education allowance, and focus
6 school and program allowance, (b) for school fiscal years 2016-17 through
7 2018-19, the difference of the general fund operating expenditures as
8 calculated pursuant to subdivision (23) of this section increased by the
9 cost growth factor calculated pursuant to section 79-1007.10, minus the
10 transportation allowance, special receipts allowance, poverty allowance,
11 limited English proficiency allowance, distance education and
12 telecommunications allowance, elementary site allowance, summer school
13 allowance, and focus school and program allowance, and (c) for school
14 fiscal year 2019-20 and each school fiscal year thereafter, the
15 difference of the general fund operating expenditures as calculated
16 pursuant to subdivision (23) of this section increased by the cost growth
17 factor calculated pursuant to section 79-1007.10, minus the
18 transportation allowance, special receipts allowance, poverty allowance,
19 limited English proficiency allowance, distance education and
20 telecommunications allowance, elementary site allowance, summer school
21 allowance, community achievement plan allowance, and focus school and
22 program 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;

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

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

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

13 (7) Categorical funds means funds limited to a specific purpose by
14 federal or state law, including, but not limited to, Title I funds, Title
15 VI funds, federal vocational education funds, federal school lunch funds,
16 Indian education funds, Head Start funds, and funds from the Nebraska
17 Education Improvement Fund and the Nebraska Public-Private Partnership
18 for Common Schools Education Innovation Fund;

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

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

30 (10) Converted contract option student means a student who will be
31 an option student pursuant to the enrollment option program established

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

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

6 (12) District means any school district or unified system as defined
7 in section 79-4,108;

8 (13) Ensuing school fiscal year means the school fiscal year
9 following the current school fiscal year;

10 (14) Equalization aid means the amount of assistance calculated to
11 be paid to a local system pursuant to section 79-1008.01;

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

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

18 (17) Formula students means:

19 (a) For state aid certified pursuant to section 79-1022, the sum of
20 the product of fall membership from the school fiscal year immediately
21 preceding the school fiscal year in which the aid is to be paid
22 multiplied by the average ratio of average daily membership to fall
23 membership for the second school fiscal year immediately preceding the
24 school fiscal year in which the aid is to be paid and the prior two
25 school fiscal years plus sixty percent of the qualified early childhood
26 education fall membership plus tuitioned students from the school fiscal
27 year immediately preceding the school fiscal year in which aid is to be
28 paid minus the product of the number of students enrolled in kindergarten
29 that is not full-day kindergarten from the fall membership multiplied by
30 0.5; and

31 (b) For the final calculation of state aid pursuant to section

1 79-1065, the sum of average daily membership plus sixty percent of the
2 qualified early childhood education average daily membership plus
3 tuitioned students minus the product of the number of students enrolled
4 in kindergarten that is not full-day kindergarten from the average daily
5 membership multiplied by 0.5 from the school fiscal year immediately
6 preceding the school fiscal year in which aid was paid;

7 (18) Free lunch and free milk calculated students means, using the
8 most recent data available on November 1 of the school fiscal year
9 immediately preceding the school fiscal year in which aid is to be paid,
10 (a) for schools that did not provide free meals to all students pursuant
11 to the community eligibility provision, students who individually
12 qualified for free lunches or free milk pursuant to the federal Richard
13 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
14 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
15 and sections existed on January 1, 2015, and rules and regulations
16 adopted thereunder, plus (b) for schools that provided free meals to all
17 students pursuant to the community eligibility provision, (i) for school
18 fiscal year 2016-17, the product of the students who attended such school
19 multiplied by the identified student percentage calculated pursuant to
20 such federal provision or (ii) for school fiscal year 2017-18 and each
21 school fiscal year thereafter, the greater of the number of students in
22 such school who individually qualified for free lunch or free milk using
23 the most recent school fiscal year for which the school did not provide
24 free meals to all students pursuant to the community eligibility
25 provision or one hundred ten percent of the product of the students who
26 qualified for free meals at such school pursuant to the community
27 eligibility provision multiplied by the identified student percentage
28 calculated pursuant to such federal provision, except that the free lunch
29 and free milk students calculated for any school pursuant to subdivision
30 (18)(b)(ii) of this section shall not exceed one hundred percent of the
31 students qualified for free meals at such school pursuant to the

