

AMENDMENTS TO LB548

Introduced by Nebraska Retirement Systems.

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

3 Section 1. Section 10-701, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 10-701 The district officers of any school district in Nebraska
6 shall have power, on the terms and conditions set forth in sections
7 10-702 to 10-716, to issue the bonds of the district for the purpose of
8 (1) purchasing a site for and erecting thereon a schoolhouse or
9 schoolhouses or a teacherage or teacherages, or for such purchase or
10 erection, or purchasing an existing building or buildings for use as a
11 schoolhouse or schoolhouses, including the site or sites upon which such
12 building or buildings are located, and furnishing the same, in such
13 district, (2) retiring registered warrants, ~~and~~ (3) paying for additions
14 to or repairs for a schoolhouse or schoolhouses or a teacherage or
15 teacherages, and (4) payment of pension obligations other than those
16 described in subsection (2) of section 79-958 or subdivision (1)(c) of
17 section 79-9,113. For purposes of sections 10-701 to 10-719 and sections
18 2 and 3 of this act, pension obligations means the obligations of a
19 school district to the retirement system imposed by the state retirement
20 laws in the amounts determined by an actuary carrying out his or her
21 obligations under section 79-966.01 or 79-984. Payments for such bonds
22 shall be made from the general fund of the school district issuing such
23 bonds and shall be included in general fund operating expenditures as
24 defined in section 79-1003.

25 Sec. 2. The question of issuing school district bonds for payment
26 of pension obligations other than those described in subsection (2) of
27 section 79-958 or subdivision (1)(c) of section 79-9,113 may be decided

1 upon the vote of a majority of the entire school board or board of
2 education without being submitted to the qualified electors of the school
3 district. Such issuance shall not be subject to the terms and conditions
4 contained in sections 10-703 to 10-703.01.

5 Sec. 3. It shall be the duty of the proper district officers of any
6 school district in which any bonds were authorized to be issued pursuant
7 to section 2 of this act, before the issuance of such bonds, to make a
8 written statement of the taxable valuation, the number of children of
9 school age residing in the district, and the total bonded indebtedness of
10 the school district. Such statement shall be certified to under oath by
11 the proper school board or board of education of the district.

12 Sec. 4. Section 10-717, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 10-717 Any school district in the State of Nebraska which has
15 heretofore (1) voted and issued, or which shall hereafter vote and issue,
16 bonds to build or furnish a schoolhouse, or for any other purpose or (2)
17 issued, or which shall hereafter issue, bonds for the payment of pension
18 obligations other than those described in subsection (2) of section
19 79-958 or subdivision (1)(c) of section 79-9,113, and which bonds, or any
20 part thereof, still remain unpaid, and remain and are a legal liability
21 against such district and are bearing interest, is hereby authorized to
22 issue refunding bonds with which to call and redeem all or any part of
23 such outstanding bonds at or before the maturity or the redemption date
24 thereof, and may include various series and issues of the outstanding
25 bonds in a single issue of refunding bonds, and issue refunding bonds to
26 pay any redemption premium and interest to accrue and become payable on
27 the outstanding bonds being refunded. The refunding bonds may be issued
28 and delivered at any time prior to the date of maturity or the redemption
29 date of the bonds to be refunded that the school district determines to
30 be in the best interest of the district. The proceeds derived from the
31 sale of refunding bonds issued pursuant to this section may be invested

1 in obligations of, or guaranteed by, the United States Government pending
2 the time the proceeds are required for the purposes for which such
3 refunding bonds were issued. To further secure the refunding bonds, the
4 school district may enter into a contract with any bank or trust company,
5 within or without the state, with respect to the safekeeping and
6 application of the proceeds of the refunding bonds and the safekeeping
7 and application of the earnings on the investment. Any outstanding bonds,
8 which shall have been called for redemption and which have sufficient
9 funds or obligations of, or guaranteed by, the United States Government
10 set aside in safekeeping to be applied for the complete payment of such
11 bonds, interest thereon, and redemption premium, if any on the redemption
12 date, shall not be considered as outstanding and unpaid bonds. All bonds
13 issued under the provisions of sections 10-717 to 10-719 must, on their
14 face, contain a clause that the district issuing such bonds shall have
15 the right to redeem such bonds at the expiration of five years from the
16 date of the issuance thereof.

17 Sec. 5. Section 77-3442, Revised Statutes Supplement, 2017, is
18 amended to read:

19 77-3442 (1) Property tax levies for the support of local governments
20 for fiscal years beginning on or after July 1, 1998, shall be limited to
21 the amounts set forth in this section except as provided in section
22 77-3444.

23 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
24 section, school districts and multiple-district school systems may levy a
25 maximum levy of one dollar and five cents per one hundred dollars of
26 taxable valuation of property subject to the levy.

27 (b) For each fiscal year prior to fiscal year 2017-18, learning
28 communities may levy a maximum levy for the general fund budgets of
29 member school districts of ninety-five cents per one hundred dollars of
30 taxable valuation of property subject to the levy. The proceeds from the
31 levy pursuant to this subdivision shall be distributed pursuant to

1 section 79-1073.

2 (c) Except as provided in subdivision (2)(e) of this section, for
3 each fiscal year prior to fiscal year 2017-18, school districts that are
4 members of learning communities may levy for purposes of such districts'
5 general fund budget and special building funds a maximum combined levy of
6 the difference of one dollar and five cents on each one hundred dollars
7 of taxable property subject to the levy minus the learning community levy
8 pursuant to subdivision (2)(b) of this section for such learning
9 community.

