

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 521**

Introduced by Sullivan, 41.

Read first time January 21, 2015

Committee:

1 A BILL FOR AN ACT relating to state aid to education; to amend sections  
2 77-1701, 77-4211, 79-528, 79-1001, 79-1003, 79-1003.01, 79-1005.01,  
3 79-1007.05, 79-1007.06, 79-1007.08, 79-1007.12, 79-1007.14,  
4 79-1007.15, 79-1007.18, 79-1008.01, 79-1008.02, 79-1009, 79-1015.01,  
5 79-1017.01, 79-1018.01, 79-1022, 79-1035, 79-1035.02, 79-1036,  
6 79-1073.01, 79-2104, 79-2111, and 84-612, Reissue Revised Statutes  
7 of Nebraska, and sections 77-3442 and 77-4212, Revised Statutes  
8 Cumulative Supplement, 2014; to provide, eliminate, and change  
9 provisions relating to property tax levies and credits and state aid  
10 to schools; to provide for property tax credit funds, apportionment  
11 funds, property tax relief aid, and student support aid; to provide  
12 for a transfer from the Cash Reserve Fund; to harmonize provisions;  
13 to provide operative dates; to repeal the original sections; and to  
14 outright repeal sections 77-4209, 77-4210, 79-1007.04 and  
15 79-1007.17, Reissue Revised Statutes of Nebraska.  
16 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-1701, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 77-1701 (1) The county treasurer shall be ex officio county  
4 collector of all taxes levied within the county. The county board shall  
5 designate a county official to mail or otherwise deliver a statement of  
6 the amount of taxes due and a notice that special assessments are due, to  
7 the last-known address of the person, firm, association, or corporation  
8 against whom such taxes or special assessments are assessed or to the  
9 lending institution or other party responsible for paying such taxes or  
10 special assessments. Such statement shall clearly indicate:

11 (a) For ~~for~~ each political subdivision, the levy rate and the  
12 amount of taxes due as the result of principal or interest payments on  
13 bonds issued by the political subdivision and shall show such rate and  
14 amount separate from any other levy;

15 (b) For school districts beginning with statements for taxes levied  
16 in 2016:

17 (i) Each separate levy rate with the brief description approved for  
18 that type of levy by the Property Tax Administrator and the amount of  
19 taxes due as the result of such levy rate; and

20 (ii) The property tax credit rate calculated by the State Department  
21 of Education pursuant to section 10 of this act, the property tax credit  
22 relief calculated pursuant to section 77-4212, and the explanatory  
23 statement approved by the Property Tax Administrator; and

24 (c) For learning communities beginning with statements for taxes  
25 levied in 2016, an explanatory statement approved by the Property Tax  
26 Administrator for the common levy clarifying that the proceeds fund local  
27 school district expenditures, not learning community operations.

28 (2) Beginning with tax year 2000, when taxes on real property are  
29 delinquent for a prior year, the county treasurer shall indicate this  
30 information on the current year tax statement in bold letters. The  
31 information provided shall inform the taxpayer that delinquent taxes and

1 interest are due for the prior year or years and shall indicate the  
2 specific year or years for which such taxes and interest remain unpaid.  
3 The language shall read "Back Taxes and Interest Due For", followed by  
4 numbers to indicate each year for which back taxes and interest are due.  
5 Failure to receive such statement or notice shall not relieve the  
6 taxpayer from any liability to pay such taxes or special assessments and  
7 any interest or penalties accrued thereon. In any county in which a city  
8 of the metropolitan class is located, all statements of taxes shall also  
9 include notice that special assessments for cutting weeds, removing  
10 litter, and demolishing buildings are due.

11 (3 2) Notice that special assessments are due shall not be required  
12 for special assessments levied by sanitary and improvement districts  
13 organized under Chapter 31, article 7, except that such notice may be  
14 provided by the county at the discretion of the county board or by the  
15 sanitary and improvement district with the approval of the county board.

16 (4 3) A statement of the amount of taxes due and a notice that  
17 special assessments are due shall not be required to be mailed or  
18 otherwise delivered pursuant to subsection (1) of this section if the  
19 total amount of the taxes and special assessments due is less than two  
20 dollars. Failure to receive the statement or notice shall not relieve the  
21 taxpayer from any liability to pay the taxes or special assessments but  
22 shall relieve the taxpayer from any liability for interest or penalties.  
23 Taxes and special assessments of less than two dollars shall be added to  
24 the amount of taxes and special assessments due in subsequent years and  
25 shall not be considered delinquent until the total amount is two dollars  
26 or more.

27 (5) The Property Tax Administrator shall annually promulgate  
28 approved descriptions and explanatory statements to be used on statements  
29 pursuant to subsection (1) of this section. Such descriptions and  
30 explanatory statements shall be brief and factual and shall avoid  
31 language intentionally intended to influence political opinions of

1 taxpayers.

