

AMENDMENTS TO LB1331

Introduced by Education.

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

3 Section 1. Section 77-6702, Revised Statutes Supplement, 2023, is
4 amended to read:

5 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

6 ~~(1) Allowable growth percentage means the percentage increase, if~~
7 ~~any, in the total assessed value of all real property in the state from~~
8 ~~the prior year to the current year, as determined by the department;~~

9 (1) ~~(2)~~ Community college taxes means property taxes levied on real
10 property in this state by a community college area, excluding the
11 following:

12 (a) Any property taxes levied for bonded indebtedness;

13 (b) Any property taxes levied as a result of an override of limits
14 on property tax levies approved by voters pursuant to section 77-3444;
15 and

16 (c) Any property taxes that, as of the time of payment, were
17 delinquent for five years or more;

18 (2) ~~(3)~~ Department means the Department of Revenue;

19 (3) ~~(4)~~ Eligible taxpayer means any individual, corporation,
20 partnership, limited liability company, trust, estate, or other entity
21 that pays school district taxes or community college taxes during a
22 taxable year; and

23 (4) ~~(5)~~ School district taxes means property taxes levied on real
24 property in this state by a school district or multiple-district school
25 system, excluding the following:

26 (a) Any property taxes levied for bonded indebtedness;

27 (b) Any property taxes levied as a result of an override of limits

1 on property tax levies approved by voters pursuant to section 77-3444;
2 and

3 (c) Any property taxes that, as of the time of payment, were
4 delinquent for five years or more.

5 Sec. 2. Section 77-6703, Revised Statutes Supplement, 2023, is
6 amended to read:

7 77-6703 (1) For taxable years beginning or deemed to begin on or
8 after January 1, 2020, and before January 1, 2024, under the Internal
9 Revenue Code of 1986, as amended, there shall be allowed to each eligible
10 taxpayer a refundable credit against the income tax imposed by the
11 Nebraska Revenue Act of 1967 or against the franchise tax imposed by
12 sections 77-3801 to 77-3807. The credit shall be equal to the credit
13 percentage for the taxable year, as set by the department under
14 subsection (2) of this section, multiplied by the amount of school
15 district taxes paid by the eligible taxpayer during such taxable year.

16 (2)(a) For taxable years beginning or deemed to begin during
17 calendar year 2020, the department shall set the credit percentage so
18 that the total amount of credits for such taxable years shall be one
19 hundred twenty-five million dollars;

20 (b) For taxable years beginning or deemed to begin during calendar
21 year 2021, the department shall set the credit percentage so that the
22 total amount of credits for such taxable years shall be one hundred
23 twenty-five million dollars plus either (i) the amount calculated for
24 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
25 (ii) the amount calculated for such calendar year under subdivision (3)
26 (c)(ii)(B) of section 77-4602, whichever is applicable;

27 (c) For taxable years beginning or deemed to begin during calendar
28 year 2022, the department shall set the credit percentage so that the
29 total amount of credits for such taxable years shall be five hundred
30 forty-eight million dollars; and

31 (d) For taxable years beginning or deemed to begin during calendar

1 year 2023, the department shall set the credit percentage so that the
2 total amount of credits for such taxable years shall be five hundred
3 sixty million seven hundred thousand dollars. ÷

4 ~~(e) For taxable years beginning or deemed to begin during calendar~~
5 ~~year 2024 through calendar year 2028, the department shall set the credit~~
6 ~~percentage so that the total amount of credits for such taxable years~~
7 ~~shall be the maximum amount of credits allowed in the prior year~~
8 ~~increased by the allowable growth percentage;~~

9 ~~(f) For taxable years beginning or deemed to begin during calendar~~
10 ~~year 2029, the department shall set the credit percentage so that the~~
11 ~~total amount of credits for such taxable years shall be the maximum~~
12 ~~amount of credits allowed in the prior year increased by the allowable~~
13 ~~growth percentage plus an additional seventy-five million dollars; and~~

14 ~~(g) For taxable years beginning or deemed to begin during calendar~~
15 ~~year 2030 and each calendar year thereafter, the department shall set the~~
16 ~~credit percentage so that the total amount of credits for such taxable~~
17 ~~years shall be the maximum amount of credits allowed in the prior year~~
18 ~~increased by the allowable growth percentage.~~

