

AMENDMENTS TO LB512

(Amendments to Final Reading copy)

Introduced by Harr, 8.

1 1. Strike sections 6, 11, 14, and 37 and insert the following new
2 sections:

3 Sec. 6. Section 77-3442, Revised Statutes Cumulative Supplement,
4 2016, is amended to read:

5 77-3442 (1) Property tax levies for the support of local governments
6 for fiscal years beginning on or after July 1, 1998, shall be limited to
7 the amounts set forth in this section except as provided in section
8 77-3444.

9 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
10 section, school districts and multiple-district school systems may levy a
11 maximum levy of one dollar and five cents per one hundred dollars of
12 taxable valuation of property subject to the levy.

13 (b) For each fiscal year prior to fiscal year 2017-18, learning
14 communities may levy a maximum levy for the general fund budgets of
15 member school districts of ninety-five cents per one hundred dollars of
16 taxable valuation of property subject to the levy. The proceeds from the
17 levy pursuant to this subdivision shall be distributed pursuant to
18 section 79-1073.

19 (c) Except as provided in subdivision (2)(e) of this section, for
20 each fiscal year prior to fiscal year 2017-18, school districts that are
21 members of learning communities may levy for purposes of such districts'
22 general fund budget and special building funds a maximum combined levy of
23 the difference of one dollar and five cents on each one hundred dollars
24 of taxable property subject to the levy minus the learning community levy
25 pursuant to subdivision (2)(b) of this section for such learning
26 community.

1 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
2 of this section are (i) amounts levied to pay for current and future sums
3 agreed to be paid by a school district to certificated employees in
4 exchange for a voluntary termination of employment occurring prior to
5 September 1, 2017, (ii) amounts levied by a school district otherwise at
6 the maximum levy pursuant to subdivision (2)(a) of this section to pay
7 for current and future qualified voluntary termination incentives for
8 certificated teachers pursuant to subsection (3) of section 11 of this
9 act that are not otherwise included in an exclusion pursuant to
10 subdivision (2)(d) of this section, (iii) amounts levied by a school
11 district otherwise at the maximum levy pursuant to subdivision (2)(a) of
12 this section to pay for seventy-five percent of the current and future
13 sums agreed to be paid to certificated employees in exchange for a
14 voluntary termination of employment occurring between September 1, 2017,
15 and August 31, 2018, as a result of a collective bargaining agreement in
16 force and effect on the operative date of this section that are not
17 otherwise included in an exclusion pursuant to subdivision (2)(d) of this
18 section, (iv) amounts levied by a school district otherwise at the
19 maximum levy pursuant to subdivision (2)(a) of this section to pay for
20 fifty percent of the current and future sums agreed to be paid to
21 certificated employees in exchange for a voluntary termination of
22 employment occurring between September 1, 2018, and August 31, 2019, as a
23 result of a collective bargaining agreement in force and effect on the
24 operative date of this section that are not otherwise included in an
25 exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
26 levied by a school district otherwise at the maximum levy pursuant to
27 subdivision (2)(a) of this section to pay for twenty-five percent of the
28 current and future sums agreed to be paid to certificated employees in
29 exchange for a voluntary termination of employment occurring between
30 September 1, 2019, and August 31, 2020, as a result of a collective
31 bargaining agreement in force and effect on the operative date of this

1 section that are not otherwise included in an exclusion pursuant to
2 subdivision (2)(d) of this section, (vi) amounts levied in compliance
3 with sections 79-10,110 and 79-10,110.02, and (vii) amounts levied to pay
4 for special building funds and sinking funds established for projects
5 commenced prior to April 1, 1996, for construction, expansion, or
6 alteration of school district buildings. For purposes of this subsection,
7 commenced means any action taken by the school board on the record which
8 commits the board to expend district funds in planning, constructing, or
9 carrying out the project.

10 (e) Federal aid school districts may exceed the maximum levy
11 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
12 extent necessary to qualify to receive federal aid pursuant to Title VIII
13 of Public Law 103-382, as such title existed on September 1, 2001. For
14 purposes of this subdivision, federal aid school district means any
15 school district which receives ten percent or more of the revenue for its
16 general fund budget from federal government sources pursuant to Title
17 VIII of Public Law 103-382, as such title existed on September 1, 2001.

