

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 408
Final Reading

Introduced by Sullivan, 41.

Read first time January 22, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1022, 79-1023, 79-1027,
3 and 79-1031.01, Revised Statutes Cumulative Supplement,
4 2012; to change dates and provisions relating to
5 certification and distribution of state aid; to delete
6 obsolete provisions; to harmonize provisions; to repeal
7 the original sections; and to declare an emergency.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1022, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 79-1022 (1) On or before ~~March 10, 2010, and March 1,~~
4 ~~2011, for school fiscal year 2010-11, on or before July 1, 2011, for~~
5 ~~school fiscal year 2011-12, on or before May 1, 2012, for school~~
6 ~~fiscal year 2012-13, June 1, 2013, and on or before March 1 of each~~
7 year thereafter for each ensuing fiscal year, the department shall
8 determine the amounts to be distributed to each local system and each
9 district for the ensuing school fiscal year pursuant to the Tax
10 Equity and Educational Opportunities Support Act and shall certify
11 the amounts to the Director of Administrative Services, the Auditor
12 of Public Accounts, each learning community, and each district. The
13 amount to be distributed to each district that is not a member of a
14 learning community from the amount certified for a local system shall
15 be proportional based on the formula students attributed to each
16 district in the local system. The amount to be distributed to each
17 district that is a member of a learning community from the amount
18 certified for the local system shall be proportional based on the
19 formula needs calculated for each district in the local system. On or
20 before ~~March 1, 2011, for school fiscal year 2010-11, on or before~~
21 ~~July 1, 2011, for school fiscal year 2011-12, on or before May 1,~~
22 ~~2012, for school fiscal year 2012-13, June 1, 2013, and on or before~~
23 March 1 of each year thereafter for each ensuing fiscal year, the
24 department shall report the necessary funding level for the ensuing
25 school fiscal year to the Governor, the Appropriations Committee of

1 the Legislature, and the Education Committee of the Legislature. The
2 report submitted to the committees of the Legislature shall be
3 submitted electronically. Except as otherwise provided in this
4 subsection, certified state aid amounts, including adjustments
5 pursuant to section 79-1065.02, shall be shown as budgeted non-
6 property-tax receipts and deducted prior to calculating the property
7 tax request in the district's general fund budget statement as
8 provided to the Auditor of Public Accounts pursuant to section
9 79-1024. ~~Increases in state aid for school fiscal year 2010-11 from~~
10 ~~the first certification in 2010 to the second certification on or~~
11 ~~before March 1, 2011, shall not require a school district to revise~~
12 ~~its previously adopted budget statement pursuant to section 13-511~~
13 ~~for school fiscal year 2010-11 unless expenditures are increased in~~
14 ~~such school fiscal year as a result of such increases in state aid.~~
15 ~~The amount of such increased state aid that has not been included in~~
16 ~~an amended budget for school fiscal year 2010-11 shall be included in~~
17 ~~the unencumbered cash balance pursuant to section 13-504 for the~~
18 ~~school fiscal year 2011-12 budget for each school district.~~

19 (2) Except as provided in this subsection, subsection (8)
20 of section 79-1016, and sections 79-1033 and 79-1065.02, the amounts
21 certified pursuant to subsection (1) of this section shall be
22 distributed in ten as nearly as possible equal payments on the last
23 business day of each month beginning in September of each ensuing
24 school fiscal year and ending in June of the following year, except
25 that when a school district is to receive a monthly payment of less

1 than one thousand dollars, such payment shall be one lump-sum payment
2 on the last business day of December during the ensuing school fiscal
3 year. ~~For school fiscal year 2010-11, payments shall be based on the~~
4 ~~amounts certified pursuant to subsection (1) of this section on March~~
5 ~~10, 2010, except that on the last business day of April, the~~
6 ~~department shall make federal Education Jobs Fund allocations~~
7 ~~available pursuant to section 79-1028.04 equal to any increases in~~
8 ~~state aid for school fiscal year 2010-11 from the first certification~~
9 ~~in 2010 to the second certification on or before March 1, 2011,~~
10 ~~rounded to the nearest whole dollar.~~

11 Sec. 2. Section 79-1023, Revised Statutes Cumulative
12 Supplement, 2012, is amended to read:

13 79-1023 (1) ~~On or before March 10, 2010, on or before~~
14 ~~July 1, 2011, on or before May 1, 2012, June 1, 2013, and on or~~
15 ~~before March 1 of each year thereafter, the department shall~~
16 ~~determine and certify to each school district budget authority for~~
17 ~~the general fund budget of expenditures for the immediately following~~
18 ~~ensuing school fiscal year.~~

19 (2) ~~For school fiscal years prior to school fiscal year~~
20 ~~2011-12, except as provided in section 79-1028.01, no school district~~
21 ~~shall have a general fund budget of expenditures minus special grant~~
22 ~~funds and the special education budget of expenditures more than the~~
23 ~~greater of (a) the product of the difference of the general fund~~
24 ~~budget of expenditures minus special grant funds and the special~~
25 ~~education budget of expenditures for the immediately preceding school~~

