

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 583

Introduced by Sanders, 45; at the request of the Governor.

Read first time January 17, 2023

Committee: Education

- 1 A BILL FOR AN ACT relating to education; to amend sections 79-1001,
- 2 79-1017.01, 79-1022, 79-1022.02, 79-1023, 79-1027, and 79-1031.01,
- 3 Revised Statutes Cumulative Supplement, 2022; to provide for
- 4 foundation aid and special education supplemental aid under the Tax
- 5 Equity and Educational Opportunities Support Act; to harmonize
- 6 provisions; to repeal the original sections; and to declare an
- 7 emergency.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1001, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 79-1001 Sections 79-1001 to 79-1033 and sections 2 and 3 of this act
4 shall be known and may be cited as the Tax Equity and Educational
5 Opportunities Support Act.

6 Sec. 2. (1) For school fiscal year 2023-24 and each school fiscal
7 year thereafter, the department shall determine the foundation aid to be
8 paid to each school district from money appropriated from the Education
9 Future Fund.

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

13 (3) Foundation aid shall be paid directly to the school district,
14 but shall count as a formula resource for the local system.

15 Sec. 3. (1) For school fiscal year 2023-24 and each school fiscal
16 year thereafter, the department shall determine the special education
17 supplemental aid to be paid to each school district from money
18 appropriated from the Education Future Fund.

19 (2) The special education supplemental aid to be paid to each school
20 district in each school fiscal year shall equal eighty percent of the
21 actual anticipated expenditures of the school district for special
22 education minus the total amount of state and federal funds to be
23 provided to the school district for special education, excluding special
24 education supplemental aid.

25 (3) Special education supplemental aid shall be paid directly to the
26 school district, and such aid shall not count as a formula resource for
27 the local system.

28 Sec. 4. Section 79-1017.01, Revised Statutes Cumulative Supplement,
29 2022, is amended to read:

30 79-1017.01 (1) For state aid calculated for each school fiscal year
31 prior to school fiscal year 2023-24, local system formula resources

1 includes other actual receipts determined pursuant to section 79-1018.01,
2 net option funding determined pursuant to section 79-1009, allocated
3 income tax funds determined pursuant to section 79-1005.01, and community
4 achievement plan aid determined pursuant to section 79-1005, and is
5 reduced by amounts paid by the district in the most recently available
6 complete data year as property tax refunds pursuant to or in the manner
7 prescribed by section 77-1736.06.

8 (2) For state aid calculated for school fiscal year 2023-24 and each
9 school fiscal year thereafter, local system formula resources includes
10 other actual receipts determined pursuant to section 79-1018.01, net
11 option funding determined pursuant to section 79-1009, allocated income
12 tax funds determined pursuant to section 79-1005.01, community
13 achievement plan aid determined pursuant to section 79-1005, and
14 foundation aid determined pursuant to section 2 of this act, and is
15 reduced by amounts paid by the district in the most recently available
16 complete data year as property tax refunds pursuant to or in the manner
17 prescribed by section 77-1736.06.

18 Sec. 5. Section 79-1022, Revised Statutes Cumulative Supplement,
19 2022, is amended to read:

20 79-1022 (1) On or before May 1, 2023 ~~2020~~, and on or before March 1
21 of each year thereafter, the department shall determine the amounts to be
22 distributed to each local system for the ensuing school fiscal year
23 pursuant to the Tax Equity and Educational Opportunities Support Act and
24 shall certify the amounts to the Director of Administrative Services, the
25 Auditor of Public Accounts, and each local system. On or before May 1,
26 2023 ~~2020~~, and on or before March 1 of each year thereafter, the
27 department shall report the necessary funding level for the ensuing
28 school fiscal year to the Governor, the Appropriations Committee of the
29 Legislature, and the Education Committee of the Legislature. The report
30 submitted to the committees of the Legislature shall be submitted
31 electronically. Except as otherwise provided in this subsection,

1 certified state aid amounts, including adjustments pursuant to section
2 79-1065.02, shall be shown as budgeted non-property-tax receipts and
3 deducted prior to calculating the property tax request in the local
4 system's general fund budget statement as provided to the Auditor of
5 Public Accounts pursuant to section 79-1024.

6 (2) Except as provided in this subsection, subsection (8) of section
7 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
8 certified pursuant to subsection (1) of this section shall be distributed
9 in ten as nearly as possible equal payments on the last business day of
10 each month beginning in September of each ensuing school fiscal year and
11 ending in June of the following year, except that when a local system is
12 to receive a monthly payment of less than one thousand dollars, such
13 payment shall be one lump-sum payment on the last business day of
14 December during the ensuing school fiscal year.