18 (f) For each fiscal year, learning communities may levy a maximum
19 levy of one-half cent on each one hundred dollars of taxable property
20 subject to the levy for elementary learning center facility leases, for
21 remodeling of leased elementary learning center facilities, and for up to
22 fifty percent of the estimated cost for focus school or program capital
23 projects approved by the learning community coordinating council pursuant
24 to section 79-2111.

25 (g) For each fiscal year, learning communities may levy a maximum
26 levy of one and one-half cents on each one hundred dollars of taxable
27 property subject to the levy for early childhood education programs for
28 children in poverty, for elementary learning center employees, for
29 contracts with other entities or individuals who are not employees of the
30 learning community for elementary learning center programs and services,
31 and for pilot projects, except that no more than ten percent of such levy

1 may be used for elementary learning center employees.

2 (3) For each fiscal year, community college areas may levy the
3 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
4 accordance with the provisions of such subdivisions. A community college
5 area may exceed the levy provided in subdivision (2)(b) of section
6 85-1517 by the amount necessary to retire general obligation bonds
7 assumed by the community college area or issued pursuant to section
8 85-1515 according to the terms of such bonds or for any obligation
9 pursuant to section 85-1535 entered into prior to January 1, 1997.

10 (4)(a) Natural resources districts may levy a maximum levy of four
11 and one-half cents per one hundred dollars of taxable valuation of
12 property subject to the levy.

13 (b) Natural resources districts shall also have the power and
14 authority to levy a tax equal to the dollar amount by which their
15 restricted funds budgeted to administer and implement ground water
16 management activities and integrated management activities under the
17 Nebraska Ground Water Management and Protection Act exceed their
18 restricted funds budgeted to administer and implement ground water
19 management activities and integrated management activities for FY2003-04,
20 not to exceed one cent on each one hundred dollars of taxable valuation
21 annually on all of the taxable property within the district.

22 (c) In addition, natural resources districts located in a river
23 basin, subbasin, or reach that has been determined to be fully
24 appropriated pursuant to section 46-714 or designated as overappropriated
25 pursuant to section 46-713 by the Department of Natural Resources shall
26 also have the power and authority to levy a tax equal to the dollar
27 amount by which their restricted funds budgeted to administer and
28 implement ground water management activities and integrated management
29 activities under the Nebraska Ground Water Management and Protection Act
30 exceed their restricted funds budgeted to administer and implement ground
31 water management activities and integrated management activities for

1 FY2005-06, not to exceed three cents on each one hundred dollars of
2 taxable valuation on all of the taxable property within the district for
3 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
4 2017-18.

5 (5) Any educational service unit authorized to levy a property tax
6 pursuant to section 79-1225 may levy a maximum levy of one and one-half
7 cents per one hundred dollars of taxable valuation of property subject to
8 the levy.

9 (6)(a) Incorporated cities and villages which are not within the
10 boundaries of a municipal county may levy a maximum levy of forty-five
11 cents per one hundred dollars of taxable valuation of property subject to
12 the levy plus an additional five cents per one hundred dollars of taxable
13 valuation to provide financing for the municipality's share of revenue
14 required under an agreement or agreements executed pursuant to the
15 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
16 levy shall include amounts levied to pay for sums to support a library
17 pursuant to section 51-201, museum pursuant to section 51-501, visiting
18 community nurse, home health nurse, or home health agency pursuant to
19 section 71-1637, or statue, memorial, or monument pursuant to section
20 80-202.

21 (b) Incorporated cities and villages which are within the boundaries
22 of a municipal county may levy a maximum levy of ninety cents per one
23 hundred dollars of taxable valuation of property subject to the levy. The
24 maximum levy shall include amounts paid to a municipal county for county
25 services, amounts levied to pay for sums to support a library pursuant to
26 section 51-201, a museum pursuant to section 51-501, a visiting community
27 nurse, home health nurse, or home health agency pursuant to section
28 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

29 (7) Sanitary and improvement districts which have been in existence
30 for more than five years may levy a maximum levy of forty cents per one
31 hundred dollars of taxable valuation of property subject to the levy, and

1 sanitary and improvement districts which have been in existence for five
2 years or less shall not have a maximum levy. Unconsolidated sanitary and
3 improvement districts which have been in existence for more than five
4 years and are located in a municipal county may levy a maximum of eighty-
5 five cents per hundred dollars of taxable valuation of property subject
6 to the levy.