19 (3) If the school district taxes are paid by a corporation having an
20 election in effect under subchapter S of the Internal Revenue Code, a
21 partnership, a limited liability company, a trust, or an estate, the
22 amount of school district taxes paid during the taxable year may be
23 allocated to the shareholders, partners, members, or beneficiaries in the
24 same proportion that income is distributed for taxable years beginning or
25 deemed to begin before January 1, 2021, under the Internal Revenue Code
26 of 1986, as amended. The department shall provide forms and schedules
27 necessary for verifying eligibility for the credit provided in this
28 section and for allocating the school district taxes paid. For taxable
29 years beginning or deemed to begin on or after January 1, 2021, and
30 before January 1, 2024, under the Internal Revenue Code of 1986, as
31 amended, the refundable credit shall be claimed by the corporation having

1 an election in effect under subchapter S of the Internal Revenue Code,
2 the partnership, the limited liability company, the trust, or the estate
3 that paid the school district taxes.

4 (4) For any fiscal year or short year taxpayer, the credit may be
5 claimed in the first taxable year that begins following the calendar year
6 for which the credit percentage was determined. The credit shall be taken
7 for the school district taxes paid by the taxpayer during the immediately
8 preceding calendar year.

9 (5) For the first taxable year beginning or deemed to begin on or
10 after January 1, 2021, and before January 1, 2022, under the Internal
11 Revenue Code of 1986, as amended, for a corporation having an election in
12 effect under subchapter S of the Internal Revenue Code, a partnership, a
13 limited liability company, a trust, or an estate that paid school
14 district taxes in calendar year 2020 but did not claim the credit
15 directly or allocate such school district taxes to the shareholders,
16 partners, members, or beneficiaries as permitted under subsection (3) of
17 this section, there shall be allowed an additional refundable credit.
18 This credit shall be equal to six percent, multiplied by the amount of
19 school district taxes paid during 2020 by the eligible taxpayer.

20 Sec. 3. Section 79-1001, Revised Statutes Supplement, 2023, is
21 amended to read:

22 79-1001 Sections 79-1001 to 79-1033 and section 5 of this act shall
23 be known and may be cited as the Tax Equity and Educational Opportunities
24 Support Act.

25 Sec. 4. Section 79-1003, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 79-1003 For purposes of the Tax Equity and Educational Opportunities
28 Support Act:

29 (1) Adjusted general fund operating expenditures means the
30 difference of the general fund operating expenditures increased by the
31 cost growth factor calculated pursuant to section 79-1007.10, minus the

1 transportation allowance, special receipts allowance, poverty allowance,
2 limited English proficiency allowance, distance education and
3 telecommunications allowance, elementary site allowance, summer school
4 allowance, community achievement plan allowance, and focus school and
5 program allowance;

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

16 (3) Allocated income tax funds means the amount of assistance paid
17 to a local system pursuant to section 79-1005.01;

18 (4) Allocated property tax funds means the amount of assistance paid
19 to a school district pursuant to section 5 of this act;

20 (5) ~~(4)~~ Average daily membership means the average daily membership
21 for grades kindergarten through twelve attributable to the local system,
22 as provided in each district's annual statistical summary, and includes
23 the proportionate share of students enrolled in a public school
24 instructional program on less than a full-time basis;

25 (6) ~~(5)~~ Base fiscal year means the first school fiscal year
26 following the school fiscal year in which the reorganization or
27 unification occurred;

28 (7) ~~(6)~~ Board means the school board of each school district;

29 (8) ~~(7)~~ Categorical funds means funds limited to a specific purpose
30 by federal or state law, including, but not limited to, Title I funds,
31 Title VI funds, federal career and technical education funds, federal

1 school lunch funds, Indian education funds, Head Start funds, and funds
2 received prior to July 1, 2022, from the Nebraska Education Improvement
3 Fund;

4 (9) ~~(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 (10) ~~(9)~~ Converted contract means an expired contract that was in
8 effect for at least fifteen school years beginning prior to school year
9 2012-13 for the education of students in a nonresident district in
10 exchange for tuition from the resident district when the expiration of
11 such contract results in the nonresident district educating students, who
12 would have been covered by the contract if the contract were still in
13 effect, as option students pursuant to the enrollment option program
14 established in section 79-234;

