

E AND R AMENDMENTS TO LB 973

Introduced by Enrollment and Review Committee: McGill, 26,  
Chairperson

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

3           Section 1. Section 85-2205, Revised Statutes Supplement,  
4 2007, is amended to read:

5           85-2205 Base growth factor means:

6           (1) For the calculation of aid for fiscal year 2008-09,  
7 the base limitation described in section 77-3446 minus one-half  
8 percent; and

9           (2) For the calculation of aid for fiscal year 2009-10  
10 and each fiscal year thereafter, the base limitation described in  
11 section 77-3446 ~~minus~~ plus one-half percent.

12          Sec. 2. Section 85-2212, Revised Statutes Supplement,  
13 2007, is amended to read:

14          85-2212 Prior year revenue means (1) the lesser of (a)  
15 the total of general fund property taxes, state aid, and levied  
16 in the fiscal year immediately preceding the fiscal year for which  
17 aid is being calculated or (b) the local effort rate calculated  
18 pursuant to section 85-2224 multiplied by the property valuation  
19 for each community college area divided by one hundred plus (2)  
20 state aid, tuition, and fees collected ~~in~~ reported on the accrual  
21 basis of accounting in the fiscal year immediately preceding the  
22 fiscal year for which aid is being calculated.

23          Sec. 3. Section 85-2221, Revised Statutes Supplement,

1 2007, is amended to read:

2           85-2221 ~~The Coordinating Commission for Postsecondary~~  
3 ~~Education shall annually collect data from each community college~~  
4 ~~area and maintain~~ Each community college area shall annually  
5 report such data as necessary to carry out the Community College  
6 Foundation and Equalization Aid Act to the Coordinating Commission  
7 for Postsecondary Education. Each community college area shall  
8 annually report data necessary to the commission to carry out  
9 ~~the act.~~ provide the commission with a reconciliation of the data  
10 necessary to carry out the act with audited financial statement  
11 information.

12           Sec. 4. Section 85-2223, Revised Statutes Supplement,  
13 2007, is amended to read:

14           85-2223 (1) The Department of Revenue shall annually  
15 calculate the base revenue need for each community college area as  
16 follows:

17           (a) For fiscal years 2007-08 and year 2008-09, base  
18 revenue need for each community college area shall equal one ~~plus~~  
19 ~~the base growth factor~~ plus the greater of zero or the average  
20 annual percentage growth in full-time equivalent enrollments  
21 attributable to each community college area for the most recent  
22 three fiscal years times the sum of (i) system foundation need  
23 plus (ii) reimbursable educational unit need plus (iii) the average  
24 need adjustment plus (iv) the revenue remainder allowance for each  
25 community college area. The average annual percentage growth shall  
26 be calculated by taking the difference between the three-year  
27 full-time equivalent enrollment average for the current funding

1 year and the three-year full-time equivalent enrollment average for  
2 the prior funding year and dividing by the three-year full-time  
3 equivalent enrollment average from the prior funding year; and

4 (b) For fiscal year 2009-10 and each fiscal year  
5 thereafter, base revenue need for each community college area  
6 shall equal the greater of ninety-eight percent of the base  
7 revenue need calculated in the prior year or one plus the greater  
8 of zero or the average annual percentage growth in full-time  
9 equivalent enrollments attributable to each community college  
10 area times the sum of (i) system foundation need plus (ii)  
11 reimbursable educational unit need plus (iii) the average revenue  
12 remainder allowance. The average annual percentage growth shall  
13 be calculated by taking the difference between the three-year  
14 full-time equivalent enrollment average for the current funding  
15 year and the three-year full-time equivalent enrollment average for  
16 the prior funding year and dividing by the three-year full-time  
17 equivalent enrollment average from the prior funding year.

18 (2) For purposes of the calculation required pursuant to  
19 this section:

20 (a) Average need adjustment shall be calculated for  
21 fiscal year 2007-08 aid distribution as follows: Average need  
22 adjustment shall equal the sum of average adjusted revenue  
23 per full-time equivalent student minus the adjusted revenue  
24 per full-time equivalent student times the number of full-time  
25 equivalent students attributable to each community college area  
26 up to the number of full-time equivalent students attributable to  
27 the community college area with the fewest number of full-time

1 equivalent students, except that the amount shall not be less than  
2 negative seven hundred fifty thousand or greater than seven hundred  
3 fifty thousand. For purposes of the average need adjustment, (i)  
4 adjusted revenue per full-time equivalent student equals the sum  
5 of the prior year revenue for each community college area minus  
6 the system foundation need divided by the number of full-time  
7 equivalent students for each community college area and (ii)  
8 average adjusted revenue per full-time equivalent student equals  
9 the sum of the prior year revenue for all community college areas  
10 minus the system foundation need for all areas divided by the  
11 number of full-time equivalent students for all areas;

12 (b) Average revenue remainder allowance shall equal  
13 the average revenue remainder per ~~full-time equivalent student~~  
14 reimbursable educational unit times the average number of full-time  
15 equivalent students reimbursable educational units for each  
16 community college area for the most recent three fiscal years;