10 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
11 of this section are (i) amounts levied to pay for current and future sums
12 agreed to be paid by a school district to certificated employees in
13 exchange for a voluntary termination of employment occurring prior to
14 September 1, 2017, (ii) amounts levied by a school district otherwise at
15 the maximum levy pursuant to subdivision (2)(a) of this section to pay
16 for current and future qualified voluntary termination incentives for
17 certificated teachers pursuant to subsection (3) of section 79-8,142 that
18 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
19 of this section, (iii) amounts levied by a school district otherwise at
20 the maximum levy pursuant to subdivision (2)(a) of this section to pay
21 for seventy-five percent of the current and future sums agreed to be paid
22 to certificated employees in exchange for a voluntary termination of
23 employment occurring between September 1, 2017, and August 31, 2018, as a
24 result of a collective-bargaining agreement in force and effect on
25 September 1, 2017, that are not otherwise included in an exclusion
26 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
27 school district otherwise at the maximum levy pursuant to subdivision (2)
28 (a) of this section to pay for fifty percent of the current and future
29 sums agreed to be paid to certificated employees in exchange for a
30 voluntary termination of employment occurring between September 1, 2018,
31 and August 31, 2019, as a result of a collective-bargaining agreement in

1 force and effect on September 1, 2017, that are not otherwise included in
2 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
3 levied by a school district otherwise at the maximum levy pursuant to
4 subdivision (2)(a) of this section to pay for twenty-five percent of the
5 current and future sums agreed to be paid to certificated employees in
6 exchange for a voluntary termination of employment occurring between
7 September 1, 2019, and August 31, 2020, as a result of a collective-
8 bargaining agreement in force and effect on September 1, 2017, that are
9 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
10 this section, (vi) amounts levied in compliance with sections 79-10,110
11 and 79-10,110.02, and (vii) amounts levied to pay for special building
12 funds and sinking funds established for projects commenced prior to April
13 1, 1996, for construction, expansion, or alteration of school district
14 buildings. For purposes of this subsection, commenced means any action
15 taken by the school board on the record which commits the board to expend
16 district funds in planning, constructing, or carrying out the project.

17 (e) Federal aid school districts may exceed the maximum levy
18 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
19 extent necessary to qualify to receive federal aid pursuant to Title VIII
20 of Public Law 103-382, as such title existed on September 1, 2001. For
21 purposes of this subdivision, federal aid school district means any
22 school district which receives ten percent or more of the revenue for its
23 general fund budget from federal government sources pursuant to Title
24 VIII of Public Law 103-382, as such title existed on September 1, 2001.

25 (f) For each fiscal year, learning communities may levy a maximum
26 levy of one-half cent on each one hundred dollars of taxable property
27 subject to the levy for elementary learning center facility leases, for
28 remodeling of leased elementary learning center facilities, and for up to
29 fifty percent of the estimated cost for focus school or program capital
30 projects approved by the learning community coordinating council pursuant
31 to section 79-2111.

1 (g) For each fiscal year, learning communities may levy a maximum
2 levy of one and one-half cents on each one hundred dollars of taxable
3 property subject to the levy for early childhood education programs for
4 children in poverty, for elementary learning center employees, for
5 contracts with other entities or individuals who are not employees of the
6 learning community for elementary learning center programs and services,
7 and for pilot projects, except that no more than ten percent of such levy
8 may be used for elementary learning center employees.

9 (3) For each fiscal year, community college areas may levy the
10 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
11 accordance with the provisions of such subdivisions. A community college
12 area may exceed the levy provided in subdivision (2)(b) of section
13 85-1517 by the amount necessary to retire general obligation bonds
14 assumed by the community college area or issued pursuant to section
15 85-1515 according to the terms of such bonds or for any obligation
16 pursuant to section 85-1535 entered into prior to January 1, 1997.

17 (4)(a) Natural resources districts may levy a maximum levy of four
18 and one-half cents per one hundred dollars of taxable valuation of
19 property subject to the levy.

20 (b) Natural resources districts shall also have the power and
21 authority to levy a tax equal to the dollar amount by which their
22 restricted funds budgeted to administer and implement ground water
23 management activities and integrated management activities under the
24 Nebraska Ground Water Management and Protection Act exceed their
25 restricted funds budgeted to administer and implement ground water
26 management activities and integrated management activities for FY2003-04,
27 not to exceed one cent on each one hundred dollars of taxable valuation
28 annually on all of the taxable property within the district.

29 (c) In addition, natural resources districts located in a river
30 basin, subbasin, or reach that has been determined to be fully
31 appropriated pursuant to section 46-714 or designated as overappropriated

1 pursuant to section 46-713 by the Department of Natural Resources shall
2 also have the power and authority to levy a tax equal to the dollar
3 amount by which their restricted funds budgeted to administer and
4 implement ground water management activities and integrated management
5 activities under the Nebraska Ground Water Management and Protection Act
6 exceed their restricted funds budgeted to administer and implement ground
7 water management activities and integrated management activities for
8 FY2005-06, not to exceed three cents on each one hundred dollars of
9 taxable valuation on all of the taxable property within the district for
10 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
11 2017-18.

12 (5) Any educational service unit authorized to levy a property tax
13 pursuant to section 79-1225 may levy a maximum levy of one and one-half
14 cents per one hundred dollars of taxable valuation of property subject to
15 the levy.

16 (6)(a) Incorporated cities and villages which are not within the
17 boundaries of a municipal county may levy a maximum levy of forty-five
18 cents per one hundred dollars of taxable valuation of property subject to
19 the levy plus an additional five cents per one hundred dollars of taxable
20 valuation to provide financing for the municipality's share of revenue
21 required under an agreement or agreements executed pursuant to the
22 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
23 levy shall include amounts levied to pay for sums to support a library
24 pursuant to section 51-201, museum pursuant to section 51-501, visiting
25 community nurse, home health nurse, or home health agency pursuant to
26 section 71-1637, or statue, memorial, or monument pursuant to section
27 80-202.

28 (b) Incorporated cities and villages which are within the boundaries
29 of a municipal county may levy a maximum levy of ninety cents per one
30 hundred dollars of taxable valuation of property subject to the levy. The
31 maximum levy shall include amounts paid to a municipal county for county

1 services, amounts levied to pay for sums to support a library pursuant to
2 section 51-201, a museum pursuant to section 51-501, a visiting community
3 nurse, home health nurse, or home health agency pursuant to section
4 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

5 (7) Sanitary and improvement districts which have been in existence
6 for more than five years may levy a maximum levy of forty cents per one
7 hundred dollars of taxable valuation of property subject to the levy, and
8 sanitary and improvement districts which have been in existence for five
9 years or less shall not have a maximum levy. Unconsolidated sanitary and
10 improvement districts which have been in existence for more than five
11 years and are located in a municipal county may levy a maximum of eighty-
12 five cents per hundred dollars of taxable valuation of property subject
13 to the levy.

