

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1070

Introduced by Sullivan, 41.

Read first time January 22, 2014

Committee: Education

A BILL

1 FOR AN ACT relating to state aid to schools; to amend sections
2 79-1008.02 and 79-1073, Revised Statutes Cumulative
3 Supplement, 2012, and sections 79-1003, 79-1007.11, and
4 79-1022, Revised Statutes Supplement, 2013; to redefine a
5 term and change provisions relating to calculation of
6 formula need, a minimum levy adjustment, and distribution
7 of funds for purposes of the Tax Equity and Educational
8 Opportunities Support Act; to change a duty for learning
9 community coordinating councils; to harmonize provisions;
10 and to repeal the original sections.

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

1 Section 1. Section 79-1003, Revised Statutes Supplement,
2 2013, is amended to read:

3 79-1003 For purposes of the Tax Equity and Educational
4 Opportunities Support Act:

5 (1) Adjusted general fund operating expenditures means
6 (a) for school fiscal years 2010-11 through 2012-13, the difference
7 of the general fund operating expenditures as calculated pursuant to
8 subdivision (22) of this section increased by, or for aid calculated
9 for school fiscal year 2010-11 multiplied by, the cost growth factor
10 calculated pursuant to section 79-1007.10, minus the transportation
11 allowance, special receipts allowance, poverty allowance, limited
12 English proficiency allowance, distance education and
13 telecommunications allowance, elementary site allowance, elementary
14 class size allowance, summer school allowance, instructional time
15 allowance, teacher education allowance, and focus school and program
16 allowance, and (b) for school fiscal year 2013-14 and each school
17 fiscal year thereafter, the difference of the general fund operating
18 expenditures as calculated pursuant to subdivision (22) of this
19 section increased by the cost growth factor calculated pursuant to
20 section 79-1007.10, minus the transportation allowance, special
21 receipts allowance, poverty allowance, limited English proficiency
22 allowance, distance education and telecommunications allowance,
23 elementary site allowance, summer school allowance, instructional
24 time allowance, teacher education allowance, and focus school and
25 program allowance;

1 (2) Adjusted valuation means the assessed valuation of
2 taxable property of each local system in the state, adjusted pursuant
3 to the adjustment factors described in section 79-1016. Adjusted
4 valuation means the adjusted valuation for the property tax year
5 ending during the school fiscal year immediately preceding the school
6 fiscal year in which the aid based upon that value is to be paid. For
7 purposes of determining the local effort rate yield pursuant to
8 section 79-1015.01, adjusted valuation does not include the value of
9 any property which a court, by a final judgment from which no appeal
10 is taken, has declared to be nontaxable or exempt from taxation;

11 (3) Allocated income tax funds means the amount of
12 assistance paid to a local system pursuant to section 79-1005.01 as
13 adjusted by the minimum levy adjustment pursuant to section
14 79-1008.02;

15 (4) Average daily membership means the average daily
16 membership for grades kindergarten through twelve attributable to the
17 local system, as provided in each district's annual statistical
18 summary, and includes the proportionate share of students enrolled in
19 a public school instructional program on less than a full-time basis;

20 (5) Base fiscal year means the first school fiscal year
21 following the school fiscal year in which the reorganization or
22 unification occurred;

23 (6) Board means the school board of each school district;

24 (7) Categorical funds means funds limited to a specific
25 purpose by federal or state law, including, but not limited to, Title

1 I funds, Title VI funds, federal vocational education funds, federal
2 school lunch funds, Indian education funds, Head Start funds, and
3 funds from the Education Innovation Fund. Categorical funds does not
4 include funds received pursuant to section 79-1028.02 or 79-1028.04;

5 (8) Consolidate means to voluntarily reduce the number of
6 school districts providing education to a grade group and does not
7 include dissolution pursuant to section 79-498;

8 (9) Converted contract means an expired contract that was
9 in effect for at least fifteen school years beginning prior to school
10 year 2012-13 for the education of students in a nonresident district
11 in exchange for tuition from the resident district when the
12 expiration of such contract results in the nonresident district
13 educating students, who would have been covered by the contract if
14 the contract were still in effect, as option students pursuant to the
15 enrollment option program established in section 79-234;

