

AMENDMENTS TO LB548

(Amendments to Standing Committee amendments, AM1506)

Introduced by Lindstrom, 18.

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 Section 1. Section 10-701, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 10-701 The district officers of any school district in Nebraska
6 shall have power, on the terms and conditions set forth in sections
7 10-702 to 10-716, to issue the bonds of the district for the purpose of
8 (1) purchasing a site for and erecting thereon a schoolhouse or
9 schoolhouses or a teacherage or teacherages, or for such purchase or
10 erection, or purchasing an existing building or buildings for use as a
11 schoolhouse or schoolhouses, including the site or sites upon which such
12 building or buildings are located, and furnishing the same, in such
13 district, (2) retiring registered warrants, ~~and~~ (3) paying for additions
14 to or repairs for a schoolhouse or schoolhouses or a teacherage or
15 teacherages, and (4) payment of pension obligations other than those
16 described in subsection (2) of section 79-958 or subdivision (1)(c) of
17 section 79-9,113. For purposes of sections 10-701 to 10-719, pension
18 obligations means the obligations of a school district to the retirement
19 system imposed by the state retirement laws in the amounts determined by
20 an actuary carrying out his or her obligations under section 79-966.01 or
21 79-984.

22 Sec. 2. The question of issuing school district bonds for payment
23 of pension obligations other than those described in subsection (2) of
24 section 79-958 or subdivision (1)(c) of section 79-9,113 may be decided
25 upon the vote of a majority of the entire school board or board of
26 education without being submitted to the qualified electors of the school

1 district. Such issuance shall not be subject to the terms and conditions
2 contained in sections 10-703 to 10-703.01.

3 Sec. 3. It shall be the duty of the proper district officers of any
4 school district in which any bonds were authorized to be issued pursuant
5 to section 2 of this act, before the issuance of such bonds, to make a
6 written statement of the taxable valuation, the number of children of
7 school age residing in the district, and the total bonded indebtedness of
8 the school district. Such statement shall be certified to under oath by
9 the proper school board or board of education of the district.

10 Sec. 4. Section 10-717, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 10-717 Any school district in the State of Nebraska which has
13 heretofore (1) voted and issued, or which shall hereafter vote and issue,
14 bonds to build or furnish a schoolhouse, or for any other purpose or (2)
15 issued, or which shall hereafter issue, bonds for the payment of pension
16 obligations other than those described in subsection (2) of section
17 79-958 or subdivision (1)(c) of section 79-9,113, and which bonds, or any
18 part thereof, still remain unpaid, and remain and are a legal liability
19 against such district and are bearing interest, is hereby authorized to
20 issue refunding bonds with which to call and redeem all or any part of
21 such outstanding bonds at or before the maturity or the redemption date
22 thereof, and may include various series and issues of the outstanding
23 bonds in a single issue of refunding bonds, and issue refunding bonds to
24 pay any redemption premium and interest to accrue and become payable on
25 the outstanding bonds being refunded. The refunding bonds may be issued
26 and delivered at any time prior to the date of maturity or the redemption
27 date of the bonds to be refunded that the school district determines to
28 be in the best interest of the district. The proceeds derived from the
29 sale of refunding bonds issued pursuant to this section may be invested
30 in obligations of, or guaranteed by, the United States Government pending
31 the time the proceeds are required for the purposes for which such

1 refunding bonds were issued. To further secure the refunding bonds, the
2 school district may enter into a contract with any bank or trust company,
3 within or without the state, with respect to the safekeeping and
4 application of the proceeds of the refunding bonds and the safekeeping
5 and application of the earnings on the investment. Any outstanding bonds,
6 which shall have been called for redemption and which have sufficient
7 funds or obligations of, or guaranteed by, the United States Government
8 set aside in safekeeping to be applied for the complete payment of such
9 bonds, interest thereon, and redemption premium, if any on the redemption
10 date, shall not be considered as outstanding and unpaid bonds. All bonds
11 issued under the provisions of sections 10-717 to 10-719 must, on their
12 face, contain a clause that the district issuing such bonds shall have
13 the right to redeem such bonds at the expiration of five years from the
14 date of the issuance thereof.

15 Sec. 5. Section 77-3442, Revised Statutes Supplement, 2017, is
16 amended to read:

17 77-3442 (1) Property tax levies for the support of local governments
18 for fiscal years beginning on or after July 1, 1998, shall be limited to
19 the amounts set forth in this section except as provided in section
20 77-3444.

21 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
22 section, school districts and multiple-district school systems may levy a
23 maximum levy of one dollar and five cents per one hundred dollars of
24 taxable valuation of property subject to the levy.

25 (b) For each fiscal year prior to fiscal year 2017-18, learning
26 communities may levy a maximum levy for the general fund budgets of
27 member school districts of ninety-five cents per one hundred dollars of
28 taxable valuation of property subject to the levy. The proceeds from the
29 levy pursuant to this subdivision shall be distributed pursuant to
30 section 79-1073.

31 (c) Except as provided in subdivision (2)(e) of this section, for

1 each fiscal year prior to fiscal year 2017-18, school districts that are
2 members of learning communities may levy for purposes of such districts'
3 general fund budget and special building funds a maximum combined levy of
4 the difference of one dollar and five cents on each one hundred dollars
5 of taxable property subject to the levy minus the learning community levy
6 pursuant to subdivision (2)(b) of this section for such learning
7 community.

8 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
9 of this section are (i) amounts levied to pay for current and future sums
10 agreed to be paid by a school district to certificated employees in
11 exchange for a voluntary termination of employment occurring prior to
12 September 1, 2017, (ii) amounts levied by a school district otherwise at
13 the maximum levy pursuant to subdivision (2)(a) of this section to pay
14 for current and future qualified voluntary termination incentives for
15 certificated teachers pursuant to subsection (3) of section 79-8,142 that
16 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
17 of this section, (iii) amounts levied by a school district otherwise at
18 the maximum levy pursuant to subdivision (2)(a) of this section to pay
19 for seventy-five percent of the current and future sums agreed to be paid
20 to certificated employees in exchange for a voluntary termination of
21 employment occurring between September 1, 2017, and August 31, 2018, as a
22 result of a collective-bargaining agreement in force and effect on
23 September 1, 2017, that are not otherwise included in an exclusion
24 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
25 school district otherwise at the maximum levy pursuant to subdivision (2)
26 (a) of this section to pay for fifty percent of the current and future
27 sums agreed to be paid to certificated employees in exchange for a
28 voluntary termination of employment occurring between September 1, 2018,
29 and August 31, 2019, as a result of a collective-bargaining agreement in
30 force and effect on September 1, 2017, that are not otherwise included in
31 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts

