

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 357

Introduced by Haar, 21.

Read first time January 18, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1003 and 79-1028.01,
3 Revised Statutes Cumulative Supplement, 2012; to change
4 provisions relating to budget limitations; to harmonize
5 provisions; to repeal the original sections; and to
6 declare an emergency.

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

1 Section 1. Section 79-1003, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (17) Formula students means:

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

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

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

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

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

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

25 (21) General fund expenditures means all expenditures

1 from the general fund;

2 (22) General fund operating expenditures means:

3 (a) For state aid calculated for school fiscal years
4 2010-11 and 2011-12, as reported on the annual financial report for
5 the second school fiscal year immediately preceding the school fiscal
6 year in which aid is to be paid, the total general fund expenditures
7 minus (i) the amount of all receipts to the general fund, to the
8 extent that such receipts are not included in local system formula
9 resources, from early childhood education tuition, summer school
10 tuition, educational entities as defined in section 79-1201.01 for
11 providing distance education courses through the Educational Service
12 Unit Coordinating Council to such educational entities, private
13 foundations, individuals, associations, charitable organizations, the
14 textbook loan program authorized by section 79-734, federal impact
15 aid, and levy override elections pursuant to section 77-3444, (ii)
16 the amount of expenditures for categorical funds, tuition paid,
17 transportation fees paid to other districts, adult education,
18 community services, redemption of the principal portion of general
19 fund debt service, retirement incentive plans authorized by section
20 79-855, and staff development assistance authorized by section
21 79-856, (iii) the amount of any transfers from the general fund to
22 any bond fund and transfers from other funds into the general fund,
23 (iv) any legal expenses in excess of fifteen-hundredths of one
24 percent of the formula need for the school fiscal year in which the
25 expenses occurred, (v) expenditures to pay for sums agreed to be paid

1 by a school district to certificated employees in exchange for a
2 voluntary termination occurring prior to July 1, 2009, and (vi)(A)
3 expenditures in school fiscal years 2009-10 through 2013-14 to pay
4 for employer contributions pursuant to subsection (2) of section
5 79-958 to the School Retirement System of the State of Nebraska to
6 the extent that such expenditures exceed the employer contributions
7 under such subsection that would have been made at a contribution
8 rate of seven and thirty-five hundredths percent or (B) expenditures
9 in school fiscal years 2009-10 through 2013-14 to pay for school
10 district contributions pursuant to subdivision (1)(c)(i) of section
11 79-9,113 to the retirement system established pursuant to the Class V
12 School Employees Retirement Act to the extent that such expenditures
13 exceed the school district contributions under such subdivision that
14 would have been made at a contribution rate of seven and thirty-seven
15 hundredths percent; ~~and~~

16 (b) For state aid calculated for school fiscal years
17 ~~2012-13 and each school fiscal year thereafter, 2012-13 through~~
18 2014-15 as reported on the annual financial report for the second
19 school fiscal year immediately preceding the school fiscal year in
20 which aid is to be paid, the total general fund expenditures minus
21 (i) the amount of all receipts to the general fund, to the extent
22 that such receipts are not included in local system formula
23 resources, from early childhood education tuition, summer school
24 tuition, educational entities as defined in section 79-1201.01 for
25 providing distance education courses through the Educational Service

1 Unit Coordinating Council to such educational entities, private
2 foundations, individuals, associations, charitable organizations, the
3 textbook loan program authorized by section 79-734, federal impact
4 aid, and levy override elections pursuant to section 77-3444, (ii)
5 the amount of expenditures for categorical funds, tuition paid,
6 transportation fees paid to other districts, adult education,
7 community services, redemption of the principal portion of general
8 fund debt service, retirement incentive plans authorized by section
9 79-855, and staff development assistance authorized by section
10 79-856, (iii) the amount of any transfers from the general fund to
11 any bond fund and transfers from other funds into the general fund,
12 (iv) any legal expenses in excess of fifteen-hundredths of one
13 percent of the formula need for the school fiscal year in which the
14 expenses occurred, (v) expenditures to pay for sums agreed to be paid
15 by a school district to certificated employees in exchange for a
16 voluntary termination occurring ~~prior to July 1, 2009, or occurring~~
17 ~~on or after the last day of the 2010-11 school year and prior to the~~
18 ~~first day of the 2013-14 school year, as provided in subdivision (1)~~
19 (h)(i) of section 79-1028.01, (vi)(A) expenditures in school fiscal
20 years 2009-10 through 2016-17 to pay for employer contributions
21 pursuant to subsection (2) of section 79-958 to the School Employees
22 Retirement System of the State of Nebraska to the extent that such
23 expenditures exceed the employer contributions under such subsection
24 that would have been made at a contribution rate of seven and thirty-
25 five hundredths percent or (B) expenditures in school fiscal years

