

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 598

Introduced by DeBoer, 10.

Read first time January 22, 2025

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 79-1007.15,
2 79-1021, 79-1022, 79-1022.02, 79-1023, 79-1027, 79-1031.01, and
3 79-1142, Reissue Revised Statutes of Nebraska; to provide funding to
4 school districts to cover extraordinary increases in limited English
5 proficiency student expenditures; to change provisions relating to
6 the elementary site allowance and certification dates under the Tax
7 Equity and Educational Opportunities Support Act; to change eligible
8 uses of the Education Future Fund; to change provisions relating to
9 reimbursement for special education programs and support services
10 and provide additional funding to school districts for costs
11 attributable to students with a 504 plan; to harmonize provisions;
12 to provide operative dates; to repeal the original sections; and to
13 declare an emergency.
14 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** (1) On or before January 15 of each school fiscal year,
2 a school district with expected expenditures for limited English
3 proficiency students that total (a) at least fifty thousand dollars
4 annually or (b) one-half percent or more of such school district's annual
5 budget, whichever is greater, may submit an application as prescribed by
6 the Commissioner of Education to the State Department of Education for a
7 payment from the Education Future Fund to cover an extraordinary increase
8 in limited English proficiency student expenditures pursuant to the
9 requirements of this section.

10 (2) Such application shall include the limited English proficiency
11 student expenditures of the applicant school district as of the
12 immediately preceding December 31 for the school fiscal year in which the
13 application is submitted.

14 (3) The department shall divide the limited English proficiency
15 student expenditures for the school fiscal year immediately preceding the
16 school fiscal year in which an application is submitted by two and
17 multiply the result by one hundred seven percent for each applicant
18 school district.

19 (4) Each applicant school district shall qualify for a maximum
20 payment equal to the difference of the limited English proficiency
21 student expenditures for the current school fiscal year submitted
22 pursuant to subsection (1) of this section minus the amount calculated
23 pursuant to subsection (3) of this section for such school district for
24 such school fiscal year.

25 (5) The department shall make a payment to each applicant school
26 district on or before January 31 for the school fiscal year in which the
27 application is submitted. Such payment shall equal the maximum payment
28 determined pursuant to subsection (4) of this section, except that if the
29 sum of all maximum payments for applicant school districts for such
30 school fiscal year exceeds the available balance for such purpose in the
31 Education Future Fund, each payment shall be reduced proportionally so

1 that the sum of all payments for applicant school districts for such
2 school fiscal year equals the available balance for such purpose in the
3 fund.

4 **Sec. 2.** Section 79-1007.15, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-1007.15 (1) For school fiscal year 2008-09, the department shall
7 calculate an elementary site allowance for any district in which (a) the
8 district has more than one elementary attendance site, (b) at least one
9 of the elementary attendance sites does not offer any other grades, (c)
10 the square miles in the district divided by the number of elementary
11 attendance sites in the district equals one hundred square miles or more
12 per elementary attendance site, and (d) the fall membership in elementary
13 site grades in the district divided by the number of elementary site
14 grades then divided again by the number of elementary attendance sites
15 equals fifteen or fewer students per grade per elementary attendance
16 site. Qualifying elementary attendance sites for such districts shall
17 only offer elementary site grades and shall have an average of fifteen or
18 fewer students per grade in the fall membership.

19 (2) For school fiscal year 2009-10 and each school fiscal year
20 thereafter, the department shall calculate an elementary site allowance
21 for any district which has at least one qualifying elementary attendance
22 site and which submits the information required for the calculation on a
23 form prescribed by the department on or before October 15 of the school
24 fiscal year preceding the school fiscal year for which aid is being
25 calculated. A qualifying elementary attendance site shall be an
26 elementary attendance site, in a district with multiple elementary
27 attendance sites, which does not have another elementary attendance site
28 within seven miles in the same school district or which is the only
29 public elementary attendance site located in an incorporated city or
30 village.

31 (3)(a) ~~(3)~~ The elementary site allowance for each qualifying

1 district shall equal the sum of the elementary site allowances for each
2 qualifying elementary attendance site in the district. The elementary
3 site allowance for each qualifying elementary attendance site shall equal
4 five hundred percent of the statewide average general fund operating
5 expenditures per formula student multiplied by the result of rounding the
6 ratio of the fall membership attributed to the elementary attendance site
7 divided by eight up to the next whole number if the result was not a
8 whole number, except that if the resulting whole number is greater than
9 the number of elementary site grades, the whole number shall be reduced
10 to equal the number of elementary site grades.