2       Sec. 2. Section 77-3442, Revised Statutes Cumulative Supplement,  
3 2014, is amended to read:

4       77-3442 (1) Property tax levies for the support of local governments  
5 for fiscal years beginning on or after July 1, 1998, shall be limited to  
6 the amounts set forth in this section except as provided in section  
7 77-3444.

8       (2)(a) Except as provided in subdivision (2)(e) of this section,  
9 school districts and multiple-district school systems, except learning  
10 communities and school districts that are members of learning  
11 communities, may levy a maximum levy of one dollar and five cents per one  
12 hundred dollars of taxable valuation of property subject to the levy  
13 minus, for fiscal year 2016-17 and each fiscal year thereafter, the  
14 property tax credit rate calculated pursuant to section 10 of this act  
15 for such fiscal year.

16       (b) For each fiscal year, learning communities may levy a maximum  
17 levy for the general fund budgets of member school districts of ninety-  
18 five cents per one hundred dollars of taxable valuation of property  
19 subject to the levy minus, for fiscal year 2016-17 and each fiscal year  
20 thereafter, the property tax credit rate calculated pursuant to section  
21 10 of this act for such fiscal year. The proceeds from the levy pursuant  
22 to this subdivision shall be distributed pursuant to section 79-1073.

23       (c) Except as provided in subdivision (2)(e) of this section, for  
24 each fiscal year, school districts that are members of learning  
25 communities may levy for purposes of such districts' general fund budget  
26 and special building funds a maximum combined levy of the difference of  
27 one dollar and five cents on each one hundred dollars of taxable property  
28 subject to the levy minus the learning community levies pursuant to  
29 subdivisions (2)(b) and (2)(f g) of this section for such learning  
30 community minus, for fiscal year 2016-17 and each fiscal year thereafter,  
31 the property tax credit rate calculated pursuant to section 10 of this

1 act for such fiscal year.

2 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
3 of this section are amounts levied to pay for sums agreed to be paid by a  
4 school district to certificated employees in exchange for a voluntary  
5 termination of employment and amounts levied to pay for special building  
6 funds and sinking funds established for projects commenced prior to April  
7 1, 1996, for construction, expansion, or alteration of school district  
8 buildings. For purposes of this subsection, commenced means any action  
9 taken by the school board on the record which commits the board to expend  
10 district funds in planning, constructing, or carrying out the project.

11 (e) Federal aid school districts may exceed the maximum levy  
12 prescribed by subdivision (2)(a) or (2)(c) of this section only to the  
13 extent necessary to qualify to receive federal aid pursuant to Title VIII  
14 of Public Law 103-382, as such title existed on September 1, 2001. For  
15 purposes of this subdivision, federal aid school district means any  
16 school district which receives ten percent or more of the revenue for its  
17 general fund budget from federal government sources pursuant to Title  
18 VIII of Public Law 103-382, as such title existed on September 1, 2001.

19 ~~(f) For school fiscal year 2002-03 through school fiscal year~~  
20 ~~2007-08, school districts and multiple district school systems may, upon~~  
21 ~~a three-fourths majority vote of the school board of the school district,~~  
22 ~~the board of the unified system, or the school board of the high school~~  
23 ~~district of the multiple district school system that is not a unified~~  
24 ~~system, exceed the maximum levy prescribed by subdivision (2)(a) of this~~  
25 ~~section in an amount equal to the net difference between the amount of~~  
26 ~~state aid that would have been provided under the Tax Equity and~~  
27 ~~Educational Opportunities Support Act without the temporary aid~~  
28 ~~adjustment factor as defined in section 79-1003 for the ensuing school~~  
29 ~~fiscal year for the school district or multiple district school system~~  
30 ~~and the amount provided with the temporary aid adjustment factor. The~~  
31 ~~State Department of Education shall certify to the school districts and~~

1 ~~multiple-district school systems the amount by which the maximum levy may~~  
2 ~~be exceeded for the next school fiscal year pursuant to this subdivision~~  
3 ~~(f) of this subsection on or before February 15 for school fiscal years~~  
4 ~~2004-05 through 2007-08.~~

5 (f g) For each fiscal year, learning communities may levy a maximum  
6 levy of two cents on each one hundred dollars of taxable property subject  
7 to the levy for special building funds for member school districts. The  
8 proceeds from the levy pursuant to this subdivision shall be distributed  
9 pursuant to section 79-1073.01.

10 (g h) For each fiscal year, learning communities may levy a maximum  
11 levy of one-half cent on each one hundred dollars of taxable property  
12 subject to the levy for elementary learning center facility leases, for  
13 remodeling of leased elementary learning center facilities, and for up to  
14 fifty percent of the estimated cost for focus school or program capital  
15 projects approved by the learning community coordinating council pursuant  
16 to section 79-2111.