7 (8) Counties may levy or authorize a maximum levy of fifty cents per
8 one hundred dollars of taxable valuation of property subject to the levy,
9 except that five cents per one hundred dollars of taxable valuation of
10 property subject to the levy may only be levied to provide financing for
11 the county's share of revenue required under an agreement or agreements
12 executed pursuant to the Interlocal Cooperation Act or the Joint Public
13 Agency Act. The maximum levy shall include amounts levied to pay for sums
14 to support a library pursuant to section 51-201 or museum pursuant to
15 section 51-501. The county may allocate up to fifteen cents of its
16 authority to other political subdivisions subject to allocation of
17 property tax authority under subsection (1) of section 77-3443 and not
18 specifically covered in this section to levy taxes as authorized by law
19 which do not collectively exceed fifteen cents per one hundred dollars of
20 taxable valuation on any parcel or item of taxable property. The county
21 may allocate to one or more other political subdivisions subject to
22 allocation of property tax authority by the county under subsection (1)
23 of section 77-3443 some or all of the county's five cents per one hundred
24 dollars of valuation authorized for support of an agreement or agreements
25 to be levied by the political subdivision for the purpose of supporting
26 that political subdivision's share of revenue required under an agreement
27 or agreements executed pursuant to the Interlocal Cooperation Act or the
28 Joint Public Agency Act. If an allocation by a county would cause another
29 county to exceed its levy authority under this section, the second county
30 may exceed the levy authority in order to levy the amount allocated.

31 (9) Municipal counties may levy or authorize a maximum levy of one

1 dollar per one hundred dollars of taxable valuation of property subject
2 to the levy. The municipal county may allocate levy authority to any
3 political subdivision or entity subject to allocation under section
4 77-3443.

5 (10) Beginning July 1, 2016, rural and suburban fire protection
6 districts may levy a maximum levy of ten and one-half cents per one
7 hundred dollars of taxable valuation of property subject to the levy if
8 (a) such district is located in a county that had a levy pursuant to
9 subsection (8) of this section in the previous year of at least forty
10 cents per one hundred dollars of taxable valuation of property subject to
11 the levy or (b) for any rural or suburban fire protection district that
12 had a levy request pursuant to section 77-3443 in the previous year, the
13 county board of the county in which the greatest portion of the valuation
14 of such district is located did not authorize any levy authority to such
15 district in the previous year.

16 (11) Property tax levies (a) for judgments, except judgments or
17 orders from the Commission of Industrial Relations, obtained against a
18 political subdivision which require or obligate a political subdivision
19 to pay such judgment, to the extent such judgment is not paid by
20 liability insurance coverage of a political subdivision, (b) for
21 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
22 for bonds as defined in section 10-134 approved according to law and
23 secured by a levy on property except as provided in section 44-4317 for
24 bonded indebtedness issued by educational service units and school
25 districts, and (d) for payments by a public airport to retire interest-
26 free loans from the Department of Aeronautics in lieu of bonded
27 indebtedness at a lower cost to the public airport are not included in
28 the levy limits established by this section.

29 (12) The limitations on tax levies provided in this section are to
30 include all other general or special levies provided by law.
31 Notwithstanding other provisions of law, the only exceptions to the

1 limits in this section are those provided by or authorized by sections
2 77-3442 to 77-3444.

3 (13) Tax levies in excess of the limitations in this section shall
4 be considered unauthorized levies under section 77-1606 unless approved
5 under section 77-3444.

6 (14) For purposes of sections 77-3442 to 77-3444, political
7 subdivision means a political subdivision of this state and a county
8 agricultural society.

9 (15) For school districts that file a binding resolution on or
10 before May 9, 2008, with the county assessors, county clerks, and county
11 treasurers for all counties in which the school district has territory
12 pursuant to subsection (7) of section 79-458, if the combined levies,
13 except levies for bonded indebtedness approved by the voters of the
14 school district and levies for the refinancing of such bonded
15 indebtedness, are in excess of the greater of (a) one dollar and twenty
16 cents per one hundred dollars of taxable valuation of property subject to
17 the levy or (b) the maximum levy authorized by a vote pursuant to section
18 77-3444, all school district levies, except levies for bonded
19 indebtedness approved by the voters of the school district and levies for
20 the refinancing of such bonded indebtedness, shall be considered
21 unauthorized levies under section 77-1606.

