

AMENDMENTS TO LB583

Introduced by Education.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 79-1001, Revised Statutes Cumulative Supplement,
4 2022, is amended to read:

5 79-1001 Sections 79-1001 to 79-1033 and sections 3, 6, and 13 of
6 this act shall be known and may be cited as the Tax Equity and
7 Educational Opportunities Support Act.

8 Sec. 2. Section 79-1003, Revised Statutes Cumulative Supplement,
9 2022, is amended to read:

10 79-1003 For purposes of the Tax Equity and Educational Opportunities
11 Support Act:

12 (1) Adjusted general fund operating expenditures means the
13 difference of the general fund operating expenditures increased by the
14 cost growth factor calculated pursuant to section 79-1007.10, minus the
15 transportation allowance, special receipts allowance, poverty allowance,
16 limited English proficiency allowance, distance education and
17 telecommunications allowance, elementary site allowance, summer school
18 allowance, community achievement plan allowance, ~~and~~ focus school and
19 program allowance, and supplemental special education allowance;

20 (2) Adjusted valuation means the assessed valuation of taxable
21 property of each local system in the state, adjusted pursuant to the
22 adjustment factors described in section 79-1016. Adjusted valuation means
23 the adjusted valuation for the property tax year ending during the school
24 fiscal year immediately preceding the school fiscal year in which the aid
25 based upon that value is to be paid. For purposes of determining the
26 local effort rate yield pursuant to section 79-1015.01, adjusted
27 valuation does not include the value of any property which a court, by a

1 final judgment from which no appeal is taken, has declared to be
2 nontaxable or exempt from taxation;

3 (3) Allocated income tax funds means the amount of assistance paid
4 to a local system pursuant to section 79-1005.01;

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

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

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

14 (7) Categorical funds means funds limited to a specific purpose by
15 federal or state law, including, but not limited to, Title I funds, Title
16 VI funds, federal career and technical education funds, federal school
17 lunch funds, Indian education funds, Head Start funds, and funds received
18 prior to July 1, 2022, from the Nebraska Education Improvement 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, 2021, 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, the greater of
18 the number of students in such school who individually qualified for free
19 lunch or free milk using the most recent school fiscal year for which the
20 school did not provide free meals to all students pursuant to the
21 community eligibility provision or one hundred ten percent of the product
22 of the students who qualified for free meals at such school pursuant to
23 the community eligibility provision multiplied by the identified student
24 percentage calculated pursuant to such federal provision, except that the
25 free lunch and free milk calculated students for any school pursuant to
26 subdivision (18)(b) of this section shall not exceed one hundred percent
27 of the students qualified for free meals at such school pursuant to the
28 community eligibility provision;

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

31 (20) General fund budget of expenditures means the total budget of

1 disbursements and transfers for general fund purposes as certified in the
2 budget statement adopted pursuant to the Nebraska Budget Act, except that
3 for purposes of the limitation imposed in section 79-1023, the general
4 fund budget of expenditures does not include any special grant funds,
5 exclusive of local matching funds, received by a district;

6 (21) General fund expenditures means all expenditures from the
7 general fund;

8 (22) General fund operating expenditures means, for state aid
9 calculated for each school fiscal year, as reported on the annual
10 financial report for the second school fiscal year immediately preceding
11 the school fiscal year in which aid is to be paid, the total general fund
12 expenditures minus (a) the amount of all receipts to the general fund, to
13 the extent that such receipts are not included in local system formula
14 resources, from early childhood education tuition, summer school tuition,
15 educational entities as defined in section 79-1201.01 for providing
16 distance education courses through the Educational Service Unit
17 Coordinating Council to such educational entities, private foundations,
18 individuals, associations, charitable organizations, the textbook loan
19 program authorized by section 79-734, federal impact aid, and levy
20 override elections pursuant to section 77-3444, (b) the amount of
21 expenditures for categorical funds, tuition paid to other school
22 districts, tuition paid to postsecondary institutions for college credit,
23 transportation fees paid to other districts, adult education, community
24 services, redemption of the principal portion of general fund debt
25 service, retirement incentive plans authorized by section 79-855, and
26 staff development assistance authorized by section 79-856, (c) the amount
27 of any transfers from the general fund to any bond fund and transfers
28 from other funds into the general fund, (d) any legal expenses in excess
29 of fifteen-hundredths of one percent of the formula need for the school
30 fiscal year in which the expenses occurred, (e) expenditures to pay for
31 incentives agreed to be paid by a school district to certificated