17 (h i) For each fiscal year, learning communities may levy a maximum  
18 levy of one and one-half cents on each one hundred dollars of taxable  
19 property subject to the levy for early childhood education programs for  
20 children in poverty, for elementary learning center employees, for  
21 contracts with other entities or individuals who are not employees of the  
22 learning community for elementary learning center programs and services,  
23 and for pilot projects, except that no more than ten percent of such levy  
24 may be used for elementary learning center employees.

25 ~~(3)(a) For fiscal years 2011-12 and 2012-13, community college areas~~  
26 ~~may levy a maximum of ten and one quarter cents per one hundred dollars~~  
27 ~~of taxable valuation of property subject to the levy for operating~~  
28 ~~expenditures and may also levy the additional levies provided in~~  
29 ~~subdivisions (1)(b) and (c) of section 85-1517.~~

30 ~~(3) Community (b) For fiscal year 2013-14 and each fiscal year~~  
31 ~~thereafter, community college areas may levy the levies provided in~~

1 subdivisions (2)(a) through (c) of section 85-1517, in accordance with  
2 the provisions of such subdivisions. A community college area may exceed  
3 the levy provided in subdivision (2)(b) of section 85-1517 by the amount  
4 necessary to retire general obligation bonds assumed by the community  
5 college area or issued pursuant to section 85-1515 according to the terms  
6 of such bonds or for any obligation pursuant to section 85-1535 entered  
7 into prior to January 1, 1997.

8 (4)(a) Natural resources districts may levy a maximum levy of four  
9 and one-half cents per one hundred dollars of taxable valuation of  
10 property subject to the levy.

11 (b) Natural resources districts shall also have the power and  
12 authority to levy a tax equal to the dollar amount by which their  
13 restricted funds budgeted to administer and implement ground water  
14 management activities and integrated management activities under the  
15 Nebraska Ground Water Management and Protection Act exceed their  
16 restricted funds budgeted to administer and implement ground water  
17 management activities and integrated management activities for FY2003-04,  
18 not to exceed one cent on each one hundred dollars of taxable valuation  
19 annually on all of the taxable property within the district.

20 (c) In addition, natural resources districts located in a river  
21 basin, subbasin, or reach that has been determined to be fully  
22 appropriated pursuant to section 46-714 or designated as overappropriated  
23 pursuant to section 46-713 by the Department of Natural Resources shall  
24 also have the power and authority to levy a tax equal to the dollar  
25 amount by which their restricted funds budgeted to administer and  
26 implement ground water management activities and integrated management  
27 activities under the Nebraska Ground Water Management and Protection Act  
28 exceed their restricted funds budgeted to administer and implement ground  
29 water management activities and integrated management activities for  
30 FY2005-06, not to exceed three cents on each one hundred dollars of  
31 taxable valuation on all of the taxable property within the district for

1 fiscal year 2006-07 and each fiscal year thereafter through fiscal year  
2 2017-18.

3 (5) Any educational service unit authorized to levy a property tax  
4 pursuant to section 79-1225 may levy a maximum levy of one and one-half  
5 cents per one hundred dollars of taxable valuation of property subject to  
6 the levy.

7 (6)(a) Incorporated cities and villages which are not within the  
8 boundaries of a municipal county may levy a maximum levy of forty-five  
9 cents per one hundred dollars of taxable valuation of property subject to  
10 the levy plus an additional five cents per one hundred dollars of taxable  
11 valuation to provide financing for the municipality's share of revenue  
12 required under an agreement or agreements executed pursuant to the  
13 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum  
14 levy shall include amounts levied to pay for sums to support a library  
15 pursuant to section 51-201, museum pursuant to section 51-501, visiting  
16 community nurse, home health nurse, or home health agency pursuant to  
17 section 71-1637, or statue, memorial, or monument pursuant to section  
18 80-202.

19 (b) Incorporated cities and villages which are within the boundaries  
20 of a municipal county may levy a maximum levy of ninety cents per one  
21 hundred dollars of taxable valuation of property subject to the levy. The  
22 maximum levy shall include amounts paid to a municipal county for county  
23 services, amounts levied to pay for sums to support a library pursuant to  
24 section 51-201, a museum pursuant to section 51-501, a visiting community  
25 nurse, home health nurse, or home health agency pursuant to section  
26 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

27 (7) Sanitary and improvement districts which have been in existence  
28 for more than five years may levy a maximum levy of forty cents per one  
29 hundred dollars of taxable valuation of property subject to the levy, and  
30 sanitary and improvement districts which have been in existence for five  
31 years or less shall not have a maximum levy. Unconsolidated sanitary and



1 improvement districts which have been in existence for more than five  
2 years and are located in a municipal county may levy a maximum of eighty-  
3 five cents per hundred dollars of taxable valuation of property subject  
4 to the levy.

