

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 249

Introduced by Sanders, 45.

Read first time January 14, 2025

Committee: Education

1 A BILL FOR AN ACT relating to schools; to amend sections 79-1001,
2 79-1017.01, 79-1022, 79-1022.02, 79-1023, 79-1027, and 79-1031.01,
3 Reissue Revised Statutes of Nebraska; to provide for military impact
4 funding and change provisions relating to local system formula
5 resources and certain certification dates under the Tax Equity and
6 Educational Opportunities Support Act; to harmonize provisions; to
7 repeal the original sections; and to declare an emergency.
8 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 79-1001, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-1001 Sections 79-1001 to 79-1033 and section 2 of this act shall
4 be known and may be cited as the Tax Equity and Educational Opportunities
5 Support Act.

6 **Sec. 2.** (1) For school fiscal year 2025-26 and each school fiscal
7 year thereafter, the department shall determine the military impact
8 funding to be paid to each school district in accordance with this
9 section.

10 (2) A district shall receive military impact funding in an amount
11 calculated pursuant to subsection (3) of this section if the district
12 received a basic support payment of federal impact aid under section 7003
13 of the federal Elementary and Secondary Education Act of 1965 in the
14 school fiscal year immediately preceding the school fiscal year for which
15 the aid is to be calculated and the district provides free public
16 education to federally connected children whose parents are on active
17 duty in the uniformed services.

18 (3) For purposes of the calculation of military impact funding
19 pursuant to this section:

20 (a) Per-pupil federal impact aid amount means the amount calculated
21 by dividing (i) the amount the district received as a basic support
22 payment of federal impact aid under section 7003 of the federal
23 Elementary and Secondary Education Act of 1965 in the school fiscal year
24 immediately preceding the school fiscal year for which the aid is to be
25 calculated by (ii) the number of federally connected children whose
26 parents are on active duty in the uniformed services actually enrolled in
27 the district as of the day of the fall membership count pursuant to
28 section 79-528; and

29 (b) Per-pupil general fund tax levy means the amount calculated by
30 dividing (i) the total local property tax levy receipts of such district
31 from the preceding school fiscal year by (ii) the fall membership of such

1 district, without the inclusion of federally connected children whose
2 parents are on active duty in the uniformed services and who otherwise
3 are included in the calculation of the fall membership.

4 (4)(a) The amount of military impact funding provided to a district
5 shall be calculated by (i) subtracting the per-pupil federal impact aid
6 from the per-pupil general fund tax levy and (ii) multiplying the amount
7 calculated in subdivision (a)(i) of this subsection by the number of
8 federally connected children whose parents are on active duty in the
9 uniformed services actually enrolled in the district as of the day of the
10 fall membership count pursuant to section 79-528.

11 (b) A district's military impact funding shall be zero if the amount
12 calculated pursuant to subdivision (4)(a)(i) produces a negative result.

13 **Sec. 3.** Section 79-1017.01, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 79-1017.01 (1) For state aid calculated for each school fiscal year
16 prior to school fiscal year 2023-24, local system formula resources
17 includes other actual receipts determined pursuant to section 79-1018.01,
18 net option funding determined pursuant to section 79-1009, allocated
19 income tax funds determined pursuant to section 79-1005.01, and community
20 achievement plan aid determined pursuant to section 79-1005, and is
21 reduced by amounts paid by the district in the most recently available
22 complete data year as property tax refunds pursuant to or in the manner
23 prescribed by section 77-1736.06.

24 (2) For state aid calculated for school fiscal ~~years~~ year 2023-24
25 and ~~2024-25~~ each school fiscal year thereafter, local system formula
26 resources includes other actual receipts determined pursuant to section
27 79-1018.01, net option funding determined pursuant to section 79-1009,
28 allocated income tax funds determined pursuant to section 79-1005.01,
29 community achievement plan aid determined pursuant to section 79-1005,
30 and a percentage of foundation aid determined pursuant to section
31 79-1006, and is reduced by amounts paid by the district in the most

1 recently available complete data year as property tax refunds pursuant to
2 or in the manner prescribed by section 77-1736.06.

3 (3) For state aid calculated for school fiscal year 2025-26 and each
4 school fiscal year thereafter, local system formula resources includes
5 other actual receipts determined pursuant to section 79-1018.01, net
6 option funding determined pursuant to section 79-1009, allocated income
7 tax funds determined pursuant to section 79-1005.01, community
8 achievement plan aid determined pursuant to section 79-1005, a percentage
9 of foundation aid determined pursuant to section 79-1006, and military
10 impact funding pursuant to section 2 of this act, and is reduced by
11 amounts paid by the district in the most recently available complete data
12 year as property tax refunds pursuant to or in the manner prescribed by
13 section 77-1736.06.