11 (b) An elementary attendance site that provides at least sixty
12 minutes of planning time per school day to its elementary school teachers
13 shall qualify for an additional funding allowance as part of the
14 elementary site allowance equal to one hundred percent of the statewide
15 average general fund operating expenditures per formula student
16 multiplied by the ratio of the fall membership attributed to the
17 elementary attendance site divided by eight.

18 (4) For purposes of this section:

19 (a) Each district shall determine which grades are considered
20 elementary site grades, except that (i) all grades designated as
21 elementary site grades shall be offered in each elementary attendance
22 site in the district, without any preference indicated by the school
23 board or any school district administrator for students to attend
24 different elementary attendance sites depending on their elementary site
25 grade level, for the school fiscal year for which aid is being calculated
26 and for each of the five school fiscal years preceding the school fiscal
27 year for which aid is being calculated and (ii) elementary site grades
28 shall not include grades nine, ten, eleven, or twelve;

29 (b) An elementary attendance site is an attendance site in which
30 elementary site grades are offered;

31 (c) The primary elementary site shall be the elementary attendance

1 site to which the most formula students are attributed in the district
2 and shall not be a qualifying elementary attendance site; and

3 (d) Fall membership means the fall membership for the school fiscal
4 year immediately preceding the school fiscal year for which aid is being
5 calculated.

6 (5) If the elementary attendance site is new or is being reopened
7 after being closed for at least one school year, the requirements of
8 subdivision (4)(a)(i) of this section with respect to preceding school
9 fiscal years shall not apply to school fiscal years in which the
10 elementary attendance site was not in operation.

11 (6) The department shall determine if the qualifications for the
12 elementary site allowance have been met for each elementary attendance
13 site for which information has been submitted. The department may rely on
14 the information submitted and any other information available to the
15 department, including, but not limited to, past attendance patterns. The
16 state board shall establish a procedure for appeal of decisions of the
17 department to the state board for a final determination.

18 **Sec. 3.** Section 79-1021, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 79-1021 (1) The Education Future Fund is created. The fund shall be
21 administered by the department and shall consist of money transferred to
22 the fund by the Legislature. Transfers may be made from the Education
23 Future Fund to the Computer Science and Technology Education Fund at the
24 direction of the Legislature. Any money in the Education Future Fund
25 available for investment shall be invested by the state investment
26 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
27 State Funds Investment Act.

28 (2) The fund shall be used only for the following purposes, in order
29 of priority:

30 (a) To fully fund equalization aid under the Tax Equity and
31 Educational Opportunities Support Act;

1 (b) To fund reimbursements related to special education under
2 section 79-1142;

3 (c) To fund foundation aid under the Tax Equity and Educational
4 Opportunities Support Act;

5 (d) To increase funding for school districts in a way that results
6 in direct property tax relief, which means a dollar-for-dollar
7 replacement of property taxes by a state funding source;

8 (e) To provide funding for a grant program created by the
9 Legislature to address teacher turnover rates and keep existing teachers
10 in classrooms;

11 (f) To provide funding to increase career and technical educational
12 classroom opportunities for students, including, but not limited to,
13 computer science education. Such funding must provide students with the
14 academic and technical skills, knowledge, and training necessary to
15 succeed in future careers;

16 (g) To provide funding for a grant program created by the
17 Legislature to provide students the opportunity to have a mentor who will
18 continuously engage with the student directly to aid in the student's
19 professional growth and give ongoing support and encouragement to the
20 student;

21 (h) To provide funding for extraordinary increases in special
22 education expenditures to allow school districts with large, unexpected
23 special education expenditures to more easily meet the needs of all
24 students;

25 (i) To provide funding to help recruit teachers throughout the state
26 by utilizing apprenticeships through a teacher apprenticeship program and
27 an alternative certification process;

28 (j) To provide funding to develop and implement a professional
29 learning system to help provide sustained professional learning and
30 training regarding evidence-based reading instruction and for a grant
31 program relating to dyslexia research; and

1 (k) To provide funding for a pilot project administered by the State
2 Department of Education to provide menstrual products to school
3 districts; and -

4 (l) To provide funding for school districts with extraordinary
5 expenditures for limited English proficiency students to allow school
6 districts with such costs to better meet the needs of all students.