5 (8) Counties may levy or authorize a maximum levy of fifty cents per  
6 one hundred dollars of taxable valuation of property subject to the levy,  
7 except that five cents per one hundred dollars of taxable valuation of  
8 property subject to the levy may only be levied to provide financing for  
9 the county's share of revenue required under an agreement or agreements  
10 executed pursuant to the Interlocal Cooperation Act or the Joint Public  
11 Agency Act. The maximum levy shall include amounts levied to pay for sums  
12 to support a library pursuant to section 51-201 or museum pursuant to  
13 section 51-501. The county may allocate up to fifteen cents of its  
14 authority to other political subdivisions subject to allocation of  
15 property tax authority under subsection (1) of section 77-3443 and not  
16 specifically covered in this section to levy taxes as authorized by law  
17 which do not collectively exceed fifteen cents per one hundred dollars of  
18 taxable valuation on any parcel or item of taxable property. The county  
19 may allocate to one or more other political subdivisions subject to  
20 allocation of property tax authority by the county under subsection (1)  
21 of section 77-3443 some or all of the county's five cents per one hundred  
22 dollars of valuation authorized for support of an agreement or agreements  
23 to be levied by the political subdivision for the purpose of supporting  
24 that political subdivision's share of revenue required under an agreement  
25 or agreements executed pursuant to the Interlocal Cooperation Act or the  
26 Joint Public Agency Act. If an allocation by a county would cause another  
27 county to exceed its levy authority under this section, the second county  
28 may exceed the levy authority in order to levy the amount allocated.  
29 Property tax levies for costs of reassumption of the assessment function  
30 pursuant to section 77-1340 or 77-1340.04 are not included in the levy  
31 limits established in this subsection for fiscal years 2010-11 through

1 2013-14.

2 (9) Municipal counties may levy or authorize a maximum levy of one  
3 dollar per one hundred dollars of taxable valuation of property subject  
4 to the levy. The municipal county may allocate levy authority to any  
5 political subdivision or entity subject to allocation under section  
6 77-3443.

7 (10) Property tax levies (a) for judgments, except judgments or  
8 orders from the Commission of Industrial Relations, obtained against a  
9 political subdivision which require or obligate a political subdivision  
10 to pay such judgment, to the extent such judgment is not paid by  
11 liability insurance coverage of a political subdivision, (b) for  
12 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)  
13 for bonds as defined in section 10-134 approved according to law and  
14 secured by a levy on property except as provided in section 44-4317 for  
15 bonded indebtedness issued by educational service units and school  
16 districts, and (d) for payments by a public airport to retire interest-  
17 free loans from the Department of Aeronautics in lieu of bonded  
18 indebtedness at a lower cost to the public airport are not included in  
19 the levy limits established by this section.

20 (11) The limitations on tax levies provided in this section are to  
21 include all other general or special levies provided by law.  
22 Notwithstanding other provisions of law, the only exceptions to the  
23 limits in this section are those provided by or authorized by sections  
24 77-3442 to 77-3444.

25 (12) Tax levies in excess of the limitations in this section shall  
26 be considered unauthorized levies under section 77-1606 unless approved  
27 under section 77-3444.

28 (13) For purposes of sections 77-3442 to 77-3444, political  
29 subdivision means a political subdivision of this state and a county  
30 agricultural society.

31 ~~(14) For school districts that file a binding resolution on or~~

1 ~~before May 9, 2008, with the county assessors, county clerks, and county~~  
2 ~~treasurers for all counties in which the school district has territory~~  
3 ~~pursuant to subsection (7) of section 79-458, if the combined levies,~~  
4 ~~except levies for bonded indebtedness approved by the voters of the~~  
5 ~~school district and levies for the refinancing of such bonded~~  
6 ~~indebtedness, are in excess of the greater of (a) one dollar and twenty~~  
7 ~~cents per one hundred dollars of taxable valuation of property subject to~~  
8 ~~the levy or (b) the maximum levy authorized by a vote pursuant to section~~  
9 ~~77-3444, all school district levies, except levies for bonded~~  
10 ~~indebtedness approved by the voters of the school district and levies for~~  
11 ~~the refinancing of such bonded indebtedness, shall be considered~~  
12 ~~unauthorized levies under section 77-1606.~~

13       Sec. 3. Section 77-4211, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15       77-4211 The Property Tax Credit Cash Fund is created. For fiscal  
16 years prior to fiscal year 2016-17, the The fund shall only be used  
17 pursuant to the Property Tax Credit Act as such act existed on the  
18 operative date of this section. Beginning with fiscal year 2016-17, the  
19 fund shall only be used for property tax credit funds pursuant to section  
20 10 of this act. Any money in the fund available for investment shall be  
21 invested by the state investment officer pursuant to the Nebraska Capital  
22 Expansion Act and the Nebraska State Funds Investment Act.