14 (8) Counties may levy or authorize a maximum levy of fifty cents per
15 one hundred dollars of taxable valuation of property subject to the levy,
16 except that five cents per one hundred dollars of taxable valuation of
17 property subject to the levy may only be levied to provide financing for
18 the county's share of revenue required under an agreement or agreements
19 executed pursuant to the Interlocal Cooperation Act or the Joint Public
20 Agency Act. The maximum levy shall include amounts levied to pay for sums
21 to support a library pursuant to section 51-201 or museum pursuant to
22 section 51-501. The county may allocate up to fifteen cents of its
23 authority to other political subdivisions subject to allocation of
24 property tax authority under subsection (1) of section 77-3443 and not
25 specifically covered in this section to levy taxes as authorized by law
26 which do not collectively exceed fifteen cents per one hundred dollars of
27 taxable valuation on any parcel or item of taxable property. The county
28 may allocate to one or more other political subdivisions subject to
29 allocation of property tax authority by the county under subsection (1)
30 of section 77-3443 some or all of the county's five cents per one hundred
31 dollars of valuation authorized for support of an agreement or agreements

1 to be levied by the political subdivision for the purpose of supporting
2 that political subdivision's share of revenue required under an agreement
3 or agreements executed pursuant to the Interlocal Cooperation Act or the
4 Joint Public Agency Act. If an allocation by a county would cause another
5 county to exceed its levy authority under this section, the second county
6 may exceed the levy authority in order to levy the amount allocated.

7 (9) Municipal counties may levy or authorize a maximum levy of one
8 dollar per one hundred dollars of taxable valuation of property subject
9 to the levy. The municipal county may allocate levy authority to any
10 political subdivision or entity subject to allocation under section
11 77-3443.

12 (10) Beginning July 1, 2016, rural and suburban fire protection
13 districts may levy a maximum levy of ten and one-half cents per one
14 hundred dollars of taxable valuation of property subject to the levy if
15 (a) such district is located in a county that had a levy pursuant to
16 subsection (8) of this section in the previous year of at least forty
17 cents per one hundred dollars of taxable valuation of property subject to
18 the levy or (b) for any rural or suburban fire protection district that
19 had a levy request pursuant to section 77-3443 in the previous year, the
20 county board of the county in which the greatest portion of the valuation
21 of such district is located did not authorize any levy authority to such
22 district in the previous year.

23 (11) Property tax levies (a) for judgments, except judgments or
24 orders from the Commission of Industrial Relations, obtained against a
25 political subdivision which require or obligate a political subdivision
26 to pay such judgment, to the extent such judgment is not paid by
27 liability insurance coverage of a political subdivision, (b) for
28 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
29 for bonds as defined in section 10-134 approved according to law and
30 secured by a levy on property except as provided in section 44-4317 for
31 bonded indebtedness issued by educational service units and school

1 districts and except as provided in section 2 of this act for bonded
2 indebtedness issued by school districts, and (d) for payments by a public
3 airport to retire interest-free loans from the Division of Aeronautics of
4 the Department of Transportation in lieu of bonded indebtedness at a
5 lower cost to the public airport are not included in the levy limits
6 established by this section.

7 (12) The limitations on tax levies provided in this section are to
8 include all other general or special levies provided by law.
9 Notwithstanding other provisions of law, the only exceptions to the
10 limits in this section are those provided by or authorized by sections
11 77-3442 to 77-3444.

12 (13) Tax levies in excess of the limitations in this section shall
13 be considered unauthorized levies under section 77-1606 unless approved
14 under section 77-3444.

15 (14) For purposes of sections 77-3442 to 77-3444, political
16 subdivision means a political subdivision of this state and a county
17 agricultural society.

18 (15) For school districts that file a binding resolution on or
19 before May 9, 2008, with the county assessors, county clerks, and county
20 treasurers for all counties in which the school district has territory
21 pursuant to subsection (7) of section 79-458, if the combined levies,
22 except levies for bonded indebtedness approved by the voters of the
23 school district and levies for the refinancing of such bonded
24 indebtedness, are in excess of the greater of (a) one dollar and twenty
25 cents per one hundred dollars of taxable valuation of property subject to
26 the levy or (b) the maximum levy authorized by a vote pursuant to section
27 77-3444, all school district levies, except levies for bonded
28 indebtedness approved by the voters of the school district and levies for
29 the refinancing of such bonded indebtedness, shall be considered
30 unauthorized levies under section 77-1606.

31 Sec. 6. Section 79-984, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 79-984 (1) The board of trustees shall contract for the services of
3 an actuary who shall be the technical advisor of the board of trustees on
4 matters regarding the operation of the retirement system. The selection
5 of the actuary shall be approved by the board of education. The actuary
6 shall (a) ~~(1)~~ make a general investigation of the operation of the
7 retirement system annually, which investigation shall cover mortality,
8 retirement, disability, employment, turnover, interest, and earnable
9 compensation, and (b) ~~(2)~~ recommend tables to be used for all required
10 actuarial calculations. The actuary shall perform such other duties as
11 may be assigned by the board of trustees.

12 (2) Beginning on January 1, 2026, and on January 1 every four years
13 thereafter, in addition to the annual general investigations required
14 under subsection (1) of this section, the board of trustees shall cause
15 an actuarial valuation to be performed on the retirement system and
16 ascertain whether additional contributions by the school district may be
17 actuarially required to maintain the solvency of the system. If such
18 actuarial valuation indicates that the actuarially required contribution
19 rate to maintain the solvency of the retirement system exceeds the rate
20 of all contributions required pursuant to the Class V School Employees
21 Retirement Act, the actuary shall determine the additional contributions
22 that are to be made by the school district by adjusting the employer
23 contribution rate provided in subdivision (1)(c) of section 79-9,113. The
24 school district's additional contributions pursuant to this adjusted
25 contribution rate shall commence with the fiscal year that begins after
26 the date of the actuarial valuation and continue for a period of four
27 fiscal years through the fiscal year of the next actuarial valuation
28 required by this subsection.

