

E & R AMENDMENTS TO LB 5

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

3 "Section 1. (1) (a) Any educational service unit may
4 borrow money to the amount of seventy percent of the unexpended
5 balance of total anticipated receipts of the general fund for the
6 current fiscal year and the following fiscal year. Total
7 anticipated receipts of the general fund for the current fiscal
8 year and the following fiscal year means a sum equal to the total
9 of (i) the anticipated receipts from the current existing levy
10 multiplied by two, (ii) the anticipated receipts from the state for
11 core services and technology infrastructure for the current fiscal
12 year and the following fiscal year, (iii) the anticipated receipts
13 from the United States for the current fiscal year and the
14 following fiscal year, and (iv) the anticipated receipts from other
15 sources for the current fiscal year and the following fiscal year.

16 (b) Any educational service unit may execute and deliver
17 in evidence thereof its promissory notes which it is hereby
18 authorized and empowered to make and negotiate, bearing a rate of
19 interest set by the educational service unit board and maturing not
20 more than two fiscal years from the date thereof. Such notes,
21 before they are negotiated, shall be presented to the treasurer of
22 the educational service unit and registered by him or her and shall
23 be payable out of the funds collected by such educational service
24 unit in the order of their registry after the payment of prior

1 registered warrants but prior to the payment of any warrant
2 subsequently registered, except that if both warrants and notes are
3 registered, the total of such registered notes and warrants shall
4 not exceed one hundred percent of the unexpended balance of the
5 total anticipated receipts of the general fund of such educational
6 service unit for the current fiscal year and the following fiscal
7 year. For the purpose of making such calculation, such total
8 anticipated receipts shall not include any anticipated receipts
9 against which the educational service unit has borrowed and issued
10 notes pursuant to this section in either the current or the
11 immediately preceding fiscal year.

12 (2) In addition to the authority granted by subsection
13 (1) of this section, any educational service unit may accept
14 interest-free or low-interest loans from the state or federal
15 government and may execute and deliver in evidence thereof its
16 promissory notes maturing not more than twenty years from the date
17 of execution.

18 (3) In addition to the authority granted by subsections
19 (1) and (2) of this section, any educational service unit may enter
20 into loan agreements for the purpose of borrowing money from
21 financial institutions, including banks, in amounts not in excess
22 of seventy percent of the unexpended balance of its current
23 existing levy. As evidence of such borrowing, an educational
24 service unit may execute and deliver one or more written loan
25 agreements but shall not be required to execute and deliver
26 separate promissory notes for each borrowing under such agreements.
27 Money borrowed pursuant to such agreements shall bear interest at

1 such rate or rates and shall become due and be repaid as provided
2 in such agreements. Any such agreement shall provide for repayment
3 in full at least once each fiscal year and shall be for a term not
4 exceeding one fiscal year. Any such agreement shall be registered
5 upon books kept by the treasurer of the educational service unit,
6 and money borrowed pursuant to such agreement shall be paid out of
7 funds collected upon the current existing levy prior to the payment
8 of any warrant or note registered subsequent to any such loan
9 agreement. If an educational service unit has any such loan
10 agreement or agreements outstanding and has warrants or notes
11 registered, as described in subsection (1) of this section, the
12 total amount (a) of borrowings pursuant to such loan agreement or
13 agreements and (b) of registered notes and warrants shall not
14 exceed one hundred percent of the unexpended balance of the current
15 existing levy.

16 (4) Nothing in this section shall be construed to exempt
17 an educational service unit from the terms and conditions contained
18 in sections 10-701 to 10-716.

19 Sec. 2. Section 79-1201, Revised Statutes Supplement,
20 2000, is amended to read:

21 79-1201. Sections 79-1201 to 79-1243 and section 1 of
22 this act shall be known and may be cited as the Educational Service
23 Units Act.

24 Sec. 3. Section 79-1241, Revised Statutes Supplement,
25 2000, is amended to read:

26 79-1241. Funds appropriated for core services shall be
27 distributed proportionally to each educational service unit by the

1 State Department of Education ~~on or before August 1~~ of each school
2 ~~fiscal year~~ based on the fall membership in member districts in the
3 preceding school fiscal year, except that no educational service
4 unit shall receive less than two and one-half percent of the funds
5 appropriated for core services.

6 Any funds appropriated for distribution pursuant to this
7 section for school fiscal year 2003-04 and each school fiscal year
8 thereafter shall be distributed in ten as nearly as possible equal
9 payments on the first business day of each month beginning in
10 September of each school fiscal year and ending in June. Funds
11 distributed pursuant to this section shall be used for core
12 services with the approval of representatives of two-thirds of the
13 member school districts, representing a majority of the students in
14 the member school districts. If a member school district provides
15 evidence satisfactory to the educational service unit that the
16 district will provide core services for itself in a cost-efficient
17 manner, the educational service unit may distribute funds directly
18 to the district to be used for providing core services, or if all
19 member school districts within the boundaries of an educational
20 service unit together provide evidence satisfactory to the State
21 Department of Education that the districts will provide core
22 services for themselves in a more cost-efficient manner than the
23 educational service unit, the department shall distribute funds
24 directly to the districts to be used for providing core services.

25 Sec. 4. Original sections 79-1201 and 79-1241, Revised
26 Statutes Supplement, 2000, are repealed."

27 2. On page 1, strike beginning with "section" in line 1

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1 through line 5 and insert "sections 79-1201 and 79-1241, Revised
2 Statutes Supplement, 2000; to authorize educational service units
3 to borrow money, execute promissory notes, and enter into loan
4 agreements as prescribed; to change provisions relating to
5 distribution of core services funds; to harmonize provisions; and
6 to repeal the original sections."