

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 400**

Introduced by Lautenbaugh, 18.

Read first time January 16, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to the Community College Foundation and  
2 Equalization Aid Act; to amend section 85-2223, Reissue  
3 Revised Statutes of Nebraska; to change provisions  
4 relating to fiscal years; and to repeal the original  
5 section.

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

1           Section 1. Section 85-2223, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           85-2223 (1) The Department of Revenue shall annually  
4 calculate the base revenue need for each community college area as  
5 follows:

6           (a) For fiscal ~~year 2008-09,~~ years 2009-10 and 2010-11,  
7 base revenue need for each community college area shall equal one  
8 plus the greater of zero or the average annual percentage growth  
9 in full-time equivalent enrollments attributable to each community  
10 college area for the most recent three fiscal years times the sum  
11 of (i) system foundation need plus (ii) reimbursable educational  
12 unit need plus (iii) the revenue remainder allowance for each  
13 community college area. The average annual percentage growth shall  
14 be calculated by taking the difference between the three-year  
15 full-time equivalent enrollment average for the current funding  
16 year and the three-year full-time equivalent enrollment average for  
17 the prior funding year and dividing by the three-year full-time  
18 equivalent enrollment average from the prior funding year; and

19           (b) For fiscal year ~~2009-10~~ 2011-12 and each fiscal  
20 year thereafter, base revenue need for each community college  
21 area shall equal the greater of ninety-eight percent of the  
22 base revenue need calculated in the prior year or one plus  
23 the greater of zero or the average annual percentage growth in  
24 full-time equivalent enrollments attributable to each community  
25 college area times the sum of (i) system foundation need plus

1 (ii) reimbursable educational unit need plus (iii) the average  
2 revenue remainder allowance. The average annual percentage growth  
3 shall be calculated by taking the difference between the three-year  
4 full-time equivalent enrollment average for the current funding  
5 year and the three-year full-time equivalent enrollment average for  
6 the prior funding year and dividing by the three-year full-time  
7 equivalent enrollment average from the prior funding year.

8 (2) For purposes of the calculation required pursuant to  
9 this section:

10 (a) Average need adjustment shall be calculated for  
11 fiscal year 2007-08 aid distribution as follows: Average need  
12 adjustment shall equal the sum of average adjusted revenue  
13 per full-time equivalent student minus the adjusted revenue  
14 per full-time equivalent student times the number of full-time  
15 equivalent students attributable to each community college area  
16 up to the number of full-time equivalent students attributable to  
17 the community college area with the fewest number of full-time  
18 equivalent students, except that the amount shall not be less than  
19 negative seven hundred fifty thousand or greater than seven hundred  
20 fifty thousand. For purposes of the average need adjustment, (i)  
21 adjusted revenue per full-time equivalent student equals the sum  
22 of the prior year revenue for each community college area minus  
23 the system foundation need divided by the number of full-time  
24 equivalent students for each community college area and (ii)  
25 average adjusted revenue per full-time equivalent student equals

1 the sum of the prior year revenue for all community college areas  
2 minus the system foundation need for all areas divided by the  
3 number of full-time equivalent students for all areas;

4 (b) Average revenue remainder allowance shall equal the  
5 average revenue remainder per reimbursable educational unit times  
6 the average number of reimbursable educational units for each  
7 community college area for the most recent three fiscal years;

8 (c) Average revenue remainder per reimbursable  
9 educational unit equals the revenue remainder allowance for  
10 all community college areas divided by the average number of  
11 reimbursable educational units in all community college areas for  
12 the most recent three fiscal years;

13 (d) Reimbursable educational unit need for each community  
14 college area equals the product of the state foundation amount  
15 times forty percent divided by the total reimbursable educational  
16 units of all community college areas times the number of  
17 reimbursable educational units attributable to each community  
18 college area;

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

22 (f) State foundation amount equals formula base revenue  
23 times the state foundation percentage;

24 (g) System foundation need for each community college  
25 area equals the product of the state foundation amount times sixty

1 percent divided by the number of community college areas;

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

5 (i) Three-year full-time equivalent enrollment average  
6 for any given funding year equals the sum of the audited full-time  
7 equivalent enrollment for the three years preceding the funding  
8 year divided by three.

9 Sec. 2. Original section 85-2223, Reissue Revised  
10 Statutes of Nebraska, is repealed.