29 Sec. 7. Section 79-9,113, Revised Statutes Cumulative Supplement,
30 2016, is amended to read:

31 79-9,113 (1)(a) If, at any future time, a majority of the eligible

1 members of the retirement system votes to be included under an agreement
2 providing old age and survivors insurance under the Social Security Act
3 of the United States, the contributions to be made by the member and the
4 school district for membership service, from and after the effective date
5 of the agreement with respect to services performed subsequent to
6 December 31, 1954, shall each be reduced from five to three percent but
7 not less than three percent of the member's salary per annum, and the
8 credits for membership service under this system, as provided in section
9 79-999, shall thereafter be reduced from one and one-half percent to
10 nine-tenths of one percent and not less than nine-tenths of one percent
11 of salary or wage earned by the member during each fiscal year, and from
12 one and sixty-five hundredths percent to one percent and not less than
13 one percent of salary or wage earned by the member during each fiscal
14 year and from two percent to one and two-tenths percent of salary or wage
15 earned by the member during each fiscal year, and from two and four-
16 tenths percent to one and forty-four hundredths percent of salary or wage
17 earned by the member during each fiscal year, except that after September
18 1, 1963, and prior to September 1, 1969, all employees of the school
19 district shall contribute an amount equal to the membership contribution
20 which shall be two and three-fourths percent of salary covered by old age
21 and survivors insurance, and five percent above that amount. Commencing
22 September 1, 1969, all employees of the school district shall contribute
23 an amount equal to the membership contribution which shall be two and
24 three-fourths percent of the first seven thousand eight hundred dollars
25 of salary or wages earned each fiscal year and five percent of salary or
26 wages earned above that amount in the same fiscal year. Commencing
27 September 1, 1976, all employees of the school district shall contribute
28 an amount equal to the membership contribution which shall be two and
29 nine-tenths percent of the first seven thousand eight hundred dollars of
30 salary or wages earned each fiscal year and five and twenty-five
31 hundredths percent of salary or wages earned above that amount in the

1 same fiscal year. Commencing on September 1, 1982, all employees of the
2 school district shall contribute an amount equal to the membership
3 contribution which shall be four and nine-tenths percent of the
4 compensation earned in each fiscal year. Commencing September 1, 1989,
5 all employees of the school district shall contribute an amount equal to
6 the membership contribution which shall be five and eight-tenths percent
7 of the compensation earned in each fiscal year. Commencing September 1,
8 1995, all employees of the school district shall contribute an amount
9 equal to the membership contribution which shall be six and three-tenths
10 percent of the compensation earned in each fiscal year. Commencing
11 September 1, 2007, all employees of the school district shall contribute
12 an amount equal to the membership contribution which shall be seven and
13 three-tenths percent of the compensation paid in each fiscal year.
14 Commencing September 1, 2009, all employees of the school district shall
15 contribute an amount equal to the membership contribution which shall be
16 eight and three-tenths percent of the compensation paid in each fiscal
17 year. Commencing September 1, 2011, all employees of the school district
18 shall contribute an amount equal to the membership contribution which
19 shall be nine and three-tenths percent of the compensation paid in each
20 fiscal year. Commencing September 1, 2013, all employees of the school
21 district shall contribute an amount equal to the membership contribution
22 which shall be nine and seventy-eight hundredths percent of the
23 compensation paid in each fiscal year.

24 (b) The contributions by the school district in any fiscal year
25 beginning on or after September 1, 1999, shall be the greater of (i) one
26 hundred percent of the contributions by the employees for such fiscal
27 year or (ii) such amount as may be necessary to maintain the solvency of
28 the system, as determined annually by the board of education upon
29 recommendation of the actuary and the board of trustees.

30 (c)(i) Before September 1, 2018, the ~~(c)~~ The contributions by the
31 school district in any fiscal year beginning on or after September 1,

1 2007, shall be the greater of (A) ~~(i)~~ one hundred one percent of the
2 contributions by the employees for such fiscal year or (B) ~~(ii)~~ such
3 amount as may be necessary to maintain the solvency of the system, as
4 determined annually by the board of education upon recommendation of the
5 actuary and after considering any amounts that will be, or are expected
6 to be, transferred to the system pursuant to subdivision (1)(b) of
7 section 79-966. For purposes of this section, solvency means the rate of
8 all contributions required pursuant to the Class V School Employees
9 Retirement Act is equal to or greater than the actuarially required
10 contribution rate using a closed thirty-year amortization period
11 beginning on the current valuation date for any unfunded actuarial
12 accrued liability. The school district contributions specified in
13 subdivision (A) ~~(i)~~ of this subdivision shall be made monthly and shall
14 be immediately transmitted to the account of the retirement system; and -
15 (ii) Beginning on or after September 1, 2018, except as provided in
16 subsection (2) of section 79-984, the annual contributions by the school
17 district in any fiscal year shall be one hundred one percent of the
18 contributions by the employees for such fiscal year. The school district
19 contributions specified in this subdivision (ii) shall be made monthly
20 and shall be immediately transmitted to the account of the retirement
21 system.

22 (d) The employee's contribution shall be made in the form of a
23 monthly deduction from compensation as provided in subsection (2) of this
24 section and shall be immediately transmitted to the account of the
25 retirement system. Every employee who is a member of the system shall be
26 deemed to consent and agree to such deductions and shall receipt in full
27 for compensation, and payment to such employee of compensation less such
28 deduction shall constitute a full and complete discharge of all claims
29 and demands whatsoever for services rendered by such employee during the
30 period covered by such payment except as to benefits provided under the
31 Class V School Employees Retirement Act.

1 (e) After September 1, 1963, and prior to September 1, 1969, all
2 employees shall be credited with a membership service annuity which shall
3 be nine-tenths of one percent of salary or wage covered by old age and
4 survivors insurance and one and one-half percent of salary or wages above
5 that amount, except that those employees who retire on or after August
6 31, 1969, shall be credited with a membership service annuity which shall
7 be one percent of salary or wages covered by old age and survivors
8 insurance and one and sixty-five hundredths percent of salary or wages
9 above that amount for service performed after September 1, 1963, and
10 prior to September 1, 1969. Commencing September 1, 1969, all employees
11 shall be credited with a membership service annuity which shall be one
12 percent of the first seven thousand eight hundred dollars of salary or
13 wages earned by the employee during each fiscal year and one and sixty-
14 five hundredths percent of salary or wages earned above that amount in
15 the same fiscal year, except that all employees retiring on or after
16 August 31, 1976, shall be credited with a membership service annuity
17 which shall be one and forty-four hundredths percent of the first seven
18 thousand eight hundred dollars of salary or wages earned by the employee
19 during such fiscal year and two and four-tenths percent of salary or
20 wages earned above that amount in the same fiscal year, and the
21 retirement annuities of employees who have not retired prior to September
22 1, 1963, and who elected under the provisions of section 79-988 as such
23 section existed immediately prior to February 20, 1982, not to become
24 members of the system shall not be less than they would have been had
25 they remained under any preexisting system to date of retirement.

26 (f) Members of this system having the service qualifications of
27 members of the School Employees Retirement System of the State of
28 Nebraska, as provided by section 79-926, who are members of the
29 retirement system established pursuant to the Class V School Employees
30 Retirement Act prior to July 1, 2016, shall receive the state service
31 annuity provided by sections 79-933 to 79-935 and 79-951.

