

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 357**

Introduced by Haar, 21.

Read first time January 18, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities  
2 Support Act; to amend sections 79-1003 and 79-1028.01,  
3 Revised Statutes Cumulative Supplement, 2012; to change  
4 provisions relating to budget limitations; to harmonize  
5 provisions; to repeal the original sections; and to  
6 declare an emergency.

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

1                   Section 1. Section 79-1003, Revised Statutes Cumulative  
2 Supplement, 2012, is amended to read:

3                   79-1003 For purposes of the Tax Equity and Educational  
4 Opportunities Support Act:

5                   (1) Adjusted general fund operating expenditures means  
6 (a) for school fiscal years 2010-11 through 2012-13, the difference  
7 of the general fund operating expenditures as calculated pursuant to  
8 subdivision (22) of this section increased by, or for aid calculated  
9 for school fiscal year 2010-11 multiplied by, the cost growth factor  
10 calculated pursuant to section 79-1007.10, minus the transportation  
11 allowance, special receipts allowance, poverty allowance, limited  
12 English proficiency allowance, distance education and  
13 telecommunications allowance, elementary site allowance, elementary  
14 class size allowance, summer school allowance, instructional time  
15 allowance, teacher education allowance, and focus school and program  
16 allowance, and (b) for school fiscal year 2013-14 and each school  
17 fiscal year thereafter, the difference of the general fund operating  
18 expenditures as calculated pursuant to subdivision (22) of this  
19 section increased by the cost growth factor calculated pursuant to  
20 section 79-1007.10, minus the transportation allowance, special  
21 receipts allowance, poverty allowance, limited English proficiency  
22 allowance, distance education and telecommunications allowance,  
23 elementary site allowance, summer school allowance, instructional  
24 time allowance, teacher education allowance, and focus school and  
25 program allowance;

1           (2) Adjusted valuation means the assessed valuation of  
2 taxable property of each local system in the state, adjusted pursuant  
3 to the adjustment factors described in section 79-1016. Adjusted  
4 valuation means the adjusted valuation for the property tax year  
5 ending during the school fiscal year immediately preceding the school  
6 fiscal year in which the aid based upon that value is to be paid. For  
7 purposes of determining the local effort rate yield pursuant to  
8 section 79-1015.01, adjusted valuation does not include the value of  
9 any property which a court, by a final judgment from which no appeal  
10 is taken, has declared to be nontaxable or exempt from taxation;

11           (3) Allocated income tax funds means the amount of  
12 assistance paid to a local system pursuant to section 79-1005.01 as  
13 adjusted by the minimum levy adjustment pursuant to section  
14 79-1008.02;

15           (4) Average daily membership means the average daily  
16 membership for grades kindergarten through twelve attributable to the  
17 local system, as provided in each district's annual statistical  
18 summary, and includes the proportionate share of students enrolled in  
19 a public school instructional program on less than a full-time basis;

20           (5) Base fiscal year means the first school fiscal year  
21 following the school fiscal year in which the reorganization or  
22 unification occurred;

23           (6) Board means the school board of each school district;

24           (7) Categorical funds means funds limited to a specific  
25 purpose by federal or state law, including, but not limited to, Title

1 I funds, Title VI funds, federal vocational education funds, federal  
2 school lunch funds, Indian education funds, Head Start funds, and  
3 funds from the Education Innovation Fund. Categorical funds does not  
4 include funds received pursuant to section 79-1028.02 or 79-1028.04;

5 (8) Consolidate means to voluntarily reduce the number of  
6 school districts providing education to a grade group and does not  
7 include dissolution pursuant to section 79-498;

8 (9) Converted contract means an expired contract that was  
9 in effect for at least fifteen school years beginning prior to school  
10 year 2012-13 for the education of students in a nonresident district  
11 in exchange for tuition from the resident district when the  
12 expiration of such contract results in the nonresident district  
13 educating students, who would have been covered by the contract if  
14 the contract were still in effect, as option students pursuant to the  
15 enrollment option program established in section 79-234;