16 (10) Converted contract option student means a student
17 who will be an option student pursuant to the enrollment option
18 program established in section 79-234 for the school fiscal year for
19 which aid is being calculated and who would have been covered by a
20 converted contract if the contract were still in effect and such
21 school fiscal year is the first school fiscal year for which such
22 contract is not in effect;

23 (11) Department means the State Department of Education;

24 (12) District means any Class I, II, III, IV, V, or VI
25 school district and, beginning with the calculation of state aid for

1 school fiscal year 2011-12 and each school fiscal year thereafter, a
2 unified system as defined in section 79-4,108;

3 (13) Ensuing school fiscal year means the school fiscal
4 year following the current school fiscal year;

5 (14) Equalization aid means the amount of assistance
6 calculated to be paid to a local system pursuant to sections
7 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,
8 79-1022.02, 79-1028.02, and 79-1028.04;

9 (15) Fall membership means the total membership in
10 kindergarten through grade twelve attributable to the local system as
11 reported on the fall school district membership reports for each
12 district pursuant to section 79-528;

13 (16) Fiscal year means the state fiscal year which is the
14 period from July 1 to the following June 30;

15 (17) Formula students means:

16 (a) For state aid certified pursuant to section 79-1022,
17 the sum of the product of fall membership from the school fiscal year
18 immediately preceding the school fiscal year in which the aid is to
19 be paid multiplied by the average ratio of average daily membership
20 to fall membership for the second school fiscal year immediately
21 preceding the school fiscal year in which the aid is to be paid and
22 the prior two school fiscal years plus sixty percent of the qualified
23 early childhood education fall membership plus tuitioned students
24 from the school fiscal year immediately preceding the school fiscal
25 year in which aid is to be paid minus the product of the number of

1 students enrolled in kindergarten that is not full-day kindergarten
2 from the fall membership multiplied by 0.5; and

3 (b) For the final calculation of state aid pursuant to
4 section 79-1065, the sum of average daily membership plus sixty
5 percent of the qualified early childhood education average daily
6 membership plus tuitioned students minus the product of the number of
7 students enrolled in kindergarten that is not full-day kindergarten
8 from the average daily membership multiplied by 0.5 from the school
9 fiscal year immediately preceding the school fiscal year in which aid
10 was paid;

11 (18) Free lunch and free milk student means a student who
12 qualified for free lunches or free milk from the most recent data
13 available on November 1 of the school fiscal year immediately
14 preceding the school fiscal year in which aid is to be paid;

15 (19) Full-day kindergarten means kindergarten offered by
16 a district for at least one thousand thirty-two instructional hours;

17 (20) General fund budget of expenditures means the total
18 budget of disbursements and transfers for general fund purposes as
19 certified in the budget statement adopted pursuant to the Nebraska
20 Budget Act, except that for purposes of the limitation imposed in
21 section 79-1023 and the calculation pursuant to subdivision (2) of
22 section 79-1027.01, the general fund budget of expenditures does not
23 include any special grant funds, exclusive of local matching funds,
24 received by a district;

25 (21) General fund expenditures means all expenditures

1 from the general fund;

2 (22) General fund operating expenditures means for state
3 aid calculated for school fiscal years 2012-13 and each school fiscal
4 year thereafter, as reported on the annual financial report for the
5 second school fiscal year immediately preceding the school fiscal
6 year in which aid is to be paid, the total general fund expenditures
7 minus (a) the amount of all receipts to the general fund, to the
8 extent that such receipts are not included in local system formula
9 resources, from early childhood education tuition, summer school
10 tuition, educational entities as defined in section 79-1201.01 for
11 providing distance education courses through the Educational Service
12 Unit Coordinating Council to such educational entities, private
13 foundations, individuals, associations, charitable organizations, the
14 textbook loan program authorized by section 79-734, federal impact
15 aid, and levy override elections pursuant to section 77-3444, (b) the
16 amount of expenditures for categorical funds, tuition paid,
17 transportation fees paid to other districts, adult education,
18 community services, redemption of the principal portion of general
19 fund debt service, retirement incentive plans authorized by section
20 79-855, and staff development assistance authorized by section
21 79-856, (c) the amount of any transfers from the general fund to any
22 bond fund and transfers from other funds into the general fund, (d)
23 any legal expenses in excess of fifteen-hundredths of one percent of
24 the formula need for the school fiscal year in which the expenses
25 occurred, (e) expenditures to pay for sums agreed to be paid by a

