

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 470

Final Reading

Introduced by Scheer, 19; Davis, 43; Watermeier, 1; Nordquist, 7;
Pirsch, 4.

Read first time January 22, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend section 13-504, Revised
2 Statutes Supplement, 2013; to change provisions relating
3 to proposed budget statements; to adopt the
4 Superintendent Pay Transparency Act; to provide an
5 operative date; to repeal the original section; and to
6 declare an emergency.

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

1 Section 1. Section 13-504, Revised Statutes Supplement,
2 2013, is amended to read:

3 13-504 (1) Each governing body shall annually or
4 biennially prepare a proposed budget statement on forms prescribed
5 and furnished by the auditor. The proposed budget statement shall be
6 made available to the public by the political subdivision prior to
7 publication of the notice of the hearing on the proposed budget
8 statement pursuant to section 13-506. A proposed budget statement
9 shall contain the following information, except as provided by state
10 law:

11 (a) For the immediately preceding fiscal year or biennial
12 period, the revenue from all sources, including motor vehicle taxes,
13 other than revenue received from personal and real property taxation,
14 allocated to the funds and separately stated as to each such source:
15 The unencumbered cash balance at the beginning and end of the year or
16 biennial period; the amount received by taxation of personal and real
17 property; and the amount of actual expenditures;

18 (b) For the current fiscal year or biennial period,
19 actual and estimated revenue from all sources, including motor
20 vehicle taxes, allocated to the funds and separately stated as to
21 each such source: The actual unencumbered cash balance available at
22 the beginning of the year or biennial period; the amount received
23 from personal and real property taxation; and the amount of actual
24 and estimated expenditures, whichever is applicable. Such statement
25 shall contain the cash reserve for each fiscal year or biennial

1 period and shall note whether or not such reserve is encumbered. Such
2 cash reserve projections shall be based upon the actual experience of
3 prior years or biennial periods. The cash reserve shall not exceed
4 fifty percent of the total budget adopted exclusive of capital outlay
5 items;

6 (c) For the immediately ensuing fiscal year or biennial
7 period, an estimate of revenue from all sources, including motor
8 vehicle taxes, other than revenue to be received from taxation of
9 personal and real property, separately stated as to each such source:
10 The actual or estimated unencumbered cash balances, whichever is
11 applicable, to be available at the beginning of the year or biennial
12 period; the amounts proposed to be expended during the year or
13 biennial period; and the amount of cash reserve, based on actual
14 experience of prior years or biennial periods, which cash reserve
15 shall not exceed fifty percent of the total budget adopted exclusive
16 of capital outlay items;

17 (d) A statement setting out separately the amount sought
18 to be raised from the levy of a tax on the taxable value of real
19 property (i) for the purpose of paying the principal or interest on
20 bonds issued by the governing body and (ii) for all other purposes;

21 (e) A uniform summary of the proposed budget statement,
22 including each proprietary function fund included in a separate
23 proprietary budget statement prepared pursuant to the Municipal
24 Proprietary Function Act, and a grand total of all funds maintained
25 by the governing body; ~~and~~

1 (f) For municipalities, a list of the proprietary
2 functions which are not included in the budget statement. Such
3 proprietary functions shall have a separate budget statement which is
4 approved by the city council or village board as provided in the
5 Municipal Proprietary Function Act; and -

6 (g) For school districts and educational service units, a
7 separate identification and description of all current and future
8 costs to the school district or educational service unit which are
9 reasonably anticipated as a result of any contract, and any adopted
10 amendments thereto, for superintendent services to be rendered to
11 such school district or administrator services to be rendered to such
12 educational service unit.

13 (2) The actual or estimated unencumbered cash balance
14 required to be included in the budget statement by this section shall
15 include deposits and investments of the political subdivision as well
16 as any funds held by the county treasurer for the political
17 subdivision and shall be accurately stated on the proposed budget
18 statement.

19 (3) The political subdivision shall correct any material
20 errors in the budget statement detected by the auditor or by other
21 sources.