15 (11) ~~(10)~~ Converted contract option student means a student who will
16 be an option student pursuant to the enrollment option program
17 established in section 79-234 for the school fiscal year for which aid is
18 being calculated and who would have been covered by a converted contract
19 if the contract were still in effect and such school fiscal year is the
20 first school fiscal year for which such contract is not in effect;

21 (12) ~~(11)~~ Department means the State Department of Education;

22 (13) ~~(12)~~ District means any school district or unified system as
23 defined in section 79-4,108;

24 (14) ~~(13)~~ Ensuing school fiscal year means the school fiscal year
25 following the current school fiscal year;

26 (15) ~~(14)~~ Equalization aid means the amount of assistance calculated
27 to be paid to a local system pursuant to section 79-1008.01;

28 (16) ~~(15)~~ Fall membership means the total membership in kindergarten
29 through grade twelve attributable to the local system as reported on the
30 fall school district membership reports for each district pursuant to
31 section 79-528;

1 ~~(17)~~ ~~(16)~~ Fiscal year means the state fiscal year which is the
2 period from July 1 to the following June 30;

3 ~~(18)~~ ~~(17)~~ Formula students means:

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

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

23 ~~(19)~~ ~~(18)~~ Free lunch and free milk calculated students means, using
24 the most recent data available on November 1 of the school fiscal year
25 immediately preceding the school fiscal year in which aid is to be paid,

26 (a) for schools that did not provide free meals to all students pursuant
27 to the community eligibility provision, students who individually
28 qualified for free lunches or free milk pursuant to the federal Richard
29 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
30 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
31 and sections existed on January 1, 2021, and rules and regulations

1 adopted thereunder, plus (b) for schools that provided free meals to all
2 students pursuant to the community eligibility provision, the greater of
3 the number of students in such school who individually qualified for free
4 lunch or free milk using the most recent school fiscal year for which the
5 school did not provide free meals to all students pursuant to the
6 community eligibility provision or one hundred ten percent of the product
7 of the students who qualified for free meals at such school pursuant to
8 the community eligibility provision multiplied by the identified student
9 percentage calculated pursuant to such federal provision, except that the
10 free lunch and free milk calculated students for any school pursuant to
11 subdivision ~~(19)(b)~~ ~~(18)(b)~~ of this section shall not exceed one hundred
12 percent of the students qualified for free meals at such school pursuant
13 to the community eligibility provision;

14 ~~(20)~~ ~~(19)~~ Full-day kindergarten means kindergarten offered by a
15 district for at least one thousand thirty-two instructional hours;

16 ~~(21)~~ ~~(20)~~ General fund budget of expenditures means the total budget
17 of disbursements and transfers for general fund purposes as certified in
18 the budget statement adopted pursuant to the Nebraska Budget Act, except
19 that for purposes of the limitation imposed in section 79-1023, the
20 general fund budget of expenditures does not include any special grant
21 funds, exclusive of local matching funds, received by a district;

22 ~~(22)~~ ~~(21)~~ General fund expenditures means all expenditures from the
23 general fund;

24 ~~(23)~~ ~~(22)~~ General fund operating expenditures means, for state aid
25 calculated for each school fiscal year, as reported on the annual
26 financial report for the second school fiscal year immediately preceding
27 the school fiscal year in which aid is to be paid, the total general fund
28 expenditures minus (a) the amount of all receipts to the general fund, to
29 the extent that such receipts are not included in local system formula
30 resources, from early childhood education tuition, summer school tuition,
31 educational entities as defined in section 79-1201.01 for providing