1 school district to certificated employees in exchange for a voluntary
2 termination occurring prior to July 1, 2009, occurring on or after
3 the last day of the 2010-11 school year and prior to the first day of
4 the 2013-14 school year, or, to the extent that a district has
5 demonstrated to the State Board of Education pursuant to section
6 79-1028.01 that the agreement will result in a net savings in salary
7 and benefit costs to the school district over a five-year period,
8 occurring on or after the first day of the 2013-14 school year, (f)
9 (i) expenditures to pay for employer contributions pursuant to
10 subsection (2) of section 79-958 to the School Employees Retirement
11 System of the State of Nebraska to the extent that such expenditures
12 exceed the employer contributions under such subsection that would
13 have been made at a contribution rate of seven and thirty-five
14 hundredths percent or (ii) expenditures to pay for school district
15 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113
16 to the retirement system established pursuant to the Class V School
17 Employees Retirement Act to the extent that such expenditures exceed
18 the school district contributions under such subdivision that would
19 have been made at a contribution rate of seven and thirty-seven
20 hundredths percent, and (g) any amounts paid by the district for
21 lobbyist fees and expenses reported to the Clerk of the Legislature
22 pursuant to section 49-1483.

23 For purposes of this subdivision (22) of this section,
24 receipts from levy override elections shall equal ninety-nine percent
25 of the difference of the total general fund levy minus a levy of one

1 dollar and five cents per one hundred dollars of taxable valuation
2 multiplied by the assessed valuation for school districts that have
3 voted pursuant to section 77-3444 to override the maximum levy
4 provided pursuant to section 77-3442;

5 (23) High school district means a school district
6 providing instruction in at least grades nine through twelve;

7 (24) Income tax liability means the amount of the
8 reported income tax liability for resident individuals pursuant to
9 the Nebraska Revenue Act of 1967 less all nonrefundable credits
10 earned and refunds made;

11 (25) Income tax receipts means the amount of income tax
12 collected pursuant to the Nebraska Revenue Act of 1967 less all
13 nonrefundable credits earned and refunds made;

14 (26) Limited English proficiency students means the
15 number of students with limited English proficiency in a district
16 from the most recent data available on November 1 of the school
17 fiscal year preceding the school fiscal year in which aid is to be
18 paid plus the difference of such students with limited English
19 proficiency minus the average number of limited English proficiency
20 students for such district, prior to such addition, for the three
21 immediately preceding school fiscal years if such difference is
22 greater than zero;

23 (27) Local system means (a) for school fiscal years prior
24 to school fiscal year 2015-16, a learning community for purposes of
25 calculation of state aid for the second full school fiscal year after

1 becoming a learning community and each school fiscal year thereafter,
2 a unified system, a Class VI district and the associated Class I
3 districts, or a Class II, III, IV, or V district and any affiliated
4 Class I districts or portions of Class I districts and (b) for school
5 fiscal year 2015-16 and each school fiscal year thereafter, a unified
6 system, a Class VI district and the associated Class I districts, or
7 a Class II, III, IV, or V district and any affiliated Class I
8 districts or portions of Class I districts. The membership,
9 expenditures, and resources of Class I districts that are affiliated
10 with multiple high school districts will be attributed to local
11 systems based on the percent of the Class I valuation that is
12 affiliated with each high school district;

13 (28) Low-income child means a child under nineteen years
14 of age living in a household having an annual adjusted gross income
15 for the second calendar year preceding the beginning of the school
16 fiscal year for which aid is being calculated equal to or less than
17 the maximum household income that would allow a student from a family
18 of four people to be a free lunch and free milk student during the
19 school fiscal year immediately preceding the school fiscal year for
20 which aid is being calculated;

21 (29) Low-income students means the number of low-income
22 children within the district multiplied by the ratio of the formula
23 students in the district divided by the total children under nineteen
24 years of age residing in the district as derived from income tax
25 information;

1 (30) Most recently available complete data year means the
2 most recent single school fiscal year for which the annual financial
3 report, fall school district membership report, annual statistical
4 summary, Nebraska income tax liability by school district for the
5 calendar year in which the majority of the school fiscal year falls,
6 and adjusted valuation data are available;