1 community eligibility provision;

2 (19) Free lunch and free milk student means, for school fiscal years
3 prior to school fiscal year 2016-17, a student who qualified for free
4 lunches or free milk from the most recent data available on November 1 of
5 the school fiscal year immediately preceding the school fiscal year in
6 which aid is to be paid;

7 (20) Full-day kindergarten means kindergarten offered by a district
8 for at least one thousand thirty-two instructional hours;

9 (21) General fund budget of expenditures means the total budget of
10 disbursements and transfers for general fund purposes as certified in the
11 budget statement adopted pursuant to the Nebraska Budget Act, except that
12 for purposes of the limitation imposed in section 79-1023, the general
13 fund budget of expenditures does not include any special grant funds,
14 exclusive of local matching funds, received by a district;

15 (22) General fund expenditures means all expenditures from the
16 general fund;

17 (23) General fund operating expenditures means for state aid
18 calculated for school fiscal years 2012-13 and each school fiscal year
19 thereafter, as reported on the annual financial report for the second
20 school fiscal year immediately preceding the school fiscal year in which
21 aid is to be paid, the total general fund expenditures minus (a) the
22 amount of all receipts to the general fund, to the extent that such
23 receipts are not included in local system formula resources, from early
24 childhood education tuition, summer school tuition, educational entities
25 as defined in section 79-1201.01 for providing distance education courses
26 through the Educational Service Unit Coordinating Council to such
27 educational entities, private foundations, individuals, associations,
28 charitable organizations, the textbook loan program authorized by section
29 79-734, federal impact aid, and levy override elections pursuant to
30 section 77-3444, (b) the amount of expenditures for categorical funds,
31 tuition paid, transportation fees paid to other districts, adult

1 education, community services, redemption of the principal portion of
2 general fund debt service, retirement incentive plans authorized by
3 section 79-855, and staff development assistance authorized by section
4 79-856, (c) the amount of any transfers from the general fund to any bond
5 fund and transfers from other funds into the general fund, (d) any legal
6 expenses in excess of fifteen-hundredths of one percent of the formula
7 need for the school fiscal year in which the expenses occurred, (e)(i)
8 for state aid calculated for school fiscal years prior to school fiscal
9 year 2018-19, expenditures to pay for sums agreed to be paid by a school
10 district to certificated employees in exchange for a voluntary
11 termination occurring prior to July 1, 2009, occurring on or after the
12 last day of the 2010-11 school year and prior to the first day of the
13 2013-14 school year, or, to the extent that a district has demonstrated
14 to the State Board of Education pursuant to section 79-1028.01 that the
15 agreement will result in a net savings in salary and benefit costs to the
16 school district over a five-year period, occurring on or after the first
17 day of the 2013-14 school year or (ii) for state aid calculated for
18 school fiscal year 2018-19 and each school fiscal year thereafter,
19 expenditures to pay for incentives agreed to be paid by a school district
20 to certificated employees in exchange for a voluntary termination of
21 employment for which the State Board of Education approved an exclusion
22 pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01,
23 (f)(i) expenditures to pay for employer contributions pursuant to
24 subsection (2) of section 79-958 to the School Employees Retirement
25 System of the State of Nebraska to the extent that such expenditures
26 exceed the employer contributions under such subsection that would have
27 been made at a contribution rate of seven and thirty-five hundredths
28 percent or (ii) expenditures to pay for school district contributions
29 pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
30 retirement system established pursuant to the Class V School Employees
31 Retirement Act to the extent that such expenditures exceed the school

1 district contributions under such subdivision that would have been made
2 at a contribution rate of seven and thirty-seven hundredths percent, and
3 (g) any amounts paid by the district for lobbyist fees and expenses
4 reported to the Clerk of the Legislature pursuant to section 49-1483.

