

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 303**

Introduced by Hughes, 24; at the request of the Governor; Brandt, 32;  
Dorn, 30.

Read first time January 15, 2025

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 79-1001,  
2 79-1006, 79-1022, 79-1022.02, 79-1023, 79-1027, and 79-1031.01,  
3 Reissue Revised Statutes of Nebraska, and section 77-3442, Revised  
4 Statutes Cumulative Supplement, 2024; to change school district levy  
5 authority; to change provisions relating to foundation aid and  
6 certain certification dates and provide for a base levy adjustment  
7 under the Tax Equity and Educational Opportunities Support Act; to  
8 create the School Finance Reform Commission; to harmonize  
9 provisions; to repeal the original sections; and to declare an  
10 emergency.

11 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 77-3442, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           77-3442 (1) Property tax levies for the support of local governments  
4 for fiscal years beginning on or after July 1, 1998, shall be limited to  
5 the amounts set forth in this section except as provided in section  
6 77-3444.

7           (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this  
8 section, school districts and multiple-district school systems may levy a  
9 maximum levy of:

10           (i) Through fiscal year 2024-25, one dollar and five cents per one  
11 hundred dollars of taxable valuation of property subject to the levy;  
12 and -

13           (ii) For fiscal year 2025-26 and each fiscal year thereafter, one  
14 dollar and two cents per one hundred dollars of taxable valuation of  
15 property subject to the levy.

16           (b) For each fiscal year prior to fiscal year 2017-18, learning  
17 communities may levy a maximum levy for the general fund budgets of  
18 member school districts of ninety-five cents per one hundred dollars of  
19 taxable valuation of property subject to the levy. The proceeds from the  
20 levy pursuant to this subdivision shall be distributed pursuant to  
21 section 79-1073.

22           (c) Except as provided in subdivision (2)(e) of this section, for  
23 each fiscal year prior to fiscal year 2017-18, school districts that are  
24 members of learning communities may levy for purposes of such districts'  
25 general fund budget and special building funds a maximum combined levy of  
26 the difference of one dollar and five cents on each one hundred dollars  
27 of taxable property subject to the levy minus the learning community levy  
28 pursuant to subdivision (2)(b) of this section for such learning  
29 community.

30           (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
31 of this section are (i) amounts levied to pay for current and future sums

1 agreed to be paid by a school district to certificated employees in  
2 exchange for a voluntary termination of employment occurring prior to  
3 September 1, 2017, (ii) amounts levied by a school district otherwise at  
4 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
5 for current and future qualified voluntary termination incentives for  
6 certificated teachers pursuant to subsection (3) of section 79-8,142 that  
7 are not otherwise included in an exclusion pursuant to subdivision (2)(d)  
8 of this section, (iii) amounts levied by a school district otherwise at  
9 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
10 for seventy-five percent of the current and future sums agreed to be paid  
11 to certificated employees in exchange for a voluntary termination of  
12 employment occurring between September 1, 2017, and August 31, 2018, as a  
13 result of a collective-bargaining agreement in force and effect on  
14 September 1, 2017, that are not otherwise included in an exclusion  
15 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a  
16 school district otherwise at the maximum levy pursuant to subdivision (2)  
17 (a) of this section to pay for fifty percent of the current and future  
18 sums agreed to be paid to certificated employees in exchange for a  
19 voluntary termination of employment occurring between September 1, 2018,  
20 and August 31, 2019, as a result of a collective-bargaining agreement in  
21 force and effect on September 1, 2017, that are not otherwise included in  
22 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts  
23 levied by a school district otherwise at the maximum levy pursuant to  
24 subdivision (2)(a) of this section to pay for twenty-five percent of the  
25 current and future sums agreed to be paid to certificated employees in  
26 exchange for a voluntary termination of employment occurring between  
27 September 1, 2019, and August 31, 2020, as a result of a collective-  
28 bargaining agreement in force and effect on September 1, 2017, that are  
29 not otherwise included in an exclusion pursuant to subdivision (2)(d) of  
30 this section, (vi) amounts levied in compliance with sections 79-10,110  
31 and 79-10,110.02, and (vii) amounts levied to pay for special building

1 funds and sinking funds established for projects commenced prior to April  
2 1, 1996, for construction, expansion, or alteration of school district  
3 buildings. For purposes of this subsection, commenced means any action  
4 taken by the school board on the record which commits the board to expend  
5 district funds in planning, constructing, or carrying out the project.