15 Sec. 6. Section 79-1022.02, Revised Statutes Cumulative Supplement,
16 2022, is amended to read:

17 79-1022.02 Notwithstanding any other provision of law, any
18 certification of state aid pursuant to section 79-1022, certification of
19 budget authority pursuant to section 79-1023, and certification of
20 applicable allowable reserve percentages pursuant to section 79-1027
21 completed prior to the effective date of this act ~~February 13, 2020~~, for
22 school fiscal year 2023-24 ~~2020-21~~ are null and void.

23 Sec. 7. Section 79-1023, Revised Statutes Cumulative Supplement,
24 2022, is amended to read:

25 79-1023 (1) On or before May 1, 2023 ~~2020~~, and on or before March 1
26 of each year thereafter, the department shall determine and certify to
27 each school district budget authority for the general fund budget of
28 expenditures for the ensuing school fiscal year.

29 (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and
30 81-829.51, each school district shall have budget authority for the
31 general fund budget of expenditures equal to the greater of (a) the

1 general fund budget of expenditures for the immediately preceding school
2 fiscal year minus exclusions pursuant to subsection (1) of section
3 79-1028.01 for such school fiscal year with the difference increased by
4 the basic allowable growth rate for the school fiscal year for which
5 budget authority is being calculated, (b) the general fund budget of
6 expenditures for the immediately preceding school fiscal year minus
7 exclusions pursuant to subsection (1) of section 79-1028.01 for such
8 school fiscal year with the difference increased by an amount equal to
9 any student growth adjustment calculated for the school fiscal year for
10 which budget authority is being calculated, or (c) one hundred ten
11 percent of formula need for the school fiscal year for which budget
12 authority is being calculated minus the special education budget of
13 expenditures as filed on the school district budget statement on or
14 before September 30 for the immediately preceding school fiscal year,
15 which special education budget of expenditures is increased by the basic
16 allowable growth rate for the school fiscal year for which budget
17 authority is being calculated.

18 (3) For any school fiscal year for which the budget authority for
19 the general fund budget of expenditures for a school district is based on
20 a student growth adjustment, the budget authority for the general fund
21 budget of expenditures for such school district shall be adjusted in
22 future years to reflect any student growth adjustment corrections related
23 to such student growth adjustment.

24 Sec. 8. Section 79-1027, Revised Statutes Cumulative Supplement,
25 2022, is amended to read:

26 79-1027 No district shall adopt a budget, which includes total
27 requirements of depreciation funds, necessary employee benefit fund cash
28 reserves, and necessary general fund cash reserves, exceeding the
29 applicable allowable reserve percentages of total general fund budget of
30 expenditures as specified in the schedule set forth in this section.

31 Average daily Allowable

1	membership of	reserve
2	district	percentage
3	0 - 471	45
4	471.01 - 3,044	35
5	3,044.01 - 10,000	25
6	10,000.01 and over	20

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

11 Each district with combined necessary general fund cash reserves,
12 total requirements of depreciation funds, and necessary employee benefit
13 fund cash reserves less than the applicable allowable reserve percentage
14 specified in this section may, notwithstanding the district's applicable
15 allowable growth rate, increase its necessary general fund cash reserves
16 such that the total necessary general fund cash reserves, total
17 requirements of depreciation funds, and necessary employee benefit fund
18 cash reserves do not exceed such applicable allowable reserve percentage.

19 Sec. 9. Section 79-1031.01, Revised Statutes Cumulative Supplement,
20 2022, is amended to read:

21 79-1031.01 The Appropriations Committee of the Legislature shall
22 annually include the amount necessary to fund the state aid that will be
23 certified to school districts on or before May 1, 2023 ~~2020~~, and on or
24 before March 1 of each year thereafter for each ensuing school fiscal
25 year in its recommendations to the Legislature to carry out the
26 requirements of the Tax Equity and Educational Opportunities Support Act.

27 Sec. 10. Original sections 79-1001, 79-1017.01, 79-1022,
28 79-1022.02, 79-1023, 79-1027, and 79-1031.01, Revised Statutes Cumulative
29 Supplement, 2022, are repealed.

30 Sec. 11. Since an emergency exists, this act takes effect when
31 passed and approved according to law.