7 (3)(a) The State Treasurer shall transfer one billion dollars from
8 the General Fund to the Education Future Fund in fiscal year 2023-24, on
9 such dates and in such amounts as directed by the budget administrator of
10 the budget division of the Department of Administrative Services.

11 (b) The State Treasurer shall transfer two hundred fifty million
12 dollars from the General Fund to the Education Future Fund in fiscal year
13 2024-25, on such dates and in such amounts as directed by the budget
14 administrator of the budget division of the Department of Administrative
15 Services.

16 (c) It is the intent of the Legislature that two hundred fifty
17 million dollars be transferred from the General Fund to the Education
18 Future Fund in fiscal year 2025-26 and each fiscal year thereafter.

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

21 79-1022 (1) On or before June 15, 2025 ~~2023~~, and on or before March
22 1 of each year thereafter, the department shall determine the amounts to
23 be distributed to each local system for the ensuing school fiscal year
24 pursuant to the Tax Equity and Educational Opportunities Support Act and
25 shall certify the amounts to the Director of Administrative Services, the
26 Auditor of Public Accounts, and each local system. On or before June 15,
27 2025 ~~2023~~, and on or before March 1 of each year thereafter, the
28 department shall report the necessary funding level for the ensuing
29 school fiscal year to the Governor, the Appropriations Committee of the
30 Legislature, and the Education Committee of the Legislature. The report
31 submitted to the committees of the Legislature shall be submitted

1 electronically. Except as otherwise provided in this subsection,
2 certified state aid amounts, including adjustments pursuant to section
3 79-1065.02, shall be shown as budgeted non-property-tax receipts and
4 deducted prior to calculating the property tax request in the local
5 system's general fund budget statement as provided to the Auditor of
6 Public Accounts pursuant to section 79-1024.

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

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

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

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

26 79-1023 (1) On or before June 15, 2025 ~~2023~~, and on or before March
27 1 of each year thereafter, the department shall determine and certify to
28 each school district budget authority for the general fund budget of
29 expenditures for the ensuing school fiscal year.

30 (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and
31 81-829.51, each school district shall have budget authority for the

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

19 (3) For any school fiscal year for which the budget authority for
20 the general fund budget of expenditures for a school district is based on
21 a student growth adjustment, the budget authority for the general fund
22 budget of expenditures for such school district shall be adjusted in
23 future years to reflect any student growth adjustment corrections related
24 to such student growth adjustment.

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

27 79-1027 No district shall adopt a budget, which includes total
28 requirements of depreciation funds, necessary employee benefit fund cash
29 reserves, and necessary general fund cash reserves, exceeding the
30 applicable allowable reserve percentages of total general fund budget of
31 expenditures as specified in the schedule set forth in this section.

1	Average daily	Allowable
2	membership of	reserve
3	district	percentage
4	0 - 471	45
5	471.01 - 3,044	35
6	3,044.01 - 10,000	25
7	10,000.01 and over	20

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

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

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

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

28 **Sec. 9.** Section 79-1142, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-1142 (1) Level I services refers to services provided to children
31 with disabilities who require an aggregate of not more than three hours

1 per week of special education services and support services and includes
2 all administrative, diagnostic, consultative, and vocational-adjustment
3 counselor services.

4 (2) The total allowable reimbursable cost for support services shall
5 not exceed a percentage, established by the State Board of Education, of
6 the school district's or approved cooperative's total allowable
7 reimbursable cost for all special education programs and support
8 services. The percentage established by the board for support services
9 shall not exceed the difference of ten percent minus the percentage of
10 the appropriations for special education approved by the Legislature set
11 aside for reimbursements for support services pursuant to subsection (5)
12 of this section.

13 (3) Except as provided in subsection (7) ~~(6)~~ of this section, for
14 special education and support services provided in each school fiscal
15 year, the department shall reimburse each school district in the
16 following school fiscal year eighty percent of the total allowable excess
17 costs for all special education programs and support services.
18 Cooperatives of school districts or educational service units shall also
19 be eligible for reimbursement for cooperative programs pursuant to this
20 section if such cooperatives or educational service units have complied
21 with the reporting and approval requirements of section 79-1155 for
22 cooperative programs which were offered in the preceding school fiscal
23 year.

