

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 879

Introduced by Kopplin, 3; Gay, 14; Pedersen, 39.

Read first time January 11, 2008

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1001 and 79-1007.02,
3 Revised Statutes Supplement, 2007; to provide for
4 a construction, expansion, or alteration adjustment;
5 to harmonize provisions; and to repeal the original
6 sections.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1001, Revised Statutes Supplement,
2 2007, is amended to read:

3 79-1001 Sections 79-1001 to 79-1033 and section 3 of
4 this act shall be known and may be cited as the Tax Equity and
5 Educational Opportunities Support Act.

6 Sec. 2. Section 79-1007.02, Revised Statutes Supplement,
7 2007, is amended to read:

8 79-1007.02 For state aid calculated for school fiscal
9 year 1998-99 and each school fiscal year thereafter:

10 (1) Using data from the annual financial reports for the
11 second school fiscal year immediately preceding the school fiscal
12 year in which aid is to be paid, the annual statistical summary
13 reports for the school fiscal year immediately preceding the school
14 fiscal year in which aid is to be paid, the fall membership reports
15 and supplements thereto for the school fiscal year immediately
16 preceding the school fiscal year in which aid is to be paid,
17 and the school district census as reported under sections 79-524
18 and 79-578 for the second school fiscal year preceding the school
19 fiscal year in which aid is to be paid, the department shall
20 divide the local systems into three cost groupings prior to the
21 certification of state aid based upon the following criteria:

22 (a) The very sparse cost grouping will consist of local
23 systems that have (i) (A) less than one-half student per square
24 mile in each county in which each high school attendance center
25 is located, based on the school district census, (B) less than

1 one formula student per square mile in the local system, and (C)
2 more than fifteen miles between the high school attendance center
3 and the next closest high school attendance center on paved roads
4 or (ii) (A) more than four hundred fifty square miles in the local
5 system, (B) less than one-half student per square mile in the local
6 system, and (C) more than fifteen miles between each high school
7 attendance center and the next closest high school attendance
8 center on paved roads;

9 (b) The sparse cost grouping will consist of local
10 systems that do not qualify for the very sparse cost grouping but
11 which meet the following criteria:

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

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

22 (iii) (A) Less than one and one-half formula students per
23 square mile in the local system and (B) more than two hundred
24 seventy-five square miles in the local system; or

25 (iv) (A) Less than two formula students per square mile in

1 the local system and (B) the local system includes an area equal
2 to ninety-five percent or more of the square miles in the largest
3 county in which a high school attendance center is located in the
4 local system; and

5 (c) The standard cost grouping will consist of local
6 systems that do not qualify for the very sparse or the sparse cost
7 groupings.

8 For purposes of subdivision (1) of this section, if a
9 local system did not operate and offer instruction in grades nine
10 through twelve within the boundaries of the local system during the
11 school fiscal year immediately preceding the school fiscal year in
12 which aid is to be paid, the local system shall not be considered
13 to have a high school attendance center;

14 (2) (a) The department shall calculate the average formula
15 cost per student in each cost grouping by dividing the total
16 estimated general fund operating expenditures for the cost grouping
17 by the difference between the total adjusted formula students for
18 all local systems in the cost grouping minus (i) the adjusted
19 formula students attributed to early childhood education programs
20 approved by the department pursuant to section 79-1103 for the
21 first two school fiscal years for which students attributed to
22 early childhood education programs approved by the department
23 pursuant to section 79-1103 are being included in the calculation
24 of state aid for the local system and (ii) for the first two
25 school fiscal years immediately following the school fiscal year in

1 which a district in the local system received an expansion grant
2 pursuant to section 79-1103, the difference between the adjusted
3 formula students attributed to early childhood education programs
4 approved by the department pursuant to section 79-1103 for the
5 school fiscal year immediately following the school fiscal year in
6 which a district in the local system received an expansion grant
7 minus the adjusted formula students attributed to early childhood
8 education programs approved by the department pursuant to section
9 79-1103 for the school fiscal year in which a district in the
10 local system received an expansion grant. For the calculation of
11 state aid for school fiscal year 1999-00 and for each school fiscal
12 year thereafter, the average formula cost per student in each cost
13 grouping shall not be recalculated for the final calculation of
14 state aid pursuant to section 79-1065. The calculation of total
15 adjusted formula students for purposes of this subdivision shall
16 take into account the requirements of subdivision (2) of section
17 79-1007.01. For school fiscal years prior to school fiscal year
18 2008-09, the total estimated general fund operating expenditures
19 for the cost grouping is equal to the total adjusted general fund
20 operating expenditures for all local systems in the cost grouping
21 multiplied by a cost growth factor. For school fiscal year 2008-09
22 and each school fiscal year thereafter, the total estimated general
23 fund operating expenditures for the cost grouping is equal to the
24 total adjusted general fund operating expenditures for all local
25 systems in the cost grouping.