6 (e) Federal aid school districts may exceed the maximum levy  
7 prescribed by subdivision (2)(a) or (2)(c) of this section only to the  
8 extent necessary to qualify to receive federal aid pursuant to Title VIII  
9 of Public Law 103-382, as such title existed on September 1, 2001. For  
10 purposes of this subdivision, federal aid school district means any  
11 school district which receives ten percent or more of the revenue for its  
12 general fund budget from federal government sources pursuant to Title  
13 VIII of Public Law 103-382, as such title existed on September 1, 2001.

14 (f) For each fiscal year, learning communities may levy a maximum  
15 levy of one-half cent on each one hundred dollars of taxable property  
16 subject to the levy for elementary learning center facility leases, for  
17 remodeling of leased elementary learning center facilities, and for up to  
18 fifty percent of the estimated cost for focus school or program capital  
19 projects approved by the learning community coordinating council pursuant  
20 to section 79-2111.

21 (g) For each fiscal year, learning communities may levy a maximum  
22 levy of one and one-half cents on each one hundred dollars of taxable  
23 property subject to the levy for early childhood education programs for  
24 children in poverty, for elementary learning center employees, for  
25 contracts with other entities or individuals who are not employees of the  
26 learning community for elementary learning center programs and services,  
27 and for pilot projects, except that no more than ten percent of such levy  
28 may be used for elementary learning center employees.

29 (3) For each fiscal year through fiscal year 2023-24, community  
30 college areas may levy the levies provided in subdivisions (2)(a) through  
31 (c) of section 85-1517, in accordance with the provisions of such

1 subdivisions. For fiscal year 2024-25 and each fiscal year thereafter,  
2 community college areas may levy the levies provided in subdivisions (2)  
3 (a) and (b) of section 85-1517, in accordance with the provisions of such  
4 subdivisions. A community college area may exceed the levy provided in  
5 subdivision (2)(a) of section 85-1517 by the amount necessary to generate  
6 sufficient revenue as described in section 85-1543 or 85-2238. A  
7 community college area may exceed the levy provided in subdivision (2)(b)  
8 of section 85-1517 by the amount necessary to retire general obligation  
9 bonds assumed by the community college area or issued pursuant to section  
10 85-1515 according to the terms of such bonds or for any obligation  
11 pursuant to section 85-1535 entered into prior to January 1, 1997.

12 (4)(a) Natural resources districts may levy a maximum levy of four  
13 and one-half cents per one hundred dollars of taxable valuation of  
14 property subject to the levy.

15 (b) Natural resources districts shall also have the power and  
16 authority to levy a tax equal to the dollar amount by which their  
17 restricted funds budgeted to administer and implement ground water  
18 management activities and integrated management activities under the  
19 Nebraska Ground Water Management and Protection Act exceed their  
20 restricted funds budgeted to administer and implement ground water  
21 management activities and integrated management activities for FY2003-04,  
22 not to exceed one cent on each one hundred dollars of taxable valuation  
23 annually on all of the taxable property within the district.

24 (c) In addition, natural resources districts located in a river  
25 basin, subbasin, or reach that has been determined to be fully  
26 appropriated pursuant to section 46-714 or designated as overappropriated  
27 pursuant to section 46-713 by the Department of Natural Resources shall  
28 also have the power and authority to levy a tax equal to the dollar  
29 amount by which their restricted funds budgeted to administer and  
30 implement ground water management activities and integrated management  
31 activities under the Nebraska Ground Water Management and Protection Act

1 exceed their restricted funds budgeted to administer and implement ground  
2 water management activities and integrated management activities for  
3 FY2005-06, not to exceed three cents on each one hundred dollars of  
4 taxable valuation on all of the taxable property within the district for  
5 fiscal year 2006-07 and each fiscal year thereafter through fiscal year  
6 2017-18.

7 (5) Any educational service unit authorized to levy a property tax  
8 pursuant to section 79-1225 may levy a maximum levy of one and one-half  
9 cents per one hundred dollars of taxable valuation of property subject to  
10 the levy.