23       Sec. 4. Section 77-4212, Revised Statutes Cumulative Supplement,  
24 2014, is amended to read:

25       77-4212 (1) ~~For tax year 2007, the amount of relief granted under~~  
26 ~~the Property Tax Credit Act shall be one hundred five million dollars.~~  
27 ~~For tax year 2008, the amount of relief granted under the act shall be~~  
28 ~~one hundred fifteen million dollars. It is the intent of the Legislature~~  
29 ~~to fund the Property Tax Credit Act~~ as such act existed on the operative  
30 date of this section and property tax credit funds pursuant to section 10  
31 of this act for tax years after tax year 2008 using available revenue.

1 ~~The relief shall be in the form of a property tax credit~~ relief shall  
2 appear which appears on the property tax statement pursuant to section  
3 77-1701.

4 (2)(a) For fiscal years prior to fiscal year 2016-17, to ~~To~~  
5 determine the amount of the property tax credit relief, the county  
6 treasurer shall multiply the amount disbursed to the county under  
7 subsection (4) of this section by the ratio of the real property  
8 valuation of the parcel to the total real property valuation in the  
9 county. The amount determined shall be the relief ~~property tax credit~~ for  
10 the property.

11 (b) For fiscal year 2016-17 and each fiscal year thereafter, to  
12 determine the amount of the property tax credit relief, the county  
13 treasurer shall multiply the amount of property tax credit funds  
14 calculated pursuant to section 10 of this act for any applicable school  
15 districts by the ratio of the valuation of the property subject to the  
16 school district general fund levy to the total valuation subject to such  
17 school district levy.

18 (3) For fiscal years prior to fiscal year 2016-17, if ~~If~~ the real  
19 property owner qualifies for a homestead exemption under sections 77-3501  
20 to 77-3529, the owner shall also be qualified for the relief provided in  
21 the act to the extent of any remaining liability after calculation of the  
22 relief provided by the homestead exemption. If the credit results in a  
23 property tax liability on the homestead that is less than zero, the  
24 amount of the credit which cannot be used by the taxpayer shall be  
25 returned to the State Treasurer by July 1 of the year the amount  
26 disbursed to the county was disbursed. The State Treasurer shall  
27 immediately credit any funds returned under this section to the Property  
28 Tax Credit Cash Fund.

29 (4) For fiscal years prior to fiscal year 2016-17, the ~~The~~ amount  
30 disbursed to each county shall be equal to the amount available for  
31 disbursement determined under subsection (1) of this section multiplied

1 by the ratio of the real property valuation in the county to the real  
2 property valuation in the state. By September 15, the Property Tax  
3 Administrator shall determine the amount to be disbursed under this  
4 subsection to each county and certify such amounts to the State Treasurer  
5 and to each county. The disbursements to the counties shall occur in two  
6 equal payments, the first on or before January 31 and the second on or  
7 before April 1. After retaining one percent of the receipts for costs,  
8 the county treasurer shall allocate the remaining receipts to each taxing  
9 unit levying taxes on taxable property in the tax district in which the  
10 real property is located in the same proportion that the levy of such  
11 taxing unit bears to the total levy on taxable property of all the taxing  
12 units in the tax district in which the real property is located.

13 ~~(5) The State Treasurer shall transfer from the General Fund to the~~  
14 ~~Property Tax Credit Cash Fund one hundred five million dollars by August~~  
15 ~~1, 2007, and one hundred fifteen million dollars by August 1, 2008.~~

16 (5 6) For fiscal years prior to fiscal year 2016-17, the The  
17 Legislature shall have the power to transfer funds from the Property Tax  
18 Credit Cash Fund to the General Fund.

19 Sec. 5. Section 79-528, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 79-528 (1)(a) On or before July 20 in all school districts, the  
22 superintendent shall file with the State Department of Education a report  
23 showing the number of children from five through eighteen years of age  
24 belonging to the school district according to the census taken as  
25 provided in sections 79-524 and 79-578. On or before August 31, the  
26 department shall issue to each learning community coordinating council a  
27 report showing the number of children from five through eighteen years of  
28 age belonging to the learning community based on the member school  
29 districts according to the school district reports filed with the  
30 department.

31 (b) Each Class I school district which is part of a Class VI school

1 district offering instruction (i) in grades kindergarten through five  
2 shall report children from five through ten years of age, (ii) in grades  
3 kindergarten through six shall report children from five through eleven  
4 years of age, and (iii) in grades kindergarten through eight shall report  
5 children from five through thirteen years of age.

6 (c) Each Class VI school district offering instruction (i) in grades  
7 six through twelve shall report children who are eleven through eighteen  
8 years of age, (ii) in grades seven through twelve shall report children  
9 who are twelve through eighteen years of age, and (iii) in grades nine  
10 through twelve children who are fourteen through eighteen years of age.

11 (d) Each Class I district which has affiliated in whole or in part  
12 shall report children from five through thirteen years of age.

13 (e) Each Class II, III, IV, or V district shall report children who  
14 are fourteen through eighteen years of age residing in Class I districts  
15 or portions thereof which have affiliated with such district.