17 (c) Average revenue remainder per ~~full-time equivalent~~  
18 ~~student~~ reimbursable educational unit equals the revenue remainder  
19 allowance for all community college areas divided by the ~~total~~  
20 average number of full-time equivalent students reimbursable  
21 educational units in all community college areas for the most  
22 recent three fiscal years;

23 (d) Reimbursable educational unit need for each community  
24 college area equals the product of the state foundation amount  
25 times forty percent divided by the total reimbursable educational  
26 units of all community college areas times the number of  
27 reimbursable educational units attributable to each community

1 college area;

2 (e) Revenue remainder allowance equals the formula base  
3 revenue attributable to each community college area minus the sum  
4 of system foundation need plus reimbursable educational unit need;

5 (f) State foundation amount equals formula base revenue  
6 times the state foundation percentage; ~~and~~

7 (g) System foundation need for each community college  
8 area equals the product of the state foundation amount times sixty  
9 percent divided by the number of community college areas; ~~i-~~

10 (h) Funding year, for purposes of calculating average  
11 annual percentage growth, means the fiscal year for which aid is  
12 being calculated; and

13 (i) Three-year full-time equivalent enrollment average  
14 for any given funding year equals the sum of the audited full-time  
15 equivalent enrollment for the three years preceding the funding  
16 year divided by three.

17 Sec. 5. Section 85-2224, Revised Statutes Supplement,  
18 2007, is amended to read:

19 85-2224 (1) The Department of Revenue shall calculate  
20 local effort rate by dividing the sum of (a) the total of base  
21 revenue need for all community college areas minus (b) the amount  
22 appropriated by the Legislature pursuant to the Community College  
23 Foundation and Equalization Aid Act minus (c) the total formula  
24 tuition and fees for all community college areas by the total  
25 valuation of all community college areas times one hundred.

26 (2) The department shall calculate the formula resources  
27 available to each community college area by adding ~~(a)~~ the yield

1 from local effort rate plus ~~(b)~~ local formula tuition and fees.  
2 plus ~~(c)~~ system foundation aid plus ~~(d)~~ reimbursable educational  
3 unit aid.

4 (3) For purposes of the calculation required pursuant to  
5 this section:

6 (a) The yield from local effort rate for each community  
7 college area equals the local effort rate times the ~~property~~  
8 taxable valuation attributable certified to each community college  
9 area pursuant to section 13-509 divided by one hundred; and

10 (b) Local formula tuition and fees equals tuition and  
11 fees attributable to each community college area that were  
12 collected reported on the accrual basis of accounting in the  
13 fiscal year prior to the fiscal year for which aid is to be  
14 calculated.

15 ~~(c) Reimbursable educational unit aid equals reimbursable~~  
16 ~~educational unit need calculated pursuant to section 85-2223; and~~

17 ~~(d) System foundation aid equals system foundation need~~  
18 ~~calculated pursuant to section 85-2223.~~

19 Sec. 6. Section 85-2225, Revised Statutes Supplement,  
20 2007, is amended to read:

21 85-2225 Equalization aid for each community college area  
22 shall equal base revenue need attributable to the community college  
23 area minus formula resources attributable to the community college  
24 area, except that such amount shall not be less than zero.

25 Sec. 7. Section 85-2227, Revised Statutes Supplement,  
26 2007, is amended to read:

27 85-2227 The maximum levy for each community college area

1 shall be certified by the Department of Revenue annually and  
2 shall equal one hundred ~~fifteen~~ twenty percent of the local effort  
3 rate calculated pursuant to section 85-2224 plus amounts allowed  
4 pursuant to subsection (2) of section 85-1517.

5           Sec. 8. Section 85-2228, Revised Statutes Supplement,  
6 2007, is amended to read:

7           85-2228 For fiscal year 2008-09 and for each fiscal  
8 year thereafter, a minimum levy aid reduction shall apply to any  
9 community college area that does not levy at least eighty percent  
10 of the local effort rate calculated pursuant to section 85-2224 for  
11 the fiscal year immediately preceding the fiscal year for which aid  
12 is being calculated.

13           The minimum levy aid reduction shall equal the difference  
14 between the amount of revenue collected by the community college  
15 area as a result of its levy and the amount of revenue that would  
16 have been collected using eighty percent of the local effort rate  
17 in the prior fiscal year. The Department of Revenue shall reduce  
18 the amount of aid calculated pursuant to ~~section 85-2226~~ by an  
19 amount equal to the minimum levy aid reduction.

20           Sec. 9. Original sections 85-2205, 85-2212, 85-2221,  
21 85-2223, 85-2224, 85-2225, 85-2227, and 85-2228, Revised Statutes  
22 Supplement, 2007, are repealed.

23           Sec. 10. The following sections are outright repealed:  
24 Sections 85-2214, 85-2219, and 85-2226, Revised Statutes  
25 Supplement, 2007.

26           2. On page 1, line 2, after "sections" insert "85-2205,";  
27 and in line 3 after the third comma insert "85-2227,".