1 distance education courses through the Educational Service Unit
2 Coordinating Council to such educational entities, private foundations,
3 individuals, associations, charitable organizations, the textbook loan
4 program authorized by section 79-734, federal impact aid, and levy
5 override elections pursuant to section 77-3444, (b) the amount of
6 expenditures for categorical funds, tuition paid to other school
7 districts, tuition paid to postsecondary institutions for college credit,
8 transportation fees paid to other districts, adult education, community
9 services, redemption of the principal portion of general fund debt
10 service, retirement incentive plans authorized by section 79-855, and
11 staff development assistance authorized by section 79-856, (c) the amount
12 of any transfers from the general fund to any bond fund and transfers
13 from other funds into the general fund, (d) any legal expenses in excess
14 of fifteen-hundredths of one percent of the formula need for the school
15 fiscal year in which the expenses occurred, (e) expenditures to pay for
16 incentives agreed to be paid by a school district to certificated
17 employees in exchange for a voluntary termination of employment for which
18 the State Board of Education approved an exclusion pursuant to
19 subdivision (1)(h), (i), (j), or (k) of section 79-1028.01, (f)(i)
20 expenditures to pay for employer contributions pursuant to subsection (2)
21 of section 79-958 to the School Employees Retirement System of the State
22 of Nebraska to the extent that such expenditures exceed the employer
23 contributions under such subsection that would have been made at a
24 contribution rate of seven and thirty-five hundredths percent or (ii)
25 expenditures to pay for school district contributions pursuant to
26 subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the retirement
27 system established pursuant to the Class V School Employees Retirement
28 Act to the extent that such expenditures exceed the school district
29 contributions under such subdivision that would have been made at a
30 contribution rate of seven and thirty-seven hundredths percent, and (g)
31 any amounts paid by the district for lobbyist fees and expenses reported

1 to the Clerk of the Legislature pursuant to section 49-1483.

2 For purposes of this subdivision (23) ~~(22)~~ of this section, receipts
3 from levy override elections shall equal ninety-nine percent of the
4 difference of the total general fund levy minus a levy of one dollar and
5 five cents per one hundred dollars of taxable valuation multiplied by the
6 assessed valuation for school districts that have voted pursuant to
7 section 77-3444 to override the maximum levy provided pursuant to section
8 77-3442;

9 (24) ~~(23)~~ Income tax liability means the amount of the reported
10 income tax liability for resident individuals pursuant to the Nebraska
11 Revenue Act of 1967 less all nonrefundable credits earned and refunds
12 made;

13 (25) ~~(24)~~ Income tax receipts means the amount of income tax
14 collected pursuant to the Nebraska Revenue Act of 1967 less all
15 nonrefundable credits earned and refunds made;

16 (26) ~~(25)~~ Limited English proficiency students means the number of
17 students with limited English proficiency in a district from the most
18 recent data available on November 1 of the school fiscal year preceding
19 the school fiscal year in which aid is to be paid plus the difference of
20 such students with limited English proficiency minus the average number
21 of limited English proficiency students for such district, prior to such
22 addition, for the three immediately preceding school fiscal years if such
23 difference is greater than zero;

24 (27) ~~(26)~~ Local system means a unified system or a school district;

25 (28) ~~(27)~~ Low-income child means a child under nineteen years of age
26 living in a household having an annual adjusted gross income for the
27 second calendar year preceding the beginning of the school fiscal year
28 for which aid is being calculated equal to or less than the maximum
29 household income pursuant to sections 9(b)(1) and 17(c)(4) of the Richard
30 B. Russell National School Lunch Act, 42 U.S.C. 1758(b)(1) and 42 U.S.C.
31 1766(c)(4), respectively, and sections 3(a)(6) and 4(e)(1)(A) of the

1 Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6) and 42 U.S.C. 1773(e)
2 (1)(A), respectively, as such acts and sections existed on January 1,
3 2021, for a household of that size that would have allowed the child to
4 meet the income qualifications for free meals during the school fiscal
5 year immediately preceding the school fiscal year for which aid is being
6 calculated;

7 (29) ~~(28)~~ Low-income students means the number of low-income
8 children within the district multiplied by the ratio of the formula
9 students in the district divided by the total children under nineteen
10 years of age residing in the district as derived from income tax
11 information;

12 (30) ~~(29)~~ Most recently available complete data year means the most
13 recent single school fiscal year for which the annual financial report,
14 fall school district membership report, annual statistical summary,
15 Nebraska income tax liability by school district for the calendar year in
16 which the majority of the school fiscal year falls, and adjusted
17 valuation data are available;

18 (31) ~~(30)~~ Poverty students means the unadjusted poverty students
19 plus the difference of such unadjusted poverty students minus the average
20 number of poverty students for such district, prior to such addition, for
21 the three immediately preceding school fiscal years if such difference is
22 greater than zero;