24 (4)(a) The payments shall be made by the department to the school
25 district of residence, cooperative of school districts, or educational
26 service unit each school year in a minimum of seven payments between the
27 fifth and twentieth day of each month beginning in December. Additional
28 payments may be made based upon additional valid claims submitted. The
29 State Treasurer shall, between the fifth and twentieth day of each month,
30 notify the Director of Administrative Services of the amount of funds
31 available in the General Fund and the Education Future Fund for payment

1 purposes. The director shall, upon receiving such certification, draw
2 warrants against such funds as appropriated.

3 (b) If the General Fund appropriations for special education
4 approved by the Legislature, minus the amounts set aside pursuant to
5 subsection (5) of this section, are insufficient to reimburse eighty
6 percent of the total allowable excess costs for all special education
7 programs and support services for any school fiscal year:

8 (i) Such allowable excess costs shall be reimbursed from the General
9 Fund appropriations for special education approved by the Legislature,
10 minus the amounts set aside pursuant to subsection (5) of this section,
11 on a pro rata basis at the maximum rate of reimbursement such
12 appropriations will allow as determined by the department; and

13 (ii) The remainder of the eighty percent reimbursement of such
14 allowable excess costs shall be paid from the Education Future Fund.

15 (5) Residential settings described in subdivision (10)(c) of section
16 79-215 shall be reimbursed for the educational services, including
17 special education services and support services, in an amount determined
18 pursuant to the average per pupil cost of the service agency.
19 Reimbursements pursuant to this section shall be made from funds set
20 aside for such purpose within sixty days after receipt of a reimbursement
21 request submitted in the manner required by the department and including
22 any documentation required by the department for educational services
23 that have been provided, except that if there are not any funds available
24 for the remainder of the state fiscal year for such reimbursements, the
25 reimbursement shall occur within thirty days after the beginning of the
26 immediately following state fiscal year. The department may audit any
27 required documentation and subtract any payments made in error from
28 future reimbursements. The department shall set aside separate amounts
29 from the appropriations for special education approved by the Legislature
30 for reimbursements pursuant to this subsection for students receiving
31 special education services and for students receiving support services

1 for each state fiscal year. The amounts set aside for each purpose shall
2 be based on estimates of the reimbursements to be requested during the
3 state fiscal year and shall not be less than the total amount of
4 reimbursements requested in the prior state fiscal year plus any unpaid
5 requests from the prior state fiscal year.

6 (6) For school fiscal year 2025-26 and each school fiscal year
7 thereafter, the department shall also reimburse each school district or
8 approved cooperative for additional costs attributable to students
9 receiving services under a plan pursuant to the requirements of section
10 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794, as such
11 section existed on January 1, 2025. Reimbursement under this subsection
12 shall be provided at the same percentage as the reimbursement for special
13 education programs and support services described in subsection (3) of
14 this section, and the department shall establish procedures for school
15 districts and cooperatives to report and document such additional costs.
16 Such reimbursement shall be in addition to, and not a replacement for,
17 special education reimbursement funding provided under this section.

18 (7) (6) For each school district that received a payment pursuant to
19 the Extraordinary Increase in Special Education Expenditures Act in the
20 school fiscal year for which special education expenditures were
21 reimbursed pursuant to subsection (3) of this section, an amount equal to
22 such payment shall be subtracted from the reimbursement calculated
23 pursuant to subsection (3) of this section and such amount shall be
24 transferred to the Education Future Fund.

25 (8) (7) On or before November 15 of each year, the department shall
26 submit to the Governor, the Appropriations Committee of the Legislature,
27 and the Education Committee of the Legislature:

28 (a) The total allowable excess costs for all special education
29 programs and support services for all school districts, cooperatives of
30 school districts, and educational service units; ~~and~~

31 (b) The total reimbursements requested pursuant to subsection (5) of

1 this section for the most recently completed school fiscal year; and -

2 (c) The total reimbursements provided pursuant to subsection (6) of
3 this section for the most recently completed school fiscal year.

4 **Sec. 10.** Section 1 of this act becomes operative on January 1,
5 2026. The other sections of this act become operative on their effective
6 date.

7 **Sec. 11.** Original sections 79-1007.15, 79-1021, 79-1022,
8 79-1022.02, 79-1023, 79-1027, 79-1031.01, and 79-1142, Reissue Revised
9 Statutes of Nebraska, are repealed.

10 **Sec. 12.** Since an emergency exists, this act takes effect when
11 passed and approved according to law.