14 **Sec. 4.** Section 79-1022, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 79-1022 (1) On or before June 15, 2025 ~~2023~~, and on or before March
17 1 of each year thereafter, the department shall determine the amounts to
18 be distributed to each local system for the ensuing school fiscal year
19 pursuant to the Tax Equity and Educational Opportunities Support Act and
20 shall certify the amounts to the Director of Administrative Services, the
21 Auditor of Public Accounts, and each local system. On or before June 15,
22 2025 ~~2023~~, and on or before March 1 of each year thereafter, the
23 department shall report the necessary funding level for the ensuing
24 school fiscal year to the Governor, the Appropriations Committee of the
25 Legislature, and the Education Committee of the Legislature. The report
26 submitted to the committees of the Legislature shall be submitted
27 electronically. Except as otherwise provided in this subsection,
28 certified state aid amounts, including adjustments pursuant to section
29 79-1065.02, shall be shown as budgeted non-property-tax receipts and
30 deducted prior to calculating the property tax request in the local
31 system's general fund budget statement as provided to the Auditor of

1 Public Accounts pursuant to section 79-1024.

2 (2) Except as provided in this subsection, subsection (8) of section
3 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
4 certified pursuant to subsection (1) of this section shall be distributed
5 in ten as nearly as possible equal payments on the last business day of
6 each month beginning in September of each ensuing school fiscal year and
7 ending in June of the following year, except that when a local system is
8 to receive a monthly payment of less than one thousand dollars, such
9 payment shall be one lump-sum payment on the last business day of
10 December during the ensuing school fiscal year.

11 **Sec. 5.** Section 79-1022.02, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 79-1022.02 Notwithstanding any other provision of law, any
14 certification of state aid pursuant to section 79-1022, certification of
15 budget authority pursuant to section 79-1023, and certification of
16 applicable allowable reserve percentages pursuant to section 79-1027
17 completed prior to the effective date of this act June 1, 2023, for
18 school fiscal year 2025-26 ~~2023-24~~ are null and void.

19 **Sec. 6.** Section 79-1023, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-1023 (1) On or before June 15, 2025 ~~2023~~, and on or before March
22 1 of each year thereafter, the department shall determine and certify to
23 each school district budget authority for the general fund budget of
24 expenditures for the ensuing school fiscal year.

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

1 budget authority is being calculated, (b) the general fund budget of
 2 expenditures for the immediately preceding school fiscal year minus
 3 exclusions pursuant to subsection (1) of section 79-1028.01 for such
 4 school fiscal year with the difference increased by an amount equal to
 5 any student growth adjustment calculated for the school fiscal year for
 6 which budget authority is being calculated, or (c) one hundred ten
 7 percent of formula need for the school fiscal year for which budget
 8 authority is being calculated minus the special education budget of
 9 expenditures as filed on the school district budget statement on or
 10 before September 30 for the immediately preceding school fiscal year,
 11 which special education budget of expenditures is increased by the basic
 12 allowable growth rate for the school fiscal year for which budget
 13 authority is being calculated.

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

20 **Sec. 7.** Section 79-1027, Reissue Revised Statutes of Nebraska, is
 21 amended to read:

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

27	Average daily	Allowable
28	membership of	reserve
29	district	percentage
30	0 - 471	45
31	471.01 - 3,044	35

1	3,044.01 - 10,000	25
2	10,000.01 and over	20

3 On or before June 15, 2025 ~~2023~~, and on or before March 1 each year
4 thereafter, the department shall determine and certify each district's
5 applicable allowable reserve percentage for the ensuing school fiscal
6 year.

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

15 **Sec. 8.** Section 79-1031.01, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 79-1031.01 The Appropriations Committee of the Legislature shall
18 annually include the amount necessary to fund the state aid that will be
19 certified to school districts on or before June 15, 2025 ~~2023~~, and on or
20 before March 1 of each year thereafter for each ensuing school fiscal
21 year in its recommendations to the Legislature to carry out the
22 requirements of the Tax Equity and Educational Opportunities Support Act.

23 **Sec. 9.** Original sections 79-1001, 79-1017.01, 79-1022, 79-1022.02,
24 79-1023, 79-1027, and 79-1031.01, Reissue Revised Statutes of Nebraska,
25 are repealed.

26 **Sec. 10.** Since an emergency exists, this act takes effect when
27 passed and approved according to law.