22 Sec. 11. (1) A school district may agree to pay incentives to a
23 certificated employee in exchange for a voluntary termination of
24 employment.

25 (2) For purposes of this section, incentives paid in exchange for a
26 voluntary termination of employment include any amount paid, except
27 pursuant to the Retirement Incentive Plan or Staff Development Assistance
28 agreement required under sections 79-854 to 79-856 for school districts
29 involved in a unification or reorganization, to or on behalf of any
30 certificated staff member in exchange for a voluntary termination of
31 employment, including, but not limited to, early retirement inducements

1 and costs to the school district for insurance coverage for such
2 certificated staff member or any member of such certificated staff
3 member's family.

4 (3) Incentives paid to a certificated teacher in exchange for a
5 voluntary termination of employment shall be a qualified voluntary
6 termination incentive for a certificated teacher for purposes of sections
7 77-3442 and 79-1028.01 if:

8 (a) All current and future incentives paid by the school district to
9 such certificated teacher for such voluntary termination of employment do
10 not exceed thirty-five thousand dollars in total and such school district
11 has not and shall not pay any other incentives to such certificated
12 teacher for any voluntary termination of employment;

13 (b) All current and future incentives for such voluntary termination
14 of employment are paid within five years after such voluntary termination
15 of employment or prior to such certificated teacher becoming eligible for
16 medicare, whichever occurs first;

17 (c) Such school district has, to the satisfaction of the State Board
18 of Education, demonstrated that the payment of such incentives in
19 exchange for a voluntary termination of employment will result in a net
20 savings in salary and benefit costs to the school district over a five-
21 year period; and

22 (d) Such incentives to be paid in exchange for a voluntary
23 termination of employment were not included in any collective bargaining
24 agreement.

25 (4) Each school district shall report all incentives paid in
26 exchange for voluntary terminations of employment on the annual financial
27 report in the manner specified by the department.

28 (5) The State Board of Education may adopt and promulgate rules and
29 regulations to carry out the purposes of this section.

30 Sec. 12. Section 79-1003, Revised Statutes Cumulative Supplement,
31 2016, is amended to read:

1 79-1003 For purposes of the Tax Equity and Educational Opportunities
2 Support Act:

3 (1) Adjusted general fund operating expenditures means (a) for
4 school fiscal years 2013-14 through 2015-16, the difference of the
5 general fund operating expenditures as calculated pursuant to subdivision
6 (23) of this section increased by the cost growth factor calculated
7 pursuant to section 79-1007.10, minus the transportation allowance,
8 special receipts allowance, poverty allowance, limited English
9 proficiency allowance, distance education and telecommunications
10 allowance, elementary site allowance, summer school allowance,
11 instructional time allowance, teacher education allowance, and focus
12 school and program allowance, (b) for school fiscal years 2016-17 through
13 2018-19, the difference of the general fund operating expenditures as
14 calculated pursuant to subdivision (23) of this section increased by the
15 cost growth factor calculated pursuant to section 79-1007.10, minus the
16 transportation allowance, special receipts allowance, poverty allowance,
17 limited English proficiency allowance, distance education and
18 telecommunications allowance, elementary site allowance, summer school
19 allowance, ~~best practices allowance~~, and focus school and program
20 allowance, and (c) for school fiscal year 2019-20 and each school fiscal
21 year thereafter, the difference of the general fund operating
22 expenditures as calculated pursuant to subdivision (23) of this section
23 increased by the cost growth factor calculated pursuant to section
24 79-1007.10, minus the transportation allowance, special receipts
25 allowance, poverty allowance, limited English proficiency allowance,
26 distance education and telecommunications allowance, elementary site
27 allowance, summer school allowance, ~~best practices allowance~~, community
28 achievement plan allowance, and focus school and program allowance;

29 (2) Adjusted valuation means the assessed valuation of taxable
30 property of each local system in the state, adjusted pursuant to the
31 adjustment factors described in section 79-1016. Adjusted valuation means

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

8 (3) Allocated income tax funds means the amount of assistance paid
9 to a local system pursuant to section 79-1005.01 as adjusted, for school
10 fiscal years prior to school fiscal year 2017-18, by the minimum levy
11 adjustment pursuant to section 79-1008.02;