1 2009-10 through 2016-17 to pay for school district contributions
2 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the
3 retirement system established pursuant to the Class V School
4 Employees Retirement Act to the extent that such expenditures exceed
5 the school district contributions under such subdivision that would
6 have been made at a contribution rate of seven and thirty-seven
7 hundredths percent, and (vii) any amounts paid by the district for
8 lobbyist fees and expenses reported to the Clerk of the Legislature
9 pursuant to section 49-1483; and -

10 (c) For state aid calculated for school fiscal years
11 2015-16 and each school fiscal year thereafter, as reported on the
12 annual financial report for the second school fiscal year immediately
13 preceding the school fiscal year in which aid is to be paid, the
14 total general fund expenditures minus (i) the amount of all receipts
15 to the general fund, to the extent that such receipts are not
16 included in local system formula resources, from early childhood
17 education tuition, summer school tuition, educational entities as
18 defined in section 79-1201.01 for providing distance education
19 courses through the Educational Service Unit Coordinating Council to
20 such educational entities, private foundations, individuals,
21 associations, charitable organizations, the textbook loan program
22 authorized by section 79-734, federal impact aid, and levy override
23 elections pursuant to section 77-3444, (ii) the amount of
24 expenditures for categorical funds, tuition paid, transportation fees
25 paid to other districts, adult education, community services,

1 redemption of the principal portion of general fund debt service,
2 retirement incentive plans authorized by section 79-855, and staff
3 development assistance authorized by section 79-856, (iii) the amount
4 of any transfers from the general fund to any bond fund and transfers
5 from other funds into the general fund, (iv) any legal expenses in
6 excess of fifteen-hundredths of one percent of the formula need for
7 the school fiscal year in which the expenses occurred, (v)
8 expenditures to pay for sums agreed to be paid by a school district
9 to certificated employees in exchange for a voluntary termination
10 occurring as provided in subdivision (1)(h)(ii) of section
11 79-1028.01, to the extent that a district can demonstrate a savings
12 in salary and benefit costs to the district over a five-year period,
13 (vi)(A) expenditures for school fiscal years 2009-10 through 2016-17
14 to pay for employer contributions pursuant to subsection (2) of
15 section 79-958 to the School Employees Retirement System of the State
16 of Nebraska to the extent that such expenditures exceed the employer
17 contributions under such subsection that would have been made at a
18 contribution rate of seven and thirty-five hundredths percent or (B)
19 expenditures in school fiscal years 2009-10 through 2016-17 to pay
20 for school district contributions pursuant to subdivision (1)(c)(i)
21 of section 79-9,113 to the retirement system established pursuant to
22 the Class V School Employees Retirement Act to the extent that such
23 expenditures exceed the school district contributions under such
24 subdivision that would have been made at a contribution rate of seven
25 and thirty-seven hundredths percent, and (vii) any amounts paid by

1 the district for lobbyist fees and expenses reported to the Clerk of
2 the Legislature pursuant to section 49-1483.