1 (g) In addition to the payments set forth in subdivision (1)(c) of
2 this section, the school district shall make a single contribution or
3 series of additional contributions totaling three hundred million dollars
4 to the retirement system on or before August 31, 2019.

5 (2) The school district shall pick up the employee contributions
6 required by this section for all compensation paid on or after January 1,
7 1985, and the contributions so picked up shall be treated as employer
8 contributions in determining federal tax treatment under the Internal
9 Revenue Code, except that the school district shall continue to withhold
10 federal income taxes based upon these contributions until the Internal
11 Revenue Service or the federal courts rule that, pursuant to section
12 414(h) of the Internal Revenue Code, these contributions shall not be
13 included as gross income of the employee until such time as they are
14 distributed or made available. The school district shall pay these
15 employee contributions from the same source of funds which is used in
16 paying earnings to the employee. The school district shall pick up these
17 contributions by a salary deduction either through a reduction in the
18 cash salary of the employee or a combination of a reduction in salary and
19 offset against a future salary increase. Beginning September 1, 1995, the
20 school district shall also pick up any contributions required by sections
21 79-990, 79-991, and 79-992 which are made under an irrevocable payroll
22 deduction authorization between the member and the school district, and
23 the contributions so picked up shall be treated as employer contributions
24 in determining federal tax treatment under the Internal Revenue Code,
25 except that the school district shall continue to withhold federal and
26 state income taxes based upon these contributions until the Internal
27 Revenue Service rules that, pursuant to section 414(h) of the Internal
28 Revenue Code, these contributions shall not be included as gross income
29 of the employee until such time as they are distributed from the system.
30 Employee contributions picked up shall be treated for all purposes of the
31 Class V School Employees Retirement Act in the same manner and to the

1 extent as employee contributions made prior to the date picked up.

2 Sec. 8. Section 79-1003, Revised Statutes Supplement, 2017, is
3 amended to read:

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

6 (1) Adjusted general fund operating expenditures means (a) for
7 school fiscal years 2013-14 through 2015-16, the difference of the
8 general fund operating expenditures as calculated pursuant to subdivision
9 (23) of this section increased by the cost growth factor calculated
10 pursuant to section 79-1007.10, minus the transportation allowance,
11 special receipts allowance, poverty allowance, limited English
12 proficiency allowance, distance education and telecommunications
13 allowance, elementary site allowance, summer school allowance,
14 instructional time allowance, teacher education allowance, and focus
15 school and program allowance, (b) for school fiscal years 2016-17 through
16 2018-19, the difference of the general fund operating expenditures as
17 calculated pursuant to subdivision (23) of this section increased by the
18 cost growth factor calculated pursuant to section 79-1007.10, minus the
19 transportation allowance, special receipts allowance, poverty allowance,
20 limited English proficiency allowance, distance education and
21 telecommunications allowance, elementary site allowance, summer school
22 allowance, and focus school and program allowance, and (c) for school
23 fiscal year 2019-20 and each school fiscal year thereafter, the
24 difference of the general fund operating expenditures as calculated
25 pursuant to subdivision (23) of this section increased by the cost growth
26 factor calculated pursuant to section 79-1007.10, minus the
27 transportation allowance, special receipts allowance, poverty allowance,
28 limited English proficiency allowance, distance education and
29 telecommunications allowance, elementary site allowance, summer school
30 allowance, community achievement plan allowance, and focus school and
31 program allowance;

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

11 (3) Allocated income tax funds means the amount of assistance paid
12 to a local system pursuant to section 79-1005.01 as adjusted, for school
13 fiscal years prior to school fiscal year 2017-18, by the minimum levy
14 adjustment pursuant to section 79-1008.02;

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

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

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

24 (7) Categorical funds means funds limited to a specific purpose by
25 federal or state law, including, but not limited to, Title I funds, Title
26 VI funds, federal vocational education funds, federal school lunch funds,
27 Indian education funds, Head Start funds, and funds from the Education
28 Innovation Fund;

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

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

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

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

16 (12) District means any Class I, II, III, IV, V, or VI school
17 district or unified system as defined in section 79-4,108;

18 (13) Ensuing school fiscal year means the school fiscal year
19 following the current school fiscal year;

20 (14) Equalization aid means the amount of assistance calculated to
21 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
22 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

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

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

29 (17) Formula students means:

30 (a) For state aid certified pursuant to section 79-1022, the sum of
31 the product of fall membership from the school fiscal year immediately

1 preceding the school fiscal year in which the aid is to be paid
2 multiplied by the average ratio of average daily membership to fall
3 membership for the second school fiscal year immediately preceding the
4 school fiscal year in which the aid is to be paid and the prior two
5 school fiscal years plus sixty percent of the qualified early childhood
6 education fall membership plus tuitioned students from the school fiscal
7 year immediately preceding the school fiscal year in which aid is to be
8 paid minus the product of the number of students enrolled in kindergarten
9 that is not full-day kindergarten from the fall membership multiplied by
10 0.5; and

11 (b) For the final calculation of state aid pursuant to section
12 79-1065, the sum of average daily membership plus sixty percent of the
13 qualified early childhood education average daily membership plus
14 tuitioned students minus the product of the number of students enrolled
15 in kindergarten that is not full-day kindergarten from the average daily
16 membership multiplied by 0.5 from the school fiscal year immediately
17 preceding the school fiscal year in which aid was paid;

18 (18) Free lunch and free milk calculated students means, using the
19 most recent data available on November 1 of the school fiscal year
20 immediately preceding the school fiscal year in which aid is to be paid,

21 (a) for schools that did not provide free meals to all students pursuant
22 to the community eligibility provision, students who individually
23 qualified for free lunches or free milk pursuant to the federal Richard
24 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
25 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
26 and sections existed on January 1, 2015, and rules and regulations
27 adopted thereunder, plus (b) for schools that provided free meals to all
28 students pursuant to the community eligibility provision, (i) for school
29 fiscal year 2016-17, the product of the students who attended such school
30 multiplied by the identified student percentage calculated pursuant to
31 such federal provision or (ii) for school fiscal year 2017-18 and each