1 levied by a school district otherwise at the maximum levy pursuant to
2 subdivision (2)(a) of this section to pay for twenty-five percent of the
3 current and future sums agreed to be paid to certificated employees in
4 exchange for a voluntary termination of employment occurring between
5 September 1, 2019, and August 31, 2020, as a result of a collective-
6 bargaining agreement in force and effect on September 1, 2017, that are
7 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
8 this section, (vi) amounts levied in compliance with sections 79-10,110
9 and 79-10,110.02, and (vii) amounts levied to pay for special building
10 funds and sinking funds established for projects commenced prior to April
11 1, 1996, for construction, expansion, or alteration of school district
12 buildings, and (viii) beginning September 1, 2018, the difference between
13 the levy necessary to pay for sums agreed to be paid by a school district
14 to certificated employees in exchange for a voluntary termination of
15 employment as of September 1, 2016, and the levy necessary to pay for
16 sums agreed to be paid in compliance with subdivisions (i) to (v) of this
17 subdivision (d) as long as such amounts are utilized to make payments on
18 bonds issued in accordance with section 2 of this act. For purposes of
19 this subsection, commenced means any action taken by the school board on
20 the record which commits the board to expend district funds in planning,
21 constructing, or carrying out the project.

22 (e) Federal aid school districts may exceed the maximum levy
23 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
24 extent necessary to qualify to receive federal aid pursuant to Title VIII
25 of Public Law 103-382, as such title existed on September 1, 2001. For
26 purposes of this subdivision, federal aid school district means any
27 school district which receives ten percent or more of the revenue for its
28 general fund budget from federal government sources pursuant to Title
29 VIII of Public Law 103-382, as such title existed on September 1, 2001.

30 (f) For each fiscal year, learning communities may levy a maximum
31 levy of one-half cent on each one hundred dollars of taxable property

1 subject to the levy for elementary learning center facility leases, for
2 remodeling of leased elementary learning center facilities, and for up to
3 fifty percent of the estimated cost for focus school or program capital
4 projects approved by the learning community coordinating council pursuant
5 to section 79-2111.

6 (g) For each fiscal year, learning communities may levy a maximum
7 levy of one and one-half cents on each one hundred dollars of taxable
8 property subject to the levy for early childhood education programs for
9 children in poverty, for elementary learning center employees, for
10 contracts with other entities or individuals who are not employees of the
11 learning community for elementary learning center programs and services,
12 and for pilot projects, except that no more than ten percent of such levy
13 may be used for elementary learning center employees.

14 (3) For each fiscal year, community college areas may levy the
15 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
16 accordance with the provisions of such subdivisions. A community college
17 area may exceed the levy provided in subdivision (2)(b) of section
18 85-1517 by the amount necessary to retire general obligation bonds
19 assumed by the community college area or issued pursuant to section
20 85-1515 according to the terms of such bonds or for any obligation
21 pursuant to section 85-1535 entered into prior to January 1, 1997.

22 (4)(a) Natural resources districts may levy a maximum levy of four
23 and one-half cents per one hundred dollars of taxable valuation of
24 property subject to the levy.

25 (b) Natural resources districts shall also have the power and
26 authority to levy a tax equal to the dollar amount by which their
27 restricted funds budgeted to administer and implement ground water
28 management activities and integrated management activities under the
29 Nebraska Ground Water Management and Protection Act exceed their
30 restricted funds budgeted to administer and implement ground water
31 management activities and integrated management activities for FY2003-04,

1 not to exceed one cent on each one hundred dollars of taxable valuation
2 annually on all of the taxable property within the district.

3 (c) In addition, natural resources districts located in a river
4 basin, subbasin, or reach that has been determined to be fully
5 appropriated pursuant to section 46-714 or designated as overappropriated
6 pursuant to section 46-713 by the Department of Natural Resources shall
7 also have the power and authority to levy a tax equal to the dollar
8 amount by which their restricted funds budgeted to administer and
9 implement ground water management activities and integrated management
10 activities under the Nebraska Ground Water Management and Protection Act
11 exceed their restricted funds budgeted to administer and implement ground
12 water management activities and integrated management activities for
13 FY2005-06, not to exceed three cents on each one hundred dollars of
14 taxable valuation on all of the taxable property within the district for
15 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
16 2017-18.

17 (5) Any educational service unit authorized to levy a property tax
18 pursuant to section 79-1225 may levy a maximum levy of one and one-half
19 cents per one hundred dollars of taxable valuation of property subject to
20 the levy.

21 (6)(a) Incorporated cities and villages which are not within the
22 boundaries of a municipal county may levy a maximum levy of forty-five
23 cents per one hundred dollars of taxable valuation of property subject to
24 the levy plus an additional five cents per one hundred dollars of taxable
25 valuation to provide financing for the municipality's share of revenue
26 required under an agreement or agreements executed pursuant to the
27 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
28 levy shall include amounts levied to pay for sums to support a library
29 pursuant to section 51-201, museum pursuant to section 51-501, visiting
30 community nurse, home health nurse, or home health agency pursuant to
31 section 71-1637, or statue, memorial, or monument pursuant to section

1 80-202.

2 (b) Incorporated cities and villages which are within the boundaries
3 of a municipal county may levy a maximum levy of ninety cents per one
4 hundred dollars of taxable valuation of property subject to the levy. The
5 maximum levy shall include amounts paid to a municipal county for county
6 services, amounts levied to pay for sums to support a library pursuant to
7 section 51-201, a museum pursuant to section 51-501, a visiting community
8 nurse, home health nurse, or home health agency pursuant to section
9 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

10 (7) Sanitary and improvement districts which have been in existence
11 for more than five years may levy a maximum levy of forty cents per one
12 hundred dollars of taxable valuation of property subject to the levy, and
13 sanitary and improvement districts which have been in existence for five
14 years or less shall not have a maximum levy. Unconsolidated sanitary and
15 improvement districts which have been in existence for more than five
16 years and are located in a municipal county may levy a maximum of eighty-
17 five cents per hundred dollars of taxable valuation of property subject
18 to the levy.