22 Sec. 2. Sections 2 to 6 of this act shall be known and
23 may be cited as the Superintendent Pay Transparency Act.

24 Sec. 3. (1) Before the school board of any school
25 district or the board of any educational service unit approves a

1 proposed contract, or any proposed amendment to an existing contract,
2 for future superintendent services to be rendered to such school
3 district by the current superintendent or future administrator
4 services to be rendered to such educational service unit by the
5 current administrator, the board shall publish a copy of such
6 proposed contract or amendment, and a reasonable estimate and
7 description of all current and future costs to the school district or
8 educational service unit if the proposed contract or amendment were
9 to be approved, at least three days before the meeting of the board
10 at which such proposed contract or amendment will be considered. Such
11 publication shall also specify the date, time, and place of the
12 public meeting at which the proposed contract or amendment will be
13 considered. Electronic publication on the web site of the school
14 district or educational service unit shall satisfy the requirement of
15 this subsection if such electronic publication is prominently
16 displayed and allows public access to the entire proposed contract or
17 amendment.

18 (2) After the school board of any school district or the
19 board of any educational service unit approves a contract for future
20 superintendent services to be rendered to such school district by a
21 new superintendent or future administrator services to be rendered to
22 such educational service unit by a new administrator, the board shall
23 publish a copy of such contract, and a reasonable estimate and
24 description of all current and future costs to the school district or
25 educational service unit that will be incurred as a result of such

1 contract, within two days after the meeting of the board at which
2 such contract was approved. Electronic publication on the web site of
3 the school district or educational service unit shall satisfy the
4 requirement of this subsection if such electronic publication is
5 prominently displayed and allows public access to the entire
6 contract.

7 Sec. 4. After approval of a contract, or any amendments
8 thereto, for superintendent services or educational service unit
9 administrator services, the approving board shall file a copy of such
10 contract or amendment with the State Department of Education on or
11 before the next succeeding August 1. The department shall have no
12 duty to review such contracts or amendments but shall publicly post
13 all such contracts or amendments received on the web site of the
14 department.

15 Sec. 5. If the school board of any school district or the
16 board of any educational service unit fails to timely file a copy of
17 an approved contract, or contract amendment, for superintendent
18 services or educational service unit administrator services with the
19 State Department of Education as required in section 4 of this act,
20 the Commissioner of Education, after notice to the board president
21 and either the superintendent or educational service unit
22 administrator and an opportunity to be heard, shall direct that any
23 state aid granted pursuant to the Tax Equity and Educational
24 Opportunities Support Act to the school district or core services and
25 technology infrastructure funds granted pursuant to section

1 79-1241.03 to the educational service unit be withheld until such
2 time as the contract or amendment is received by the department. In
3 addition, the commissioner shall direct each county treasurer of a
4 county with territory in the school district or educational service
5 unit to withhold all money belonging to the school district or
6 educational service unit until such time as the commissioner notifies
7 such county treasurer of receipt of such contract or amendment. Each
8 such county treasurer shall withhold such money. For school districts
9 that are members of learning communities, a determination of school
10 money belonging to the school district shall be based on the
11 proportionate share of property tax receipts allocated to the school
12 district pursuant to section 79-1073 in addition to the other
13 property tax receipts belonging to the school district. If the board
14 does not comply with this section prior to October 1 following the
15 school fiscal year for which the state aid or core services and
16 technology infrastructure funding was calculated, the funds shall
17 revert to the General Fund. The amount of any reverted funds shall be
18 included in data provided to the Governor, the Appropriations
19 Committee of the Legislature, and the Education Committee of the
20 Legislature in accordance with section 79-1031.

21 Sec. 6. All amendments to a contract for superintendent
22 services or educational service unit administrator services shall be
23 subject to the Superintendent Pay Transparency Act, including, but
24 not limited to, amendments involving salary increases or benefit
25 changes.

1 Sec. 7. This act becomes operative on July 1, 2014.

2 Sec. 8. Original section 13-504, Revised Statutes
3 Supplement, 2013, is repealed.

4 Sec. 9. Since an emergency exists, this act takes effect
5 when passed and approved according to law.