16 (10) Converted contract option student means a student  
17 who will be an option student pursuant to the enrollment option  
18 program established in section 79-234 for the school fiscal year for  
19 which aid is being calculated and who would have been covered by a  
20 converted contract if the contract were still in effect and such  
21 school fiscal year is the first school fiscal year for which such  
22 contract is not in effect;

23 (11) Department means the State Department of Education;

24 (12) District means any Class I, II, III, IV, V, or VI  
25 school district and, beginning with the calculation of state aid for

1 school fiscal year 2011-12 and each school fiscal year thereafter, a  
2 unified system as defined in section 79-4,108;

3 (13) Ensuing school fiscal year means the school fiscal  
4 year following the current school fiscal year;

5 (14) Equalization aid means the amount of assistance  
6 calculated to be paid to a local system pursuant to sections  
7 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,  
8 79-1022.02, 79-1028.02, and 79-1028.04;

9 (15) Fall membership means the total membership in  
10 kindergarten through grade twelve attributable to the local system as  
11 reported on the fall school district membership reports for each  
12 district pursuant to section 79-528;

13 (16) Fiscal year means the state fiscal year which is the  
14 period from July 1 to the following June 30;

15 (17) Formula students means:

16 (a) For state aid certified pursuant to section 79-1022,  
17 the sum of the product of fall membership from the school fiscal year  
18 immediately preceding the school fiscal year in which the aid is to  
19 be paid multiplied by the average ratio of average daily membership  
20 to fall membership for the second school fiscal year immediately  
21 preceding the school fiscal year in which the aid is to be paid and  
22 the prior two school fiscal years plus sixty percent of the qualified  
23 early childhood education fall membership plus tuitioned students  
24 from the school fiscal year immediately preceding the school fiscal  
25 year in which aid is to be paid minus the product of the number of

1 students enrolled in kindergarten that is not full-day kindergarten  
2 from the fall membership multiplied by 0.5; and

3 (b) For the final calculation of state aid pursuant to  
4 section 79-1065, the sum of average daily membership plus sixty  
5 percent of the qualified early childhood education average daily  
6 membership plus tuitioned students minus the product of the number of  
7 students enrolled in kindergarten that is not full-day kindergarten  
8 from the average daily membership multiplied by 0.5 from the school  
9 fiscal year immediately preceding the school fiscal year in which aid  
10 was paid;

11 (18) Free lunch and free milk student means a student who  
12 qualified for free lunches or free milk from the most recent data  
13 available on November 1 of the school fiscal year immediately  
14 preceding the school fiscal year in which aid is to be paid;

15 (19) Full-day kindergarten means kindergarten offered by  
16 a district for at least one thousand thirty-two instructional hours;

17 (20) General fund budget of expenditures means the total  
18 budget of disbursements and transfers for general fund purposes as  
19 certified in the budget statement adopted pursuant to the Nebraska  
20 Budget Act, except that for purposes of the limitation imposed in  
21 section 79-1023 and the calculation pursuant to subdivision (2) of  
22 section 79-1027.01, the general fund budget of expenditures does not  
23 include any special grant funds, exclusive of local matching funds,  
24 received by a district;

25 (21) General fund expenditures means all expenditures

1 from the general fund;

2 (22) General fund operating expenditures means:

3 (a) For state aid calculated for school fiscal years  
4 2010-11 and 2011-12, as reported on the annual financial report for  
5 the second school fiscal year immediately preceding the school fiscal  
6 year in which aid is to be paid, the total general fund expenditures  
7 minus (i) the amount of all receipts to the general fund, to the  
8 extent that such receipts are not included in local system formula  
9 resources, from early childhood education tuition, summer school  
10 tuition, educational entities as defined in section 79-1201.01 for  
11 providing distance education courses through the Educational Service  
12 Unit Coordinating Council to such educational entities, private  
13 foundations, individuals, associations, charitable organizations, the  
14 textbook loan program authorized by section 79-734, federal impact  
15 aid, and levy override elections pursuant to section 77-3444, (ii)  
16 the amount of expenditures for categorical funds, tuition paid,  
17 transportation fees paid to other districts, adult education,  
18 community services, redemption of the principal portion of general  
19 fund debt service, retirement incentive plans authorized by section  
20 79-855, and staff development assistance authorized by section  
21 79-856, (iii) the amount of any transfers from the general fund to  
22 any bond fund and transfers from other funds into the general fund,  
23 (iv) any legal expenses in excess of fifteen-hundredths of one  
24 percent of the formula need for the school fiscal year in which the  
25 expenses occurred, (v) expenditures to pay for sums agreed to be paid