23 (32) ~~(31)~~ Qualified early childhood education average daily
24 membership means the product of the average daily membership of students
25 who will be eligible to attend kindergarten the following school year and
26 are enrolled in an early childhood education program approved by the
27 department pursuant to section 79-1103 for such school district for such
28 school year multiplied by the ratio of the actual instructional hours of
29 the program divided by one thousand thirty-two if: (a) The program is
30 receiving a grant pursuant to such section for the third year; (b) the
31 program has already received grants pursuant to such section for three

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

5 (33) ~~(32)~~ Qualified early childhood education fall membership means
6 the product of membership on October 1 of each school year of students
7 who will be eligible to attend kindergarten the following school year and
8 are enrolled in an early childhood education program approved by the
9 department pursuant to section 79-1103 for such school district for such
10 school year multiplied by the ratio of the planned instructional hours of
11 the program divided by one thousand thirty-two if: (a) The program is
12 receiving a grant pursuant to such section for the third year; (b) the
13 program has already received grants pursuant to such section for three
14 years; or (c) the program has been approved pursuant to subsection (5) of
15 section 79-1103 for such school year and the two preceding school years,
16 including any such students in portions of any of such programs receiving
17 an expansion grant;

18 (34) ~~(33)~~ Regular route transportation means the transportation of
19 students on regularly scheduled daily routes to and from the schools such
20 students attend;

21 (35) ~~(34)~~ Reorganized district means any district involved in a
22 consolidation and currently educating students following consolidation;

23 (36) ~~(35)~~ School year or school fiscal year means the fiscal year of
24 a school district as defined in section 79-1091;

25 (37) ~~(36)~~ Sparse local system means a local system that is not a
26 very sparse local system but which meets the following criteria:

27 (a)(i) Less than two students per square mile in the county in which
28 each high school is located, based on the school district census, (ii)
29 less than one formula student per square mile in the local system, and
30 (iii) more than ten miles between each high school and the next closest
31 high school on paved roads;

1 (b)(i) Less than one and one-half formula students per square mile
2 in the local system and (ii) more than fifteen miles between each high
3 school and the next closest high school on paved roads;

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

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

11 ~~(38)~~ ~~(37)~~ Special education means specially designed kindergarten
12 through grade twelve instruction pursuant to section 79-1125, and
13 includes special education transportation;

14 ~~(39)~~ ~~(38)~~ Special grant funds means the budgeted receipts for
15 grants, including, but not limited to, categorical funds, reimbursements
16 for wards of the court, short-term borrowings including, but not limited
17 to, registered warrants and tax anticipation notes, interfund loans,
18 insurance settlements, and reimbursements to county government for
19 previous overpayment. The state board shall approve a listing of grants
20 that qualify as special grant funds;

21 ~~(40)~~ ~~(39)~~ State aid means the amount of assistance paid to a
22 district pursuant to the Tax Equity and Educational Opportunities Support
23 Act;

24 ~~(41)~~ ~~(40)~~ State board means the State Board of Education;

25 ~~(42)~~ ~~(41)~~ State support means all funds provided to districts by the
26 State of Nebraska for the general fund support of elementary and
27 secondary education;

28 ~~(43)~~ ~~(42)~~ Statewide average basic funding per formula student means
29 the statewide total basic funding for all districts divided by the
30 statewide total formula students for all districts;

31 ~~(44)~~ ~~(43)~~ Statewide average general fund operating expenditures per

1 formula student means the statewide total general fund operating
2 expenditures for all districts divided by the statewide total formula
3 students for all districts;

4 ~~(45)~~ ~~(44)~~ Teacher has the definition found in section 79-101;

5 ~~(46)~~ ~~(45)~~ Tuition receipts from converted contracts means tuition
6 receipts received by a district from another district in the most
7 recently available complete data year pursuant to a converted contract
8 prior to the expiration of the contract;

9 ~~(47)~~ ~~(46)~~ Tuitioned students means students in kindergarten through
10 grade twelve of the district whose tuition is paid by the district to
11 some other district or education agency;

12 ~~(48)~~ ~~(47)~~ Unadjusted poverty students means the greater of the
13 number of low-income students or the free lunch and free milk calculated
14 students in a district; and

15 ~~(49)~~ ~~(48)~~ Very sparse local system means a local system that has:

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

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

25 Sec. 5. (1) For purposes of this section, property tax request
26 means the total amount of property taxes requested to be raised for a
27 school district through the levy imposed pursuant to section 77-1601,
28 excluding the amount levied for the payment of principal or interest on
29 bonds that have been approved by the voters of such school district.