11 (6)(a) Incorporated cities and villages which are not within the  
12 boundaries of a municipal county may levy a maximum levy of forty-five  
13 cents per one hundred dollars of taxable valuation of property subject to  
14 the levy plus an additional five cents per one hundred dollars of taxable  
15 valuation to provide financing for the municipality's share of revenue  
16 required under an agreement or agreements executed pursuant to the  
17 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum  
18 levy shall include amounts levied to pay for sums to support a library  
19 pursuant to section 51-201, museum pursuant to section 51-501, visiting  
20 community nurse, home health nurse, or home health agency pursuant to  
21 section 71-1637, or statue, memorial, or monument pursuant to section  
22 80-202.

23 (b) Incorporated cities and villages which are within the boundaries  
24 of a municipal county may levy a maximum levy of ninety cents per one  
25 hundred dollars of taxable valuation of property subject to the levy. The  
26 maximum levy shall include amounts paid to a municipal county for county  
27 services, amounts levied to pay for sums to support a library pursuant to  
28 section 51-201, a museum pursuant to section 51-501, a visiting community  
29 nurse, home health nurse, or home health agency pursuant to section  
30 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

31 (7) Sanitary and improvement districts which have been in existence

1 for more than five years may levy a maximum levy of forty cents per one  
2 hundred dollars of taxable valuation of property subject to the levy, and  
3 sanitary and improvement districts which have been in existence for five  
4 years or less shall not have a maximum levy. Unconsolidated sanitary and  
5 improvement districts which have been in existence for more than five  
6 years and are located in a municipal county may levy a maximum of eighty-  
7 five cents per hundred dollars of taxable valuation of property subject  
8 to the levy.

9 (8) Counties may levy or authorize a maximum levy of fifty cents per  
10 one hundred dollars of taxable valuation of property subject to the levy,  
11 except that five cents per one hundred dollars of taxable valuation of  
12 property subject to the levy may only be levied to provide financing for  
13 the county's share of revenue required under an agreement or agreements  
14 executed pursuant to the Interlocal Cooperation Act or the Joint Public  
15 Agency Act. The maximum levy shall include amounts levied to pay for sums  
16 to support a library pursuant to section 51-201 or museum pursuant to  
17 section 51-501. The county may allocate up to fifteen cents of its  
18 authority to other political subdivisions subject to allocation of  
19 property tax authority under subsection (1) of section 77-3443 and not  
20 specifically covered in this section to levy taxes as authorized by law  
21 which do not collectively exceed fifteen cents per one hundred dollars of  
22 taxable valuation on any parcel or item of taxable property. The county  
23 may allocate to one or more other political subdivisions subject to  
24 allocation of property tax authority by the county under subsection (1)  
25 of section 77-3443 some or all of the county's five cents per one hundred  
26 dollars of valuation authorized for support of an agreement or agreements  
27 to be levied by the political subdivision for the purpose of supporting  
28 that political subdivision's share of revenue required under an agreement  
29 or agreements executed pursuant to the Interlocal Cooperation Act or the  
30 Joint Public Agency Act. If an allocation by a county would cause another  
31 county to exceed its levy authority under this section, the second county

1 may exceed the levy authority in order to levy the amount allocated.

2 (9) Municipal counties may levy or authorize a maximum levy of one  
3 dollar per one hundred dollars of taxable valuation of property subject  
4 to the levy. The municipal county may allocate levy authority to any  
5 political subdivision or entity subject to allocation under section  
6 77-3443.

7 (10) Beginning July 1, 2016, rural and suburban fire protection  
8 districts may levy a maximum levy of ten and one-half cents per one  
9 hundred dollars of taxable valuation of property subject to the levy if  
10 (a) such district is located in a county that had a levy pursuant to  
11 subsection (8) of this section in the previous year of at least forty  
12 cents per one hundred dollars of taxable valuation of property subject to  
13 the levy or (b) such district had a levy request pursuant to section  
14 77-3443 in any of the three previous years and the county board of the  
15 county in which the greatest portion of the valuation of such district is  
16 located did not authorize any levy authority to such district in such  
17 year.

