

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 599

Introduced by Sullivan, 41.

Read first time January 23, 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 general fund operating
5 expenditures and budget authority; to repeal the original
6 sections; to outright repeal sections 79-1011 and
7 79-1012, Revised Statutes Cumulative Supplement, 2012;
8 and to declare an emergency.
9 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)-(a)~~ For state aid calculated for school fiscal years
17 2012-13 and each school fiscal year thereafter, 2013-14, as reported
18 on the annual financial report for the second school fiscal year
19 immediately preceding the school fiscal year in which aid is to be
20 paid, the total general fund expenditures minus (i) the amount of all
21 receipts to the general fund, to the extent that such receipts are
22 not included in local system formula resources, from early childhood
23 education tuition, summer school tuition, educational entities as
24 defined in section 79-1201.01 for providing distance education
25 courses through the Educational Service Unit Coordinating Council to

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

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

9 (b) For state aid calculated for school fiscal years
10 2014-15 and each school fiscal year thereafter, as reported on the
11 annual financial report for the second school fiscal year immediately
12 preceding the school fiscal year in which aid is to be paid, the
13 total general fund expenditures minus (i) the amount of all receipts
14 to the general fund, to the extent that such receipts are not
15 included in local system formula resources, from early childhood
16 education tuition, summer school tuition, educational entities as
17 defined in section 79-1201.01 for providing distance education
18 courses through the Educational Service Unit Coordinating Council to
19 such educational entities, private foundations, individuals,
20 associations, charitable organizations, the textbook loan program
21 authorized by section 79-734, federal impact aid, and levy override
22 elections pursuant to section 77-3444, (ii) the amount of
23 expenditures for categorical funds, adult education, community
24 services, redemption of the principal portion of general fund debt
25 service, retirement incentive plans authorized by section 79-855, and

1 staff development assistance authorized by section 79-856, (iii) the
2 amount of any transfers from the general fund to any bond fund and
3 transfers from other funds into the general fund, (iv) any legal
4 expenses in excess of fifteen-hundredths of one percent of the
5 formula need for the school fiscal year in which the expenses
6 occurred, (v) expenditures to pay for sums agreed to be paid by a
7 school district to certificated employees in exchange for a voluntary
8 termination occurring prior to July 1, 2009, or occurring on or after
9 the last day of the 2010-11 school year and prior to the first day of
10 the 2013-14 school year, and (vi) any amounts paid by the district
11 for lobbyist fees and expenses reported to the Clerk of the
12 Legislature pursuant to section 49-1483.

13 For purposes of this subdivision (22) of this section,
14 receipts from levy override elections shall equal ninety-nine percent
15 of the difference of the total general fund levy minus a levy of one
16 dollar and five cents per one hundred dollars of taxable valuation
17 multiplied by the assessed valuation for school districts that have
18 voted pursuant to section 77-3444 to override the maximum levy
19 provided pursuant to section 77-3442;

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

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

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

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

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

23 (28) Low-income child means a child under nineteen years
24 of age living in a household having an annual adjusted gross income
25 for the second calendar year preceding the beginning of the school

1 fiscal year for which aid is being calculated equal to or less than
2 the maximum household income that would allow a student from a family
3 of four people to be a free lunch and free milk student during the
4 school fiscal year immediately preceding the school fiscal year for
5 which aid is being calculated;

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

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

17 (31) Poverty students means the number of low-income
18 students or the number of students who are free lunch and free milk
19 students in a district plus the difference of the number of low-
20 income students or the number of students who are free lunch and free
21 milk students in a district, whichever is greater, minus the average
22 number of poverty students for such district, prior to such addition,
23 for the three immediately preceding school fiscal years if such
24 difference is greater than zero;

25 (32) Qualified early childhood education average daily

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

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

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

4 (34) Regular route transportation means the
5 transportation of students on regularly scheduled daily routes to and
6 from the attendance center;

7 (35) Reorganized district means any district involved in
8 a consolidation and currently educating students following
9 consolidation;

10 (36) School year or school fiscal year means the fiscal
11 year of a school district as defined in section 79-1091;

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

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

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

24 (c)(i) Less than one and one-half formula students per
25 square mile in the local system and (ii) more than two hundred

1 seventy-five square miles in the local system; or

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

7 (38) Special education means specially designed
8 kindergarten through grade twelve instruction pursuant to section
9 79-1125, and includes special education transportation;

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

18 (40) State aid means the amount of assistance paid to a
19 district pursuant to the Tax Equity and Educational Opportunities
20 Support Act;

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

22 (42) State support means all funds provided to districts
23 by the State of Nebraska for the general fund support of elementary
24 and secondary education;

25 (43) Statewide average basic funding per formula student

1 means the statewide total basic funding for all districts divided by
2 the statewide total formula students for all districts;

3 (44) Statewide average general fund operating
4 expenditures per formula student means the statewide total general
5 fund operating expenditures for all districts divided by the
6 statewide total formula students for all districts;