5 For purposes of this subdivision (23) of this section, receipts from
6 levy override elections shall equal ninety-nine percent of the difference
7 of the total general fund levy minus a levy of one dollar and five cents
8 per one hundred dollars of taxable valuation multiplied by the assessed
9 valuation for school districts that have voted pursuant to section
10 77-3444 to override the maximum levy provided pursuant to section
11 77-3442;

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

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

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

26 (27) Local system means a unified system or a school district;

27 (28) Low-income child means (a) for school fiscal years prior to
28 2016-17, a child under nineteen years of age living in a household having
29 an annual adjusted gross income for the second calendar year preceding
30 the beginning of the school fiscal year for which aid is being calculated
31 equal to or less than the maximum household income that would allow a

1 student from a family of four people to be a free lunch and free milk
2 student during the school fiscal year immediately preceding the school
3 fiscal year for which aid is being calculated and (b) for school fiscal
4 year 2016-17 and each school fiscal year thereafter, a child under
5 nineteen years of age living in a household having an annual adjusted
6 gross income for the second calendar year preceding the beginning of the
7 school fiscal year for which aid is being calculated equal to or less
8 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
9 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
10 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
11 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
12 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
13 existed on January 1, 2015, for a household of that size that would have
14 allowed the child to meet the income qualifications for free meals during
15 the school fiscal year immediately preceding the school fiscal year for
16 which aid is being calculated;

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

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

27 (31) Poverty students means (a) for school fiscal years prior to
28 2016-17, the number of low-income students or the number of students who
29 are free lunch and free milk students in a district plus the difference
30 of the number of low-income students or the number of students who are
31 free lunch and free milk students in a district, whichever is greater,

1 minus the average number of poverty students for such district, prior to
2 such addition, for the three immediately preceding school fiscal years if
3 such difference is greater than zero and (b) for school fiscal year
4 2016-17 and each school fiscal year thereafter, the unadjusted poverty
5 students plus the difference of such unadjusted poverty students minus
6 the average number of poverty students for such district, prior to such
7 addition, for the three immediately preceding school fiscal years if such
8 difference is greater 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 October 1 of each school year of students who
25 will be eligible to attend kindergarten the following school year and are
26 enrolled in an early childhood education program approved by the
27 department pursuant to section 79-1103 for such school district for such
28 school year multiplied by the ratio of the planned instructional hours of
29 the program divided by one thousand thirty-two if: (a) The program is
30 receiving a grant pursuant to such section for the third year; (b) the
31 program has already received grants pursuant to such section for three

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

10 (49) Unadjusted poverty students means, for school fiscal year
11 2016-17 and each school fiscal year thereafter, the greater of the number
12 of low-income students or the free lunch and free milk calculated
13 students in a district; and

14 (50) Very sparse local system means a local system that has:

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

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

26 Sec. 3. Section 79-1018.01, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 79-1018.01 Except as otherwise provided in this section, local
29 system formula resources include other actual receipts available for the
30 funding of general fund operating expenditures as determined by the
31 department for the second school fiscal year immediately preceding the

1 school fiscal year in which aid is to be paid. Other actual receipts
2 include:

3 (1) Public power district sales tax revenue;

4 (2) Fines and license fees;

5 (3) Tuition receipts from individuals, other districts, or any other
6 source except receipts derived from adult education, receipts derived
7 from summer school tuition, receipts derived from early childhood
8 education tuition, tuition receipts from converted contracts beginning
9 with the calculation of state aid to be distributed in school fiscal year
10 2011-12, and receipts from educational entities as defined in section
11 79-1201.01 for providing distance education courses through the
12 Educational Service Unit Coordinating Council to such educational
13 entities;

14 (4) Transportation receipts;

15 (5) Interest on investments;

16 (6) Other miscellaneous noncategorical local receipts, not including
17 receipts from private foundations, individuals, associations, or
18 charitable organizations;

19 (7) Special education receipts;

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

22 (9) ~~All receipts from the temporary school fund.~~ Receipts from the
23 temporary school fund ~~shall only include (a) receipts~~ pursuant to section
24 79-1035 and ~~(b) the receipt of funds~~ pursuant to section 79-1036 for
25 property leased for a public purpose as set forth in subdivision (1)(a)
26 of section 77-202;

27 (10) Motor vehicle tax receipts received;

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

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

31 (13) Impact aid entitlements for the school fiscal year which have

1 actually been received by the district to the extent allowed by federal
2 law;

3 (14) All other noncategorical federal receipts;

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

10 (16) Receipts for accelerated or differentiated curriculum programs
11 pursuant to sections 79-1106 to 79-1108.03; and

12 (17) Revenue received from the nameplate capacity tax distributed
13 pursuant to section 77-6204.