1 by a school district to certificated employees in exchange for a  
2 voluntary termination occurring prior to July 1, 2009, and (vi)(A)  
3 expenditures in school fiscal years 2009-10 through 2013-14 to pay  
4 for employer contributions pursuant to subsection (2) of section  
5 79-958 to the School Retirement System of the State of Nebraska to  
6 the extent that such expenditures exceed the employer contributions  
7 under such subsection that would have been made at a contribution  
8 rate of seven and thirty-five hundredths percent or (B) expenditures  
9 in school fiscal years 2009-10 through 2013-14 to pay for school  
10 district contributions pursuant to subdivision (1)(c)(i) of section  
11 79-9,113 to the retirement system established pursuant to the Class V  
12 School Employees Retirement Act to the extent that such expenditures  
13 exceed the school district contributions under such subdivision that  
14 would have been made at a contribution rate of seven and thirty-seven  
15 hundredths percent; ~~and~~

16 (b) For state aid calculated for school fiscal years  
17 ~~2012-13 and each school fiscal year thereafter, 2012-13 through~~  
18 2014-15 as reported on the annual financial report for the second  
19 school fiscal year immediately preceding the school fiscal year in  
20 which aid is to be paid, the total general fund expenditures minus  
21 (i) the amount of all receipts to the general fund, to the extent  
22 that such receipts are not included in local system formula  
23 resources, from early childhood education tuition, summer school  
24 tuition, educational entities as defined in section 79-1201.01 for  
25 providing distance education courses through the Educational Service



1 Unit Coordinating Council to such educational entities, private  
2 foundations, individuals, associations, charitable organizations, the  
3 textbook loan program authorized by section 79-734, federal impact  
4 aid, and levy override elections pursuant to section 77-3444, (ii)  
5 the amount of expenditures for categorical funds, tuition paid,  
6 transportation fees paid to other districts, adult education,  
7 community services, redemption of the principal portion of general  
8 fund debt service, retirement incentive plans authorized by section  
9 79-855, and staff development assistance authorized by section  
10 79-856, (iii) the amount of any transfers from the general fund to  
11 any bond fund and transfers from other funds into the general fund,  
12 (iv) any legal expenses in excess of fifteen-hundredths of one  
13 percent of the formula need for the school fiscal year in which the  
14 expenses occurred, (v) expenditures to pay for sums agreed to be paid  
15 by a school district to certificated employees in exchange for a  
16 voluntary termination occurring ~~prior to July 1, 2009, or occurring~~  
17 ~~on or after the last day of the 2010-11 school year and prior to the~~  
18 ~~first day of the 2013-14 school year, as provided in subdivision (1)~~  
19 (h)(i) of section 79-1028.01, (vi)(A) expenditures in school fiscal  
20 years 2009-10 through 2016-17 to pay for employer contributions  
21 pursuant to subsection (2) of section 79-958 to the School Employees  
22 Retirement System of the State of Nebraska to the extent that such  
23 expenditures exceed the employer contributions under such subsection  
24 that would have been made at a contribution rate of seven and thirty-  
25 five hundredths percent or (B) expenditures in school fiscal years

1 2009-10 through 2016-17 to pay for school district contributions  
2 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the  
3 retirement system established pursuant to the Class V School  
4 Employees Retirement Act to the extent that such expenditures exceed  
5 the school district contributions under such subdivision that would  
6 have been made at a contribution rate of seven and thirty-seven  
7 hundredths percent, and (vii) any amounts paid by the district for  
8 lobbyist fees and expenses reported to the Clerk of the Legislature  
9 pursuant to section 49-1483; and -