1 employees in exchange for a voluntary termination of employment for which
2 the State Board of Education approved an exclusion pursuant to
3 subdivision (1)(h), (i), (j), or (k) of section 79-1028.01, (f)(i)
4 expenditures to pay for employer contributions pursuant to subsection (2)
5 of section 79-958 to the School Employees Retirement System of the State
6 of Nebraska to the extent that such expenditures exceed the employer
7 contributions under such subsection that would have been made at a
8 contribution rate of seven and thirty-five hundredths percent or (ii)
9 expenditures to pay for school district contributions pursuant to
10 subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the retirement
11 system established pursuant to the Class V School Employees Retirement
12 Act to the extent that such expenditures exceed the school district
13 contributions under such subdivision that would have been made at a
14 contribution rate of seven and thirty-seven hundredths percent, and (g)
15 any amounts paid by the district for lobbyist fees and expenses reported
16 to the Clerk of the Legislature pursuant to section 49-1483.

17 For purposes of this subdivision (22) of this section, receipts from
18 levy override elections shall equal ninety-nine percent of the difference
19 of the total general fund levy minus a levy of one dollar and five cents
20 per one hundred dollars of taxable valuation multiplied by the assessed
21 valuation for school districts that have voted pursuant to section
22 77-3444 to override the maximum levy provided pursuant to section
23 77-3442;

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

27 (24) Income tax receipts means the amount of income tax collected
28 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
29 credits earned and refunds made;

30 (25) Limited English proficiency students means the number of
31 students with limited English proficiency in a district from the most

1 recent data available on November 1 of the school fiscal year preceding
2 the school fiscal year in which aid is to be paid plus the difference of
3 such students with limited English proficiency minus the average number
4 of limited English proficiency students for such district, prior to such
5 addition, for the three immediately preceding school fiscal years if such
6 difference is greater than zero;

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

8 (27) Low-income child means a child under nineteen years of age
9 living in a household having an annual adjusted gross income for the
10 second calendar year preceding the beginning of the school fiscal year
11 for which aid is being calculated equal to or less than the maximum
12 household income pursuant to sections 9(b)(1) and 17(c)(4) of the Richard
13 B. Russell National School Lunch Act, 42 U.S.C. 1758(b)(1) and 42 U.S.C.
14 1766(c)(4), respectively, and sections 3(a)(6) and 4(e)(1)(A) of the
15 Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6) and 42 U.S.C. 1773(e)
16 (1)(A), respectively, as such acts and sections existed on January 1,
17 2021, for a household of that size that would have allowed the child to
18 meet the income qualifications for free meals during the school fiscal
19 year immediately preceding the school fiscal year for which aid is being
20 calculated;

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

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

31 (30) Poverty students means the unadjusted poverty students plus the

1 difference of such unadjusted poverty students minus the average number
2 of poverty students for such district, prior to such addition, for the
3 three immediately preceding school fiscal years if such difference is
4 greater than zero;

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

18 (32) Qualified early childhood education fall membership means the
19 product of membership on October 1 of each school year of students who
20 will be eligible to attend kindergarten the following school year and are
21 enrolled in an early childhood education program approved by the
22 department pursuant to section 79-1103 for such school district for such
23 school year multiplied by the ratio of the planned instructional hours of
24 the program divided by one thousand thirty-two if: (a) The program is
25 receiving a grant pursuant to such section for the third year; (b) the
26 program has already received grants pursuant to such section for three
27 years; or (c) the program has been approved pursuant to subsection (5) of
28 section 79-1103 for such school year and the two preceding school years,
29 including any such students in portions of any of such programs receiving
30 an expansion grant;

31 (33) Regular route transportation means the transportation of

1 students on regularly scheduled daily routes to and from the schools such
2 students attend;

3 (34) Reorganized district means any district involved in a
4 consolidation and currently educating students following consolidation;

5 (35) School year or school fiscal year means the fiscal year of a
6 school district as defined in section 79-1091;

7 (36) Sparse local system means a local system that is not a very
8 sparse local system but which meets the following criteria:

9 (a)(i) Less than two students per square mile in the county in which
10 each high school is located, based on the school district census, (ii)
11 less than one formula student per square mile in the local system, and
12 (iii) more than ten miles between each high school and the next closest
13 high school on paved roads;

14 (b)(i) Less than one and one-half formula students per square mile
15 in the local system and (ii) more than fifteen miles between each high
16 school and the next closest high school on paved roads;

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

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

24 (37) Special education means specially designed kindergarten through
25 grade twelve instruction pursuant to section 79-1125, and includes
26 special education transportation;

27 (38) Special grant funds means the budgeted receipts for grants,
28 including, but not limited to, categorical funds, reimbursements for
29 wards of the court, short-term borrowings including, but not limited to,
30 registered warrants and tax anticipation notes, interfund loans,
31 insurance settlements, and reimbursements to county government for

1 previous overpayment. The state board shall approve a listing of grants
2 that qualify as special grant funds;

3 (39) State aid means the amount of assistance paid to a district
4 pursuant to the Tax Equity and Educational Opportunities Support Act;

5 (40) State board means the State Board of Education;

6 (41) State support means all funds provided to districts by the
7 State of Nebraska for the general fund support of elementary and
8 secondary education;

9 (42) Statewide average basic funding per formula student means the
10 statewide total basic funding for all districts divided by the statewide
11 total formula students for all districts;

12 (43) Statewide average general fund operating expenditures per
13 formula student means the statewide total general fund operating
14 expenditures for all districts divided by the statewide total formula
15 students for all districts;

16 (44) Teacher has the definition found in section 79-101;

17 (45) Tuition receipts from converted contracts means tuition
18 receipts received by a district from another district in the most
19 recently available complete data year pursuant to a converted contract
20 prior to the expiration of the contract;

21 (46) Tuitioned students means students in kindergarten through grade
22 twelve of the district whose tuition is paid by the district to some
23 other district or education agency;

24 (47) Unadjusted poverty students means the greater of the number of
25 low-income students or the free lunch and free milk calculated students
26 in a district; and

27 (48) Very sparse local system means a local system that has:

28 (a)(i) Less than one-half student per square mile in each county in
29 which each high school is located based on the school district census,
30 (ii) less than one formula student per square mile in the local system,
31 and (iii) more than fifteen miles between the high school and the next

1 closest high school on paved roads; or

2 (b)(i) More than four hundred fifty square miles in the local
3 system, (ii) less than one-half student per square mile in the local
4 system, and (iii) more than fifteen miles between each high school and
5 the next closest high school on paved roads.

6 Sec. 3. (1) For school fiscal year 2023-24 and each school fiscal
7 year thereafter, the department shall determine the supplemental special
8 education allowance for each school district. Such allowance shall be an
9 amount equal to eighty percent of the total allowable excess costs for
10 all special education programs and support services provided by the
11 school district, as determined pursuant to section 79-1142, minus the
12 amount of the reimbursement received by the school district pursuant to
13 section 79-1142.

14 (2) For school fiscal year 2023-24 and each school fiscal year
15 thereafter, the total amount of equalization aid that is attributable to
16 supplemental special education allowances shall be paid from the
17 Education Future Fund.

18 Sec. 4. Section 79-1007.11, Revised Statutes Cumulative Supplement,
19 2022, is amended to read:

20 79-1007.11 (1) Except as otherwise provided in this section, each
21 school district's formula need shall equal the difference of the sum of
22 the 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, distance education and telecommunications
26 allowance, community achievement plan allowance, supplemental special
27 education allowance, averaging adjustment, new community achievement plan
28 adjustment, student growth adjustment, any positive student growth
29 adjustment correction, and new school adjustment minus the sum of the
30 limited English proficiency allowance correction, poverty allowance
31 correction, and any negative student growth adjustment correction.

1 (2) If the formula need calculated for a school district pursuant to
2 subsection (1) of this section is less than one hundred 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 percent of the
6 formula need for such district for the school fiscal year immediately
7 preceding the school fiscal year for which aid is being calculated.

8 (3) If the formula need calculated for a school district pursuant to
9 subsection (1) of this section is more than one hundred twelve percent of
10 the formula need for such district for the school fiscal year immediately
11 preceding the school fiscal year for which aid is being calculated, the
12 formula need for such district shall equal one hundred twelve percent of
13 the formula need for such district for the school fiscal year immediately
14 preceding the school fiscal year for which aid is being calculated,
15 except that the formula need shall not be reduced pursuant to this
16 subsection for any district receiving a student growth adjustment for the
17 school fiscal year for which aid is being calculated.