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

8 (46) Temporary aid adjustment factor means (a) for school
9 fiscal years before school fiscal year 2007-08, one and one-fourth
10 percent of the sum of the local system's transportation allowance,
11 the local system's special receipts allowance, and the product of the
12 local system's adjusted formula students multiplied by the average
13 formula cost per student in the local system's cost grouping and (b)
14 for school fiscal year 2007-08, one and one-fourth percent of the sum
15 of the local system's transportation allowance, special receipts
16 allowance, and distance education and telecommunications allowance
17 and the product of the local system's adjusted formula students
18 multiplied by the average formula cost per student in the local
19 system's cost grouping;

20 (47) Tuition receipts from converted contracts means
21 tuition receipts received by a district from another district in the
22 most recently available complete data year pursuant to a converted
23 contract prior to the expiration of the contract;

24 (48) Tuitioned students means students in kindergarten
25 through grade twelve of the district whose tuition is paid by the

1 district to some other district or education agency; and

2 (49) Very sparse local system means a local system that
3 has:

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

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

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

17 79-1028.01 (1) For each school fiscal year, a school
18 district may exceed its budget authority for the general fund budget
19 of expenditures as calculated pursuant to section 79-1023 for such
20 school fiscal year by a specific dollar amount for the following
21 exclusions:

22 (a) Expenditures for repairs to infrastructure damaged by
23 a natural disaster which is declared a disaster emergency pursuant to
24 the Emergency Management Act;

25 (b) Expenditures for judgments, except judgments or

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

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

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

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

14 (f) Expenditures in school fiscal years 2009-10 through
15 ~~2016-17~~2012-13 to pay for employer contributions pursuant to
16 subsection (2) of section 79-958 to the School Employees Retirement
17 System of the State of Nebraska to the extent that such expenditures
18 exceed the employer contributions under such subsection that would
19 have been made at a contribution rate of seven and thirty-five
20 hundredths percent;

21 (g) Expenditures in school fiscal years 2009-10 through
22 ~~2016-17~~2012-13 to pay for school district contributions pursuant to
23 subdivision (1)(c)(i) of section 79-9,113 to the retirement system
24 established pursuant to the Class V School Employees Retirement Act
25 to the extent that such expenditures exceed the school district

1 contributions under such subdivision that would have been made at a
2 contribution rate of seven and thirty-seven hundredths percent;

3 (h) Expenditures for sums agreed to be paid by a school
4 district to certificated employees in exchange for a voluntary
5 termination occurring prior to July 1, 2009, or occurring on or after
6 the last day of the 2010-11 school year and prior to the first day of
7 the 2013-14 school year;

8 (i) Any expenditures in school fiscal years 2016-17 and
9 2017-18 of amounts specified in the notice provided by the
10 Commissioner of Education pursuant to section 79-309.01 for teacher
11 performance pay;

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

13 (k) Expenditures of special grant funds.

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

21 ~~(a) Expenditures of incentive payments or base fiscal~~
22 ~~year incentive payments to be received in such school fiscal year~~
23 ~~pursuant to section 79-1011;~~

24 (a) Expenditures in school fiscal year 2013-14 to pay for
25 employer contributions pursuant to subsection (2) of section 79-958

1 to the School Employees Retirement System of the State of Nebraska to
2 the extent that such expenditures exceed the employer contributions
3 under such subsection that would have been made at a contribution
4 rate of seven and thirty-five hundredths percent;

5 (b) Expenditures in school fiscal year 2013-14 to pay for
6 school district contributions pursuant to subdivision (1)(c)(i) of
7 section 79-9,113 to the retirement system established pursuant to the
8 Class V School Employees Retirement Act to the extent that such
9 expenditures exceed the school district contributions under such
10 subdivision that would have been made at a contribution rate of seven
11 and thirty-seven hundredths percent;

12 (b)-(c) The first school fiscal year the district will be
13 participating in Network Nebraska for the full school fiscal year,
14 for the difference of the estimated expenditures for such school
15 fiscal year for telecommunications services, access to data
16 transmission networks that transmit data to and from the school
17 district, and the transmission of data on such networks as such
18 expenditures are defined by the department for purposes of the
19 distance education and telecommunications allowance minus the dollar
20 amount of such expenditures for the second school fiscal year
21 preceding the first full school fiscal year the district participates
22 in Network Nebraska; and

23 (e)-(d) Expenditures for new elementary attendance sites
24 in the first year of operation or the first year of operation after
25 being closed for at least one school year if such elementary

1 attendance site will most likely qualify for the elementary site
2 allowance in the immediately following school fiscal year as
3 determined by the state board.

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

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

9 Sec. 4. The following sections are outright repealed:
10 Sections 79-1011 and 79-1012, Revised Statutes Cumulative Supplement,
11 2012.

12 Sec. 5. Since an emergency exists, this act takes effect
13 when passed and approved according to law.