10 (c) For state aid calculated for school fiscal years  
11 2015-16 and each school fiscal year thereafter, as reported on the  
12 annual financial report for the second school fiscal year immediately  
13 preceding the school fiscal year in which aid is to be paid, the  
14 total general fund expenditures minus (i) the amount of all receipts  
15 to the general fund, to the extent that such receipts are not  
16 included in local system formula resources, from early childhood  
17 education tuition, summer school tuition, educational entities as  
18 defined in section 79-1201.01 for providing distance education  
19 courses through the Educational Service Unit Coordinating Council to  
20 such educational entities, private foundations, individuals,  
21 associations, charitable organizations, the textbook loan program  
22 authorized by section 79-734, federal impact aid, and levy override  
23 elections pursuant to section 77-3444, (ii) the amount of  
24 expenditures for categorical funds, tuition paid, transportation fees  
25 paid to other districts, adult education, community services,

1 redemption of the principal portion of general fund debt service,  
2 retirement incentive plans authorized by section 79-855, and staff  
3 development assistance authorized by section 79-856, (iii) the amount  
4 of any transfers from the general fund to any bond fund and transfers  
5 from other funds into the general fund, (iv) any legal expenses in  
6 excess of fifteen-hundredths of one percent of the formula need for  
7 the school fiscal year in which the expenses occurred, (v)  
8 expenditures to pay for sums agreed to be paid by a school district  
9 to certificated employees in exchange for a voluntary termination  
10 occurring as provided in subdivision (1)(h)(ii) of section  
11 79-1028.01, to the extent that a district can demonstrate a savings  
12 in salary and benefit costs to the district over a five-year period,  
13 (vi)(A) expenditures for school fiscal years 2009-10 through 2016-17  
14 to pay for employer contributions pursuant to subsection (2) of  
15 section 79-958 to the School Employees Retirement System of the State  
16 of Nebraska to the extent that such expenditures exceed the employer  
17 contributions under such subsection that would have been made at a  
18 contribution rate of seven and thirty-five hundredths percent or (B)  
19 expenditures in school fiscal years 2009-10 through 2016-17 to pay  
20 for school district contributions pursuant to subdivision (1)(c)(i)  
21 of section 79-9,113 to the retirement system established pursuant to  
22 the Class V School Employees Retirement Act to the extent that such  
23 expenditures exceed the school district contributions under such  
24 subdivision that would have been made at a contribution rate of seven  
25 and thirty-seven hundredths percent, and (vii) any amounts paid by

1 the district for lobbyist fees and expenses reported to the Clerk of  
2 the Legislature pursuant to section 49-1483.

3           For purposes of this subdivision (22) of this section,  
4 receipts from levy override elections shall equal ninety-nine percent  
5 of the difference of the total general fund levy minus a levy of one  
6 dollar and five cents per one hundred dollars of taxable valuation  
7 multiplied by the assessed valuation for school districts that have  
8 voted pursuant to section 77-3444 to override the maximum levy  
9 provided pursuant to section 77-3442;

10           (23) High school district means a school district  
11 providing instruction in at least grades nine through twelve;

12           (24) Income tax liability means the amount of the  
13 reported income tax liability for resident individuals pursuant to  
14 the Nebraska Revenue Act of 1967 less all nonrefundable credits  
15 earned and refunds made;

16           (25) Income tax receipts means the amount of income tax  
17 collected pursuant to the Nebraska Revenue Act of 1967 less all  
18 nonrefundable credits earned and refunds made;

19           (26) Limited English proficiency students means the  
20 number of students with limited English proficiency in a district  
21 from the most recent data available on November 1 of the school  
22 fiscal year preceding the school fiscal year in which aid is to be  
23 paid plus the difference of such students with limited English  
24 proficiency minus the average number of limited English proficiency  
25 students for such district, prior to such addition, for the three

1 immediately preceding school fiscal years if such difference is  
2 greater than zero;

