

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 498

Introduced by Murman, 38.

Read first time January 21, 2025

Committee: Education

1 A BILL FOR AN ACT relating to the Tax Equity and Educational
2 Opportunities Support Act; to amend sections 79-1006, 79-1022,
3 79-1022.02, 79-1023, 79-1027, and 79-1031.01, Reissue Revised
4 Statutes of Nebraska; to change provisions relating to foundation
5 aid and certain certification dates; to harmonize provisions; to
6 repeal the original sections; and to declare an emergency.

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

1 **Section 1.** Section 79-1006, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-1006 (1) ~~The For school fiscal year 2023-24 and each school~~
4 ~~fiscal year thereafter,~~ the department shall determine the foundation aid
5 to be paid to each school district in accordance with subsection (2) of
6 this section.

7 (2)(a) For school fiscal years 2023-24 and 2024-25, the (2) The
8 foundation aid to be paid to each school district in each school fiscal
9 year shall equal (i) one thousand five hundred dollars multiplied by (ii)
10 the number of formula students for such school district.

11 (b) For school fiscal year 2025-26 and each school fiscal year
12 thereafter, the foundation aid to be paid to each school district in each
13 school fiscal year shall equal (i) the amount of foundation aid paid per
14 formula student in the immediately preceding school fiscal year,
15 increased by the percentage increase in the Consumer Price Index for All
16 Urban Consumers published by the Federal Bureau of Labor Statistics for
17 the previous calendar year, multiplied by (ii) the number of formula
18 students for such school district.

19 (3) Twenty-four percent of the total amount of foundation aid paid
20 each school fiscal year shall be paid from money appropriated from the
21 Education Future Fund.

22 (4) For school fiscal years 2023-24 and 2024-25, one hundred percent
23 of foundation aid shall be included as a formula resource pursuant to
24 section 79-1017.01. For school fiscal year 2025-26 and each school fiscal
25 year thereafter, sixty percent of foundation aid shall be included as a
26 formula resource pursuant to section 79-1017.01.

27 **Sec. 2.** Section 79-1022, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 79-1022 (1) On or before June 15, 2025 ~~2023~~, and on or before March
30 1 of each year thereafter, the department shall determine the amounts to
31 be distributed to each local system for the ensuing school fiscal year

1 pursuant to the Tax Equity and Educational Opportunities Support Act and
2 shall certify the amounts to the Director of Administrative Services, the
3 Auditor of Public Accounts, and each local system. On or before June 15,
4 ~~2025~~ ~~2023~~, and on or before March 1 of each year thereafter, the
5 department shall report the necessary funding level for the ensuing
6 school fiscal year to the Governor, the Appropriations Committee of the
7 Legislature, and the Education Committee of the Legislature. The report
8 submitted to the committees of the Legislature shall be submitted
9 electronically. Except as otherwise provided in this subsection,
10 certified state aid amounts, including adjustments pursuant to section
11 79-1065.02, shall be shown as budgeted non-property-tax receipts and
12 deducted prior to calculating the property tax request in the local
13 system's general fund budget statement as provided to the Auditor of
14 Public Accounts pursuant to section 79-1024.

15 (2) Except as provided in this subsection, subsection (8) of section
16 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
17 certified pursuant to subsection (1) of this section shall be distributed
18 in ten as nearly as possible equal payments on the last business day of
19 each month beginning in September of each ensuing school fiscal year and
20 ending in June of the following year, except that when a local system is
21 to receive a monthly payment of less than one thousand dollars, such
22 payment shall be one lump-sum payment on the last business day of
23 December during the ensuing school fiscal year.

24 **Sec. 3.** Section 79-1022.02, Reissue Revised Statutes of Nebraska, is
25 amended to read:

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

1 **Sec. 4.** Section 79-1023, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-1023 (1) On or before June 15, ~~2023~~ 2025, and on or before March
4 1 of each year thereafter, the department shall determine and certify to
5 each school district budget authority for the general fund budget of
6 expenditures for the ensuing school fiscal year.

7 (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and
8 81-829.51, each school district shall have budget authority for the
9 general fund budget of expenditures equal to the greater of (a) the
10 general fund budget of expenditures for the immediately preceding school
11 fiscal year minus exclusions pursuant to subsection (1) of section
12 79-1028.01 for such school fiscal year with the difference increased by
13 the basic allowable growth rate for the school fiscal year for which
14 budget authority is being calculated, (b) the general fund budget of
15 expenditures for the immediately preceding school fiscal year minus
16 exclusions pursuant to subsection (1) of section 79-1028.01 for such
17 school fiscal year with the difference increased by an amount equal to
18 any student growth adjustment calculated for the school fiscal year for
19 which budget authority is being calculated, or (c) one hundred ten
20 percent of formula need for the school fiscal year for which budget
21 authority is being calculated minus the special education budget of
22 expenditures as filed on the school district budget statement on or
23 before September 30 for the immediately preceding school fiscal year,
24 which special education budget of expenditures is increased by the basic
25 allowable growth rate for the school fiscal year for which budget
26 authority is being calculated.

27 (3) For any school fiscal year for which the budget authority for
28 the general fund budget of expenditures for a school district is based on
29 a student growth adjustment, the budget authority for the general fund
30 budget of expenditures for such school district shall be adjusted in
31 future years to reflect any student growth adjustment corrections related

1 to such student growth adjustment.

2 **Sec. 5.** Section 79-1027, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-1027 No district shall adopt a budget, which includes total
5 requirements of depreciation funds, necessary employee benefit fund cash
6 reserves, and necessary general fund cash reserves, exceeding the
7 applicable allowable reserve percentages of total general fund budget of
8 expenditures as specified in the schedule set forth in this section.

9	Average daily	Allowable
10	membership of	reserve
11	district	percentage
12	0 - 471	45
13	471.01 - 3,044	35
14	3,044.01 - 10,000	25
15	10,000.01 and over	20

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

20 Each district with combined necessary general fund cash reserves,
21 total requirements of depreciation funds, and necessary employee benefit
22 fund cash reserves less than the applicable allowable reserve percentage
23 specified in this section may, notwithstanding the district's applicable
24 allowable growth rate, increase its necessary general fund cash reserves
25 such that the total necessary general fund cash reserves, total
26 requirements of depreciation funds, and necessary employee benefit fund
27 cash reserves do not exceed such applicable allowable reserve percentage.

28 **Sec. 6.** Section 79-1031.01, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-1031.01 The Appropriations Committee of the Legislature shall
31 annually include the amount necessary to fund the state aid that will be

1 certified to school districts on or before June 15, ~~2025~~ 2023, and on or
2 before March 1 of each year thereafter for each ensuing school fiscal
3 year in its recommendations to the Legislature to carry out the
4 requirements of the Tax Equity and Educational Opportunities Support Act.

5 **Sec. 7.** Original sections 79-1006, 79-1022, 79-1022.02, 79-1023,
6 79-1027, and 79-1031.01, Reissue Revised Statutes of Nebraska, are
7 repealed.

8 **Sec. 8.** Since an emergency exists, this act takes effect when
9 passed and approved according to law.