

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 119

FINAL READING

Introduced by Groene, 42; Stinner, 48.

Read first time January 06, 2017

Committee: Education

1 A BILL FOR AN ACT relating to the Tax Equity and Educational
2 Opportunities Support Act; to amend sections 79-1022.02, 79-1027,
3 and 79-1031.01, Reissue Revised Statutes of Nebraska, and sections
4 79-1022 and 79-1023, Revised Statutes Cumulative Supplement, 2016;
5 to change the determination and certification dates relating to
6 distribution of aid, certification of certain budget limitations as
7 prescribed, and duties of the Appropriations Committee of the
8 Legislature; to harmonize provisions; to repeal the original
9 sections; and to declare an emergency.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1022, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-1022 (1) On or before June 1, 2017, and on or before March 1 of
4 each year thereafter, for each ensuing fiscal year, the department shall
5 determine the amounts to be distributed to each local system and each
6 district for the ensuing school fiscal year pursuant to the Tax Equity
7 and Educational Opportunities Support Act and shall certify the amounts
8 to the Director of Administrative Services, the Auditor of Public
9 Accounts, each learning community for school fiscal years prior to school
10 fiscal year 2017-18, and each district. Except as otherwise provided in
11 this section, the amount to be distributed to each district from the
12 amount certified for a local system shall be proportional based on the
13 formula students attributed to each district in the local system. For
14 school fiscal years prior to school fiscal year 2017-18, the amount to be
15 distributed to each district that is a member of a learning community
16 from the amount certified for the local system shall be proportional
17 based on the formula needs calculated for each district in the local
18 system. On or before June 1, 2017, and on or before March 1 of each year
19 thereafter, for each ensuing fiscal year, the department shall report the
20 necessary funding level for the ensuing school fiscal year to the
21 Governor, the Appropriations Committee of the Legislature, and the
22 Education Committee of the Legislature. The report submitted to the
23 committees of the Legislature shall be submitted electronically. Except
24 as otherwise provided in this subsection, certified state aid amounts,
25 including adjustments pursuant to section 79-1065.02, shall be shown as
26 budgeted non-property-tax receipts and deducted prior to calculating the
27 property tax request in the district's general fund budget statement as
28 provided to the Auditor of Public Accounts pursuant to section 79-1024.

29 (2) Except as provided in this subsection, subsection (8) of section
30 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
31 certified pursuant to subsection (1) of this section shall be distributed

1 in ten as nearly as possible equal payments on the last business day of
2 each month beginning in September of each ensuing school fiscal year and
3 ending in June of the following year, except that when a school district
4 is to receive a monthly payment of less than one thousand dollars, such
5 payment shall be one lump-sum payment on the last business day of
6 December during the ensuing school fiscal year.

7 Sec. 2. Section 79-1022.02, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 79-1022.02 Notwithstanding any other provision of law, any
10 certification of state aid pursuant to section 79-1022, certification of
11 budget authority pursuant to section 79-1023, and certification of
12 applicable allowable reserve percentages pursuant to section 79-1027
13 completed prior to the effective date of this act February 29, 2012, for
14 school fiscal year 2017-18 ~~2012-13~~ is null and void.

15 Sec. 3. Section 79-1023, Revised Statutes Cumulative Supplement,
16 2016, is amended to read:

17 79-1023 (1) On or before June 1, 2017 ~~April 10, 2014~~, and on or
18 before March 1 of each year thereafter, the department shall determine
19 and certify to each school district budget authority for the general fund
20 budget of expenditures for the ensuing school fiscal year.

21 (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and
22 81-829.51, each school district shall have budget authority for the
23 general fund budget of expenditures equal to the greater of (a) the
24 general fund budget of expenditures for the immediately preceding school
25 fiscal year minus exclusions pursuant to subsection (1) of section
26 79-1028.01 for such school fiscal year with the difference increased by
27 the basic allowable growth rate for the school fiscal year for which
28 budget authority is being calculated, (b) the general fund budget of
29 expenditures for the immediately preceding school fiscal year minus
30 exclusions pursuant to subsection (1) of section 79-1028.01 for such
31 school fiscal year with the difference increased by an amount equal to

1 any student growth adjustment calculated for the school fiscal year for
 2 which budget authority is being calculated, or (c) one hundred ten
 3 percent of formula need for the school fiscal year for which budget
 4 authority is being calculated minus the special education budget of
 5 expenditures as filed on the school district budget statement on or
 6 before September 20 for the immediately preceding school fiscal year,
 7 which special education budget of expenditures is increased by the basic
 8 allowable growth rate for the school fiscal year for which budget
 9 authority is being calculated.

10 (3) For any school fiscal year for which the budget authority for
 11 the general fund budget of expenditures for a school district is based on
 12 a student growth adjustment, the budget authority for the general fund
 13 budget of expenditures for such school district shall be adjusted in
 14 future years to reflect any student growth adjustment corrections related
 15 to such student growth adjustment.

16 Sec. 4. Section 79-1027, Reissue Revised Statutes of Nebraska, is
 17 amended to read:

18 79-1027 No district shall adopt a budget, which includes total
 19 requirements of depreciation funds, necessary employee benefit fund cash
 20 reserves, and necessary general fund cash reserves, exceeding the
 21 applicable allowable reserve percentages of total general fund budget of
 22 expenditures as specified in the schedule set forth in this section.

23	Average daily	Allowable
24	membership of	reserve
25	district	percentage
26	0 - 471	45
27	471.01 - 3,044	35
28	3,044.01 - 10,000	25
29	10,000.01 and over	20

30 On or before June 1, 2017 ~~April 10, 2014~~, and on or before March 1
 31 each year thereafter, the department shall determine and certify each

1 district's applicable allowable reserve percentage for the ensuing school
2 fiscal year.

3 Each district with combined necessary general fund cash reserves,
4 total requirements of depreciation funds, and necessary employee benefit
5 fund cash reserves less than the applicable allowable reserve percentage
6 specified in this section may, notwithstanding the district's applicable
7 allowable growth rate, increase its necessary general fund cash reserves
8 such that the total necessary general fund cash reserves, total
9 requirements of depreciation funds, and necessary employee benefit fund
10 cash reserves do not exceed such applicable allowable reserve percentage.

11 Sec. 5. Section 79-1031.01, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 79-1031.01 The Appropriations Committee of the Legislature shall
14 annually include the amount necessary to fund the state aid that will be
15 certified to school districts on or before June 1, 2017 ~~April 10, 2014~~,
16 and on or before March 1 of each year thereafter for each ensuing school
17 fiscal year in its recommendations to the Legislature to carry out the
18 requirements of the Tax Equity and Educational Opportunities Support Act.

19 Sec. 6. Original sections 79-1022.02, 79-1027, and 79-1031.01,
20 Reissue Revised Statutes of Nebraska, and sections 79-1022 and 79-1023,
21 Revised Statutes Cumulative Supplement, 2016, are repealed.

22 Sec. 7. Since an emergency exists, this act takes effect when
23 passed and approved according to law.