7 (31) Poverty students means the number of low-income
8 students or the number of students who are free lunch and free milk
9 students in a district plus the difference of the number of low-
10 income students or the number of students who are free lunch and free
11 milk students in a district, whichever is greater, minus the average
12 number of poverty students for such district, prior to such addition,
13 for the three immediately preceding school fiscal years if such
14 difference is greater than zero;

15 (32) Qualified early childhood education average daily
16 membership means the product of the average daily membership for
17 school fiscal year 2006-07 and each school fiscal year thereafter of
18 students who will be eligible to attend kindergarten the following
19 school year and are enrolled in an early childhood education program
20 approved by the department pursuant to section 79-1103 for such
21 school district for such school year multiplied by the ratio of the
22 actual instructional hours of the program divided by one thousand
23 thirty-two if: (a) The program is receiving a grant pursuant to such
24 section for the third year; (b) the program has already received
25 grants pursuant to such section for three years; or (c) the program

1 has been approved pursuant to subsection (5) of section 79-1103 for
2 such school year and the two preceding school years, including any
3 such students in portions of any of such programs receiving an
4 expansion grant;

5 (33) Qualified early childhood education fall membership
6 means the product of membership on the last Friday in September 2006
7 and each year thereafter of students who will be eligible to attend
8 kindergarten the following school year and are enrolled in an early
9 childhood education program approved by the department pursuant to
10 section 79-1103 for such school district for such school year
11 multiplied by the ratio of the planned instructional hours of the
12 program divided by one thousand thirty-two if: (a) The program is
13 receiving a grant pursuant to such section for the third year; (b)
14 the program has already received grants pursuant to such section for
15 three years; or (c) the program has been approved pursuant to
16 subsection (5) of section 79-1103 for such school year and the two
17 preceding school years, including any such students in portions of
18 any of such programs receiving an expansion grant;

19 (34) Regular route transportation means the
20 transportation of students on regularly scheduled daily routes to and
21 from the attendance center;

22 (35) Reorganized district means any district involved in
23 a consolidation and currently educating students following
24 consolidation;

25 (36) School year or school fiscal year means the fiscal

1 year of a school district as defined in section 79-1091;

2 (37) Sparse local system means a local system that is not
3 a very sparse local system but which meets the following criteria:

4 (a)(i) Less than two students per square mile in the
5 county in which each high school is located, based on the school
6 district census, (ii) less than one formula student per square mile
7 in the local system, and (iii) more than ten miles between each high
8 school attendance center and the next closest high school attendance
9 center on paved roads;

10 (b)(i) Less than one and one-half formula students per
11 square mile in the local system and (ii) more than fifteen miles
12 between each high school attendance center and the next closest high
13 school attendance center on paved roads;

14 (c)(i) Less than one and one-half formula students per
15 square mile in the local system and (ii) more than two hundred
16 seventy-five square miles in the local system; or

17 (d)(i) Less than two formula students per square mile in
18 the local system and (ii) the local system includes an area equal to
19 ninety-five percent or more of the square miles in the largest county
20 in which a high school attendance center is located in the local
21 system;

22 (38) Special education means specially designed
23 kindergarten through grade twelve instruction pursuant to section
24 79-1125, and includes special education transportation;

25 (39) Special grant funds means the budgeted receipts for

1 grants, including, but not limited to, categorical funds,
2 reimbursements for wards of the court, short-term borrowings
3 including, but not limited to, registered warrants and tax
4 anticipation notes, interfund loans, insurance settlements, and
5 reimbursements to county government for previous overpayment. The
6 state board shall approve a listing of grants that qualify as special
7 grant funds;

8 (40) State aid means the amount of assistance paid to a
9 district pursuant to the Tax Equity and Educational Opportunities
10 Support Act;

11 (41) State board means the State Board of Education;

12 (42) State support means all funds provided to districts
13 by the State of Nebraska for the general fund support of elementary
14 and secondary education;

15 (43) Statewide average basic funding per formula student
16 means the statewide total basic funding for all districts divided by
17 the statewide total formula students for all districts;

18 (44) Statewide average general fund operating
19 expenditures per formula student means the statewide total general
20 fund operating expenditures for all districts divided by the
21 statewide total formula students for all districts;