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

17 (5) Base fiscal year means the first school fiscal year following
18 the school fiscal year in which the reorganization or unification
19 occurred;

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

21 (7) Categorical funds means funds limited to a specific purpose by
22 federal or state law, including, but not limited to, Title I funds, Title
23 VI funds, federal vocational education funds, federal school lunch funds,
24 Indian education funds, Head Start funds, and funds from the Education
25 Innovation Fund;

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

29 (9) Converted contract means an expired contract that was in effect
30 for at least fifteen school years beginning prior to school year 2012-13
31 for the education of students in a nonresident district in exchange for

1 tuition from the resident district when the expiration of such contract
2 results in the nonresident district educating students, who would have
3 been covered by the contract if the contract were still in effect, as
4 option students pursuant to the enrollment option program established in
5 section 79-234;

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

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

13 (12) District means any Class I, II, III, IV, V, or VI school
14 district ~~or and, beginning with the calculation of state aid for school~~
15 ~~fiscal year 2011-12 and each school fiscal year thereafter,~~ a unified
16 system as defined in section 79-4,108;

17 (13) Ensuing school fiscal year means the school fiscal year
18 following the current school fiscal year;

19 (14) Equalization aid means the amount of assistance calculated to
20 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
21 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

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

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

28 (17) Formula students means:

29 (a) For state aid certified pursuant to section 79-1022, the sum of
30 the product of fall membership from the school fiscal year immediately
31 preceding the school fiscal year in which the aid is to be paid

1 multiplied by the average ratio of average daily membership to fall
2 membership for the second school fiscal year immediately preceding the
3 school fiscal year in which the aid is to be paid and the prior two
4 school fiscal years plus sixty percent of the qualified early childhood
5 education fall membership plus tuitioned students from the school fiscal
6 year immediately preceding the school fiscal year in which aid is to be
7 paid minus the product of the number of students enrolled in kindergarten
8 that is not full-day kindergarten from the fall membership multiplied by
9 0.5; and

10 (b) For the final calculation of state aid pursuant to section
11 79-1065, the sum of average daily membership plus sixty percent of the
12 qualified early childhood education average daily membership plus
13 tuitioned students minus the product of the number of students enrolled
14 in kindergarten that is not full-day kindergarten from the average daily
15 membership multiplied by 0.5 from the school fiscal year immediately
16 preceding the school fiscal year in which aid was paid;

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

20 (a) for schools that did not provide free meals to all students pursuant
21 to the community eligibility provision, students who individually
22 qualified for free lunches or free milk pursuant to the federal Richard
23 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
24 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
25 and sections existed on January 1, 2015, and rules and regulations
26 adopted thereunder, plus (b) for schools that provided free meals to all
27 students pursuant to the community eligibility provision, (i) for school
28 fiscal year 2016-17, the product of the students who attended such school
29 multiplied by the identified student percentage calculated pursuant to
30 such federal provision or (ii) for school fiscal year 2017-18 and each
31 school fiscal year thereafter, the greater of the number of students in

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

12 (19) Free lunch and free milk student means, for school fiscal years
13 prior to school fiscal year 2016-17, a student who qualified for free
14 lunches or free milk from the most recent data available on November 1 of
15 the school fiscal year immediately preceding the school fiscal year in
16 which aid is to be paid;

17 (20) Full-day kindergarten means kindergarten offered by a district
18 for at least one thousand thirty-two instructional hours;

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

26 (22) General fund expenditures means all expenditures from the
27 general fund;

28 (23) General fund operating expenditures means for state aid
29 calculated for school fiscal years 2012-13 and each school fiscal year
30 thereafter, as reported on the annual financial report for the second
31 school fiscal year immediately preceding the school fiscal year in which