3 (27) Local system means a learning community for purposes  
4 of calculation of state aid for the second full school fiscal year  
5 after becoming a learning community and each school fiscal year  
6 thereafter, a unified system, a Class VI district and the associated  
7 Class I districts, or a Class II, III, IV, or V district and any  
8 affiliated Class I districts or portions of Class I districts. The  
9 membership, expenditures, and resources of Class I districts that are  
10 affiliated with multiple high school districts will be attributed to  
11 local systems based on the percent of the Class I valuation that is  
12 affiliated with each high school district;

13 (28) Low-income child means a child under nineteen years  
14 of age living in a household having an annual adjusted gross income  
15 for the second calendar year preceding the beginning of the school  
16 fiscal year for which aid is being calculated equal to or less than  
17 the maximum household income that would allow a student from a family  
18 of four people to be a free lunch and free milk student during the  
19 school fiscal year immediately preceding the school fiscal year for  
20 which aid is being calculated;

21 (29) Low-income students means the number of low-income  
22 children within the district multiplied by the ratio of the formula  
23 students in the district divided by the total children under nineteen  
24 years of age residing in the district as derived from income tax  
25 information;

1                   (30) Most recently available complete data year means the  
2 most recent single school fiscal year for which the annual financial  
3 report, fall school district membership report, annual statistical  
4 summary, Nebraska income tax liability by school district for the  
5 calendar year in which the majority of the school fiscal year falls,  
6 and adjusted valuation data are available;

7                   (31) Poverty students means the number of low-income  
8 students or the number of students who are free lunch and free milk  
9 students in a district plus the difference of the number of low-  
10 income students or the number of students who are free lunch and free  
11 milk students in a district, whichever is greater, minus the average  
12 number of poverty students for such district, prior to such addition,  
13 for the three immediately preceding school fiscal years if such  
14 difference is greater than zero;

15                   (32) Qualified early childhood education average daily  
16 membership means the product of the average daily membership for  
17 school fiscal year 2006-07 and each school fiscal year thereafter of  
18 students who will be eligible to attend kindergarten the following  
19 school year and are enrolled in an early childhood education program  
20 approved by the department pursuant to section 79-1103 for such  
21 school district for such school year multiplied by the ratio of the  
22 actual instructional hours of the program divided by one thousand  
23 thirty-two if: (a) The program is receiving a grant pursuant to such  
24 section for the third year; (b) the program has already received  
25 grants pursuant to such section for three years; or (c) the program

1 has been approved pursuant to subsection (5) of section 79-1103 for  
2 such school year and the two preceding school years, including any  
3 such students in portions of any of such programs receiving an  
4 expansion grant;

5 (33) Qualified early childhood education fall membership  
6 means the product of membership on the last Friday in September 2006  
7 and each year thereafter of students who will be eligible to attend  
8 kindergarten the following school year and are enrolled in an early  
9 childhood education program approved by the department pursuant to  
10 section 79-1103 for such school district for such school year  
11 multiplied by the ratio of the planned instructional hours of the  
12 program divided by one thousand thirty-two if: (a) The program is  
13 receiving a grant pursuant to such section for the third year; (b)  
14 the program has already received grants pursuant to such section for  
15 three years; or (c) the program has been approved pursuant to  
16 subsection (5) of section 79-1103 for such school year and the two  
17 preceding school years, including any such students in portions of  
18 any of such programs receiving an expansion grant;

19 (34) Regular route transportation means the  
20 transportation of students on regularly scheduled daily routes to and  
21 from the attendance center;

22 (35) Reorganized district means any district involved in  
23 a consolidation and currently educating students following  
24 consolidation;

25 (36) School year or school fiscal year means the fiscal

1 year of a school district as defined in section 79-1091;

2 (37) Sparse local system means a local system that is not  
3 a very sparse local system but which meets the following criteria:

4 (a)(i) Less than two students per square mile in the  
5 county in which each high school is located, based on the school  
6 district census, (ii) less than one formula student per square mile  
7 in the local system, and (iii) more than ten miles between each high  
8 school attendance center and the next closest high school attendance  
9 center on paved roads;

10 (b)(i) Less than one and one-half formula students per  
11 square mile in the local system and (ii) more than fifteen miles  
12 between each high school attendance center and the next closest high  
13 school attendance center on paved roads;