19 (8) Counties may levy or authorize a maximum levy of fifty cents per
20 one hundred dollars of taxable valuation of property subject to the levy,
21 except that five cents per one hundred dollars of taxable valuation of
22 property subject to the levy may only be levied to provide financing for
23 the county's share of revenue required under an agreement or agreements
24 executed pursuant to the Interlocal Cooperation Act or the Joint Public
25 Agency Act. The maximum levy shall include amounts levied to pay for sums
26 to support a library pursuant to section 51-201 or museum pursuant to
27 section 51-501. The county may allocate up to fifteen cents of its
28 authority to other political subdivisions subject to allocation of
29 property tax authority under subsection (1) of section 77-3443 and not
30 specifically covered in this section to levy taxes as authorized by law
31 which do not collectively exceed fifteen cents per one hundred dollars of

1 taxable valuation on any parcel or item of taxable property. The county
2 may allocate to one or more other political subdivisions subject to
3 allocation of property tax authority by the county under subsection (1)
4 of section 77-3443 some or all of the county's five cents per one hundred
5 dollars of valuation authorized for support of an agreement or agreements
6 to be levied by the political subdivision for the purpose of supporting
7 that political subdivision's share of revenue required under an agreement
8 or agreements executed pursuant to the Interlocal Cooperation Act or the
9 Joint Public Agency Act. If an allocation by a county would cause another
10 county to exceed its levy authority under this section, the second county
11 may exceed the levy authority in order to levy the amount allocated.

12 (9) Municipal counties may levy or authorize a maximum levy of one
13 dollar per one hundred dollars of taxable valuation of property subject
14 to the levy. The municipal county may allocate levy authority to any
15 political subdivision or entity subject to allocation under section
16 77-3443.

17 (10) Beginning July 1, 2016, rural and suburban fire protection
18 districts may levy a maximum levy of ten and one-half cents per one
19 hundred dollars of taxable valuation of property subject to the levy if
20 (a) such district is located in a county that had a levy pursuant to
21 subsection (8) of this section in the previous year of at least forty
22 cents per one hundred dollars of taxable valuation of property subject to
23 the levy or (b) for any rural or suburban fire protection district that
24 had a levy request pursuant to section 77-3443 in the previous year, the
25 county board of the county in which the greatest portion of the valuation
26 of such district is located did not authorize any levy authority to such
27 district in the previous year.

28 (11) Property tax levies (a) for judgments, except judgments or
29 orders from the Commission of Industrial Relations, obtained against a
30 political subdivision which require or obligate a political subdivision
31 to pay such judgment, to the extent such judgment is not paid by

1 liability insurance coverage of a political subdivision, (b) for
2 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
3 for bonds as defined in section 10-134 approved according to law and
4 secured by a levy on property except as provided in section 44-4317 for
5 bonded indebtedness issued by educational service units and school
6 districts and except as provided in section 2 of this act for bonded
7 indebtedness issued by school districts, and (d) for payments by a public
8 airport to retire interest-free loans from the Division of Aeronautics of
9 the Department of Transportation in lieu of bonded indebtedness at a
10 lower cost to the public airport are not included in the levy limits
11 established by this section.

12 (12) The limitations on tax levies provided in this section are to
13 include all other general or special levies provided by law.
14 Notwithstanding other provisions of law, the only exceptions to the
15 limits in this section are those provided by or authorized by sections
16 77-3442 to 77-3444.

17 (13) Tax levies in excess of the limitations in this section shall
18 be considered unauthorized levies under section 77-1606 unless approved
19 under section 77-3444.

20 (14) For purposes of sections 77-3442 to 77-3444, political
21 subdivision means a political subdivision of this state and a county
22 agricultural society.

23 (15) For school districts that file a binding resolution on or
24 before May 9, 2008, with the county assessors, county clerks, and county
25 treasurers for all counties in which the school district has territory
26 pursuant to subsection (7) of section 79-458, if the combined levies,
27 except levies for bonded indebtedness approved by the voters of the
28 school district and levies for the refinancing of such bonded
29 indebtedness, are in excess of the greater of (a) one dollar and twenty
30 cents per one hundred dollars of taxable valuation of property subject to
31 the levy or (b) the maximum levy authorized by a vote pursuant to section

1 77-3444, all school district levies, except levies for bonded
2 indebtedness approved by the voters of the school district and levies for
3 the refinancing of such bonded indebtedness, shall be considered
4 unauthorized levies under section 77-1606.

5 Sec. 6. Section 79-984, Revised Statutes Cumulative Supplement,
6 2016, is amended to read:

7 79-984 (1)(a) The board of trustees shall contract for the services
8 of an actuary who shall be the technical advisor of the board of trustees
9 on matters regarding the operation of the retirement system. The
10 selection of the actuary shall be approved by the board of education. The
11 actuary shall (i) ~~(1)~~ make a general investigation of the operation of
12 the retirement system annually, which investigation shall cover
13 mortality, retirement, disability, employment, turnover, interest, and
14 earnable compensation, and (ii) ~~(2)~~ recommend tables to be used for all
15 required actuarial calculations. The actuary shall perform such other
16 duties as may be assigned by the board of trustees.

17 (b) Beginning on January 1, 2023, and on January 1 every five years
18 thereafter, the Public Employees Retirement Board shall cause an
19 actuarial valuation to be performed that will value the assets of the
20 retirement system and ascertain whether additional contributions by the
21 school district may be actuarially required to maintain the solvency of
22 the system. Such valuation shall be performed using the same methods and
23 applicable assumptions provided in section 79-966.01 in determining the
24 additional contributions of the state to the School Employees Retirement
25 System of the State of Nebraska, with unfunded actuarial liability
26 measured and amortized over a thirty-year period. If such actuarial
27 valuation indicates that the actuarially required contribution rate to
28 maintain the solvency of the retirement system exceeds the rate of all
29 contributions required pursuant to the Class V School Employees
30 Retirement Act, the actuary shall determine the additional contributions
31 that are to be made by the school district by adjusting the employer

1 contribution rate as provided in subdivision (1)(c) of section 79-9,113.
2 The school district's additional contributions pursuant to this adjusted
3 contribution rate shall commence with the fiscal year that begins after
4 the date of the actuarial valuation and continue for a period of five
5 fiscal years through the fiscal year of the next actuarial valuation
6 required by this subdivision.

