

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 674**

Introduced by Linehan, 39.

Read first time January 23, 2019

Committee: Education

- 1 A BILL FOR AN ACT relating to school finance; to amend section 77-3446,
- 2 Reissue Revised Statutes of Nebraska; to change the base limitation
- 3 for school districts; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3446, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 77-3446 (1) Base limitation means the budget limitation rate  
4 applicable to school districts and the limitation on growth of restricted  
5 funds applicable to other political subdivisions prior to any increases  
6 in the rate as a result of special actions taken by a supermajority of  
7 any governing board or of any exception allowed by law.

8 (2) Except as otherwise provided in this section for school  
9 districts, the ~~The~~ base limitation is two and one-half percent until  
10 adjusted, except that the base limitation for school districts for school  
11 fiscal years 2017-18 and 2018-19 is one and one-half percent. The base  
12 limitation may be adjusted annually by the Legislature to reflect changes  
13 in the prices of services and products used by school districts and  
14 political subdivisions.

15 (3) For school fiscal years 2017-18 and 2018-19, the base limitation  
16 for each school district is one and one-half percent. For school fiscal  
17 year 2019-20, the base limitation for each school district is two and  
18 one-half percent.

19 (4) For school fiscal year 2020-21 and each school fiscal year  
20 thereafter, the base limitation for each school district is the inflation  
21 rate certified by the Tax Commissioner pursuant to subsection (5) of this  
22 section for such school fiscal year plus the student growth rate  
23 certified by the State Department of Education pursuant to subsection (6)  
24 of this section for such school district.

25 (5) On or before November 1, 2019, and on or before November 1 of  
26 each year thereafter, the Tax Commissioner shall certify to the State  
27 Department of Education and to the Auditor of Public Accounts the  
28 inflation rate for the immediately following school fiscal year, which  
29 shall be equal to the percent change from the most recent Consumer Price  
30 Index for All Urban Consumers published by the federal Bureau of Labor  
31 Statistics as of August 31 of the year immediately preceding the year in

1 which the certification is being made to the most recent Consumer Price  
2 Index for All Urban Consumers published by the federal Bureau of Labor  
3 Statistics as of August 31 of the year in which the certification is  
4 being made.

5 (6) On or before December 1, 2019, and on or before December 1 of  
6 each year thereafter, the State Department of Education shall certify to  
7 each school district and to the Auditor of Public Accounts the student  
8 growth rate and the base limitation for such school district for the  
9 immediately following school fiscal year. The student growth rate for  
10 each school district for the immediately following school fiscal year  
11 shall be equal to the percent change from the fall membership reported in  
12 October of the year immediately preceding the year in which the  
13 certification is being made to the fall membership reported in October of  
14 the year in which the certification is being made, except that the  
15 student growth rate for any school district shall not be less than zero  
16 percent.

17 Sec. 2. Original section 77-3446, Reissue Revised Statutes of  
18 Nebraska, is repealed.