14 Sec. 4. Section 79-1035, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 79-1035 (1)(a) The State Treasurer shall, each year on or before the
17 third Monday in January, make a complete exhibit of all money belonging
18 to the permanent school fund and the temporary school fund as returned to
19 him or her from the several counties, together with the amount derived
20 from other sources, and deliver such exhibit duly certified to the
21 Commissioner of Education.

22 (b) Beginning in 2016 and each year thereafter, the exhibit required
23 in subdivision (1)(a) of this section shall include a separate
24 accounting, not to exceed an amount of ten million dollars, of the income
25 from solar and wind agreements on school lands. The amount of income from
26 solar and wind agreements on school lands shall be used to fund the
27 grants described in section 79-308. The Board of Educational Lands and
28 Funds shall provide the State Treasurer with the information necessary to
29 make the exhibit required by this subsection. Separate accounting shall
30 not be made for income from solar or wind agreements on school lands that
31 exceeds the sum of ten million dollars.

1 (c) Beginning in 2021 and each year thereafter, the exhibit required
2 in subdivision (1)(a) of this section shall include a separate accounting
3 of no more than ten percent of all money belonging to the temporary
4 school fund to fund grants to common schools pursuant to section 1 of
5 this act.

6 (2) On or before February 25 following receipt of the exhibit from
7 the State Treasurer pursuant to subsection (1) of this section, the
8 Commissioner of Education shall make the apportionment of the temporary
9 school fund to each school district as follows: From the whole amount,
10 less the amount of income from solar and wind agreements on school lands
11 and the obligated amount described in subdivision (1)(c) of this section,
12 there shall be paid to those districts in which there are school or
13 saline lands, which lands are used for a public purpose, an amount in
14 lieu of tax money that would be raised if such lands were taxable, to be
15 fixed in the manner prescribed in section 79-1036; and the remainder
16 shall be apportioned to the districts according to the pro rata
17 enumeration of children who are five through eighteen years of age in
18 each district last returned from the school district. The calculation of
19 apportionment for each school fiscal year shall include any corrections
20 to the prior school fiscal year's apportionment.

21 (3) The Commissioner of Education shall certify the amount of the
22 apportionment of the temporary school fund as provided in subsection (2)
23 of this section to the Director of Administrative Services. The Director
24 of Administrative Services shall draw a warrant on the State Treasurer in
25 favor of the various districts for the respective amounts so certified by
26 the Commissioner of Education.

27 (4) For purposes of this section, agreement means any lease,
28 easement, covenant, or other such contractual arrangement.

29 Sec. 5. Section 79-1035.02, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 79-1035.02 The temporary school fund is the holding fund to which

1 the interest, dividends, and any other income from the permanent school
2 fund, the net income from the school lands, and the money from all other
3 sources required or provided by law are credited as described in Article
4 VII, section 9, of the Constitution of Nebraska. The entire balance of
5 the temporary school fund, including all interest and any other income
6 therefrom, shall be exclusively used for the support and maintenance of
7 the common schools in each public school district in the state as the
8 Legislature provides, in accordance with Article VII, section 9, of the
9 Constitution of Nebraska, and, except as provided in section 1 of this
10 act for amounts transferred to the Nebraska Public-Private Partnership
11 for Common Schools Fund, shall be distributed to each public school
12 district annually.

13 Sec. 6. Original section 79-1035.02, Reissue Revised Statutes of
14 Nebraska, sections 79-1018.01 and 79-1035, Revised Statutes Cumulative
15 Supplement, 2018, and section 79-1003, Revised Statutes Supplement, 2019,
16 are repealed.