30 (2) For school fiscal year 2024-25 and each school fiscal year
31 thereafter, allocated property tax funds shall be paid to school

1 districts as provided in this section. The department shall calculate the
2 allocated property tax funds to be paid to each school district as
3 follows:

4 (a) For school fiscal year 2024-25, the amount paid to each school
5 district shall be equal to the total amount available for payment under
6 subsection (3) of this section multiplied by a percentage. Such
7 percentage shall be equal to the property tax request of the school
8 district in the preceding property tax year divided by the cumulative
9 total of the property tax requests of all school districts for the
10 preceding property tax year; and

11 (b) For school fiscal year 2025-26 and each school fiscal year
12 thereafter, the amount paid to each school district shall be equal to the
13 total amount available for payment under subsection (3) of this section
14 multiplied by a percentage. Such percentage shall be equal to the
15 property tax request of the school district in the preceding property tax
16 year plus the amount of allocated property tax funds paid to such school
17 district in the preceding school fiscal year divided by the cumulative
18 total of the property tax requests of all school districts for the
19 preceding property tax year plus the amount of allocated property tax
20 funds paid to all school districts in the preceding school fiscal year.

21 (3) For school fiscal year 2024-25, the total amount of allocated
22 property tax funds paid to school districts pursuant to this section
23 shall be seven hundred fifty million dollars. For school fiscal year
24 2025-26 and each school fiscal year thereafter, the total amount of
25 allocated property tax funds paid to school districts pursuant to this
26 section shall be the total amount from the preceding school fiscal year
27 plus thirty million dollars.

28 (4) One hundred percent of the allocated property tax funds paid
29 each school fiscal year pursuant to this section shall be paid from money
30 appropriated from the Education Future Fund.

31 (5) Allocated property tax funds shall not be included as a formula

1 resource pursuant to section 79-1017.01.

2 Sec. 6. Section 79-1006, Revised Statutes Supplement, 2023, is
3 amended to read:

4 79-1006 (1) For school fiscal year 2023-24 and each school fiscal
5 year thereafter, the department shall determine the foundation aid to be
6 paid to each school district in accordance with subsection (2) of this
7 section.

8 (2) The foundation aid to be paid to each school district in each
9 school fiscal year shall equal three ~~one thousand five hundred~~ dollars
10 multiplied by the number of formula students for such school district.

11 (3) Fifty-seven and three-tenths ~~Twenty-four~~ percent of the total
12 amount of foundation aid paid each school fiscal year shall be paid from
13 money appropriated from the Education Future Fund.

14 (4) For school fiscal year ~~years 2023-24 and 2024-25~~, one hundred
15 percent of foundation aid shall be included as a formula resource
16 pursuant to section 79-1017.01. For school fiscal year 2024-25 ~~2025-26~~
17 and each school fiscal year thereafter, sixty percent of foundation aid
18 shall be included as a formula resource pursuant to section 79-1017.01.

19 Sec. 7. Section 79-1021, Revised Statutes Supplement, 2023, is
20 amended to read:

21 79-1021 (1) The Education Future Fund is created. The fund shall be
22 administered by the department and shall consist of money transferred to
23 the fund by the Legislature. Any money in the fund available for
24 investment shall be invested by the state investment officer pursuant to
25 the Nebraska Capital Expansion Act and the Nebraska State Funds
26 Investment Act.

27 (2) The fund shall be used only for the following purposes, in order
28 of priority:

29 (a) To fully fund equalization aid under the Tax Equity and
30 Educational Opportunities Support Act;

31 (b) To fund reimbursements related to special education under

1 section 79-1142;

2 (c) To fund foundation aid and allocated property tax funds under
3 the Tax Equity and Educational Opportunities Support Act;

4 (d) To increase funding for school districts in a way that results
5 in direct property tax relief, which means a dollar-for-dollar
6 replacement of property taxes by a state funding source;

7 (e) To provide funding for a grant program created by the
8 Legislature to address teacher turnover rates and keep existing teachers
9 in classrooms;

10 (f) To provide funding to increase career and technical educational
11 classroom opportunities for students. Such funding must provide students
12 with the academic and technical skills, knowledge, and training necessary
13 to succeed in future careers;

14 (g) To provide funding for a grant program created by the
15 Legislature to provide students the opportunity to have a mentor who will
16 continuously engage with the student directly to aid in the student's
17 professional growth and give ongoing support and encouragement to the
18 student;

19 (h) To provide funding for extraordinary increases in special
20 education expenditures to allow school districts with large, unexpected
21 special education expenditures to more easily meet the needs of all
22 students; and

23 (i) To provide funding to help recruit teachers throughout the state
24 by utilizing apprenticeships through a teacher apprenticeship program and
25 an alternative certification process.