7 Sec. 7. Section 79-9,113, Revised Statutes Cumulative Supplement,
8 2016, is amended to read:

9 79-9,113 (1)(a) If, at any future time, a majority of the eligible
10 members of the retirement system votes to be included under an agreement
11 providing old age and survivors insurance under the Social Security Act
12 of the United States, the contributions to be made by the member and the
13 school district for membership service, from and after the effective date
14 of the agreement with respect to services performed subsequent to
15 December 31, 1954, shall each be reduced from five to three percent but
16 not less than three percent of the member's salary per annum, and the
17 credits for membership service under this system, as provided in section
18 79-999, shall thereafter be reduced from one and one-half percent to
19 nine-tenths of one percent and not less than nine-tenths of one percent
20 of salary or wage earned by the member during each fiscal year, and from
21 one and sixty-five hundredths percent to one percent and not less than
22 one percent of salary or wage earned by the member during each fiscal
23 year and from two percent to one and two-tenths percent of salary or wage
24 earned by the member during each fiscal year, and from two and four-
25 tenths percent to one and forty-four hundredths percent of salary or wage
26 earned by the member during each fiscal year, except that after September
27 1, 1963, and prior to September 1, 1969, all employees of the school
28 district shall contribute an amount equal to the membership contribution
29 which shall be two and three-fourths percent of salary covered by old age
30 and survivors insurance, and five percent above that amount. Commencing
31 September 1, 1969, all employees of the school district shall contribute

1 an amount equal to the membership contribution which shall be two and
2 three-fourths percent of the first seven thousand eight hundred dollars
3 of salary or wages earned each fiscal year and five percent of salary or
4 wages earned above that amount in the same fiscal year. Commencing
5 September 1, 1976, all employees of the school district shall contribute
6 an amount equal to the membership contribution which shall be two and
7 nine-tenths percent of the first seven thousand eight hundred dollars of
8 salary or wages earned each fiscal year and five and twenty-five
9 hundredths percent of salary or wages earned above that amount in the
10 same fiscal year. Commencing on September 1, 1982, all employees of the
11 school district shall contribute an amount equal to the membership
12 contribution which shall be four and nine-tenths percent of the
13 compensation earned in each fiscal year. Commencing September 1, 1989,
14 all employees of the school district shall contribute an amount equal to
15 the membership contribution which shall be five and eight-tenths percent
16 of the compensation earned in each fiscal year. Commencing September 1,
17 1995, all employees of the school district shall contribute an amount
18 equal to the membership contribution which shall be six and three-tenths
19 percent of the compensation earned in each fiscal year. Commencing
20 September 1, 2007, all employees of the school district shall contribute
21 an amount equal to the membership contribution which shall be seven and
22 three-tenths percent of the compensation paid in each fiscal year.
23 Commencing September 1, 2009, all employees of the school district shall
24 contribute an amount equal to the membership contribution which shall be
25 eight and three-tenths percent of the compensation paid in each fiscal
26 year. Commencing September 1, 2011, all employees of the school district
27 shall contribute an amount equal to the membership contribution which
28 shall be nine and three-tenths percent of the compensation paid in each
29 fiscal year. Commencing September 1, 2013, all employees of the school
30 district shall contribute an amount equal to the membership contribution
31 which shall be nine and seventy-eight hundredths percent of the

1 compensation paid in each fiscal year.

2 (b) The contributions by the school district in any fiscal year
3 beginning on or after September 1, 1999, shall be the greater of (i) one
4 hundred percent of the contributions by the employees for such fiscal
5 year or (ii) such amount as may be necessary to maintain the solvency of
6 the system, as determined annually by the board of education upon
7 recommendation of the actuary and the board of trustees.

8 (c)(i) Before September 1, 2018, the ~~(c)~~The contributions by the
9 school district in any fiscal year beginning on or after September 1,
10 2007, shall be the greater of (A) ~~(i)~~ one hundred one percent of the
11 contributions by the employees for such fiscal year or (B) ~~(ii)~~ such
12 amount as may be necessary to maintain the solvency of the system, as
13 determined annually by the board of education upon recommendation of the
14 actuary and after considering any amounts that will be, or are expected
15 to be, transferred to the system pursuant to subdivision (1)(b) of
16 section 79-966. For purposes of this section, solvency means the rate of
17 all contributions required pursuant to the Class V School Employees
18 Retirement Act is equal to or greater than the actuarially required
19 contribution rate using a closed thirty-year amortization period
20 beginning on the current valuation date for any unfunded actuarial
21 accrued liability. The school district contributions specified in
22 subdivision (A) ~~(i)~~ of this subdivision shall be made monthly and shall
23 be immediately transmitted to the account of the retirement system; and -

24 (ii) Beginning on or after September 1, 2018, the annual
25 contributions by the school district in any fiscal year shall be one
26 hundred one percent of the contributions by the employees for such fiscal
27 year. The school district contributions specified in this subdivision
28 (ii) shall be made monthly and shall be immediately transmitted to the
29 account of the retirement system.

30 (d) The employee's contribution shall be made in the form of a
31 monthly deduction from compensation as provided in subsection (2) of this

1 section and shall be immediately transmitted to the account of the
2 retirement system. Every employee who is a member of the system shall be
3 deemed to consent and agree to such deductions and shall receipt in full
4 for compensation, and payment to such employee of compensation less such
5 deduction shall constitute a full and complete discharge of all claims
6 and demands whatsoever for services rendered by such employee during the
7 period covered by such payment except as to benefits provided under the
8 Class V School Employees Retirement Act.

9 (e) After September 1, 1963, and prior to September 1, 1969, all
10 employees shall be credited with a membership service annuity which shall
11 be nine-tenths of one percent of salary or wage covered by old age and
12 survivors insurance and one and one-half percent of salary or wages above
13 that amount, except that those employees who retire on or after August
14 31, 1969, shall be credited with a membership service annuity which shall
15 be one percent of salary or wages covered by old age and survivors
16 insurance and one and sixty-five hundredths percent of salary or wages
17 above that amount for service performed after September 1, 1963, and
18 prior to September 1, 1969. Commencing September 1, 1969, all employees
19 shall be credited with a membership service annuity which shall be one
20 percent of the first seven thousand eight hundred dollars of salary or
21 wages earned by the employee during each fiscal year and one and sixty-
22 five hundredths percent of salary or wages earned above that amount in
23 the same fiscal year, except that all employees retiring on or after
24 August 31, 1976, shall be credited with a membership service annuity
25 which shall be one and forty-four hundredths percent of the first seven
26 thousand eight hundred dollars of salary or wages earned by the employee
27 during such fiscal year and two and four-tenths percent of salary or
28 wages earned above that amount in the same fiscal year, and the
29 retirement annuities of employees who have not retired prior to September
30 1, 1963, and who elected under the provisions of section 79-988 as such
31 section existed immediately prior to February 20, 1982, not to become

1 members of the system shall not be less than they would have been had
2 they remained under any preexisting system to date of retirement.

3 (f) Members of this system having the service qualifications of
4 members of the School Employees Retirement System of the State of
5 Nebraska, as provided by section 79-926, who are members of the
6 retirement system established pursuant to the Class V School Employees
7 Retirement Act prior to July 1, 2016, shall receive the state service
8 annuity provided by sections 79-933 to 79-935 and 79-951.