18 (11) A regional metropolitan transit authority may levy a maximum  
19 levy of ten cents per one hundred dollars of taxable valuation of  
20 property subject to the levy for each fiscal year that commences on the  
21 January 1 that follows the effective date of the conversion of the  
22 transit authority established under the Transit Authority Law into the  
23 regional metropolitan transit authority.

24 (12) Property tax levies (a) for judgments, except judgments or  
25 orders from the Commission of Industrial Relations, obtained against a  
26 political subdivision which require or obligate a political subdivision  
27 to pay such judgment, to the extent such judgment is not paid by  
28 liability insurance coverage of a political subdivision, (b) for  
29 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)  
30 for bonds as defined in section 10-134 approved according to law and  
31 secured by a levy on property except as provided in section 44-4317 for



1 bonded indebtedness issued by educational service units and school  
2 districts, (d) for payments by a public airport to retire interest-free  
3 loans from the Division of Aeronautics of the Department of  
4 Transportation in lieu of bonded indebtedness at a lower cost to the  
5 public airport, and (e) to pay for cancer benefits provided on or after  
6 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not  
7 included in the levy limits established by this section.

8 (13) The limitations on tax levies provided in this section are to  
9 include all other general or special levies provided by law.  
10 Notwithstanding other provisions of law, the only exceptions to the  
11 limits in this section are those provided by or authorized by sections  
12 77-3442 to 77-3444.

13 (14) Tax levies in excess of the limitations in this section shall  
14 be considered unauthorized levies under section 77-1606 unless approved  
15 under section 77-3444.

16 (15) For purposes of sections 77-3442 to 77-3444, political  
17 subdivision means a political subdivision of this state and a county  
18 agricultural society.

19 (16) For school districts that file a binding resolution on or  
20 before May 9, 2008, with the county assessors, county clerks, and county  
21 treasurers for all counties in which the school district has territory  
22 pursuant to subsection (7) of section 79-458, if the combined levies,  
23 except levies for bonded indebtedness approved by the voters of the  
24 school district and levies for the refinancing of such bonded  
25 indebtedness, are in excess of the greater of (a) one dollar and twenty  
26 cents per one hundred dollars of taxable valuation of property subject to  
27 the levy or (b) the maximum levy authorized by a vote pursuant to section  
28 77-3444, all school district levies, except levies for bonded  
29 indebtedness approved by the voters of the school district and levies for  
30 the refinancing of such bonded indebtedness, shall be considered  
31 unauthorized levies under section 77-1606.

1           **Sec. 2.** Section 79-1001, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

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

6           **Sec. 3.** Section 79-1006, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8           79-1006 (1) The For school fiscal year 2023-24 and each school  
9 fiscal year thereafter, the department shall determine the foundation aid  
10 to be paid to each school district in accordance with subsection (2) of  
11 this section.

12           (2)(a) Through school fiscal year 2024-25, the (2) The foundation  
13 aid to be paid to each school district in each school fiscal year shall  
14 equal one thousand five hundred dollars multiplied by the number of  
15 formula students for such school district.

16           (b) For school fiscal year 2025-26 and each school fiscal year  
17 thereafter, the foundation aid to be paid to each school district shall  
18 be calculated as follows: (i) The amount of one thousand five hundred  
19 ninety dollars multiplied by (ii) the number of formula students for such  
20 school district.

21           (3) Twenty-four percent of the total amount of foundation aid paid  
22 each school fiscal year shall be paid from money appropriated from the  
23 Education Future Fund.

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

29           **Sec. 4.** (1) For school fiscal year 2025-26 and each school fiscal  
30 year thereafter, the department shall calculate a base levy adjustment  
31 pursuant to subsection (3) of this section for each school district to

1 adjust the calculated state aid amount for the ensuing school fiscal year  
2 prior to certification.

3 (2) For purposes of the calculation of the base levy adjustment  
4 pursuant to this section:

5 (a) Base levy shall be equal to thirty cents per one hundred dollars  
6 of taxable valuation;

7 (b) The potential general fund levy for the ensuing school fiscal  
8 year shall equal the general fund levy for the school fiscal year  
9 immediately preceding the school fiscal year for which aid is being  
10 calculated plus the potential general fund levy change calculated in  
11 subdivision (c) of this subsection; and

12 (c) The potential general fund levy change shall equal the  
13 difference between the amount of state aid for the school fiscal year  
14 immediately preceding the school fiscal year for which aid is being  
15 calculated and the state aid calculated for the ensuing school fiscal  
16 year divided by the adjusted valuation and multiplied by one hundred.