22 (45) Teacher has the definition found in section 79-101;

23 (46) Temporary aid adjustment factor means (a) for school
24 fiscal years before school fiscal year 2007-08, one and one-fourth
25 percent of the sum of the local system's transportation allowance,

1 the local system's special receipts allowance, and the product of the
2 local system's adjusted formula students multiplied by the average
3 formula cost per student in the local system's cost grouping and (b)
4 for school fiscal year 2007-08, one and one-fourth percent of the sum
5 of the local system's transportation allowance, special receipts
6 allowance, and distance education and telecommunications allowance
7 and the product of the local system's adjusted formula students
8 multiplied by the average formula cost per student in the local
9 system's cost grouping;

10 (47) Tuition receipts from converted contracts means
11 tuition receipts received by a district from another district in the
12 most recently available complete data year pursuant to a converted
13 contract prior to the expiration of the contract;

14 (48) Tuitioned students means students in kindergarten
15 through grade twelve of the district whose tuition is paid by the
16 district to some other district or education agency; and

17 (49) Very sparse local system means a local system that
18 has:

19 (a)(i) Less than one-half student per square mile in each
20 county in which each high school attendance center is located based
21 on the school district census, (ii) less than one formula student per
22 square mile in the local system, and (iii) more than fifteen miles
23 between the high school attendance center and the next closest high
24 school attendance center on paved roads; or

25 (b)(i) More than four hundred fifty square miles in the

1 local system, (ii) less than one-half student per square mile in the
2 local system, and (iii) more than fifteen miles between each high
3 school attendance center and the next closest high school attendance
4 center on paved roads.

5 Sec. 2. Section 79-1007.11, Revised Statutes Supplement,
6 2013, is amended to read:

7 79-1007.11 (1) Except as otherwise provided in this
8 section, for school fiscal years 2011-12 and 2012-13, each school
9 district's formula need shall equal the difference of the sum of the
10 school district's basic funding, poverty allowance, limited English
11 proficiency allowance, elementary class size allowance, focus school
12 and program allowance, summer school allowance, special receipts
13 allowance, transportation allowance, elementary site allowance,
14 instructional time allowance, teacher education allowance, distance
15 education and telecommunications allowance, averaging adjustment, new
16 learning community transportation adjustment, student growth
17 adjustment, any positive student growth adjustment correction, and
18 new school adjustment, minus the sum of the limited English
19 proficiency allowance correction, poverty allowance correction, any
20 negative student growth adjustment correction, and local choice
21 adjustment.

22 (2) Except as otherwise provided in this section, for
23 school fiscal year 2013-14 and each school fiscal year thereafter,
24 each school district's formula need shall equal the difference of the
25 sum of the school district's basic funding, poverty allowance,

1 limited English proficiency allowance, focus school and program
2 allowance, summer school allowance, special receipts allowance,
3 transportation allowance, elementary site allowance, instructional
4 time allowance, teacher education allowance, distance education and
5 telecommunications allowance, averaging adjustment, new learning
6 community transportation adjustment, student growth adjustment, any
7 positive student growth adjustment correction, and new school
8 adjustment, minus the sum of the limited English proficiency
9 allowance correction, poverty allowance correction, and any negative
10 student growth adjustment correction.

11 (3) If the formula need calculated for a school district
12 pursuant to subsections (1) and (2) of this section is less than one
13 hundred percent of the formula need for such district for the school
14 fiscal year immediately preceding the school fiscal year for which
15 aid is being calculated, the formula need for such district shall
16 equal one hundred percent of the formula need for such district for
17 the school fiscal year immediately preceding the school fiscal year
18 for which aid is being calculated.

19 (4) ~~Except as provided in subsection (6) of this section,~~
20 ~~if~~If the formula need calculated for a school district pursuant to
21 subsections (1) and (2) of this section is more than one hundred
22 twelve percent of the formula need for such district for the school
23 fiscal year immediately preceding the school fiscal year for which
24 aid is being calculated, the formula need for such district shall
25 equal one hundred twelve percent of the formula need for such

1 district for the school fiscal year immediately preceding the school
2 fiscal year for which aid is being calculated, except that the
3 formula need shall not be reduced pursuant to this subsection for any
4 district receiving a student growth adjustment for the school fiscal
5 year for which aid is being calculated.

