

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 973

FINAL READING

Introduced by Raikes, 25.

Read first time January 15, 2008

Committee: Education

A BILL

1 FOR AN ACT relating to the Community College Foundation and
2 Equalization Aid Act; to amend sections 85-2205,
3 85-2212, 85-2221, 85-2223, 85-2224, 85-2225, 85-2227, and
4 85-2228, Revised Statutes Supplement, 2007; to change
5 and eliminate definitions; to change provisions relating
6 to calculation of aid; to harmonize provisions; to
7 repeal the original sections; and to outright repeal
8 sections 85-2214, 85-2219, and 85-2226, Revised Statutes
9 Supplement, 2007.

10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 85-2205, Revised Statutes Supplement,
2 2007, is amended to read:

3 85-2205 Base growth factor means:

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

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

10 Sec. 2. Section 85-2212, Revised Statutes Supplement,
11 2007, is amended to read:

12 85-2212 Prior year revenue means (1) the lesser of (a)
13 the total of general fund property taxes, state aid, and levied
14 in the fiscal year immediately preceding the fiscal year for which
15 aid is being calculated or (b) the local effort rate calculated
16 pursuant to section 85-2224 multiplied by the property valuation
17 for each community college area divided by one hundred plus (2)
18 state aid, tuition, and fees collected in reported on the accrual
19 basis of accounting in the fiscal year immediately preceding the
20 fiscal year for which aid is being calculated.

21 Sec. 3. Section 85-2221, Revised Statutes Supplement,
22 2007, is amended to read:

23 85-2221 ~~The Coordinating Commission for Postsecondary~~
24 ~~Education shall annually collect data from each community college~~
25 ~~area and maintain~~ Each community college area shall annually

1 report such data as necessary to carry out the Community College
2 Foundation and Equalization Aid Act to the Coordinating Commission
3 for Postsecondary Education. Each community college area shall
4 annually ~~report data necessary to the commission to carry out~~
5 ~~the act,~~ provide the commission with a reconciliation of the data
6 necessary to carry out the act with audited financial statement
7 information.

8 Sec. 4. Section 85-2223, Revised Statutes Supplement,
9 2007, is amended to read:

10 85-2223 (1) The Department of Revenue shall annually
11 calculate the base revenue need for each community college area as
12 follows:

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

1 equivalent enrollment average from the prior funding year; and

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

16 (2) For purposes of the calculation required pursuant to
17 this section:

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

1 units of all community college areas times the number of
2 reimbursable educational units attributable to each community
3 college area;

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

7 (f) State foundation amount equals formula base revenue
8 times the state foundation percentage; and

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

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

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

19 Sec. 5. Section 85-2224, Revised Statutes Supplement,
20 2007, is amended to read:

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

1 tuition and fees for all community college areas by the total
 2 taxable valuation of from the most recent Certificate of Taxes
 3 Levied required under section 77-1613.01 for all community college
 4 areas times one hundred.

5 (2) The department shall calculate the formula resources
 6 available to each community college area by adding ~~(a)~~ the yield
 7 from local effort rate plus ~~(b)~~ local formula tuition and fees,
 8 plus ~~(c)~~ system foundation aid plus ~~(d)~~ reimbursable educational
 9 unit aid.

10 (3) For purposes of the calculation required pursuant to
 11 this section:

12 (a) The yield from local effort rate for each community
 13 college area equals the local effort rate times the ~~property total~~
 14 taxable valuation attributable certified to each community college
 15 area pursuant to the most recent Certificate of Taxes Levied
 16 required under section 77-1613.01 divided by one hundred; and

17 (b) Local formula tuition and fees equals tuition and
 18 fees attributable to each community college area that were
 19 ~~collected~~ reported on the accrual basis of accounting in the
 20 fiscal year prior to the fiscal year for which aid is to be
 21 calculated.

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

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

1 Sec. 6. Section 85-2225, Revised Statutes Supplement,
2 2007, is amended to read:

3 85-2225 Equalization aid for each community college area
4 shall equal base revenue need attributable to the community college
5 area minus formula resources attributable to the community college
6 area, except that such amount shall not be less than zero.

7 Sec. 7. Section 85-2227, Revised Statutes Supplement,
8 2007, is amended to read:

9 85-2227 The maximum levy for each community college area
10 shall be certified by the Department of Revenue annually and
11 shall equal one hundred ~~fifteen~~ twenty percent of the local effort
12 rate calculated pursuant to section 85-2224 plus amounts allowed
13 pursuant to subsection (2) of section 85-1517.

14 Sec. 8. Section 85-2228, Revised Statutes Supplement,
15 2007, is amended to read:

16 85-2228 For fiscal year 2008-09 and for each fiscal
17 year thereafter, a minimum levy aid reduction shall apply to any
18 community college area that does not levy at least eighty percent
19 of the local effort rate calculated pursuant to section 85-2224 for
20 the fiscal year immediately preceding the fiscal year for which aid
21 is being calculated.

22 The minimum levy aid reduction shall equal the difference
23 between the amount of revenue collected by the community college
24 area as a result of its levy and the amount of revenue that would
25 have been collected using eighty percent of the local effort rate

1 in the prior fiscal year. The Department of Revenue shall reduce
2 the amount of aid ~~calculated pursuant to section 85-2226~~ by an
3 amount equal to the minimum levy aid reduction.

4 Sec. 9. Original sections 85-2205, 85-2212, 85-2221,
5 85-2223, 85-2224, 85-2225, 85-2227, and 85-2228, Revised Statutes
6 Supplement, 2007, are repealed.

7 Sec. 10. The following sections are outright repealed:
8 Sections 85-2214, 85-2219, and 85-2226, Revised Statutes
9 Supplement, 2007.