17 (3) If the potential general fund levy for the ensuing school fiscal  
18 year is less than the base levy, the difference between such amounts  
19 shall be multiplied by the adjusted valuation and divided by one hundred.  
20 Such amount shall then be subtracted from the state aid calculated for  
21 the ensuing school fiscal year to determine the adjusted amount of state  
22 aid to be distributed to the school district in the ensuing school fiscal  
23 year.

24 **Sec. 5.** Section 79-1022, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 79-1022 (1) On or before June 15, 2025 ~~2023~~, and on or before March  
27 1 of each year thereafter, the department shall determine the amounts to  
28 be distributed to each local system for the ensuing school fiscal year  
29 pursuant to the Tax Equity and Educational Opportunities Support Act,  
30 which shall include adjustments required under section 4 of this act, and  
31 shall certify the amounts to the Director of Administrative Services, the

1 Auditor of Public Accounts, and each local system. On or before June 15,  
2 2025 ~~2023~~, and on or before March 1 of each year thereafter, the  
3 department shall report the necessary funding level for the ensuing  
4 school fiscal year to the Governor, the Appropriations Committee of the  
5 Legislature, and the Education Committee of the Legislature. The report  
6 submitted to the committees of the Legislature shall be submitted  
7 electronically. Except as otherwise provided in this subsection,  
8 certified state aid amounts, including adjustments pursuant to section  
9 79-1065.02, shall be shown as budgeted non-property-tax receipts and  
10 deducted prior to calculating the property tax request in the local  
11 system's general fund budget statement as provided to the Auditor of  
12 Public Accounts pursuant to section 79-1024.

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

22 **Sec. 6.** Section 79-1022.02, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 79-1022.02 Notwithstanding any other provision of law, any  
25 certification of state aid pursuant to section 79-1022, certification of  
26 budget authority pursuant to section 79-1023, and certification of  
27 applicable allowable reserve percentages pursuant to section 79-1027  
28 completed prior to the effective date of this act June 1, 2023, for  
29 school fiscal year 2025-26 ~~2023-24~~ are null and void.

30 **Sec. 7.** Section 79-1023, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           79-1023 (1) On or before June 15, 2025 ~~2023~~, and on or before March  
2 1 of each year thereafter, the department shall determine and certify to  
3 each school district budget authority for the general fund budget of  
4 expenditures for the ensuing school fiscal year.

5           (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and  
6 81-829.51, each school district shall have budget authority for the  
7 general fund budget of expenditures equal to the greater of (a) the  
8 general fund budget of expenditures for the immediately preceding school  
9 fiscal year minus exclusions pursuant to subsection (1) of section  
10 79-1028.01 for such school fiscal year with the difference increased by  
11 the basic allowable growth rate for the school fiscal year for which  
12 budget authority is being calculated, (b) the general fund budget of  
13 expenditures for the immediately preceding school fiscal year minus  
14 exclusions pursuant to subsection (1) of section 79-1028.01 for such  
15 school fiscal year with the difference increased by an amount equal to  
16 any student growth adjustment calculated for the school fiscal year for  
17 which budget authority is being calculated, or (c) one hundred ten  
18 percent of formula need for the school fiscal year for which budget  
19 authority is being calculated minus the special education budget of  
20 expenditures as filed on the school district budget statement on or  
21 before September 30 for the immediately preceding school fiscal year,  
22 which special education budget of expenditures is increased by the basic  
23 allowable growth rate for the school fiscal year for which budget  
24 authority is being calculated.

25           (3) For any school fiscal year for which the budget authority for  
26 the general fund budget of expenditures for a school district is based on  
27 a student growth adjustment, the budget authority for the general fund  
28 budget of expenditures for such school district shall be adjusted in  
29 future years to reflect any student growth adjustment corrections related  
30 to such student growth adjustment.

