

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 440

Introduced by Spivey, 13.

Read first time January 21, 2025

Committee: Education

- 1 A BILL FOR AN ACT relating to education; to adopt the Education Leave and
- 2 Support Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 6 of this act shall be known and may be
2 cited as the Education Leave and Support Act.

3 **Sec. 2.** For purposes of the Education Leave and Support Act:

4 (1) Covered employee means a certificated teacher employed by a
5 school district;

6 (2) Department means the State Department of Education;

7 (3) Employer means a school district;

8 (4) FMLA leave means leave taken by a covered employee under the
9 federal Family and Medical Leave Act of 1993, 29 U.S.C. 2601 et seq.; and

10 (5) School district has the same meaning as in section 79-101.

11 **Sec. 3.** Beginning January 1, 2026, a payroll fee of thirty-five
12 hundredths of one percent shall be levied on the taxable wages of covered
13 employees in the state. Employers shall collect the fee from covered
14 employees and remit it quarterly to the State Treasurer. Employers shall
15 also contribute an amount equal to the total payroll fee collected from
16 their covered employees as an employer match and remit this contribution
17 quarterly to the State Treasurer. All fees and contributions collected
18 under this section shall be credited to the State Education Leave Fund.

19 **Sec. 4.** (1) The State Education Leave Fund is hereby created. The
20 fund shall be administered by the department. Any money in the fund
21 available for investment shall be invested by the state investment
22 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
23 State Funds Investment Act.

24 (2) The fund shall be used solely to reimburse school districts for
25 the cost of hiring substitute teachers for the first six weeks of a
26 covered employee's FMLA leave.

27 (3) Reimbursements under this section shall begin July 1, 2026. The
28 department shall develop and implement procedures to:

29 (a) Accept applications for reimbursement from school districts;

30 (b) Review applications in order to ensure compliance with
31 eligibility requirements; and

1 (c) Disburse funds in a timely manner.

2 (4) Reimbursements under this section shall be made from the fund in
3 an amount not to exceed the actual daily cost of hiring a substitute
4 teacher, as determined by the department.

5 (5) Any covered employee for whom reimbursement is provided under
6 this section shall not be required to use any accrued personal or sick
7 leave for the first six weeks of FMLA leave.

8 (6) The department shall submit an annual report to the Legislature
9 detailing the fund's expenditures, utilization rates, and remaining
10 balance.

11 **Sec. 5.** (1) The Education Retention Fund is hereby created. The
12 fund shall be administered by the department. Any money in the fund
13 available for investment shall be invested by the state investment
14 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
15 State Funds Investment Act.

16 (2) If the State Education Leave Fund accrues a surplus exceeding
17 twenty percent of its projected annual needs, the department shall notify
18 the State Treasurer, and the State Treasurer shall transfer the excess
19 funds to the Education Retention Fund. Funds transferred under this
20 section shall be used to address teacher shortages and support
21 professional development.

22 **Sec. 6.** (1) Any school district that misuses funds received from
23 the State Education Leave Fund shall repay the funds in full and shall be
24 subject to penalties as prescribed by the department.

25 (2) The State Education Leave Fund shall be subject to an annual
26 audit by the Auditor of Public Accounts.