18 (4) For purposes of subsections (2) and (3) of this section, the
19 formula need for the school fiscal year immediately preceding the school
20 fiscal year for which aid is being calculated shall be the formula need
21 used in the final calculation of aid pursuant to section 79-1065 and for
22 districts that were affected by a reorganization with an effective date
23 in the calendar year preceding the calendar year in which aid is
24 certified for the school fiscal year for which aid is being calculated,
25 the formula need for the school fiscal year immediately preceding the
26 school fiscal year for which aid is being calculated shall be attributed
27 to the affected school districts based on information provided to the
28 department by the school districts or proportionally based on the
29 adjusted valuation transferred if sufficient information has not been
30 provided to the department.

31 Sec. 5. Section 79-1009, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 79-1009 (1)(a) A district shall receive net option funding if (i)
3 option students as defined in section 79-233 were actually enrolled in
4 the school year immediately preceding the school year in which the aid is
5 to be paid, (ii) option students as defined in such section will be
6 enrolled in the school year in which the aid is to be paid as converted
7 contract option students, or (iii) for the calculation of aid for school
8 fiscal year 2017-18 for school districts that are members of a learning
9 community, open enrollment students were actually enrolled for school
10 year 2016-17 pursuant to section 79-2110.

11 (b) The determination of the net number of option students shall be
12 based on (i) the number of students enrolled in the district as option
13 students and the number of students residing in the district but enrolled
14 in another district as option students as of the day of the fall
15 membership count pursuant to section 79-528, for the school fiscal year
16 immediately preceding the school fiscal year in which aid is to be paid,
17 (ii) the number of option students that will be enrolled in the district
18 or enrolled in another district as converted contract option students for
19 the fiscal year in which the aid is to be paid, and (iii) for the
20 calculation of aid for school fiscal year 2017-18 for school districts
21 that are members of a learning community, the number of students enrolled
22 in the district as open enrollment students and the number of students
23 residing in the district but enrolled in another district as open
24 enrollment students as of the day of the fall membership count pursuant
25 to section 79-528 for school fiscal year 2016-17.

26 (c) Except as otherwise provided in this subsection, net number of
27 option students means the difference of the number of option students
28 enrolled in the district minus the number of students residing in the
29 district but enrolled in another district as option students. For
30 purposes of the calculation of aid for school fiscal year 2017-18 for
31 school districts that are members of a learning community, net number of

1 option students means the difference of the number of students residing
2 in another school district who are option students or open enrollment
3 students enrolled in the district minus the number of students residing
4 in the district but enrolled in another district as option students or
5 open enrollment students.

6 (2)(a) For ~~all~~ school fiscal years prior to school fiscal year
7 2023-24 ~~except school fiscal years 2017-18 and 2018-19~~, net option
8 funding shall be the product of the net number of option students
9 multiplied by the statewide average basic funding per formula student.

10 (b) For school fiscal year 2023-24 and each school fiscal year
11 thereafter, net option funding shall be the product of the net number of
12 option students multiplied by the difference of the statewide average
13 basic funding per formula student minus the amount of foundation aid paid
14 per formula student pursuant to section 6 of this act. ~~For school fiscal~~
15 ~~years 2017-18 and 2018-19, net option funding shall be the product of the~~
16 ~~net number of option students multiplied by ninety-five and five-tenths~~
17 ~~percent of the statewide average basic funding per formula student.~~

18 (3) A district's net option funding shall be zero if the calculation
19 produces a negative result.

20 Payments made under this section for school fiscal years prior to
21 school fiscal year 2017-18 shall be made from the funds to be disbursed
22 under section 79-1005.01.

23 Such payments shall go directly to the option school district but
24 shall count as a formula resource for the local system.

25 Sec. 6. (1) For school fiscal year 2023-24 and each school fiscal
26 year thereafter, the department shall determine the foundation aid to be
27 paid to each school district in accordance with subsection (2) of this
28 section.

29 (2) The foundation aid to be paid to each school district in each
30 school fiscal year shall equal one thousand five hundred dollars
31 multiplied by the number of formula students for such school district.

