

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 500

Introduced by DeBoer, 10.

Read first time January 21, 2025

Committee: Education

- 1 A BILL FOR AN ACT relating to school finance; to create the School
- 2 Financing Review Commission; to provide powers and duties; and to
- 3 declare an emergency.
- 4 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** (1) The School Financing Review Commission is created.
2 The commission consists of twenty-one members, including:
3 (a) The Commissioner of Education or a designee of the Commissioner
4 of Education;
5 (b) One representative of the Governor appointed by the Governor;
6 (c) Three members of the Legislature, who shall be nonvoting members
7 of the commission, one from each congressional district with no more than
8 two from the same political party and with one being a member of the
9 Education Committee of the Legislature and one being a member of the
10 Revenue Committee of the Legislature;
11 (d) The Property Tax Administrator or a designee of the Property Tax
12 Administrator;
13 (e) One representative of postsecondary education with expertise in
14 school finance;
15 (f) One member of the Educational Service Unit Coordinating Council;
16 (g) One school board member and one school administrator each
17 representing a Class III school district with not more than one thousand
18 two hundred students;
19 (h) One school board member and one school administrator each
20 representing a Class III school district with more than one thousand two
21 hundred students but not more than ten thousand students;
22 (i) One representative of a Class IV school district and one
23 representative of a Class V school district. One member appointed
24 pursuant to this subdivision shall be a school board member of the school
25 district being represented, and the other member appointed pursuant to
26 this subdivision shall be a school administrator in the other school
27 district being represented;
28 (j) One member who is teaching as a certificated teacher in a public
29 school; and
30 (k) Six members from the state at large, two from each congressional
31 district, who reside in school districts of varied sizes and with varying

1 percentages of limited English proficiency students and poverty students.
2 At least one of the members appointed pursuant to this subdivision shall
3 have experience in business and at least one shall have experience in
4 farming.

5 (2) The members described in subdivision (1)(c) shall be appointed
6 by the Executive Board of the Legislative Council in January of each odd-
7 numbered year for two-year terms, except the initial members shall be
8 appointed within thirty days after the effective date of this act and
9 shall serve until their successors are appointed in January of 2027.

10 (3) The members described in subdivisions (1)(e) through (k) of this
11 section shall be appointed by the Governor within thirty days after the
12 effective date of this act to serve through December 31, 2034, and any
13 vacancy shall be filled by the Governor for the remainder of the vacated
14 term. Of the four members described in subdivisions (1)(g) and (h) of
15 this section, at least one shall be from each congressional district. To
16 the extent possible, the membership of the commission shall be diverse in
17 terms of race, gender, and other demographic factors.

18 (4) Members of the commission shall not receive any compensation for
19 their services but shall be reimbursed for expenses incurred as a member
20 of the commission as provided in sections 81-1174 to 81-1177.

21 (5) The Commissioner of Education or the designee of the
22 Commissioner of Education shall be the chairperson of the commission, and
23 the commission shall elect a vice-chairperson from among its members.

24 (6) The staff of the State Department of Education may assist as
25 needed and requested by the chairperson of the commission in accordance
26 with guidelines developed by the commission. The commission may also
27 obtain assistance from the State Department of Education and the
28 Department of Revenue in acquiring the data needed to carry out its
29 duties.

30 (7) For administrative purposes, the commission shall be housed
31 within the State Department of Education.

1 **Sec. 2.** (1) The School Financing Review Commission shall conduct an
2 indepth review of the financing of the public elementary and secondary
3 schools. As a part of such indepth review, the commission shall:

4 (a) Examine methods of financing public elementary and secondary
5 schools, including methods used in other states, which would provide
6 equitable educational opportunities across the state and offer
7 alternatives to a heavy reliance on property tax;

8 (b) Examine the option of using a measure of income as a component
9 in the financing of public elementary and secondary schools;

10 (c) Examine the option of using sales tax as a component in the
11 financing of public elementary and secondary schools, including, but not
12 limited to, an examination of the experience of any other states with
13 such option;

14 (d) Examine financing issues as they relate to the quality and
15 performance of public elementary and secondary schools;

16 (e) Examine options for funding public prekindergarten services;

17 (f) Examine options for funding college-readiness and career-
18 readiness programs, including, but not limited to, programs of
19 excellence, dual-enrollment courses, and career academies;

20 (g) Examine the costs and resources necessary to meet the diverse
21 and growing needs of students across the state, including, but not
22 limited to, the needs of poverty students and limited English proficiency
23 students;

24 (h) Examine methods used by other states to fund public elementary
25 and secondary school infrastructure needs;

26 (i) Examine other issues related to public elementary and secondary
27 school finance as necessary and as determined by the chairperson; and

28 (j) Prepare a preliminary report and present it to the Legislative
29 Council in November 2025. A final report with recommendations on
30 maintaining adequate and equitable funding for public schools in light of
31 information gathered through the review shall be presented to the

1 Governor, to the State Board of Education, and electronically to the
2 Legislature by December 1, 2025.

3 (2) After submission of its final report described in subsection (1)
4 of this section, to assure that every Nebraskan is educated for success,
5 the School Financing Review Commission shall:

6 (a) Review the mission of providing Nebraskans the opportunity to
7 acquire the necessary skills and knowledge to be productive individuals;

8 (b) Review, make recommendations on, and report on progress toward
9 achieving any goals established by the Legislature and the State
10 Department of Education related to such mission. The commission may
11 solicit comments, concerns, and case studies from schools of all sizes in
12 Nebraska and develop best practices for implementing and achieving such
13 goals; and

14 (c) Review the implementation of the Tax Equity and Educational
15 Opportunities Support Act and the implementation of any recommendations
16 contained in the reports issued under subsection (1) of this section.

17 (3) On or before July 1 of each even-numbered year beginning in 2028
18 and ending in 2034, the School Financing Review Commission shall report
19 to the Governor, to the State Board of Education, and electronically to
20 the Legislature on the adequacy of school funding sources.

21 **Sec. 3.** Since an emergency exists, this act takes effect when
22 passed and approved according to law.