14 (c)(i) Less than one and one-half formula students per  
15 square mile in the local system and (ii) more than two hundred  
16 seventy-five square miles in the local system; or

17 (d)(i) Less than two formula students per square mile in  
18 the local system and (ii) the local system includes an area equal to  
19 ninety-five percent or more of the square miles in the largest county  
20 in which a high school attendance center is located in the local  
21 system;

22 (38) Special education means specially designed  
23 kindergarten through grade twelve instruction pursuant to section  
24 79-1125, and includes special education transportation;

25 (39) Special grant funds means the budgeted receipts for



1 grants, including, but not limited to, categorical funds,  
2 reimbursements for wards of the court, short-term borrowings  
3 including, but not limited to, registered warrants and tax  
4 anticipation notes, interfund loans, insurance settlements, and  
5 reimbursements to county government for previous overpayment. The  
6 state board shall approve a listing of grants that qualify as special  
7 grant funds;

8           (40) State aid means the amount of assistance paid to a  
9 district pursuant to the Tax Equity and Educational Opportunities  
10 Support Act;

11           (41) State board means the State Board of Education;

12           (42) State support means all funds provided to districts  
13 by the State of Nebraska for the general fund support of elementary  
14 and secondary education;

15           (43) Statewide average basic funding per formula student  
16 means the statewide total basic funding for all districts divided by  
17 the statewide total formula students for all districts;

18           (44) Statewide average general fund operating  
19 expenditures per formula student means the statewide total general  
20 fund operating expenditures for all districts divided by the  
21 statewide total formula students for all districts;

22           (45) Teacher has the definition found in section 79-101;

23           (46) Temporary aid adjustment factor means (a) for school  
24 fiscal years before school fiscal year 2007-08, one and one-fourth  
25 percent of the sum of the local system's transportation allowance,

1 the local system's special receipts allowance, and the product of the  
2 local system's adjusted formula students multiplied by the average  
3 formula cost per student in the local system's cost grouping and (b)  
4 for school fiscal year 2007-08, one and one-fourth percent of the sum  
5 of the local system's transportation allowance, special receipts  
6 allowance, and distance education and telecommunications allowance  
7 and the product of the local system's adjusted formula students  
8 multiplied by the average formula cost per student in the local  
9 system's cost grouping;

10 (47) Tuition receipts from converted contracts means  
11 tuition receipts received by a district from another district in the  
12 most recently available complete data year pursuant to a converted  
13 contract prior to the expiration of the contract;

14 (48) Tuitioned students means students in kindergarten  
15 through grade twelve of the district whose tuition is paid by the  
16 district to some other district or education agency; and

17 (49) Very sparse local system means a local system that  
18 has:

19 (a)(i) Less than one-half student per square mile in each  
20 county in which each high school attendance center is located based  
21 on the school district census, (ii) less than one formula student per  
22 square mile in the local system, and (iii) more than fifteen miles  
23 between the high school attendance center and the next closest high  
24 school attendance center on paved roads; or

25 (b)(i) More than four hundred fifty square miles in the

1 local system, (ii) less than one-half student per square mile in the  
2 local system, and (iii) more than fifteen miles between each high  
3 school attendance center and the next closest high school attendance  
4 center on paved roads.

5           Sec. 2. Section 79-1028.01, Revised Statutes Cumulative  
6 Supplement, 2012, is amended to read:

7           79-1028.01 (1) For each school fiscal year, a school  
8 district may exceed its budget authority for the general fund budget  
9 of expenditures as calculated pursuant to section 79-1023 for such  
10 school fiscal year by a specific dollar amount for the following  
11 exclusions:

12           (a) Expenditures for repairs to infrastructure damaged by  
13 a natural disaster which is declared a disaster emergency pursuant to  
14 the Emergency Management Act;

15           (b) Expenditures for judgments, except judgments or  
16 orders from the Commission of Industrial Relations, obtained against  
17 a school district which require or obligate a school district to pay  
18 such judgment, to the extent such judgment is not paid by liability  
19 insurance coverage of a school district;