1 school fiscal year thereafter, the greater of the number of students in
2 such school who individually qualified for free lunch or free milk using
3 the most recent school fiscal year for which the school did not provide
4 free meals to all students pursuant to the community eligibility
5 provision or one hundred ten percent of the product of the students who
6 qualified for free meals at such school pursuant to the community
7 eligibility provision multiplied by the identified student percentage
8 calculated pursuant to such federal provision, except that the free lunch
9 and free milk students calculated for any school pursuant to subdivision
10 (18)(b)(ii) of this section shall not exceed one hundred percent of the
11 students qualified for free meals at such school pursuant to the
12 community eligibility provision;

13 (19) Free lunch and free milk student means, for school fiscal years
14 prior to school fiscal year 2016-17, a student who qualified for free
15 lunches or free milk from the most recent data available on November 1 of
16 the school fiscal year immediately preceding the school fiscal year in
17 which aid is to be paid;

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

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

27 (22) General fund expenditures means all expenditures from the
28 general fund;

29 (23) General fund operating expenditures means for state aid
30 calculated for school fiscal years 2012-13 and each school fiscal year
31 thereafter, as reported on the annual financial report for the second

1 school fiscal year immediately preceding the school fiscal year in which
2 aid is to be paid, the total general fund expenditures minus (a) the
3 amount of all receipts to the general fund, to the extent that such
4 receipts are not included in local system formula resources, from early
5 childhood education tuition, summer school tuition, educational entities
6 as defined in section 79-1201.01 for providing distance education courses
7 through the Educational Service Unit Coordinating Council to such
8 educational entities, private foundations, individuals, associations,
9 charitable organizations, the textbook loan program authorized by section
10 79-734, federal impact aid, and levy override elections pursuant to
11 section 77-3444, (b) the amount of expenditures for categorical funds,
12 tuition paid, transportation fees paid to other districts, adult
13 education, community services, redemption of the principal portion of
14 general fund debt service, retirement incentive plans authorized by
15 section 79-855, and staff development assistance authorized by section
16 79-856, (c) the amount of any transfers from the general fund to any bond
17 fund and transfers from other funds into the general fund, (d) any legal
18 expenses in excess of fifteen-hundredths of one percent of the formula
19 need for the school fiscal year in which the expenses occurred, (e)(i)
20 for state aid calculated for school fiscal years prior to school fiscal
21 year 2018-19, expenditures to pay for sums agreed to be paid by a school
22 district to certificated employees in exchange for a voluntary
23 termination occurring prior to July 1, 2009, occurring on or after the
24 last day of the 2010-11 school year and prior to the first day of the
25 2013-14 school year, or, to the extent that a district has demonstrated
26 to the State Board of Education pursuant to section 79-1028.01 that the
27 agreement will result in a net savings in salary and benefit costs to the
28 school district over a five-year period, occurring on or after the first
29 day of the 2013-14 school year or (ii) for state aid calculated for
30 school fiscal year 2018-19 and each school fiscal year thereafter,
31 expenditures to pay for incentives agreed to be paid by a school district

1 to certificated employees in exchange for a voluntary termination of
2 employment for which the State Board of Education approved an exclusion
3 pursuant to subdivisions (1)(h), (i), (j), or (k) of section 79-1028.01,
4 (f)(i) expenditures to pay for employer contributions pursuant to
5 subsection (2) of section 79-958 to the School Employees Retirement
6 System of the State of Nebraska to the extent that such expenditures
7 exceed the employer contributions under such subsection that would have
8 been made at a contribution rate of seven and thirty-five hundredths
9 percent, ~~or~~ (ii) before September 1, 2018, expenditures to pay for school
10 district contributions pursuant to subdivision (1)(c)(i)(A) ~~(1)(e)(i)~~ of
11 section 79-9,113 to the retirement system established pursuant to the
12 Class V School Employees Retirement Act to the extent that such
13 expenditures exceed the school district contributions under such
14 subdivision that would have been made at a contribution rate of seven and
15 thirty-seven hundredths percent, or (iii) beginning September 1, 2018,
16 expenditures to pay for school district contributions pursuant to
17 subdivision (1)(c)(ii) of section 79-9,113 to the retirement system
18 established pursuant to the Class V School Employees Retirement Act to
19 the extent that such expenditures exceed the school district
20 contributions under such subdivision that would have been made at a
21 contribution rate of seven and thirty-seven hundredths percent but are
22 less than a contribution rate of nine and eighty-nine hundredths percent,
23 and (g) any amounts paid by the district for lobbyist fees and expenses
24 reported to the Clerk of the Legislature pursuant to section 49-1483.

25 For purposes of this subdivision (23) of this section, receipts from
26 levy override elections shall equal ninety-nine percent of the difference
27 of the total general fund levy minus a levy of one dollar and five cents
28 per one hundred dollars of taxable valuation multiplied by the assessed
29 valuation for school districts that have voted pursuant to section
30 77-3444 to override the maximum levy provided pursuant to section
31 77-3442;

1 (24) High school district means a school district providing
2 instruction in at least grades nine through twelve;

3 (25) Income tax liability means the amount of the reported income
4 tax liability for resident individuals pursuant to the Nebraska Revenue
5 Act of 1967 less all nonrefundable credits earned and refunds made;

6 (26) Income tax receipts means the amount of income tax collected
7 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
8 credits earned and refunds made;

9 (27) Limited English proficiency students means the number of
10 students with limited English proficiency in a district from the most
11 recent data available on November 1 of the school fiscal year preceding
12 the school fiscal year in which aid is to be paid plus the difference of
13 such students with limited English proficiency minus the average number
14 of limited English proficiency students for such district, prior to such
15 addition, for the three immediately preceding school fiscal years if such
16 difference is greater than zero;

17 (28) Local system means a learning community for purposes of
18 calculation of state aid for each school fiscal year prior to school
19 fiscal year 2017-18, a unified system, a Class VI district and the
20 associated Class I districts, or a Class II, III, IV, or V district and
21 any affiliated Class I districts or portions of Class I districts. The
22 membership, expenditures, and resources of Class I districts that are
23 affiliated with multiple high school districts will be attributed to
24 local systems based on the percent of the Class I valuation that is
25 affiliated with each high school district;

26 (29) Low-income child means (a) for school fiscal years prior to
27 2016-17, a child under nineteen years of age living in a household having
28 an annual adjusted gross income for the second calendar year preceding
29 the beginning of the school fiscal year for which aid is being calculated
30 equal to or less than the maximum household income that would allow a
31 student from a family of four people to be a free lunch and free milk