6 (5) For purposes of subsections (3) and (4) of this
7 section, the formula need for the school fiscal year immediately
8 preceding the school fiscal year for which aid is being calculated
9 shall be the formula need used in the final calculation of aid
10 pursuant to section 79-1065 and for districts that were affected by a
11 reorganization with an effective date in the calendar year preceding
12 the calendar year in which aid is certified for the school fiscal
13 year for which aid is being calculated, the formula need for the
14 school fiscal year immediately preceding the school fiscal year for
15 which aid is being calculated shall be attributed to the affected
16 school districts based on information provided to the department by
17 the school districts or proportionally based on the adjusted
18 valuation transferred if sufficient information has not been provided
19 to the department.

20 ~~(6) For state aid calculated for the first full school~~
21 ~~fiscal year of a new learning community, if the formula need~~
22 ~~calculated for a member school district pursuant to subsections (1)~~
23 ~~through (3) of this section is less than the sum of the school~~
24 ~~district's state aid certified for the school fiscal year immediately~~
25 ~~preceding the first full school fiscal year of the learning community~~

1 ~~plus the school district's other actual receipts included in local~~
 2 ~~system formula resources pursuant to section 79-1018.01 for such~~
 3 ~~school fiscal year plus the product of the school district's general~~
 4 ~~fund levy for such school fiscal year up to one dollar and five cents~~
 5 ~~multiplied by the school district's assessed valuation for such~~
 6 ~~school fiscal year, the formula need for such school district for the~~
 7 ~~school fiscal year for which aid is being calculated shall equal such~~
 8 ~~sum.~~

9 Sec. 3. Section 79-1008.02, Revised Statutes Cumulative
 10 Supplement, 2012, is amended to read:

11 79-1008.02 (1) A minimum levy adjustment shall be
 12 calculated and applied to any local system that has a general fund
 13 common levy for the fiscal year during which aid is certified that is
 14 less than the maximum levy, for such fiscal year for such local
 15 system, allowed pursuant to subdivision (2)(a) or (b) of section
 16 77-3442 without a vote pursuant to section 77-3444 less five cents
 17 for learning ~~communities~~ community general fund common levies and
 18 less ten cents for all other ~~local systems.~~ general fund common
 19 levies.

20 (2) To calculate the minimum levy adjustment, the
 21 department shall subtract the local system general fund common levy
 22 for such fiscal year for such local system from the maximum levy
 23 allowed pursuant to subdivision (2)(a) or (b) of section 77-3442
 24 without a vote pursuant to section 77-3444 less five cents for
 25 learning ~~communities~~ community general fund common levies and less

1 ten cents for all other ~~local systems~~ general fund common levies and
2 multiply the result by either the school district's adjusted
3 valuation divided by one hundred for local systems that consist of
4 only one school district or the local system's adjusted valuation
5 divided by one hundred for local systems that consist of more than
6 one school district.

7 (3) The minimum levy adjustment shall be added to the
8 formula resources of the local system for the determination of
9 equalization aid pursuant to section 79-1008.01. If the minimum levy
10 adjustment is greater than or equal to the allocated income tax funds
11 calculated pursuant to section 79-1005.01, the local system shall not
12 receive allocated income tax funds. If the minimum levy adjustment is
13 less than the allocated income tax funds calculated pursuant to
14 section 79-1005.01, the local system shall receive allocated income
15 tax funds in the amount of the difference between the allocated
16 income tax funds calculated pursuant to section 79-1005.01 and the
17 minimum levy adjustment.

18 (4) This section does not apply to the calculation of aid
19 for a local system containing a learning community for the first
20 school fiscal year for which aid is calculated for such local system.