16 (f) The board of any district neglecting to take and report the  
17 enumeration shall be liable to the school district for all school money  
18 which such district may lose by such neglect.

19 (2) On or before June 30 the superintendent of each school district  
20 shall file with the Commissioner of Education a report described as an  
21 end-of-the-school-year annual statistical summary showing (a) the number  
22 of children attending school during the year under five years of age, (b)  
23 the length of time the school has been taught during the year by a  
24 qualified teacher, (c) the length of time taught by each substitute  
25 teacher, and (d) such other information as the Commissioner of Education  
26 directs. On or before July 31, the commissioner shall issue to each  
27 learning community coordinating council an end-of-the-school-year annual  
28 statistical summary for the learning community based on the member school  
29 districts according to the school district reports filed with the  
30 commissioner.

31 (3)(a) On or before November 1 the superintendent of each school

1 district shall submit to the Commissioner of Education a report described  
2 as the annual financial report showing (i) the amount of money received  
3 from all sources during the year and the amount of money expended by the  
4 school district during the year, (ii) the amount of bonded indebtedness,  
5 (iii) such other information as shall be necessary to fulfill the  
6 requirements of the Tax Equity and Educational Opportunities Support Act  
7 and section 79-1114, and (iv) such other information as the Commissioner  
8 of Education directs.

9 (b) On or before December 15, the commissioner shall issue to each  
10 learning community coordinating council an annual financial report for  
11 the learning community based on the member school districts according to  
12 the annual financial reports filed with the commissioner, showing (i) the  
13 aggregate amount of money received from all sources during the year for  
14 all member school districts and the aggregate amount of money expended by  
15 member school districts during the year, (ii) the aggregate amount of  
16 bonded indebtedness for all member school districts, (iii) such other  
17 aggregate information as shall be necessary to fulfill the requirements  
18 of the Tax Equity and Educational Opportunities Support Act and section  
19 79-1114 for all member school districts, and (iv) such other aggregate  
20 information as the Commissioner of Education directs for all member  
21 school districts.

22 (4)(a) On or before October 15 of each year, the superintendent of  
23 each school district shall file with the commissioner the fall school  
24 district membership report, which report shall include the number of  
25 children from birth through twenty years of age enrolled in the district  
26 on the last Friday in September of a given school year. The report shall  
27 enumerate (i) students by grade level, (ii) school district levies and  
28 total assessed valuation for the current fiscal year, and (iii) such  
29 other information as the Commissioner of Education directs.

30 (b) On or before October 15 of each year, each learning community  
31 coordinating council shall issue to the department a report which

1 enumerates the learning community levies pursuant to subdivisions (2)(b)  
2 and (f g) of section 77-3442 and total assessed valuation for the current  
3 fiscal year.

4 (c) On or before November 15 of each year, the department shall  
5 issue to each learning community coordinating council the fall learning  
6 community membership report, which report shall include the aggregate  
7 number of children from birth through twenty years of age enrolled in the  
8 member school districts on the last Friday in September of a given school  
9 year for all member school districts. The report shall enumerate (i) the  
10 aggregate students by grade level for all member school districts, (ii)  
11 school district levies and total assessed valuation for the current  
12 fiscal year, and (iii) such other information as the Commissioner of  
13 Education directs for all member school districts.

14 (d) When any school district fails to submit its fall membership  
15 report by November 1, the commissioner shall, after notice to the  
16 district and an opportunity to be heard, direct that any state aid  
17 granted pursuant to the Tax Equity and Educational Opportunities Support  
18 Act be withheld until such time as the report is received by the  
19 department. In addition, the commissioner shall direct the county  
20 treasurer to withhold all school money belonging to the school district  
21 until such time as the commissioner notifies the county treasurer of  
22 receipt of such report. The county treasurer shall withhold such money.

23 Sec. 6. Section 79-1001, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 79-1001 Sections 79-1001 to 79-1033 and sections 10 and 11 of this  
26 act shall be known and may be cited as the Tax Equity and Educational  
27 Opportunities Support Act.

28 Sec. 7. Section 79-1003, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 79-1003 For purposes of the Tax Equity and Educational Opportunities  
31 Support Act:



1 (1) Adjusted general fund operating expenditures means (a) for  
2 school fiscal years 2013-14 through 2015-16, the difference of the  
3 general fund operating expenditures as calculated pursuant to subdivision  
4 (22) of this section increased by the cost growth factor calculated  
5 pursuant to section 79-1007.10, minus the transportation allowance,  
6 special receipts allowance, poverty allowance, limited English  
7 proficiency allowance, distance education and telecommunications  
8 allowance, elementary site allowance, summer school allowance,  
9 instructional time allowance, teacher education allowance, and focus  
10 school and program allowance, and (b) for school fiscal year 2016-17 and  
11 each school fiscal year thereafter, the difference of the general fund  
12 operating expenditures as calculated pursuant to subdivision (22) of this  
13 section increased by the cost growth factor calculated pursuant to  
14 section 79-1007.10, minus the transportation allowance, special receipts  
15 allowance, poverty allowance, limited English proficiency allowance,  
16 distance education and telecommunications allowance, elementary site  
17 allowance, summer school allowance, and focus school and program  
18 allowance;

