

One Hundred Eighth Legislature - First Session - 2023

Introducer's Statement of Intent

LB177

Chairperson: Senator Dave Murman

Committee: Education

Date of Hearing: March 21, 2023

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 177 is the My Student, My Choice Act. The bill creates the Follow the Student Fund to be administered by the State Treasurer. Each year the State Treasurer would transfer 55 percent of the total adjusted per pupil costs for educating students in the State of Nebraska into the fund. Each student would apply for an account with the State Treasurer and the State Treasurer would deposit 55 percent of the per pupil cost into each student's account. Students or their parent(s) would be issued a smartcard whereby they would be able to access the money in their account and use it exclusively for educational purposes, including private school tuition, curriculum and educational supplies. Those attending a public school would be required to use the monies in their account to pay for their tuition at the public school where the student is enrolled.

Each school district would be able to levy a tax on properties located within the school district in order to generate revenues equal to 45 percent of the adjusted per pupil cost for all of the students enrolled in the school district in order to cover the operational costs of the school district for the ensuing year. This tax would be known as the common school tax. Whenever a school district finds that it needs additional revenues, the school board would hold a public hearing during the month of July, and upon approval by the the school board, the school district would be limited to raising the tax levy by 2.5 percent of the adjusted per pupil cost.

The bill also establishes the School Stabilization Fund. Each year the State Treasurer would transfer revenues into the School Stabilization Fund as directed by the Legislature, but the balance of the School Stabilization Fund would not be able to exceed 35 percent of the amount allocated to the Follow the Student Fund. Whenever the balance exceeds 35 percent of the Follow the Student Fund, the State Treasurer would directed to transfer the excess amount into the State's Cash Reserve Fund. Revenues from the School Stabilization Fund would be distributed to school districts according to the Tax Equity and Educational Opportunities Support Act (TEEOSA).

Principal Introducer: _____

Senator Steve Erdman