

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 681**

Introduced by Clements, 2; at the request of the Governor; Briese, 41;  
Linehan, 39; Sanders, 45.

Read first time January 18, 2023

Committee: Appropriations

- 1 A BILL FOR AN ACT relating to school funding; to amend sections 77-913
- 2 and 79-1021, Reissue Revised Statutes of Nebraska; to rename and
- 3 change provisions relating to the Tax Equity and Educational
- 4 Opportunities Fund; to transfer funds; to harmonize provisions; to
- 5 repeal the original sections; and to declare an emergency.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-913, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 77-913 The Insurance Tax Fund is created. The State Treasurer shall  
4 receive the funds paid pursuant to Chapter 77, article 9, and except as  
5 provided in sections 77-912 and 77-918 shall keep all money received in  
6 the Insurance Tax Fund. Any money in the fund available for investment  
7 shall be invested by the state investment officer pursuant to the  
8 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
9 Act.

10 Prior to June 1 of each year, the State Treasurer shall disburse or  
11 allocate all of the funds in the Insurance Tax Fund on May 1 of each year  
12 as follows:

13 (1) Ten percent of the total shall be allocated to the counties  
14 proportionately in the proportion that the population of each county  
15 bears to the entire state, as shown by the last federal decennial census;

16 (2) Thirty percent of the total shall be allocated to the Municipal  
17 Equalization Fund; and

18 (3) Sixty percent of the total shall be allocated to the State  
19 Department of Education for distribution to school districts as  
20 equalization aid pursuant to the Tax Equity and Educational Opportunities  
21 Support Act as follows: The Commissioner of Education shall (a) include  
22 the amount certified by the State Treasurer pursuant to this section with  
23 ~~the amount appropriated to the Tax Equity and Educational Opportunities~~  
24 ~~Fund for distribution in the ensuing school fiscal year, (b) include such~~  
25 ~~amounts~~ in the state aid certified to each school district pursuant to  
26 section 79-1022~~7~~ and (b) ~~(c)~~ distribute such funds as equalization aid  
27 under the provisions of the act during the ensuing fiscal year.

28 Sec. 2. Section 79-1021, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 79-1021 (1) The Education Future Tax Equity and Educational  
31 Opportunities Fund is created. The fund shall be administered by the

1 department and shall consist of money transferred to the fund by the  
2 Legislature receive dedicated income tax appropriations and  
3 appropriations made by the Legislature to fund the Tax Equity and  
4 Educational Opportunities Support Act and shall be administered by the  
5 state board. Any money in the fund available for investment shall be  
6 invested by the state investment officer pursuant to the Nebraska Capital  
7 Expansion Act and the Nebraska State Funds Investment Act.

8 (2) The fund shall be used only for the following purposes:

9 (a) To provide foundation aid under the Tax Equity and Educational  
10 Opportunities Support Act;

11 (b) To provide additional aid for special education under the Tax  
12 Equity and Educational Opportunities Support Act;

13 (c) To increase funding for school districts in a way that results  
14 in direct property tax relief, which means a dollar-for-dollar  
15 replacement of property taxes by a state funding source;

16 (d) To provide funding for a grant program created by the  
17 Legislature to address teacher turnover rates and keep existing teachers  
18 in classrooms;

19 (e) To provide funding for a grant program created by the  
20 Legislature to increase career and technical educational classroom  
21 opportunities for students. Such grant program must provide students with  
22 the academic and technical skills, knowledge, and training necessary to  
23 succeed in future careers; and

24 (f) To provide funding for a grant program created by the  
25 Legislature to provide students the opportunity to have a mentor who will  
26 continuously engage with the student directly to aid in the student's  
27 professional growth and give ongoing support and encouragement to the  
28 student.

29 (3)(a) The State Treasurer shall transfer one billion dollars from  
30 the General Fund to the Education Future Fund in fiscal year 2023-24 on  
31 such dates and in such amounts as directed by the budget administrator of

1 the budget division of the Department of Administrative Services.

2 (b) The State Treasurer shall transfer two hundred fifty million  
3 dollars from the General Fund to the Education Future Fund in fiscal year  
4 2024-25 on such dates and in such amounts as directed by the budget  
5 administrator of the budget division of the Department of Administrative  
6 Services.

7 (c) It is the intent of the Legislature that two hundred fifty  
8 million dollars be transferred from the General Fund to the Education  
9 Future Fund in fiscal year 2025-26 and each fiscal year thereafter.

10 Sec. 3. Original sections 77-913 and 79-1021, Reissue Revised  
11 Statutes of Nebraska, are repealed.

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