1 student during the school fiscal year immediately preceding the school
2 fiscal year for which aid is being calculated and (b) for school fiscal
3 year 2016-17 and each school fiscal year thereafter, a child under
4 nineteen years of age living in a household having an annual adjusted
5 gross income for the second calendar year preceding the beginning of the
6 school fiscal year for which aid is being calculated equal to or less
7 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
8 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
9 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
10 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
11 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
12 existed on January 1, 2015, for a household of that size that would have
13 allowed the child to meet the income qualifications for free meals during
14 the school fiscal year immediately preceding the school fiscal year for
15 which aid is being calculated;

16 (30) Low-income students means the number of low-income children
17 within the district multiplied by the ratio of the formula students in
18 the district divided by the total children under nineteen years of age
19 residing in the district as derived from income tax information;

20 (31) Most recently available complete data year means the most
21 recent single school fiscal year for which the annual financial report,
22 fall school district membership report, annual statistical summary,
23 Nebraska income tax liability by school district for the calendar year in
24 which the majority of the school fiscal year falls, and adjusted
25 valuation data are available;

26 (32) Poverty students means (a) for school fiscal years prior to
27 2016-17, the number of low-income students or the number of students who
28 are free lunch and free milk students in a district plus the difference
29 of the number of low-income students or the number of students who are
30 free lunch and free milk students in a district, whichever is greater,
31 minus the average number of poverty students for such district, prior to

1 such addition, for the three immediately preceding school fiscal years if
2 such difference is greater than zero and (b) for school fiscal year
3 2016-17 and each school fiscal year thereafter, the unadjusted poverty
4 students plus the difference of such unadjusted poverty students minus
5 the average number of poverty students for such district, prior to such
6 addition, for the three immediately preceding school fiscal years if such
7 difference is greater than zero;

8 (33) Qualified early childhood education average daily membership
9 means the product of the average daily membership for school fiscal year
10 2006-07 and each school fiscal year thereafter of students who will be
11 eligible to attend kindergarten the following school year and are
12 enrolled in an early childhood education program approved by the
13 department pursuant to section 79-1103 for such school district for such
14 school year multiplied by the ratio of the actual instructional hours of
15 the program divided by one thousand thirty-two if: (a) The program is
16 receiving a grant pursuant to such section for the third year; (b) the
17 program has already received grants pursuant to such section for three
18 years; or (c) the program has been approved pursuant to subsection (5) of
19 section 79-1103 for such school year and the two preceding school years,
20 including any such students in portions of any of such programs receiving
21 an expansion grant;

22 (34) Qualified early childhood education fall membership means the
23 product of membership on the last Friday in September 2006 and each year
24 thereafter of students who will be eligible to attend kindergarten the
25 following school year and are enrolled in an early childhood education
26 program approved by the department pursuant to section 79-1103 for such
27 school district for such school year multiplied by the ratio of the
28 planned instructional hours of the program divided by one thousand
29 thirty-two if: (a) The program is receiving a grant pursuant to such
30 section for the third year; (b) the program has already received grants
31 pursuant to such section for three years; or (c) the program has been

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

4 (35) Regular route transportation means the transportation of
5 students on regularly scheduled daily routes to and from the attendance
6 center;

7 (36) Reorganized district means any district involved in a
8 consolidation and currently educating students following consolidation;

9 (37) School year or school fiscal year means the fiscal year of a
10 school district as defined in section 79-1091;

11 (38) Sparse local system means a local system that is not a very
12 sparse local system but which meets the following criteria:

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

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

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

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

29 (39) Special education means specially designed kindergarten through
30 grade twelve instruction pursuant to section 79-1125, and includes
31 special education transportation;

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

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

10 (42) State board means the State Board of Education;

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

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

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

21 (46) Teacher has the definition found in section 79-101;

22 (47) Temporary aid adjustment factor means (a) for school fiscal
23 years before school fiscal year 2007-08, one and one-fourth percent of
24 the sum of the local system's transportation allowance, the local
25 system's special receipts allowance, and the product of the local
26 system's adjusted formula students multiplied by the average formula cost
27 per student in the local system's cost grouping and (b) for school fiscal
28 year 2007-08, one and one-fourth percent of the sum of the local system's
29 transportation allowance, special receipts allowance, and distance
30 education and telecommunications allowance and the product of the local
31 system's adjusted formula students multiplied by the average formula cost

1 per student in the local system's cost grouping;

2 (48) Tuition receipts from converted contracts means tuition
3 receipts received by a district from another district in the most
4 recently available complete data year pursuant to a converted contract
5 prior to the expiration of the contract;

6 (49) Tuitioned students means students in kindergarten through grade
7 twelve of the district whose tuition is paid by the district to some
8 other district or education agency;

9 (50) Unadjusted poverty students means, for school fiscal year
10 2016-17 and each school fiscal year thereafter, the greater of the number
11 of low-income students or the free lunch and free milk calculated
12 students in a district; and

13 (51) Very sparse local system means a local system that has:

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

20 (b)(i) More than four hundred fifty square miles in the local
21 system, (ii) less than one-half student per square mile in the local
22 system, and (iii) more than fifteen miles between each high school
23 attendance center and the next closest high school attendance center on
24 paved roads.

25 Sec. 9. Section 79-1028.01, Revised Statutes Supplement, 2017, is
26 amended to read:

27 79-1028.01 (1) For each school fiscal year, a school district may
28 exceed its budget authority for the general fund budget of expenditures
29 as calculated pursuant to section 79-1023 for such school fiscal year by
30 a specific dollar amount for the following exclusions:

31 (a) Expenditures for repairs to infrastructure damaged by a natural

1 disaster which is declared a disaster emergency pursuant to the Emergency
2 Management Act;

3 (b) Expenditures for judgments, except judgments or orders from the
4 Commission of Industrial Relations, obtained against a school district
5 which require or obligate a school district to pay such judgment, to the
6 extent such judgment is not paid by liability insurance coverage of a
7 school district;

8 (c) Expenditures pursuant to the Retirement Incentive Plan
9 authorized in section 79-855 or the Staff Development Assistance
10 authorized in section 79-856;

11 (d) Expenditures of amounts received from educational entities as
12 defined in section 79-1201.01 for providing distance education courses
13 through the Educational Service Unit Coordinating Council to such
14 educational entities;