9 (g) The school district shall make a single sum contribution of XX
10 to the retirement system on or before January 1, 2019.

11 (2) The school district shall pick up the employee contributions
12 required by this section for all compensation paid on or after January 1,
13 1985, and the contributions so picked up shall be treated as employer
14 contributions in determining federal tax treatment under the Internal
15 Revenue Code, except that the school district shall continue to withhold
16 federal income taxes based upon these contributions until the Internal
17 Revenue Service or the federal courts rule that, pursuant to section
18 414(h) of the Internal Revenue Code, these contributions shall not be
19 included as gross income of the employee until such time as they are
20 distributed or made available. The school district shall pay these
21 employee contributions from the same source of funds which is used in
22 paying earnings to the employee. The school district shall pick up these
23 contributions by a salary deduction either through a reduction in the
24 cash salary of the employee or a combination of a reduction in salary and
25 offset against a future salary increase. Beginning September 1, 1995, the
26 school district shall also pick up any contributions required by sections
27 79-990, 79-991, and 79-992 which are made under an irrevocable payroll
28 deduction authorization between the member and the school district, and
29 the contributions so picked up shall be treated as employer contributions
30 in determining federal tax treatment under the Internal Revenue Code,
31 except that the school district shall continue to withhold federal and

1 state income taxes based upon these contributions until the Internal
2 Revenue Service rules that, pursuant to section 414(h) of the Internal
3 Revenue Code, these contributions shall not be included as gross income
4 of the employee until such time as they are distributed from the system.
5 Employee contributions picked up shall be treated for all purposes of the
6 Class V School Employees Retirement Act in the same manner and to the
7 extent as employee contributions made prior to the date picked up.

8 Sec. 8. Section 79-1003, Revised Statutes Supplement, 2017, is
9 amended to read:

10 79-1003 For purposes of the Tax Equity and Educational Opportunities
11 Support Act:

12 (1) Adjusted general fund operating expenditures means (a) for
13 school fiscal years 2013-14 through 2015-16, the difference of the
14 general fund operating expenditures as calculated pursuant to subdivision
15 (23) of this section increased by the cost growth factor calculated
16 pursuant to section 79-1007.10, minus the transportation allowance,
17 special receipts allowance, poverty allowance, limited English
18 proficiency allowance, distance education and telecommunications
19 allowance, elementary site allowance, summer school allowance,
20 instructional time allowance, teacher education allowance, and focus
21 school and program allowance, (b) for school fiscal years 2016-17 through
22 2018-19, the difference of the general fund operating expenditures as
23 calculated pursuant to subdivision (23) of this section increased by the
24 cost growth factor calculated pursuant to section 79-1007.10, minus the
25 transportation allowance, special receipts allowance, poverty allowance,
26 limited English proficiency allowance, distance education and
27 telecommunications allowance, elementary site allowance, summer school
28 allowance, and focus school and program allowance, and (c) for school
29 fiscal year 2019-20 and each school fiscal year thereafter, the
30 difference of the general fund operating expenditures as calculated
31 pursuant to subdivision (23) of this section increased by the cost growth

1 factor calculated pursuant to section 79-1007.10, minus the
2 transportation allowance, special receipts allowance, poverty allowance,
3 limited English proficiency allowance, distance education and
4 telecommunications allowance, elementary site allowance, summer school
5 allowance, community achievement plan allowance, and focus school and
6 program allowance;

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

17 (3) Allocated income tax funds means the amount of assistance paid
18 to a local system pursuant to section 79-1005.01 as adjusted, for school
19 fiscal years prior to school fiscal year 2017-18, by the minimum levy
20 adjustment pursuant to section 79-1008.02;

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

26 (5) Base fiscal year means the first school fiscal year following
27 the school fiscal year in which the reorganization or unification
28 occurred;

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

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

1 VI funds, federal vocational education funds, federal school lunch funds,
2 Indian education funds, Head Start funds, and funds from the Education
3 Innovation Fund;

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

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

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

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

22 (12) District means any Class I, II, III, IV, V, or VI school
23 district or unified system as defined in section 79-4,108;

24 (13) Ensuing school fiscal year means the school fiscal year
25 following the current school fiscal year;

26 (14) Equalization aid means the amount of assistance calculated to
27 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
28 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

29 (15) Fall membership means the total membership in kindergarten
30 through grade twelve attributable to the local system as reported on the
31 fall school district membership reports for each district pursuant to

1 section 79-528;

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

4 (17) Formula students means:

5 (a) For state aid certified pursuant to section 79-1022, the sum of
6 the product of fall membership from the school fiscal year immediately
7 preceding the school fiscal year in which the aid is to be paid
8 multiplied by the average ratio of average daily membership to fall
9 membership for the second school fiscal year immediately preceding the
10 school fiscal year in which the aid is to be paid and the prior two
11 school fiscal years plus sixty percent of the qualified early childhood
12 education fall membership plus tuitioned students from the school fiscal
13 year immediately preceding the school fiscal year in which aid is to be
14 paid minus the product of the number of students enrolled in kindergarten
15 that is not full-day kindergarten from the fall membership multiplied by
16 0.5; and

17 (b) For the final calculation of state aid pursuant to section
18 79-1065, the sum of average daily membership plus sixty percent of the
19 qualified early childhood education average daily membership plus
20 tuitioned students minus the product of the number of students enrolled
21 in kindergarten that is not full-day kindergarten from the average daily
22 membership multiplied by 0.5 from the school fiscal year immediately
23 preceding the school fiscal year in which aid was paid;

24 (18) Free lunch and free milk calculated students means, using the
25 most recent data available on November 1 of the school fiscal year
26 immediately preceding the school fiscal year in which aid is to be paid,

27 (a) for schools that did not provide free meals to all students pursuant
28 to the community eligibility provision, students who individually
29 qualified for free lunches or free milk pursuant to the federal Richard
30 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
31 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts

1 and sections existed on January 1, 2015, and rules and regulations
2 adopted thereunder, plus (b) for schools that provided free meals to all
3 students pursuant to the community eligibility provision, (i) for school
4 fiscal year 2016-17, the product of the students who attended such school
5 multiplied by the identified student percentage calculated pursuant to
6 such federal provision or (ii) for school fiscal year 2017-18 and each
7 school fiscal year thereafter, the greater of the number of students in
8 such school who individually qualified for free lunch or free milk using
9 the most recent school fiscal year for which the school did not provide
10 free meals to all students pursuant to the community eligibility
11 provision or one hundred ten percent of the product of the students who
12 qualified for free meals at such school pursuant to the community
13 eligibility provision multiplied by the identified student percentage
14 calculated pursuant to such federal provision, except that the free lunch
15 and free milk students calculated for any school pursuant to subdivision
16 (18)(b)(ii) of this section shall not exceed one hundred percent of the
17 students qualified for free meals at such school pursuant to the
18 community eligibility provision;