1 ~~fiscal year multiplied by (i) except as otherwise provided in~~
2 ~~subdivision (a)(ii) of this subsection, the sum of one plus the local~~
3 ~~system's applicable allowable growth rate or (ii) for school fiscal~~
4 ~~year 2010-11, the sum of one plus seventy five hundredths of one~~
5 ~~percent plus the local system's applicable allowable growth rate or~~
6 ~~(b)(i) except as otherwise provided in subdivision (b)(ii) of this~~
7 ~~subsection, the difference of one hundred twenty percent of formula~~
8 ~~need for such school fiscal year minus the product of the sum of one~~
9 ~~plus the basic allowable growth rate for such school fiscal year~~
10 ~~multiplied by the special education budget of expenditures as filed~~
11 ~~on the school district budget statement on or before September 20 for~~
12 ~~the immediately preceding school fiscal year or (ii) for school~~
13 ~~fiscal years 2009-10 and 2010-11, the difference of one hundred~~
14 ~~sixteen and fifteen hundredths percent of formula need for such~~
15 ~~school fiscal year minus the product of the sum of one plus the basic~~
16 ~~allowable growth rate for such school fiscal year multiplied by the~~
17 ~~special education budget of expenditures as filed on the school~~
18 ~~district budget statement on or before September 20 for the~~
19 ~~immediately preceding school fiscal year.~~

20 (3) ~~For school fiscal year 2011-12, except as provided in~~
21 ~~sections 79-1028.01, 79-1029, and 79-1030, each school district shall~~
22 ~~have budget authority for the general fund budget of expenditures~~
23 ~~equal to the greater of (a) the general fund budget of expenditures~~
24 ~~for school fiscal year 2010-11 minus exclusions for school fiscal~~
25 ~~year 2010-11 that fit within subsection (1) of section 79-1028.01~~

1 ~~with the difference increased by an amount equal to one and one~~
2 ~~hundred fifteen thousandths percent of the formula need calculated~~
3 ~~for school fiscal year 2010-11, (b) the general fund budget of~~
4 ~~expenditures for school fiscal year 2010-11 minus exclusions for~~
5 ~~school fiscal year 2010-11 that fit within subsection (1) of section~~
6 ~~79-1028.01 with the difference increased by an amount equal to any~~
7 ~~student growth adjustment calculated for school fiscal year 2011-12,~~
8 ~~or (c) one hundred ten percent of formula need for school fiscal year~~
9 ~~2011-12 minus the special education budget of expenditures as filed~~
10 ~~on the school district budget statement on or before September 20 for~~
11 ~~school fiscal year 2010-11, which special education budget of~~
12 ~~expenditures is increased by the basic allowable growth rate for~~
13 ~~school fiscal year 2011-12.~~

14 ~~(4) For school fiscal year 2012-13 and each school fiscal~~
15 ~~year thereafter, except (2) Except as provided in sections~~
16 ~~79-1028.01, 79-1029, and 79-1030, each school district shall have~~
17 ~~budget authority for the general fund budget of expenditures equal to~~
18 ~~the greater of (a) the general fund budget of expenditures for the~~
19 ~~immediately preceding school fiscal year minus exclusions pursuant to~~
20 ~~subsection (1) of section 79-1028.01 for such school fiscal year with~~
21 ~~the difference increased by the basic allowable growth rate for the~~
22 ~~school fiscal year for which budget authority is being calculated,~~
23 ~~(b) the general fund budget of expenditures for the immediately~~
24 ~~preceding school fiscal year minus exclusions pursuant to subsection~~
25 ~~(1) of section 79-1028.01 for such school fiscal year with the~~

1 difference increased by an amount equal to any student growth
2 adjustment calculated for the school fiscal year for which budget
3 authority is being calculated, or (c) one hundred ten percent of
4 formula need for the school fiscal year for which budget authority is
5 being calculated minus the special education budget of expenditures
6 as filed on the school district budget statement on or before
7 September 20 for the immediately preceding school fiscal year, which
8 special education budget of expenditures is increased by the basic
9 allowable growth rate for the school fiscal year for which budget
10 authority is being calculated.

11 ~~(5)~~(3) For any school fiscal year for which the budget
12 authority for the general fund budget of expenditures for a school
13 district is based on a student growth adjustment, the budget
14 authority for the general fund budget of expenditures for such school
15 district shall be adjusted in future years to reflect any student
16 growth adjustment corrections related to such student growth
17 adjustment.

18 Sec. 3. Section 79-1027, Revised Statutes Cumulative
19 Supplement, 2012, is amended to read:

20 79-1027 No district shall adopt a budget, which includes
21 total requirements of depreciation funds, necessary employee benefit
22 fund cash reserves, and necessary general fund cash reserves,
23 exceeding the applicable allowable reserve percentages of total
24 general fund budget of expenditures as specified in the schedule set
25 forth in this section.

1	Average daily	Allowable
2	membership of	reserve
3	district	percentage
4	0 - 471	45
5	471.01 - 3,044	35
6	3,044.01 - 10,000	25
7	10,000.01 and over	20

8 On or before ~~March 10, 2010, on or before July 1, 2011,~~
9 ~~on or before May 1, 2012, June 1, 2013,~~ and on or before March 1 each
10 year thereafter, the department shall determine and certify each
11 district's applicable allowable reserve percentage for the ensuing
12 school fiscal year.

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

22 Sec. 4. Section 79-1031.01, Revised Statutes Cumulative
23 Supplement, 2012, is amended to read:

24 79-1031.01 The Appropriations Committee of the

1 Legislature shall annually include the amount necessary to fund the
2 state aid that will be certified to school districts on or before
3 ~~March 1, 2011, for school fiscal year 2010-11, on or before July 1,~~
4 ~~2011, for school fiscal year 2011-12, on or before May 1, 2012, for~~
5 ~~school fiscal year 2012-13, June 1, 2013,~~ and on or before March 1 of
6 each year thereafter for each ensuing school fiscal year ~~thereafter~~
7 in its recommendations to the Legislature to carry out the
8 requirements of the Tax Equity and Educational Opportunities Support
9 Act.

10 Sec. 5. Original sections 79-1022, 79-1023, 79-1027, and
11 79-1031.01, Revised Statutes Cumulative Supplement, 2012, are
12 repealed.

13 Sec. 6. Since an emergency exists, this act takes effect
14 when passed and approved according to law.