1 aid is to be paid, the total general fund expenditures minus (a) the
2 amount of all receipts to the general fund, to the extent that such
3 receipts are not included in local system formula resources, from early
4 childhood education tuition, summer school tuition, educational entities
5 as defined in section 79-1201.01 for providing distance education courses
6 through the Educational Service Unit Coordinating Council to such
7 educational entities, private foundations, individuals, associations,
8 charitable organizations, the textbook loan program authorized by section
9 79-734, federal impact aid, and levy override elections pursuant to
10 section 77-3444, (b) the amount of expenditures for categorical funds,
11 tuition paid, transportation fees paid to other districts, adult
12 education, community services, redemption of the principal portion of
13 general fund debt service, retirement incentive plans authorized by
14 section 79-855, and staff development assistance authorized by section
15 79-856, (c) the amount of any transfers from the general fund to any bond
16 fund and transfers from other funds into the general fund, (d) any legal
17 expenses in excess of fifteen-hundredths of one percent of the formula
18 need for the school fiscal year in which the expenses occurred, (e)(i)
19 for state aid calculated for school fiscal years prior to school fiscal
20 year 2018-19, ~~(e)~~ expenditures to pay for sums agreed to be paid by a
21 school district to certificated employees in exchange for a voluntary
22 termination occurring prior to July 1, 2009, occurring on or after the
23 last day of the 2010-11 school year and prior to the first day of the
24 2013-14 school year, or, to the extent that a district has demonstrated
25 to the State Board of Education pursuant to section 79-1028.01 that the
26 agreement will result in a net savings in salary and benefit costs to the
27 school district over a five-year period, occurring on or after the first
28 day of the 2013-14 school year or (ii) for state aid calculated for
29 school fiscal year 2018-19 and each school fiscal year thereafter,
30 expenditures to pay for incentives agreed to be paid by a school district
31 to certificated employees in exchange for a voluntary termination of

1 employment for which the State Board of Education approved an exclusion
2 pursuant to subdivisions (1)(h), (i), (j), or (k) of section 79-1028.01,
3 (f)(i) expenditures to pay for employer contributions pursuant to
4 subsection (2) of section 79-958 to the School Employees Retirement
5 System of the State of Nebraska to the extent that such expenditures
6 exceed the employer contributions under such subsection that would have
7 been made at a contribution rate of seven and thirty-five hundredths
8 percent or (ii) expenditures to pay for school district contributions
9 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the retirement
10 system established pursuant to the Class V School Employees Retirement
11 Act to the extent that such expenditures exceed the school district
12 contributions under such subdivision that would have been made at a
13 contribution rate of seven and thirty-seven hundredths percent, and (g)
14 any amounts paid by the district for lobbyist fees and expenses reported
15 to the Clerk of the Legislature pursuant to section 49-1483.

16 For purposes of this subdivision (23) of this section, receipts from
17 levy override elections shall equal ninety-nine percent of the difference
18 of the total general fund levy minus a levy of one dollar and five cents
19 per one hundred dollars of taxable valuation multiplied by the assessed
20 valuation for school districts that have voted pursuant to section
21 77-3444 to override the maximum levy provided pursuant to section
22 77-3442;

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

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

28 (26) Income tax receipts means the amount of income tax collected
29 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
30 credits earned and refunds made;

31 (27) Limited English proficiency students means the number of

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

8 (28) Local system means a learning community for purposes of
9 calculation of state aid for each school fiscal year prior to school
10 fiscal year 2017-18, a unified system, a Class VI district and the
11 associated Class I districts, or a Class II, III, IV, or V district and
12 any affiliated Class I districts or portions of Class I districts. The
13 membership, expenditures, and resources of Class I districts that are
14 affiliated with multiple high school districts will be attributed to
15 local systems based on the percent of the Class I valuation that is
16 affiliated with each high school district;

17 (29) Low-income child means (a) for school fiscal years prior to
18 2016-17, a child under nineteen years of age living in a household having
19 an annual adjusted gross income for the second calendar year preceding
20 the beginning of the school fiscal year for which aid is being calculated
21 equal to or less than the maximum household income that would allow a
22 student from a family of four people to be a free lunch and free milk
23 student during the school fiscal year immediately preceding the school
24 fiscal year for which aid is being calculated and (b) for school fiscal
25 year 2016-17 and each school fiscal year thereafter, a child under
26 nineteen years of age living in a household having an annual adjusted
27 gross income for the second calendar year preceding the beginning of the
28 school fiscal year for which aid is being calculated equal to or less
29 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
30 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
31 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)

1 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
2 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
3 existed on January 1, 2015, for a household of that size that would have
4 allowed the child to meet the income qualifications for free meals during
5 the school fiscal year immediately preceding the school fiscal year for
6 which aid is being calculated;