19 (2) Adjusted valuation means the assessed valuation of taxable  
20 property of each local system in the state, adjusted pursuant to the  
21 adjustment factors described in section 79-1016. Adjusted valuation means  
22 the adjusted valuation for the property tax year ending during the school  
23 fiscal year immediately preceding the school fiscal year in which the aid  
24 based upon that value is to be paid. For purposes of determining the  
25 local effort rate yield pursuant to section 79-1015.01, adjusted  
26 valuation does not include the value of any property which a court, by a  
27 final judgment from which no appeal is taken, has declared to be  
28 nontaxable or exempt from taxation;

29 (3) Allocated income tax funds means the amount of assistance paid  
30 to a local system pursuant to section 79-1005.01 as adjusted, for school  
31 fiscal years prior to school fiscal year 2016-17, by the minimum levy

1 adjustment pursuant to section 79-1008.02;

2 (4) Average daily membership means the average daily membership for  
3 grades kindergarten through twelve attributable to the local system, as  
4 provided in each district's annual statistical summary, and includes the  
5 proportionate share of students enrolled in a public school instructional  
6 program on less than a full-time basis;

7 (5) Base fiscal year means the first school fiscal year following  
8 the school fiscal year in which the reorganization or unification  
9 occurred;

10 (6) Board means the school board of each school district;

11 (7) Categorical funds means funds limited to a specific purpose by  
12 federal or state law, including, but not limited to, Title I funds, Title  
13 VI funds, federal vocational education funds, federal school lunch funds,  
14 Indian education funds, Head Start funds, and funds from the Education  
15 Innovation Fund. Categorical funds does not include funds received  
16 pursuant to section 79-1028.02 or 79-1028.04;

17 (8) Consolidate means to voluntarily reduce the number of school  
18 districts providing education to a grade group and does not include  
19 dissolution pursuant to section 79-498;

20 (9) Converted contract means an expired contract that was in effect  
21 for at least fifteen school years beginning prior to school year 2012-13  
22 for the education of students in a nonresident district in exchange for  
23 tuition from the resident district when the expiration of such contract  
24 results in the nonresident district educating students, who would have  
25 been covered by the contract if the contract were still in effect, as  
26 option students pursuant to the enrollment option program established in  
27 section 79-234;

28 (10) Converted contract option student means a student who will be  
29 an option student pursuant to the enrollment option program established  
30 in section 79-234 for the school fiscal year for which aid is being  
31 calculated and who would have been covered by a converted contract if the

1 contract were still in effect and such school fiscal year is the first  
2 school fiscal year for which such contract is not in effect;

3 (11) Department means the State Department of Education;

4 (12) District means any Class I, II, III, IV, V, or VI school  
5 district and ~~any , beginning with the calculation of state aid for school~~  
6 ~~fiscal year 2011-12 and each school fiscal year thereafter,~~ a unified  
7 system as defined in section 79-4,108;

8 (13) Ensuing school fiscal year means the school fiscal year  
9 following the current school fiscal year;

10 (14) Equalization aid means the amount of assistance calculated to  
11 be paid to a local system pursuant to section ~~sections 79-1007.11 to~~  
12 ~~79-1007.23, 79-1007.25, 79-1008.01 to 79-1022, 79-1022.02, 79-1028.02,~~  
13 ~~and 79-1028.04;~~

14 (15) Fall membership means the total membership in kindergarten  
15 through grade twelve attributable to the local system as reported on the  
16 fall school district membership reports for each district pursuant to  
17 section 79-528;

18 (16) Fiscal year means the state fiscal year which is the period  
19 from July 1 to the following June 30;

20 (17) Formula students means:

21 (a) For state aid certified pursuant to section 79-1022, the sum of  
22 the product of fall membership from the school fiscal year immediately  
23 preceding the school fiscal year in which the aid is to be paid  
24 multiplied by the average ratio of average daily membership to fall  
25 membership for the second school fiscal year immediately preceding the  
26 school fiscal year in which the aid is to be paid and the prior two  
27 school fiscal years plus sixty percent of the qualified early childhood  
28 education fall membership plus tuitioned students from the school fiscal  
29 year immediately preceding the school fiscal year in which aid is to be  
30 paid minus the product of the number of students enrolled in kindergarten  
31 that is not full-day kindergarten from the fall membership multiplied by

