

LEGISLATURE OF NEBRASKA  
NINETY-SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 522**

Introduced by Raikes, 25

Read first time January 11, 2001

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities  
2 Support Act; to amend section 79-1026, Revised Statutes  
3 Supplement, 2000; to change provisions relating to  
4 allowable growth rates; and to repeal the original  
5 section.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 79-1026, Revised Statutes Supplement,  
2 2000, is amended to read:

3           79-1026. On or before April 1, 1999, and on or before  
4 February 1 for each year thereafter, the department shall determine  
5 and certify to each Class II, III, IV, V, or VI district an  
6 applicable allowable growth percentage carried out at least four  
7 decimal places for each local system as follows:

8           (1)(a) For each school fiscal year, the department shall  
9 determine a target budget level for each local system by  
10 multiplying the adjusted formula students as calculated pursuant to  
11 section 79-1007.01 by the cost grouping cost per student as  
12 calculated under section 79-1007.02. The sum of such product and  
13 the local system's special receipts allowance and transportation  
14 allowance shall be each local system's target budget level;

15           ~~(2)~~ (b) The department shall establish a target budget  
16 level range of general fund operating expenditure levels for each  
17 school fiscal year for each local system which shall begin at  
18 twenty percent less than the target budget level and end at the  
19 target budget level. The beginning point of the range shall be  
20 assigned a number equal to the maximum allowable growth rate  
21 established in section 79-1025, and the end point of the range  
22 shall be assigned a number equal to the basic allowable growth rate  
23 as prescribed in such section such that the lower end of the range  
24 shall be assigned the maximum allowable growth rate and the higher  
25 end of the range shall be assigned the basic allowable growth rate;  
26 and

27           ~~(3)~~ (c) For each school fiscal year, each local system's  
28 general fund operating expenditures shall be compared to its target

1 budget level along the range described in subdivision ~~(2)~~ (1)(b) of  
2 this section to arrive at an ~~applicable allowable~~ a target budget  
3 growth rate as follows: If each local system's general fund  
4 operating expenditures fall below the lower end of the range, such  
5 ~~applicable allowable~~ target budget growth rate shall be the maximum  
6 growth rate identified in section 79-1025. If each local system's  
7 general fund operating expenditures are greater than the higher end  
8 of the range, the local system's ~~allowable~~ target budget growth  
9 rate shall be the basic growth rate identified in such section. If  
10 each local system's general fund operating expenditures fall  
11 between the lower end and the higher end of the range, the  
12 department shall use a linear interpolation calculation between the  
13 end points of the range to arrive at the ~~applicable allowable~~  
14 target budget growth rate for the local system.

15 (2) For each school fiscal year, each local system's  
16 formula needs shall be divided by the formula needs from the prior  
17 year to determine the percentage increase in formula needs for the  
18 local system.

19 (3) The applicable allowable growth rate shall be the  
20 greater of the target budget growth rate or the percentage increase  
21 in formula needs for the local system.

22 Sec. 2. Original section 79-1026, Revised Statutes  
23 Supplement, 2000, is repealed.