26 (3)(a) The State Treasurer shall transfer one billion dollars from
27 the General Fund to the Education Future Fund in fiscal year 2023-24, on
28 such dates and in such amounts as directed by the budget administrator of
29 the budget division of the Department of Administrative Services.

30 (b) The State Treasurer shall transfer one billion two hundred
31 seventeen fifty million dollars from the General Fund to the Education

1 Future Fund in fiscal year 2024-25, on such dates and in such amounts as
2 directed by the budget administrator of the budget division of the
3 Department of Administrative Services.

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

8 Sec. 8. Section 79-1022, Revised Statutes Supplement, 2023, is
9 amended to read:

10 79-1022 (1) On or before June 15, 2024 ~~2023~~, and on or before March
11 1 of each year thereafter, the department shall determine the amounts to
12 be distributed to each local system for the ensuing school fiscal year
13 pursuant to the Tax Equity and Educational Opportunities Support Act and
14 shall certify the amounts to the Director of Administrative Services, the
15 Auditor of Public Accounts, and each local system. On or before June 15,
16 2024 ~~2023~~, and on or before March 1 of each year thereafter, the
17 department shall report the necessary funding level for the ensuing
18 school fiscal year to the Governor, the Appropriations Committee of the
19 Legislature, and the Education Committee of the Legislature. The report
20 submitted to the committees of the Legislature shall be submitted
21 electronically. Except as otherwise provided in this subsection,
22 certified state aid amounts, including adjustments pursuant to section
23 79-1065.02, shall be shown as budgeted non-property-tax receipts and
24 deducted prior to calculating the property tax request in the local
25 system's general fund budget statement as provided to the Auditor of
26 Public Accounts pursuant to section 79-1024.

27 (2) Except as provided in this subsection, subsection (8) of section
28 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
29 certified pursuant to subsection (1) of this section shall be distributed
30 in ten as nearly as possible equal payments on the last business day of
31 each month beginning in September of each ensuing school fiscal year and

1 ending in June of the following year, except that when a local system is
2 to receive a monthly payment of less than one thousand dollars, such
3 payment shall be one lump-sum payment on the last business day of
4 December during the ensuing school fiscal year.

5 Sec. 9. Section 79-1022.02, Revised Statutes Supplement, 2023, is
6 amended to read:

7 79-1022.02 Notwithstanding any other provision of law, any
8 certification of state aid pursuant to section 79-1022, certification of
9 budget authority pursuant to section 79-1023, and certification of
10 applicable allowable reserve percentages pursuant to section 79-1027
11 completed prior to the effective date of this act June 1, 2023, for
12 school fiscal year 2024-25 ~~2023-24~~ are null and void.

13 Sec. 10. Section 79-1023, Revised Statutes Supplement, 2023, is
14 amended to read:

15 79-1023 (1) On or before June 15, 2024 ~~2023~~, and on or before March
16 1 of each year thereafter, the department shall determine and certify to
17 each school district budget authority for the general fund budget of
18 expenditures for the ensuing school fiscal year.

19 (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and
20 81-829.51, each school district shall have budget authority for the
21 general fund budget of expenditures equal to the greater of (a) the
22 general fund budget of expenditures for the immediately preceding school
23 fiscal year minus exclusions pursuant to subsection (1) of section
24 79-1028.01 for such school fiscal year with the difference increased by
25 the basic allowable growth rate for the school fiscal year for which
26 budget authority is being calculated, (b) the general fund budget of
27 expenditures for the immediately preceding school fiscal year minus
28 exclusions pursuant to subsection (1) of section 79-1028.01 for such
29 school fiscal year with the difference increased by an amount equal to
30 any student growth adjustment calculated for the school fiscal year for
31 which budget authority is being calculated, or (c) one hundred ten

1 percent of formula need for the school fiscal year for which budget
2 authority is being calculated minus the special education budget of
3 expenditures as filed on the school district budget statement on or
4 before September 30 for the immediately preceding school fiscal year,
5 which special education budget of expenditures is increased by the basic
6 allowable growth rate for the school fiscal year for which budget
7 authority is being calculated.