19 (19) Free lunch and free milk student means, for school fiscal years
20 prior to school fiscal year 2016-17, a student who qualified for free
21 lunches or free milk from the most recent data available on November 1 of
22 the school fiscal year immediately preceding the school fiscal year in
23 which aid is to be paid;

24 (20) Full-day kindergarten means kindergarten offered by a district
25 for at least one thousand thirty-two instructional hours;

26 (21) General fund budget of expenditures means the total budget of
27 disbursements and transfers for general fund purposes as certified in the
28 budget statement adopted pursuant to the Nebraska Budget Act, except that
29 for purposes of the limitation imposed in section 79-1023 and the
30 calculation pursuant to subdivision (2) of section 79-1027.01, the
31 general fund budget of expenditures does not include any special grant

1 funds, exclusive of local matching funds, received by a district;

2 (22) General fund expenditures means all expenditures from the
3 general fund;

4 (23) General fund operating expenditures means for state aid
5 calculated for school fiscal years 2012-13 and each school fiscal year
6 thereafter, as reported on the annual financial report for the second
7 school fiscal year immediately preceding the school fiscal year in which
8 aid is to be paid, the total general fund expenditures minus (a) the
9 amount of all receipts to the general fund, to the extent that such
10 receipts are not included in local system formula resources, from early
11 childhood education tuition, summer school tuition, educational entities
12 as defined in section 79-1201.01 for providing distance education courses
13 through the Educational Service Unit Coordinating Council to such
14 educational entities, private foundations, individuals, associations,
15 charitable organizations, the textbook loan program authorized by section
16 79-734, federal impact aid, and levy override elections pursuant to
17 section 77-3444, (b) the amount of expenditures for categorical funds,
18 tuition paid, transportation fees paid to other districts, adult
19 education, community services, redemption of the principal portion of
20 general fund debt service, retirement incentive plans authorized by
21 section 79-855, and staff development assistance authorized by section
22 79-856, (c) the amount of any transfers from the general fund to any bond
23 fund and transfers from other funds into the general fund, (d) any legal
24 expenses in excess of fifteen-hundredths of one percent of the formula
25 need for the school fiscal year in which the expenses occurred, (e)(i)
26 for state aid calculated for school fiscal years prior to school fiscal
27 year 2018-19, expenditures to pay for sums agreed to be paid by a school
28 district to certificated employees in exchange for a voluntary
29 termination occurring prior to July 1, 2009, occurring on or after the
30 last day of the 2010-11 school year and prior to the first day of the
31 2013-14 school year, or, to the extent that a district has demonstrated

1 to the State Board of Education pursuant to section 79-1028.01 that the
2 agreement will result in a net savings in salary and benefit costs to the
3 school district over a five-year period, occurring on or after the first
4 day of the 2013-14 school year or (ii) for state aid calculated for
5 school fiscal year 2018-19 and each school fiscal year thereafter,
6 expenditures to pay for incentives agreed to be paid by a school district
7 to certificated employees in exchange for a voluntary termination of
8 employment for which the State Board of Education approved an exclusion
9 pursuant to subdivisions (1)(h), (i), (j), or (k) of section 79-1028.01,
10 (f)(i) expenditures to pay for employer contributions pursuant to
11 subsection (2) of section 79-958 to the School Employees Retirement
12 System of the State of Nebraska to the extent that such expenditures
13 exceed the employer contributions under such subsection that would have
14 been made at a contribution rate of seven and thirty-five hundredths
15 percent or (ii) expenditures to pay for school district contributions
16 pursuant to subdivision (1)(c)(i)(A) ~~(1)(e)(i)~~ of section 79-9,113 to the
17 retirement system established pursuant to the Class V School Employees
18 Retirement Act to the extent that such expenditures exceed the school
19 district contributions under such subdivision that would have been made
20 at a contribution rate of seven and thirty-seven hundredths percent, and
21 (g) any amounts paid by the district for lobbyist fees and expenses
22 reported to the Clerk of the Legislature pursuant to section 49-1483.

23 For purposes of this subdivision (23) of this section, receipts from
24 levy override elections shall equal ninety-nine percent of the difference
25 of the total general fund levy minus a levy of one dollar and five cents
26 per one hundred dollars of taxable valuation multiplied by the assessed
27 valuation for school districts that have voted pursuant to section
28 77-3444 to override the maximum levy provided pursuant to section
29 77-3442;

30 (24) High school district means a school district providing
31 instruction in at least grades nine through twelve;

1 (25) Income tax liability means the amount of the reported income
2 tax liability for resident individuals pursuant to the Nebraska Revenue
3 Act of 1967 less all nonrefundable credits earned and refunds made;

4 (26) Income tax receipts means the amount of income tax collected
5 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
6 credits earned and refunds made;

7 (27) Limited English proficiency students means the number of
8 students with limited English proficiency in a district from the most
9 recent data available on November 1 of the school fiscal year preceding
10 the school fiscal year in which aid is to be paid plus the difference of
11 such students with limited English proficiency minus the average number
12 of limited English proficiency students for such district, prior to such
13 addition, for the three immediately preceding school fiscal years if such
14 difference is greater than zero;

15 (28) Local system means a learning community for purposes of
16 calculation of state aid for each school fiscal year prior to school
17 fiscal year 2017-18, a unified system, a Class VI district and the
18 associated Class I districts, or a Class II, III, IV, or V district and
19 any affiliated Class I districts or portions of Class I districts. The
20 membership, expenditures, and resources of Class I districts that are
21 affiliated with multiple high school districts will be attributed to
22 local systems based on the percent of the Class I valuation that is
23 affiliated with each high school district;

24 (29) Low-income child means (a) for school fiscal years prior to
25 2016-17, a child under nineteen years of age living in a household having
26 an annual adjusted gross income for the second calendar year preceding
27 the beginning of the school fiscal year for which aid is being calculated
28 equal to or less than the maximum household income that would allow a
29 student from a family of four people to be a free lunch and free milk
30 student during the school fiscal year immediately preceding the school
31 fiscal year for which aid is being calculated and (b) for school fiscal