1 (3) Twenty-three percent of the total amount of foundation aid paid
2 each school fiscal year shall be paid from money appropriated from the
3 Education Future Fund.

4 (4) For school fiscal years 2023-24 and 2024-25, one hundred percent
5 of foundation aid shall be included as a formula resource pursuant to
6 section 79-1017.01. For school fiscal year 2025-26 and each school fiscal
7 year thereafter, sixty percent of foundation aid shall be included as a
8 formula resource pursuant to section 79-1017.01.

9 Sec. 7. Section 79-1017.01, Revised Statutes Cumulative Supplement,
10 2022, is amended to read:

11 79-1017.01 (1) For state aid calculated for each school fiscal year
12 prior to school fiscal year 2023-24, local system formula resources
13 includes other actual receipts determined pursuant to section 79-1018.01,
14 net option funding determined pursuant to section 79-1009, allocated
15 income tax funds determined pursuant to section 79-1005.01, and community
16 achievement plan aid determined pursuant to section 79-1005, and is
17 reduced by amounts paid by the district in the most recently available
18 complete data year as property tax refunds pursuant to or in the manner
19 prescribed by section 77-1736.06.

20 (2) For state aid calculated for school fiscal year 2023-24 and each
21 school fiscal year thereafter, local system formula resources includes
22 other actual receipts determined pursuant to section 79-1018.01, net
23 option funding determined pursuant to section 79-1009, allocated income
24 tax funds determined pursuant to section 79-1005.01, community
25 achievement plan aid determined pursuant to section 79-1005, and a
26 percentage of foundation aid determined pursuant to section 6 of this
27 act, and is reduced by amounts paid by the district in the most recently
28 available complete data year as property tax refunds pursuant to or in
29 the manner prescribed by section 77-1736.06.

30 Sec. 8. Section 79-1022, Revised Statutes Cumulative Supplement,
31 2022, is amended to read:

1 79-1022 (1) On or before May 1, 2023 ~~2020~~, and on or before March 1
2 of each year thereafter, the department shall determine the amounts to be
3 distributed to each local system for the ensuing school fiscal year
4 pursuant to the Tax Equity and Educational Opportunities Support Act and
5 shall certify the amounts to the Director of Administrative Services, the
6 Auditor of Public Accounts, and each local system. On or before May 1,
7 2023 ~~2020~~, and on or before March 1 of each year thereafter, the
8 department shall report the necessary funding level for the ensuing
9 school fiscal year to the Governor, the Appropriations Committee of the
10 Legislature, and the Education Committee of the Legislature. The report
11 submitted to the committees of the Legislature shall be submitted
12 electronically. Except as otherwise provided in this subsection,
13 certified state aid amounts, including adjustments pursuant to section
14 79-1065.02, shall be shown as budgeted non-property-tax receipts and
15 deducted prior to calculating the property tax request in the local
16 system's general fund budget statement as provided to the Auditor of
17 Public Accounts pursuant to section 79-1024.

18 (2) Except as provided in this subsection, subsection (8) of section
19 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
20 certified pursuant to subsection (1) of this section shall be distributed
21 in ten as nearly as possible equal payments on the last business day of
22 each month beginning in September of each ensuing school fiscal year and
23 ending in June of the following year, except that when a local system is
24 to receive a monthly payment of less than one thousand dollars, such
25 payment shall be one lump-sum payment on the last business day of
26 December during the ensuing school fiscal year.

27 Sec. 9. Section 79-1022.02, Revised Statutes Cumulative Supplement,
28 2022, is amended to read:

29 79-1022.02 Notwithstanding any other provision of law, any
30 certification of state aid pursuant to section 79-1022, certification of
31 budget authority pursuant to section 79-1023, and certification of

1 applicable allowable reserve percentages pursuant to section 79-1027
2 completed prior to the effective date of this act February 13, 2020, for
3 school fiscal year 2023-24 ~~2020-21~~ are null and void.

4 Sec. 10. Section 79-1023, Revised Statutes Cumulative Supplement,
5 2022, is amended to read:

6 79-1023 (1) On or before May 1, 2023 ~~2020~~, and on or before March 1
7 of each year thereafter, the department shall determine and certify to
8 each school district budget authority for the general fund budget of
9 expenditures for the ensuing school fiscal year.