20           (c) Expenditures pursuant to the Retirement Incentive  
21 Plan authorized in section 79-855 or the Staff Development Assistance  
22 authorized in section 79-856;

23           (d) Expenditures of amounts received from educational  
24 entities as defined in section 79-1201.01 for providing distance  
25 education courses through the Educational Service Unit Coordinating

1 Council to such educational entities;

2 (e) Expenditures to pay another school district for the  
3 transfer of land from such other school district;

4 (f) Expenditures in school fiscal years 2009-10 through  
5 2016-17 to pay for employer contributions pursuant to subsection (2)  
6 of section 79-958 to the School Employees Retirement System of the  
7 State of Nebraska to the extent that such expenditures exceed the  
8 employer contributions under such subsection that would have been  
9 made at a contribution rate of seven and thirty-five hundredths  
10 percent;

11 (g) Expenditures in school fiscal years 2009-10 through  
12 2016-17 to pay for school district contributions pursuant to  
13 subdivision (1)(c)(i) of section 79-9,113 to the retirement system  
14 established pursuant to the Class V School Employees Retirement Act  
15 to the extent that such expenditures exceed the school district  
16 contributions under such subdivision that would have been made at a  
17 contribution rate of seven and thirty-seven hundredths percent;

18 (h)(i) Expenditures for sums agreed to be paid by a  
19 school district to certificated employees in exchange for a voluntary  
20 termination occurring prior to July 1, 2009, or occurring on or after  
21 the last day of the 2010-11 school year and prior to the first day of  
22 the 2013-14 school year; and (ii) expenditures for sums agreed to be  
23 paid by a school district to certificated employees in exchange for a  
24 voluntary termination occurring prior to July 1, 2009, or occurring  
25 on or after the last day of the 2013-14 school year and prior to the

1 first day of the 2015-16 school year, to the extent that a district  
2 can demonstrate a savings in salary and benefit costs to the school  
3 district over a five-year period;

4 (i) Any expenditures in school fiscal years 2016-17 and  
5 2017-18 of amounts specified in the notice provided by the  
6 Commissioner of Education pursuant to section 79-309.01 for teacher  
7 performance pay;

8 (j) The special education budget of expenditures; and

9 (k) Expenditures of special grant funds.

10 (2) For each school fiscal year, a school district may  
11 exceed its budget authority for the general fund budget of  
12 expenditures as calculated pursuant to section 79-1023 for such  
13 school fiscal year by a specific dollar amount and include such  
14 dollar amount in the budget of expenditures used to calculate budget  
15 authority for the general fund budget of expenditures pursuant to  
16 section 79-1023 for future years for the following exclusions:

17 (a) Expenditures of incentive payments or base fiscal  
18 year incentive payments to be received in such school fiscal year  
19 pursuant to section 79-1011;

20 (b) The first school fiscal year the district will be  
21 participating in Network Nebraska for the full school fiscal year,  
22 for the difference of the estimated expenditures for such school  
23 fiscal year for telecommunications services, access to data  
24 transmission networks that transmit data to and from the school  
25 district, and the transmission of data on such networks as such

1 expenditures are defined by the department for purposes of the  
2 distance education and telecommunications allowance minus the dollar  
3 amount of such expenditures for the second school fiscal year  
4 preceding the first full school fiscal year the district participates  
5 in Network Nebraska; and

6 (c) Expenditures for new elementary attendance sites in  
7 the first year of operation or the first year of operation after  
8 being closed for at least one school year if such elementary  
9 attendance site will most likely qualify for the elementary site  
10 allowance in the immediately following school fiscal year as  
11 determined by the state board.

12 (3) The state board shall approve, deny, or modify the  
13 amount allowed for any exclusions to the budget authority for the  
14 general fund budget of expenditures pursuant to this section.

15 Sec. 3. Original sections 79-1003 and 79-1028.01, Revised  
16 Statutes Cumulative Supplement, 2012, are repealed.

17 Sec. 4. Since an emergency exists, this act takes effect  
18 when passed and approved according to law.