1 year 2016-17 and each school fiscal year thereafter, a child under
2 nineteen years of age living in a household having an annual adjusted
3 gross income for the second calendar year preceding the beginning of the
4 school fiscal year for which aid is being calculated equal to or less
5 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
6 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
7 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
8 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
9 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
10 existed on January 1, 2015, for a household of that size that would have
11 allowed the child to meet the income qualifications for free meals during
12 the school fiscal year immediately preceding the school fiscal year for
13 which aid is being calculated;

14 (30) Low-income students means the number of low-income children
15 within the district multiplied by the ratio of the formula students in
16 the district divided by the total children under nineteen years of age
17 residing in the district as derived from income tax information;

18 (31) Most recently available complete data year means the most
19 recent single school fiscal year for which the annual financial report,
20 fall school district membership report, annual statistical summary,
21 Nebraska income tax liability by school district for the calendar year in
22 which the majority of the school fiscal year falls, and adjusted
23 valuation data are available;

24 (32) Poverty students means (a) for school fiscal years prior to
25 2016-17, the number of low-income students or the number of students who
26 are free lunch and free milk students in a district plus the difference
27 of the number of low-income students or the number of students who are
28 free lunch and free milk students in a district, whichever is greater,
29 minus the average number of poverty students for such district, prior to
30 such addition, for the three immediately preceding school fiscal years if
31 such difference is greater than zero and (b) for school fiscal year

1 2016-17 and each school fiscal year thereafter, the unadjusted poverty
2 students plus the difference of such unadjusted poverty students minus
3 the average number of poverty students for such district, prior to such
4 addition, for the three immediately preceding school fiscal years if such
5 difference is greater than zero;

6 (33) Qualified early childhood education average daily membership
7 means the product of the average daily membership for school fiscal year
8 2006-07 and each school fiscal year thereafter of students who will be
9 eligible to attend kindergarten the following school year and are
10 enrolled in an early childhood education program approved by the
11 department pursuant to section 79-1103 for such school district for such
12 school year multiplied by the ratio of the actual instructional hours of
13 the program divided by one thousand thirty-two if: (a) The program is
14 receiving a grant pursuant to such section for the third year; (b) the
15 program has already received grants pursuant to such section for three
16 years; or (c) the program has been approved pursuant to subsection (5) of
17 section 79-1103 for such school year and the two preceding school years,
18 including any such students in portions of any of such programs receiving
19 an expansion grant;

20 (34) Qualified early childhood education fall membership means the
21 product of membership on the last Friday in September 2006 and each year
22 thereafter of students who will be eligible to attend kindergarten the
23 following school year and are enrolled in an early childhood education
24 program approved by the department pursuant to section 79-1103 for such
25 school district for such school year multiplied by the ratio of the
26 planned instructional hours of the program divided by one thousand
27 thirty-two if: (a) The program is receiving a grant pursuant to such
28 section for the third year; (b) the program has already received grants
29 pursuant to such section for three years; or (c) the program has been
30 approved pursuant to subsection (5) of section 79-1103 for such school
31 year and the two preceding school years, including any such students in

1 portions of any of such programs receiving an expansion grant;

2 (35) Regular route transportation means the transportation of
3 students on regularly scheduled daily routes to and from the attendance
4 center;

5 (36) Reorganized district means any district involved in a
6 consolidation and currently educating students following consolidation;

7 (37) School year or school fiscal year means the fiscal year of a
8 school district as defined in section 79-1091;

9 (38) Sparse local system means a local system that is not a very
10 sparse local system but which meets the following criteria:

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

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

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

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

27 (39) Special education means specially designed kindergarten through
28 grade twelve instruction pursuant to section 79-1125, and includes
29 special education transportation;

30 (40) Special grant funds means the budgeted receipts for grants,
31 including, but not limited to, categorical funds, reimbursements for

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

6 (41) State aid means the amount of assistance paid to a district
7 pursuant to the Tax Equity and Educational Opportunities Support Act;

8 (42) State board means the State Board of Education;

9 (43) State support means all funds provided to districts by the
10 State of Nebraska for the general fund support of elementary and
11 secondary education;

12 (44) Statewide average basic funding per formula student means the
13 statewide total basic funding for all districts divided by the statewide
14 total formula students for all districts;

15 (45) Statewide average general fund operating expenditures per
16 formula student means the statewide total general fund operating
17 expenditures for all districts divided by the statewide total formula
18 students for all districts;

19 (46) Teacher has the definition found in section 79-101;

20 (47) Temporary aid adjustment factor means (a) for school fiscal
21 years before school fiscal year 2007-08, one and one-fourth percent of
22 the sum of the local system's transportation allowance, the local
23 system's special receipts allowance, and the product of the local
24 system's adjusted formula students multiplied by the average formula cost
25 per student in the local system's cost grouping and (b) for school fiscal
26 year 2007-08, one and one-fourth percent of the sum of the local system's
27 transportation allowance, special receipts allowance, and distance
28 education and telecommunications allowance and the product of the local
29 system's adjusted formula students multiplied by the average formula cost
30 per student in the local system's cost grouping;

31 (48) Tuition receipts from converted contracts means tuition

1 receipts received by a district from another district in the most
2 recently available complete data year pursuant to a converted contract
3 prior to the expiration of the contract;

4 (49) Tuitioned students means students in kindergarten through grade
5 twelve of the district whose tuition is paid by the district to some
6 other district or education agency;

7 (50) Unadjusted poverty students means, for school fiscal year
8 2016-17 and each school fiscal year thereafter, the greater of the number
9 of low-income students or the free lunch and free milk calculated
10 students in a district; and

11 (51) Very sparse local system means a local system that has:

12 (a)(i) Less than one-half student per square mile in each county in
13 which each high school attendance center is located based on the school
14 district census, (ii) less than one formula student per square mile in
15 the local system, and (iii) more than fifteen miles between the high
16 school attendance center and the next closest high school attendance
17 center on paved roads; or

18 (b)(i) More than four hundred fifty square miles in the local
19 system, (ii) less than one-half student per square mile in the local
20 system, and (iii) more than fifteen miles between each high school
21 attendance center and the next closest high school attendance center on
22 paved roads.