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

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

17 (32) Poverty students means (a) for school fiscal years prior to
18 2016-17, the number of low-income students or the number of students who
19 are free lunch and free milk students in a district plus the difference
20 of the number of low-income students or the number of students who are
21 free lunch and free milk students in a district, whichever is greater,
22 minus the average number of poverty students for such district, prior to
23 such addition, for the three immediately preceding school fiscal years if
24 such difference is greater than zero and (b) for school fiscal year
25 2016-17 and each school fiscal year thereafter, the unadjusted poverty
26 students plus the difference of such unadjusted poverty students minus
27 the average number of poverty students for such district, prior to such
28 addition, for the three immediately preceding school fiscal years if such
29 difference is greater than zero;

30 (33) Qualified early childhood education average daily membership
31 means the product of the average daily membership for school fiscal year

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

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

26 (35) Regular route transportation means the transportation of
27 students on regularly scheduled daily routes to and from the attendance
28 center;

29 (36) Reorganized district means any district involved in a
30 consolidation and currently educating students following consolidation;

31 (37) School year or school fiscal year means the fiscal year of a

1 school district as defined in section 79-1091;

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

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

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

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

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

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

23 (40) Special grant funds means the budgeted receipts for grants,
24 including, but not limited to, categorical funds, reimbursements for
25 wards of the court, short-term borrowings including, but not limited to,
26 registered warrants and tax anticipation notes, interfund loans,
27 insurance settlements, and reimbursements to county government for
28 previous overpayment. The state board shall approve a listing of grants
29 that qualify as special grant funds;

30 (41) State aid means the amount of assistance paid to a district
31 pursuant to the Tax Equity and Educational Opportunities Support Act;

1 (42) State board means the State Board of Education;

2 (43) State support means all funds provided to districts by the
3 State of Nebraska for the general fund support of elementary and
4 secondary education;

5 (44) Statewide average basic funding per formula student means the
6 statewide total basic funding for all districts divided by the statewide
7 total formula students for all districts;

8 (45) Statewide average general fund operating expenditures per
9 formula student means the statewide total general fund operating
10 expenditures for all districts divided by the statewide total formula
11 students for all districts;

12 (46) Teacher has the definition found in section 79-101;

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

24 (48) Tuition receipts from converted contracts means tuition
25 receipts received by a district from another district in the most
26 recently available complete data year pursuant to a converted contract
27 prior to the expiration of the contract;

28 (49) Tuitioned students means students in kindergarten through grade
29 twelve of the district whose tuition is paid by the district to some
30 other district or education agency;

31 (50) Unadjusted poverty students means, for school fiscal year

1 2016-17 and each school fiscal year thereafter, the greater of the number
2 of low-income students or the free lunch and free milk calculated
3 students in a district; and

4 (51) Very sparse local system means a local system that has:

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

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

16 Sec. 15. Section 79-1028.01, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

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

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

25 (b) Expenditures for judgments, except judgments or orders from the
26 Commission of Industrial Relations, obtained against a school district
27 which require or obligate a school district to pay such judgment, to the
28 extent such judgment is not paid by liability insurance coverage of a
29 school district;

30 (c) Expenditures pursuant to the Retirement Incentive Plan
31 authorized in section 79-855 or the Staff Development Assistance

1 authorized in section 79-856;

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

6 (e) Expenditures to pay for employer contributions pursuant to
7 subsection (2) of section 79-958 to the School Employees Retirement
8 System of the State of Nebraska to the extent that such expenditures
9 exceed the employer contributions under such subsection that would have
10 been made at a contribution rate of seven and thirty-five hundredths
11 percent;

12 (f) Expenditures to pay for school district contributions pursuant
13 to subdivision (1)(c)(i) of section 79-9,113 to the retirement system
14 established pursuant to the Class V School Employees Retirement Act to
15 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 (g) Expenditures for incentives ~~sums~~ agreed to be paid by a school
19 district to certificated employees in exchange for a voluntary
20 termination of employment occurring prior to July 1, 2009, occurring on
21 or after the last day of the 2010-11 school year and prior to the first
22 day of the 2013-14 school year, or, to the extent that a district
23 demonstrates to the State Board of Education pursuant to subsection (3)
24 of this section that the agreement will result in a net savings in salary
25 and benefit costs to the school district over a five-year period,
26 occurring on or after the first day of the 2013-14 school year and prior
27 to September 1, 2017;