31           **Sec. 8.** Section 79-1027, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 79-1027 No district shall adopt a budget, which includes total  
3 requirements of depreciation funds, necessary employee benefit fund cash  
4 reserves, and necessary general fund cash reserves, exceeding the  
5 applicable allowable reserve percentages of total general fund budget of  
6 expenditures as specified in the schedule set forth in this section.

7	Average daily	Allowable
8	membership of	reserve
9	district	percentage
10	0 - 471	45
11	471.01 - 3,044	35
12	3,044.01 - 10,000	25
13	10,000.01 and over	20

14 On or before June 15, 2025 ~~2023~~, and on or before March 1 each year  
15 thereafter, the department shall determine and certify each district's  
16 applicable allowable reserve percentage for the ensuing school fiscal  
17 year.

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

26 **Sec. 9.** Section 79-1031.01, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 79-1031.01 The Appropriations Committee of the Legislature shall  
29 annually include the amount necessary to fund the state aid that will be  
30 certified to school districts on or before June 15, 2025 ~~2023~~, and on or  
31 before March 1 of each year thereafter for each ensuing school fiscal

1 year in its recommendations to the Legislature to carry out the  
2 requirements of the Tax Equity and Educational Opportunities Support Act.

3 **Sec. 10.** (1)(a) The School Finance Reform Commission is created.  
4 The purpose of the commission is to study and provide advisory  
5 recommendations relating to school funding in Nebraska. The commission  
6 shall:

7 (i) Evaluate the current formula under the Tax Equity and  
8 Educational Opportunities Support Act for funding education and make  
9 recommendations for adjustments or changes that may be necessary to help  
10 prevent the increase of local property taxes;

11 (ii) Regularly review the resources side of the formula;

12 (iii) Regularly review the needs side of the formula; and

13 (iv) Analyze options for how to minimize the negative impact on  
14 schools during times when the state may be unable to fully fund the  
15 formula.

16 (b) By December 1 of each year, the commission shall prepare and  
17 electronically deliver to the Clerk of the Legislature an annual report  
18 with the observations and recommendations developed pursuant to this  
19 subsection.

20 (2)(a)(i) The commission shall consist of eleven voting members and  
21 four consulting members for a total of fifteen members.

22 (ii) The eleven voting members shall be:

23 (A) Two members appointed to serve at the pleasure of the Governor;

24 (B) The Chairperson of the Education Committee of the Legislature;

25 (C) The Chairperson of the Revenue Committee of the Legislature;

26 (D) The Chairperson of the Appropriations Committee of the  
27 Legislature;

28 (E) A superintendent of a Class I school district appointed by the  
29 Governor;

30 (F) A superintendent of a Class II school district appointed by the  
31 Governor;

1       (G) Two superintendents of a Class III school district appointed by  
2 the Governor;

3       (H) A superintendent of a Class IV school district appointed by the  
4 Governor; and

5       (I) A superintendent of a Class V school district appointed by the  
6 Governor.

7       (iii) The four nonvoting, consulting members shall be:

8       (A) The Commissioner of Education or such person's designee;

9       (B) The finance officer of the State Department of Education or such  
10 person's designee;

11       (C) The Legislative Fiscal Analyst or such person's designee; and

12       (D) The budget administrator of the budget division of the  
13 Department of Administrative Services or such person's designee.

14       (b)(i) The members of the commission shall serve for a term of two  
15 years or until their successor is appointed and qualified. If at any  
16 point a member no longer meets the qualification for such member's  
17 position on the commission, such member shall vacate membership on the  
18 commission. Any vacancy in the commission shall be filled in the same  
19 manner or qualification as the original appointment.

20       (ii) The commission shall annually elect a chairperson from among  
21 its members. The commission shall meet at the call of the chairperson or  
22 at the request of any five members and shall meet as often as necessary  
23 to carry out its duties, but at least once per year.

24       **Sec. 11.** Original sections 79-1001, 79-1006, 79-1022, 79-1022.02,  
25 79-1023, 79-1027, and 79-1031.01, Reissue Revised Statutes of Nebraska,  
26 and section 77-3442, Revised Statutes Cumulative Supplement, 2024, are  
27 repealed.

28       **Sec. 12.** Since an emergency exists, this act takes effect when  
29 passed and approved according to law.