23 Sec. 9. Section 79-1028.01, Revised Statutes Supplement, 2017, is
24 amended to read:

25 79-1028.01 (1) For each school fiscal year, a school district may
26 exceed its budget authority for the general fund budget of expenditures
27 as calculated pursuant to section 79-1023 for such school fiscal year by
28 a specific dollar amount for the following exclusions:

29 (a) Expenditures for repairs to infrastructure damaged by a natural
30 disaster which is declared a disaster emergency pursuant to the Emergency
31 Management Act;

1 (b) Expenditures for judgments, except judgments or orders from the
2 Commission of Industrial Relations, obtained against a school district
3 which require or obligate a school district to pay such judgment, to the
4 extent such judgment is not paid by liability insurance coverage of a
5 school district;

6 (c) Expenditures pursuant to the Retirement Incentive Plan
7 authorized in section 79-855 or the Staff Development Assistance
8 authorized in section 79-856;

9 (d) Expenditures of amounts received from educational entities as
10 defined in section 79-1201.01 for providing distance education courses
11 through the Educational Service Unit Coordinating Council to such
12 educational entities;

13 (e) Expenditures to pay for employer contributions pursuant to
14 subsection (2) of section 79-958 to the School Employees Retirement
15 System of the State of Nebraska to the extent that such expenditures
16 exceed the employer contributions under such subsection that would have
17 been made at a contribution rate of seven and thirty-five hundredths
18 percent;

19 (f) Expenditures to pay for school district contributions pursuant
20 to subdivision (1)(c)(i)(A) ~~(1)(e)(i)~~ of section 79-9,113 to the
21 retirement system established pursuant to the Class V School Employees
22 Retirement Act to the extent that such expenditures exceed the school
23 district contributions under such subdivision that would have been made
24 at a contribution rate of seven and thirty-seven hundredths percent;

25 (g) Expenditures for incentives agreed to be paid by a school
26 district to certificated employees in exchange for a voluntary
27 termination of employment occurring prior to July 1, 2009, occurring on
28 or after the last day of the 2010-11 school year and prior to the first
29 day of the 2013-14 school year, or, to the extent that a district
30 demonstrates to the State Board of Education pursuant to subsection (3)
31 of this section that the agreement will result in a net savings in salary

1 and benefit costs to the school district over a five-year period,
2 occurring on or after the first day of the 2013-14 school year and prior
3 to September 1, 2017;

4 (h) Expenditures by a school district with budgeted expenditures
5 otherwise equal to the budget authority for the general fund budget of
6 expenditures for such school district as calculated pursuant to section
7 79-1023 for such school fiscal year for current and future qualified
8 voluntary termination incentives for certificated teachers pursuant to
9 subsection (3) of section 79-8,142 that are not otherwise included in an
10 exclusion pursuant to this subsection;

11 (i) Expenditures by a school district with budgeted expenditures
12 otherwise equal to the budget authority for the general fund budget of
13 expenditures for such school district as calculated pursuant to section
14 79-1023 for such school fiscal year for seventy-five percent of
15 incentives agreed to be paid to certificated employees in exchange for a
16 voluntary termination of employment occurring between September 1, 2017,
17 and August 31, 2018, as a result of a collective-bargaining agreement in
18 force and effect on September 1, 2017, that are not otherwise included in
19 an exclusion pursuant to this subsection;

20 (j) Expenditures by a school district with budgeted expenditures
21 otherwise equal to the budget authority for the general fund budget of
22 expenditures for such school district as calculated pursuant to section
23 79-1023 for such school fiscal year for fifty percent of incentives
24 agreed to be paid to certificated employees in exchange for a voluntary
25 termination of employment occurring between September 1, 2018, and August
26 31, 2019, as a result of a collective-bargaining agreement in force and
27 effect on September 1, 2017, that are not otherwise included in an
28 exclusion pursuant to this subsection;

29 (k) Expenditures by a school district with budgeted expenditures
30 otherwise equal to the budget authority for the general fund budget of
31 expenditures for such school district as calculated pursuant to section

1 79-1023 for such school fiscal year for twenty-five percent of incentives
2 agreed to be paid to certificated employees in exchange for a voluntary
3 termination of employment occurring between September 1, 2019, and August
4 31, 2020, as a result of a collective-bargaining agreement in force and
5 effect on September 1, 2017, that are not otherwise included in an
6 exclusion pursuant to this subsection;

7 (l) The special education budget of expenditures;

8 (m) Expenditures of special grant funds; and

9 (n) Expenditures of funds received as federal impact aid pursuant to
10 20 U.S.C. 7701 to 7714, as such sections existed on January 1, 2016, due
11 to a district having land within its boundaries that is federal property
12 classified as Indian lands under 20 U.S.C. 7713(7), as such section
13 existed on January 1, 2016, and funds received as impact aid due to
14 children in attendance who resided on Indian lands in accordance with 20
15 U.S.C. 7703(a)(1)(C), as such section existed on January 1, 2016.

16 (2) For each school fiscal year, a school district may exceed its
17 budget authority for the general fund budget of expenditures as
18 calculated pursuant to section 79-1023 for such school fiscal year by a
19 specific dollar amount and include such dollar amount in the budget of
20 expenditures used to calculate budget authority for the general fund
21 budget of expenditures pursuant to section 79-1023 for future years for
22 the following exclusions:

23 (a) The first school fiscal year the district will be participating
24 in Network Nebraska for the full school fiscal year, for the difference
25 of the estimated expenditures for such school fiscal year for
26 telecommunications services, access to data transmission networks that
27 transmit data to and from the school district, and the transmission of
28 data on such networks as such expenditures are defined by the department
29 for purposes of the distance education and telecommunications allowance
30 minus the dollar amount of such expenditures for the second school fiscal
31 year preceding the first full school fiscal year the district

1 participates in Network Nebraska;

2 (b) Expenditures for new elementary attendance sites in the first
3 year of operation or the first year of operation after being closed for
4 at least one school year if such elementary attendance site will most
5 likely qualify for the elementary site allowance in the immediately
6 following school fiscal year as determined by the state board;

7 (c) For the first school fiscal year for which early childhood
8 education membership is included in formula students for the calculation
9 of state aid, expenditures for early childhood education equal to the
10 amount the school district received in early childhood education grants
11 pursuant to section 79-1103 for the prior school fiscal year, increased
12 by the basic allowable growth rate; and

13 (d) For school fiscal year 2013-14, an amount not to exceed two
14 percent over the previous school year if such increase is approved by a
15 seventy-five percent majority vote of the school board of such district.

16 (3) The state board shall approve, deny, or modify the amount
17 allowed for any exclusions to the budget authority for the general fund
18 budget of expenditures pursuant to this section.

19 Sec. 10. Original sections 10-701 and 10-717, Reissue Revised
20 Statutes of Nebraska, sections 79-984 and 79-9,113, Revised Statutes
21 Cumulative Supplement, 2016, and sections 77-3442, 79-1003, and
22 79-1028.01, Revised Statutes Supplement, 2017, are repealed.