10 (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and
11 81-829.51, each school district shall have budget authority for the
12 general fund budget of expenditures equal to the greater of (a) the
13 general fund budget of expenditures for the immediately preceding school
14 fiscal year minus exclusions pursuant to subsection (1) of section
15 79-1028.01 for such school fiscal year with the difference increased by
16 the basic allowable growth rate for the school fiscal year for which
17 budget authority is being calculated, (b) the general fund budget of
18 expenditures for the immediately preceding school fiscal year minus
19 exclusions pursuant to subsection (1) of section 79-1028.01 for such
20 school fiscal year with the difference increased by an amount equal to
21 any student growth adjustment calculated for the school fiscal year for
22 which budget authority is being calculated, or (c) one hundred ten
23 percent of formula need for the school fiscal year for which budget
24 authority is being calculated minus the special education budget of
25 expenditures as filed on the school district budget statement on or
26 before September 30 for the immediately preceding school fiscal year,
27 which special education budget of expenditures is increased by the basic
28 allowable growth rate for the school fiscal year for which budget
29 authority is being calculated.

30 (3) For any school fiscal year for which the budget authority for
31 the general fund budget of expenditures for a school district is based on

1 a student growth adjustment, the budget authority for the general fund
2 budget of expenditures for such school district shall be adjusted in
3 future years to reflect any student growth adjustment corrections related
4 to such student growth adjustment.

5 Sec. 11. Section 79-1027, Revised Statutes Cumulative Supplement,
6 2022, is amended to read:

7 79-1027 No district shall adopt a budget, which includes total
8 requirements of depreciation funds, necessary employee benefit fund cash
9 reserves, and necessary general fund cash reserves, exceeding the
10 applicable allowable reserve percentages of total general fund budget of
11 expenditures as specified in the schedule set forth in this section.

12	Average daily	Allowable
13	membership of	reserve
14	district	percentage
15	0 - 471	45
16	471.01 - 3,044	35
17	3,044.01 - 10,000	25
18	10,000.01 and over	20

19 On or before May 1, ~~2023~~ 2020, and on or before March 1 each year
20 thereafter, the department shall determine and certify each district's
21 applicable allowable reserve percentage for the ensuing school fiscal
22 year.

23 Each district with combined necessary general fund cash reserves,
24 total requirements of depreciation funds, and necessary employee benefit
25 fund cash reserves less than the applicable allowable reserve percentage
26 specified in this section may, notwithstanding the district's applicable
27 allowable growth rate, increase its necessary general fund cash reserves
28 such that the total necessary general fund cash reserves, total
29 requirements of depreciation funds, and necessary employee benefit fund
30 cash reserves do not exceed such applicable allowable reserve percentage.

1 Sec. 12. Section 79-1031.01, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 79-1031.01 The Appropriations Committee of the Legislature shall
4 annually include the amount necessary to fund the state aid that will be
5 certified to school districts on or before May 1, 2023 ~~2020~~, and on or
6 before March 1 of each year thereafter for each ensuing school fiscal
7 year in its recommendations to the Legislature to carry out the
8 requirements of the Tax Equity and Educational Opportunities Support Act.

9 Sec. 13. (1) For school fiscal year 2023-24 and each school fiscal
10 year thereafter, each school district shall submit a report to the
11 department that includes the following information:

12 (a) The amount of additional state aid received by the school
13 district for such school fiscal year as a result of legislation enacted
14 during the most recently completed legislative session; and

15 (b) The amount by which the school district reduced its property tax
16 request for such school fiscal year, if any such reduction occurred.

17 (2) The department shall compile the information received from
18 school districts under subsection (1) of this section and shall submit a
19 comprehensive report of all such information annually to the Governor,
20 the chairperson of the Education Committee of the Legislature, and the
21 Clerk of the Legislature. The report submitted to the committee and the
22 Clerk of the Legislature shall be submitted electronically.

23 Sec. 14. Original sections 79-1001, 79-1003, 79-1007.11, 79-1009,
24 79-1017.01, 79-1022, 79-1022.02, 79-1023, 79-1027, and 79-1031.01,
25 Revised Statutes Cumulative Supplement, 2022, are repealed.

26 Sec. 15. Since an emergency exists, this act takes effect when
27 passed and approved according to law.