1 (b) For school fiscal years prior to school fiscal year
2 2008-09, the cost growth factor for each cost grouping is equal to
3 the sum of: (i) One; plus (ii) the product of two times the ratio
4 of the difference of (A) the formula students attributable to the
5 cost grouping without weighting or adjustment pursuant to section
6 79-1007.01 minus the qualified early childhood education fall
7 membership attributable to the cost grouping without such weighting
8 or adjustment for state aid certified pursuant to section 79-1022
9 minus (B) the difference of the sum of the average daily membership
10 plus tuitioned students attributable to the cost grouping for the
11 most recently available complete data year minus the qualified
12 early childhood education average daily membership attributable to
13 the cost grouping without such weighting or adjustment for the most
14 recently available complete data year divided by the difference of
15 the sum of the average daily membership plus tuitioned students
16 attributable to the cost grouping for the most recently available
17 complete data year minus the qualified early childhood education
18 average daily membership attributable to the cost grouping without
19 such weighting or adjustment for the most recently available
20 complete data year, except that the ratio shall not be less than
21 zero; plus (iii) the basic allowable growth rate pursuant to
22 section 79-1025 for the school fiscal year in which the aid is to
23 be distributed; plus (iv) the basic allowable growth rate pursuant
24 to section 79-1025 for the school fiscal year immediately preceding
25 the school fiscal year in which the aid is to be distributed;

1 plus (v) one-half of any additional growth rate allowed by special
2 action of school boards for the school fiscal year in which the
3 aid is to be distributed as determined for the school fiscal
4 year immediately preceding the school fiscal year when aid is to
5 be distributed; plus (vi) one-half of any additional growth rate
6 allowed by special action of the school boards for the school
7 fiscal year immediately preceding the school fiscal year when the
8 aid is to be distributed;

9 (3) For school fiscal years 2002-03 through 2006-07, each
10 local system's formula need shall be calculated by subtracting
11 the temporary aid adjustment factor from the sum of the local
12 system's transportation allowance, the local system's special
13 receipts allowance, and the product of the local system's adjusted
14 formula students multiplied by the average formula cost per student
15 in the local system's cost grouping. The calculation of total
16 adjusted formula students for purposes of this subdivision shall
17 take into account the requirements of subdivision (2) of section
18 79-1007.01;

19 (4) For school fiscal year 2007-08, each local system's
20 formula need shall be calculated by subtracting the temporary aid
21 adjustment factor from the sum of the local system's transportation
22 allowance, special receipts allowance, and distance education and
23 telecommunications allowance and the product of the local system's
24 adjusted formula students multiplied by the average formula cost
25 per student in the local system's cost grouping. The calculation

1 of total adjusted formula students for purposes of this subdivision
2 shall take into account the requirements of subdivision (2) of
3 section 79-1007.01; ~~and~~

4 (5) For school fiscal year 2008-09, ~~and each school~~
5 ~~fiscal year thereafter,~~ each school district's formula need
6 shall equal the greater of (a) the difference of the sum of
7 the school district's transportation allowance, elementary class
8 size allowance, focus school and program allowance, limited
9 English proficiency allowance, poverty allowance, special receipts
10 allowance, and distance education and telecommunications allowance
11 plus the product of the school district's adjusted formula students
12 multiplied by the average formula cost per student in the school
13 district's local system cost grouping minus the sum of the limited
14 English proficiency allowance correction and poverty allowance
15 correction or (b) if the school district's general fund levy was
16 at or above ninety-five percent of the school district's maximum
17 levy pursuant to section 77-3442, the school district's prior year
18 formula need multiplied by one hundred percent. The calculation of
19 total adjusted formula students for purposes of this subdivision
20 shall take into account the requirements of subdivision (2) of
21 section 79-1007.03; ~~and~~ -

22 (6) For school fiscal year 2009-10 and each school
23 fiscal year thereafter, each school district's formula need
24 shall equal the greater of (a) the difference of the sum of
25 the school district's transportation allowance, elementary class

1 size allowance, focus school and program allowance, limited
2 English proficiency allowance, poverty allowance, special receipts
3 allowance, distance education and telecommunications allowance, and
4 construction, expansion, or alteration adjustment plus the product
5 of the school district's adjusted formula students multiplied by
6 the average formula cost per student in the school district's
7 local system cost grouping minus the sum of the limited English
8 proficiency allowance correction and poverty allowance correction
9 or (b) if the school district's general fund levy was at or above
10 ninety-five percent of the school district's maximum levy pursuant
11 to section 77-3442, the school district's prior year formula
12 need multiplied by one hundred percent. The calculation of total
13 adjusted formula students for purposes of this subdivision shall
14 take into account the requirements of subdivision (2) of section
15 79-1007.03.

16 Sec. 3. (1) For school fiscal year 2009-10 and each
17 school fiscal year thereafter, a qualifying district may apply
18 for a construction, expansion, or alteration adjustment, on forms
19 prescribed by the department, on or before October 15 of the
20 school fiscal year immediately preceding the school fiscal year
21 for which aid is being calculated. If the application meets the
22 requirements of this section, the application shall be approved by
23 the department and the department shall notify the district of the
24 approval or denial of the construction, expansion, or alteration
25 adjustment on or before November 15 of the year in which the

1 application was submitted.

2 (2) The construction, expansion, or alteration adjustment
3 for each qualifying district shall equal the statewide average
4 general fund operating expenditures per formula student multiplied
5 by: (a) Twenty percent of the architectural capacity of the
6 construction, expansion, or alteration based on twenty-five
7 students per classroom for the first school fiscal year
8 the construction, expansion, or alteration will be used for
9 instructional purposes; and (b) ten percent of the architectural
10 capacity of the construction, expansion, or alteration based on
11 twenty-five students per classroom for the second school fiscal
12 year that the construction, expansion, or alteration will be used
13 for instructional purposes.

14 (3) For purposes of this section, qualifying district
15 means a district in which the square footage utilized for
16 instructional purposes (a) will increase during the year in which
17 aid is to be paid due to construction of new facilities or the
18 expansion or alteration of existing facilities or (b) has increased
19 during the year immediately preceding the year in which aid is to
20 be paid due to construction of new facilities or the expansion or
21 alteration of existing facilities.

22 Sec. 4. Original sections 79-1001 and 79-1007.02, Revised
23 Statutes Supplement, 2007, are repealed.