



Ninety-Ninth Legislature - Second Session - 2006
Committee Statement
LB 1006

Hearing Date: February 6, 2006

Committee On: Education

Introducer(s): (Bourne, Baker, Combs, Cudaback, Cunningham, Erdman, Fischer, Flood, Friend, Heidemann, Johnson, Kremer, McDonald, Pahls, Dw. Pedersen, Schrock, at the request of the Governor)

Title: Change provisions relating to school levies and state aid certifications

Roll Call Vote – Final Committee Action:

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

7	Yes	Senators Bourne, Howard, Kopplin, McDonald, Raikes, Schrock, and Stuhr
0	No	
0	Present, not voting	
1	Absent	Senator Byars

Proponents:

Senator Pat Bourne
Catherine D. Lang
Don Batie
Brian Hale
Michael Kelsay
Herb Schimek

Representing:

Introducer
Department of Property Assessment and Taxation
Nebraska Farm Bureau Federation
Nebraska Association of School Boards
Nebraska Cattlemen
Nebraska State Education Association

Opponents:

Representing:

Neutral:

Russ Inbody

Representing:

Nebraska Department of Education

Summary of purpose and/or changes:

Legislative Bill 1006 would reduce the maximum levy for school districts and local systems to \$1.025 for 2006-07 and \$1.00 for 2007-08 as prescribed in § 77-3442. The maximum levy for both fiscal years is currently \$1.05. The deadline for the Department of Education to certify additional levy authority based on the temporary aid adjustment would be extended from February 15 to May 15 for 2006.

Section 79-1022.02 would be amended to make the certification of state aid and applicable allowable growth rates for 2006-07 null and void. Both would be recertified on or before May 15, 2006 using data sources as they existed on March 1, 2006.

The proposal contains an emergency clause.

Explanation of amendments, if any:

The committee amendments replace the original provisions and convert the bill into a proposed constitutional amendment. The proposed amendments would modify sections 7, 8, and 9 of Article VII, of the Constitution of Nebraska to create an early childhood education endowment fund from the perpetual funds.

Article VII, section 7 would be amended by modifying the purposes for which perpetual funds are maintained. Currently, the funds are maintained for common school purposes. With the amendments, the funds would be maintained for educational purposes, including early childhood education.

Article VII, section 8 would be amended by clarifying that educational purposes would include early childhood education. The section directs the interest and income from funds held for educational purposes to be deemed as trust funds to be used for such purposes.

Article VII, section 9 would be amended by creating an early childhood education endowment fund in an amount equal to \$40 million or 10% of the value of the perpetual funds, whichever is greater, plus any additional funds allocated by the Legislature. Only interest or income could be appropriated for the exclusive purpose of supporting early childhood education. Early childhood education would be defined as programs promoting social, emotional, intellectual, language, physical, and aesthetic development and learning for children from birth to kindergarten-entrance age. The section would also be amended by authorizing the early childhood education endowment fund as an appropriate use of funds that would otherwise be used exclusively for the support and maintenance of the common schools.

The proposed amendment to the Constitution of Nebraska would be submitted to the electors at the general election in November 2006 with ballot language requesting, "A constitutional amendment to permit use of funds dedicated to the schools for early childhood education."

Senator Ron Raikes, Chairperson