

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 430

Introduced by Groene, 42.

Read first time January 18, 2019

Committee: Education

1 A BILL FOR AN ACT relating to the Tax Equity and Educational
2 Opportunities Support Act; to amend sections 79-1022, 79-1022.02,
3 79-1023, 79-1027, and 79-1031.01, Revised Statutes Cumulative
4 Supplement, 2018; to change the determination and certification
5 dates relating to the distribution of aid, certification of certain
6 budget limitations as prescribed, and duties of the Appropriations
7 Committee of the Legislature; to harmonize provisions; to repeal the
8 original sections; and to declare an emergency.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1022, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 79-1022 (1) On or before June 10, 2019 ~~1, 2017~~, and on or before
4 March 1 of each year thereafter, for each ensuing fiscal year, the
5 department shall determine the amounts to be distributed to each local
6 system and each district for the ensuing school fiscal year pursuant to
7 the Tax Equity and Educational Opportunities Support Act and shall
8 certify the amounts to the Director of Administrative Services, the
9 Auditor of Public Accounts, ~~each learning community for school fiscal~~
10 ~~years prior to school fiscal year 2017-18~~, and each district. Except as
11 otherwise provided in this section, the amount to be distributed to each
12 district from the amount certified for a local system shall be
13 proportional based on the formula students attributed to each district in
14 the local system. ~~For school fiscal years prior to school fiscal year~~
15 ~~2017-18, the amount to be distributed to each district that is a member~~
16 ~~of a learning community from the amount certified for the local system~~
17 ~~shall be proportional based on the formula needs calculated for each~~
18 ~~district in the local system.~~ On or before June 10, 2019 ~~1, 2017~~, and on
19 or before March 1 of each year thereafter, for each ensuing fiscal year,
20 the department shall report the necessary funding level for the ensuing
21 school fiscal year to the Governor, the Appropriations Committee of the
22 Legislature, and the Education Committee of the Legislature. The report
23 submitted to the committees of the Legislature shall be submitted
24 electronically. Except as otherwise provided in this subsection,
25 certified state aid amounts, including adjustments pursuant to section
26 79-1065.02, shall be shown as budgeted non-property-tax receipts and
27 deducted prior to calculating the property tax request in the district's
28 general fund budget statement as provided to the Auditor of Public
29 Accounts pursuant to section 79-1024.

30 (2) Except as provided in this subsection, subsection (8) of section
31 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts

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

8 Sec. 2. Section 79-1022.02, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 79-1022.02 Notwithstanding any other provision of law, any
11 certification of state aid pursuant to section 79-1022, certification of
12 budget authority pursuant to section 79-1023, and certification of
13 applicable allowable reserve percentages pursuant to section 79-1027
14 completed prior to the effective date of this act February 16, 2017, for
15 school fiscal year 2019-20 ~~2017-18~~ is null and void.

16 Sec. 3. Section 79-1023, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 79-1023 (1) On or before June 10, 2019 ~~1, 2017~~, and on or before
19 March 1 of each year thereafter, the department shall determine and
20 certify to each school district budget authority for the general fund
21 budget of expenditures for the ensuing school fiscal year.

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

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

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

17 Sec. 4. Section 79-1027, Revised Statutes Cumulative Supplement,
 18 2018, is amended to read:

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

24	Average daily	Allowable
25	membership of	reserve
26	district	percentage
27	0 - 471	45
28	471.01 - 3,044	35
29	3,044.01 - 10,000	25
30	10,000.01 and over	20

31 On or before June 10, 2019 ~~1, 2017~~, and on or before March 1 each

1 year thereafter, the department shall determine and certify each
2 district's applicable allowable reserve percentage for the ensuing school
3 fiscal year.

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

12 Sec. 5. Section 79-1031.01, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 79-1031.01 The Appropriations Committee of the Legislature shall
15 annually include the amount necessary to fund the state aid that will be
16 certified to school districts on or before June 10, 2019 ~~1, 2017~~, and on
17 or before March 1 of each year thereafter for each ensuing school fiscal
18 year in its recommendations to the Legislature to carry out the
19 requirements of the Tax Equity and Educational Opportunities Support Act.

20 Sec. 6. Original sections 79-1022, 79-1022.02, 79-1023, 79-1027,
21 and 79-1031.01, Revised Statutes Cumulative Supplement, 2018, are
22 repealed.

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