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

14 Sec. 11. Section 79-1027, Revised Statutes Supplement, 2023, is
15 amended to read:

16 79-1027 No district shall adopt a budget, which includes total
17 requirements of depreciation funds, necessary employee benefit fund cash
18 reserves, and necessary general fund cash reserves, exceeding the
19 applicable allowable reserve percentages of total general fund budget of
20 expenditures as specified in the schedule set forth in this section.

| 21 | Average daily | Allowable |
|----|--------------------|------------|
| 22 | membership of | reserve |
| 23 | district | percentage |
| 24 | 0 - 471 | 45 |
| 25 | 471.01 - 3,044 | 35 |
| 26 | 3,044.01 - 10,000 | 25 |
| 27 | 10,000.01 and over | 20 |

28 On or before June 15, 2024 ~~2023~~, and on or before March 1 each year
29 thereafter, the department shall determine and certify each district's
30 applicable allowable reserve percentage for the ensuing school fiscal

1 year.

2 Each district with combined necessary general fund cash reserves,
3 total requirements of depreciation funds, and necessary employee benefit
4 fund cash reserves less than the applicable allowable reserve percentage
5 specified in this section may, notwithstanding the district's applicable
6 allowable growth rate, increase its necessary general fund cash reserves
7 such that the total necessary general fund cash reserves, total
8 requirements of depreciation funds, and necessary employee benefit fund
9 cash reserves do not exceed such applicable allowable reserve percentage.

10 Sec. 12. Section 79-1031.01, Revised Statutes Supplement, 2023, is
11 amended to read:

12 79-1031.01 The Appropriations Committee of the Legislature shall
13 annually include the amount necessary to fund the state aid that will be
14 certified to school districts on or before June 15, 2024 ~~2023~~, and on or
15 before March 1 of each year thereafter for each ensuing school fiscal
16 year in its recommendations to the Legislature to carry out the
17 requirements of the Tax Equity and Educational Opportunities Support Act.

18 Sec. 13. Section 81-12,193, Revised Statutes Cumulative Supplement,
19 2022, is amended to read:

20 81-12,193 (1) The Nebraska Transformational Project Fund is hereby
21 created. The fund shall receive money from application fees paid under
22 the Nebraska Transformational Projects Act and from appropriations from
23 the Legislature, grants, private contributions, repayments of matching
24 funds, and all other sources. Any money in the fund available for
25 investment shall be invested by the state investment officer pursuant to
26 the Nebraska Capital Expansion Act and the Nebraska State Funds
27 Investment Act.

28 (2) It is the intent of the Legislature that the State Treasurer
29 shall transfer an amount not to exceed three hundred million dollars to
30 the Nebraska Transformational Project Fund. Such transfers shall only
31 occur after the applicant has been selected for participation in the

1 program described in Title VII, Subtitle C, section 740 of Public Law
2 116-92 and commitments totaling one billion three hundred million dollars
3 in total investment, including only federal dollars and private
4 donations, have been secured. In no case shall any transfer occur before
5 fiscal year 2025-26 ~~or before the total amount of refundable credits~~
6 ~~granted annually under the Nebraska Property Tax Incentive Act reaches~~
7 ~~three hundred seventy-five million dollars.~~ Distributions shall only be
8 made from the fund in amounts equal to the amount of private dollars
9 received by the applicant for the project.

10 (3) Any money remaining in the fund after all obligations have been
11 met shall be transferred to the General Fund.

12 Sec. 14. Original sections 79-1003 and 81-12,193, Revised Statutes
13 Cumulative Supplement, 2022, and sections 77-6702, 77-6703, 79-1001,
14 79-1006, 79-1021, 79-1022, 79-1022.02, 79-1023, 79-1027, and 79-1031.01,
15 Revised Statutes Supplement, 2023, are repealed.

16 Sec. 15. Since an emergency exists, this act takes effect when
17 passed and approved according to law.