15 (e) Expenditures to pay for employer contributions pursuant to
16 subsection (2) of section 79-958 to the School Employees Retirement
17 System of the State of Nebraska to the extent that such expenditures
18 exceed the employer contributions under such subsection that would have
19 been made at a contribution rate of seven and thirty-five hundredths
20 percent;

21 (f)(i) Before September 1, 2018, expenditures (f) Expenditures to
22 pay for school district contributions pursuant to subdivision (1)(c)(i)
23 (A) (1)(c)(i) of section 79-9,113 to the retirement system established
24 pursuant to the Class V School Employees Retirement Act to the extent
25 that such expenditures exceed the school district contributions under
26 such subdivision that would have been made at a contribution rate of
27 seven and thirty-seven hundredths percent or (ii) beginning September 1,
28 2018, expenditures to pay for school district contributions pursuant to
29 subdivision (1)(c)(ii) of section 79-9,113 to the retirement system
30 established pursuant to the Class V School Employees Retirement Act to
31 the extent that such expenditures exceed the school district

1 contributions under such subdivision that would have been made at a
2 contribution rate of seven and thirty-seven hundredths percent but are
3 less than a contribution rate of nine and eighty-nine hundredths percent;

4 (g) Expenditures for incentives agreed to be paid by a school
5 district to certificated employees in exchange for a voluntary
6 termination of employment occurring prior to July 1, 2009, occurring on
7 or after the last day of the 2010-11 school year and prior to the first
8 day of the 2013-14 school year, or, to the extent that a district
9 demonstrates to the State Board of Education pursuant to subsection (3)
10 of this section that the agreement will result in a net savings in salary
11 and benefit costs to the school district over a five-year period,
12 occurring on or after the first day of the 2013-14 school year and prior
13 to September 1, 2017;

14 (h) Expenditures by a school district with budgeted expenditures
15 otherwise equal to the budget authority for the general fund budget of
16 expenditures for such school district as calculated pursuant to section
17 79-1023 for such school fiscal year for current and future qualified
18 voluntary termination incentives for certificated teachers pursuant to
19 subsection (3) of section 79-8,142 that are not otherwise included in an
20 exclusion pursuant to this subsection;

21 (i) Expenditures by a school district with budgeted expenditures
22 otherwise equal to the budget authority for the general fund budget of
23 expenditures for such school district as calculated pursuant to section
24 79-1023 for such school fiscal year for seventy-five percent of
25 incentives agreed to be paid to certificated employees in exchange for a
26 voluntary termination of employment occurring between September 1, 2017,
27 and August 31, 2018, as a result of a collective-bargaining agreement in
28 force and effect on September 1, 2017, that are not otherwise included in
29 an exclusion pursuant to this subsection;

30 (j) Expenditures by a school district with budgeted expenditures
31 otherwise equal to the budget authority for the general fund budget of

1 expenditures for such school district as calculated pursuant to section
2 79-1023 for such school fiscal year for fifty percent of incentives
3 agreed to be paid to certificated employees in exchange for a voluntary
4 termination of employment occurring between September 1, 2018, and August
5 31, 2019, as a result of a collective-bargaining agreement in force and
6 effect on September 1, 2017, that are not otherwise included in an
7 exclusion pursuant to this subsection;

8 (k) Expenditures by a school district with budgeted expenditures
9 otherwise equal to the budget authority for the general fund budget of
10 expenditures for such school district as calculated pursuant to section
11 79-1023 for such school fiscal year for twenty-five percent of incentives
12 agreed to be paid to certificated employees in exchange for a voluntary
13 termination of employment occurring between September 1, 2019, and August
14 31, 2020, as a result of a collective-bargaining agreement in force and
15 effect on September 1, 2017, that are not otherwise included in an
16 exclusion pursuant to this subsection;

17 (l) The special education budget of expenditures;

18 (m) Expenditures of special grant funds; and

19 (n) Expenditures of funds received as federal impact aid pursuant to
20 20 U.S.C. 7701 to 7714, as such sections existed on January 1, 2016, due
21 to a district having land within its boundaries that is federal property
22 classified as Indian lands under 20 U.S.C. 7713(7), as such section
23 existed on January 1, 2016, and funds received as impact aid due to
24 children in attendance who resided on Indian lands in accordance with 20
25 U.S.C. 7703(a)(1)(C), as such section existed on January 1, 2016.

26 (2) For each school fiscal year, a school district may exceed its
27 budget authority for the general fund budget of expenditures as
28 calculated pursuant to section 79-1023 for such school fiscal year by a
29 specific dollar amount and include such dollar amount in the budget of
30 expenditures used to calculate budget authority for the general fund
31 budget of expenditures pursuant to section 79-1023 for future years for

1 the following exclusions:

2 (a) The first school fiscal year the district will be participating
3 in Network Nebraska for the full school fiscal year, for the difference
4 of the estimated expenditures for such school fiscal year for
5 telecommunications services, access to data transmission networks that
6 transmit data to and from the school district, and the transmission of
7 data on such networks as such expenditures are defined by the department
8 for purposes of the distance education and telecommunications allowance
9 minus the dollar amount of such expenditures for the second school fiscal
10 year preceding the first full school fiscal year the district
11 participates in Network Nebraska;

12 (b) Expenditures for new elementary attendance sites in the first
13 year of operation or the first year of operation after being closed for
14 at least one school year if such elementary attendance site will most
15 likely qualify for the elementary site allowance in the immediately
16 following school fiscal year as determined by the state board;

17 (c) For the first school fiscal year for which early childhood
18 education membership is included in formula students for the calculation
19 of state aid, expenditures for early childhood education equal to the
20 amount the school district received in early childhood education grants
21 pursuant to section 79-1103 for the prior school fiscal year, increased
22 by the basic allowable growth rate; and

23 (d) For school fiscal year 2013-14, an amount not to exceed two
24 percent over the previous school year if such increase is approved by a
25 seventy-five percent majority vote of the school board of such district.

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

29 Sec. 10. If any section in this act or any part of any section is
30 declared invalid or unconstitutional, the declaration shall not affect
31 the validity or constitutionality of the remaining portions.

1 Sec. 11. Original sections 10-701 and 10-717, Reissue Revised
2 Statutes of Nebraska, sections 79-984 and 79-9,113, Revised Statutes
3 Cumulative Supplement, 2016, and sections 77-3442, 79-1003, and
4 79-1028.01, Revised Statutes Supplement, 2017, are repealed.

5 Sec. 12. Since an emergency exists, this act takes effect when
6 passed and approved according to law.