28 (h) Expenditures by a school district with budgeted expenditures
29 otherwise equal to the budget authority for the general fund budget of
30 expenditures for such school district as calculated pursuant to section
31 79-1023 for such school fiscal year for current and future qualified

1 voluntary termination incentives for certificated teachers pursuant to
2 subsection (3) of section 11 of this act that are not otherwise included
3 in an exclusion pursuant to this subsection;

4 (i) Expenditures by a school district with budgeted expenditures
5 otherwise equal to the budget authority for the general fund budget of
6 expenditures for such school district as calculated pursuant to section
7 79-1023 for such school fiscal year for seventy-five percent of
8 incentives agreed to be paid to certificated employees in exchange for a
9 voluntary termination of employment occurring between September 1, 2017,
10 and August 31, 2018, as a result of a collective bargaining agreement in
11 force and effect on the operative date of this section that are not
12 otherwise included in an exclusion pursuant to this subsection;

13 (j) Expenditures by a school district with budgeted expenditures
14 otherwise equal to the budget authority for the general fund budget of
15 expenditures for such school district as calculated pursuant to section
16 79-1023 for such school fiscal year for fifty percent of incentives
17 agreed to be paid to certificated employees in exchange for a voluntary
18 termination of employment occurring between September 1, 2018, and August
19 31, 2019, as a result of a collective bargaining agreement in force and
20 effect on the operative date of this section that are not otherwise
21 included in an exclusion pursuant to this subsection;

22 (k) Expenditures by a school district with budgeted expenditures
23 otherwise equal to the budget authority for the general fund budget of
24 expenditures for such school district as calculated pursuant to section
25 79-1023 for such school fiscal year for twenty-five percent of incentives
26 agreed to be paid to certificated employees in exchange for a voluntary
27 termination of employment occurring between September 1, 2019, and August
28 31, 2020, as a result of a collective bargaining agreement in force and
29 effect on the operative date of this section that are not otherwise
30 included in an exclusion pursuant to this subsection;

31 (l) ~~(h)~~ The special education budget of expenditures;

1 (m) ~~(i)~~ Expenditures of special grant funds; and

2 (n) ~~(j)~~ Expenditures of funds received as federal impact aid
3 pursuant to 20 U.S.C. 7701 to 7714, as such sections existed on January
4 1, 2016, due to a district having land within its boundaries that is
5 federal property classified as Indian lands under 20 U.S.C. 7713(7), as
6 such section existed on January 1, 2016, and funds received as impact aid
7 due to children in attendance who resided on Indian lands in accordance
8 with 20 U.S.C. 7703(a)(1)(C), as such section existed on January 1, 2016.

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

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

26 (b) Expenditures for new elementary attendance sites in the first
27 year of operation or the first year of operation after being closed for
28 at least one school year if such elementary attendance site will most
29 likely qualify for the elementary site allowance in the immediately
30 following school fiscal year as determined by the state board;

31 (c) For the first school fiscal year for which early childhood

1 education membership is included in formula students for the calculation
2 of state aid, expenditures for early childhood education equal to the
3 amount the school district received in early childhood education grants
4 pursuant to section 79-1103 for the prior school fiscal year, increased
5 by the basic allowable growth rate; and

6 (d) For school fiscal year 2013-14, an amount not to exceed two
7 percent over the previous school year if such increase is approved by a
8 seventy-five percent majority vote of the school board of such district.

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

12 Sec. 38. Sections 1, 2, 3, 4, 11, 21, 22, 28, 29, 30, 31, 32, 33,
13 34, 35, 36, 37, 40, and 42 of this act become operative on September 1,
14 2017. The other sections of this act become operative on their effective
15 date.

16 2. On page 1, line 11, after the semicolon insert "to provide for
17 voluntary termination incentives;"; and in line 12 strike "agreements"
18 and insert "incentives".

19 3. On page 66, line 27, strike "77-3442,"; in line 28 strike
20 "79-1028.01,"; and in line 31 after the last comma insert "and sections
21 77-3442 and 79-1028.01, Revised Statutes Cumulative Supplement, 2016,".

22 4. Renumber the remaining sections accordingly.