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

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

12 (24) Income tax liability means the amount of the
13 reported income tax liability for resident individuals pursuant to
14 the Nebraska Revenue Act of 1967 less all nonrefundable credits
15 earned and refunds made;

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

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

1 immediately preceding school fiscal years if such difference is
2 greater than zero;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 Sec. 2. Section 79-1028.01, Revised Statutes Cumulative
6 Supplement, 2012, is amended to read:

7 79-1028.01 (1) For each school fiscal year, a school
8 district may exceed its budget authority for the general fund budget
9 of expenditures as calculated pursuant to section 79-1023 for such
10 school fiscal year by a specific dollar amount for the following
11 exclusions:

12 (a) Expenditures for repairs to infrastructure damaged by
13 a natural disaster which is declared a disaster emergency pursuant to
14 the Emergency Management Act;

15 (b) Expenditures for judgments, except judgments or
16 orders from the Commission of Industrial Relations, obtained against
17 a school district which require or obligate a school district to pay
18 such judgment, to the extent such judgment is not paid by liability
19 insurance coverage of a school district;

20 (c) Expenditures pursuant to the Retirement Incentive
21 Plan authorized in section 79-855 or the Staff Development Assistance
22 authorized in section 79-856;

23 (d) Expenditures of amounts received from educational
24 entities as defined in section 79-1201.01 for providing distance
25 education courses through the Educational Service Unit Coordinating

1 Council to such educational entities;

2 (e) Expenditures to pay another school district for the
3 transfer of land from such other school district;

4 (f) Expenditures in school fiscal years 2009-10 through
5 2016-17 to pay for employer contributions pursuant to subsection (2)
6 of section 79-958 to the School Employees Retirement System of the
7 State of Nebraska to the extent that such expenditures exceed the
8 employer contributions under such subsection that would have been
9 made at a contribution rate of seven and thirty-five hundredths
10 percent;

11 (g) Expenditures in school fiscal years 2009-10 through
12 2016-17 to pay for school district contributions pursuant to
13 subdivision (1)(c)(i) of section 79-9,113 to the retirement system
14 established pursuant to the Class V School Employees Retirement Act
15 to the extent that such expenditures exceed the school district
16 contributions under such subdivision that would have been made at a
17 contribution rate of seven and thirty-seven hundredths percent;

18 (h)(i) Expenditures for sums agreed to be paid by a
19 school district to certificated employees in exchange for a voluntary
20 termination occurring prior to July 1, 2009, or occurring on or after
21 the last day of the 2010-11 school year and prior to the first day of
22 the 2013-14 school year; and (ii) expenditures for sums agreed to be
23 paid by a school district to certificated employees in exchange for a
24 voluntary termination occurring prior to July 1, 2009, or occurring
25 on or after the last day of the 2013-14 school year and prior to the

1 first day of the 2015-16 school year, to the extent that a district
2 can demonstrate a savings in salary and benefit costs to the school
3 district over a five-year period;

4 (i) Any expenditures in school fiscal years 2016-17 and
5 2017-18 of amounts specified in the notice provided by the
6 Commissioner of Education pursuant to section 79-309.01 for teacher
7 performance pay;

8 (j) The special education budget of expenditures; and

9 (k) Expenditures of special grant funds.

10 (2) For each school fiscal year, a school district may
11 exceed its budget authority for the general fund budget of
12 expenditures as calculated pursuant to section 79-1023 for such
13 school fiscal year by a specific dollar amount and include such
14 dollar amount in the budget of expenditures used to calculate budget
15 authority for the general fund budget of expenditures pursuant to
16 section 79-1023 for future years for the following exclusions:

17 (a) Expenditures of incentive payments or base fiscal
18 year incentive payments to be received in such school fiscal year
19 pursuant to section 79-1011;

20 (b) The first school fiscal year the district will be
21 participating in Network Nebraska for the full school fiscal year,
22 for the difference of the estimated expenditures for such school
23 fiscal year for telecommunications services, access to data
24 transmission networks that transmit data to and from the school
25 district, and the transmission of data on such networks as such

1 expenditures are defined by the department for purposes of the
2 distance education and telecommunications allowance minus the dollar
3 amount of such expenditures for the second school fiscal year
4 preceding the first full school fiscal year the district participates
5 in Network Nebraska; and

6 (c) Expenditures for new elementary attendance sites in
7 the first year of operation or the first year of operation after
8 being closed for at least one school year if such elementary
9 attendance site will most likely qualify for the elementary site
10 allowance in the immediately following school fiscal year as
11 determined by the state board.

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

15 Sec. 3. Original sections 79-1003 and 79-1028.01, Revised
16 Statutes Cumulative Supplement, 2012, are repealed.

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