21 Sec. 4. Section 79-1022, Revised Statutes Supplement,
22 2013, is amended to read:

23 79-1022 (1) On or before June 1, 2013, and on or before
24 March 1 of each year thereafter for each ensuing fiscal year, the
25 department shall determine the amounts to be distributed to each

1 local system and each district for the ensuing school fiscal year
2 pursuant to the Tax Equity and Educational Opportunities Support Act
3 and shall certify the amounts to the Director of Administrative
4 Services, the Auditor of Public Accounts, each learning community,
5 and each district. The amount to be distributed to each district that
6 is not a member of a learning community from the amount ~~certified~~
7 calculated for a local system shall be proportional based on the
8 formula students attributed to each district in the local system. ~~The~~
9 For school fiscal years prior to school fiscal year 2015-16, the
10 amount to be distributed to each district that is a member of a
11 learning community from the amount ~~certified~~ calculated for the local
12 system shall be proportional based on the formula needs calculated
13 for each district in the local system, except that teacher education
14 aid determined pursuant to subdivision (4) of section 79-1007.25,
15 instructional time aid determined pursuant to subsection (2) of
16 section 79-1007.23, and net option funding determined pursuant to
17 section 79-1009 shall be paid directly to the school district. For
18 school fiscal year 2015-16 and each school fiscal year thereafter,
19 the amount to be distributed to each district that is a member of a
20 learning community shall equal the district's proportional share,
21 based on the formula need calculated for each school district in such
22 learning community, of the sum of the amounts calculated for all
23 local systems containing school districts that are members of such
24 learning community, except that teacher education aid determined
25 pursuant to subdivision (4) of section 79-1007.25, instructional time

1 aid determined pursuant to subsection (2) of section 79-1007.23, and
2 net option funding determined pursuant to section 79-1009 shall be
3 paid directly to the school district. On or before June 1, 2013, and
4 on or before March 1 of each year thereafter for each ensuing fiscal
5 year, the department shall report the necessary funding level for the
6 ensuing school fiscal year to the Governor, the Appropriations
7 Committee of the Legislature, and the Education Committee of the
8 Legislature. The report submitted to the committees of the
9 Legislature shall be submitted electronically. Except as otherwise
10 provided in this subsection, certified state aid amounts, including
11 adjustments pursuant to section 79-1065.02, shall be shown as
12 budgeted non-property-tax receipts and deducted prior to calculating
13 the property tax request in the district's general fund budget
14 statement as provided to the Auditor of Public Accounts pursuant to
15 section 79-1024.

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

1 Sec. 5. Section 79-1073, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 79-1073 On or before September 1 for each year, each
4 learning community coordinating council shall determine the expected
5 amounts to be distributed by the county treasurers to each member
6 school district from general fund property tax receipts pursuant to
7 subdivision (2)(b) of section 77-3442 and shall certify such amounts
8 to each member school district, the county treasurer for each county
9 containing territory in the learning community, and the State
10 Department of Education. Such property tax receipts shall be divided
11 among member school districts proportionally based on the difference
12 of the school district's formula need calculated pursuant to section
13 79-1007.11 minus the sum of the state aid certified pursuant to
14 section 79-1022 and the other actual receipts included in local
15 system formula resources pursuant to section 79-1018.01 for the
16 school fiscal year for which the distribution is being made, except
17 that, for school fiscal year 2015-16 and each school fiscal year
18 thereafter, the expected amount for any member school district shall
19 not be less than ninety-nine percent of an amount calculated for such
20 member school district by applying a rate forty cents less than the
21 rate levied by such learning community pursuant to subdivision (2)(b)
22 of section 77-3442 for the school fiscal year for which the funds are
23 being distributed to the taxable valuation of property subject to
24 levies of the school district pursuant to subdivision (2)(c) of
25 section 77-3442 for the immediately preceding school fiscal year.

1 Each time the county treasurer distributes property tax
2 receipts from the common general fund levy to member school
3 districts, the amount to be distributed to each district shall be
4 proportional based on the total amounts to be distributed to each
5 member school district for the school fiscal year. Each time the
6 county treasurer certifies a property tax refund pursuant to section
7 77-1736.06 based on the common general fund levy for member school
8 districts or any entity issues an in lieu of property tax
9 reimbursement based on the common general fund levy for member school
10 districts, including amounts paid pursuant to sections 70-651.01 and
11 79-1036, the amount to be certified or reimbursed to each district
12 shall be proportional on the same basis as property tax receipts from
13 such levy are distributed to member school districts.

14 Sec. 6. Original sections 79-1008.02 and 79-1073, Revised
15 Statutes Cumulative Supplement, 2012, and sections 79-1003,
16 79-1007.11, and 79-1022, Revised Statutes Supplement, 2013, are
17 repealed.