1 0.5; and

2 (b) For the final calculation of state aid pursuant to section  
3 79-1065, the sum of average daily membership plus sixty percent of the  
4 qualified early childhood education average daily membership plus  
5 tuitioned students minus the product of the number of students enrolled  
6 in kindergarten that is not full-day kindergarten from the average daily  
7 membership multiplied by 0.5 from the school fiscal year immediately  
8 preceding the school fiscal year in which aid was paid;

9 (18) Free lunch and free milk student means a student who qualified  
10 for free lunches or free milk from the most recent data available on  
11 November 1 of the school fiscal year immediately preceding the school  
12 fiscal year in which aid is to be paid;

13 (19) Full-day kindergarten means kindergarten offered by a district  
14 for at least one thousand thirty-two instructional hours;

15 (20) General fund budget of expenditures means the total budget of  
16 disbursements and transfers for general fund purposes as certified in the  
17 budget statement adopted pursuant to the Nebraska Budget Act, except that  
18 for purposes of the limitation imposed in section 79-1023 and the  
19 calculation pursuant to subdivision (2) of section 79-1027.01, the  
20 general fund budget of expenditures does not include any special grant  
21 funds, exclusive of local matching funds, received by a district;

22 (21) General fund expenditures means all expenditures from the  
23 general fund;

24 (22) General fund operating expenditures means ~~for state aid~~  
25 ~~calculated for school fiscal years 2012-13 and each school fiscal year~~  
26 ~~thereafter~~, as reported on the annual financial report for the second  
27 school fiscal year immediately preceding the school fiscal year in which  
28 aid is to be paid, the total general fund expenditures minus (a) the  
29 amount of all receipts to the general fund, to the extent that such  
30 receipts are not included in local system formula resources, from early  
31 childhood education tuition, summer school tuition, educational entities

1 as defined in section 79-1201.01 for providing distance education courses  
2 through the Educational Service Unit Coordinating Council to such  
3 educational entities, private foundations, individuals, associations,  
4 charitable organizations, the textbook loan program authorized by section  
5 79-734, federal impact aid, and levy override elections pursuant to  
6 section 77-3444, (b) the amount of expenditures for categorical funds,  
7 tuition paid, transportation fees paid to other districts, adult  
8 education, community services, redemption of the principal portion of  
9 general fund debt service, retirement incentive plans authorized by  
10 section 79-855, and staff development assistance authorized by section  
11 79-856, (c) the amount of any transfers from the general fund to any bond  
12 fund and transfers from other funds into the general fund, (d) any legal  
13 expenses in excess of fifteen-hundredths of one percent of the formula  
14 need for the school fiscal year in which the expenses occurred, (e)  
15 expenditures to pay for sums agreed to be paid by a school district to  
16 certificated employees in exchange for a voluntary termination occurring  
17 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
18 school year and prior to the first day of the 2013-14 school year, or, to  
19 the extent that a district has demonstrated to the State Board of  
20 Education pursuant to section 79-1028.01 that the agreement will result  
21 in a net savings in salary and benefit costs to the school district over  
22 a five-year period, occurring on or after the first day of the 2013-14  
23 school year, (f)(i) expenditures to pay for employer contributions  
24 pursuant to subsection (2) of section 79-958 to the School Employees  
25 Retirement System of the State of Nebraska to the extent that such  
26 expenditures exceed the employer contributions under such subsection that  
27 would have been made at a contribution rate of seven and thirty-five  
28 hundredths percent or (ii) expenditures to pay for school district  
29 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to  
30 the retirement system established pursuant to the Class V School  
31 Employees Retirement Act to the extent that such expenditures exceed the

1 school district contributions under such subdivision that would have been  
2 made at a contribution rate of seven and thirty-seven hundredths percent,  
3 and (g) any amounts paid by the district for lobbyist fees and expenses  
4 reported to the Clerk of the Legislature pursuant to section 49-1483.

5 For purposes of this subdivision (22) of this section, receipts from  
6 levy override elections shall equal ninety-nine percent of the difference  
7 of the total general fund levy minus a levy of one dollar and five cents  
8 per one hundred dollars of taxable valuation multiplied by the assessed  
9 valuation for school districts that have voted pursuant to section  
10 77-3444 to override the maximum levy provided pursuant to section  
11 77-3442;

12 (23) High school district means a school district providing  
13 instruction in at least grades nine through twelve;

14 (24) Income tax liability means the amount of the reported income  
15 tax liability for resident individuals pursuant to the Nebraska Revenue  
16 Act of 1967 less all nonrefundable credits earned and refunds made;

17 (25) Income tax receipts means the amount of income tax collected  
18 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable  
19 credits earned and refunds made;

20 (26) Limited English proficiency students means the number of  
21 students with limited English proficiency in a district from the most  
22 recent data available on November 1 of the school fiscal year preceding  
23 the school fiscal year in which aid is to be paid plus the difference of  
24 such students with limited English proficiency minus the average number  
25 of limited English proficiency students for such district, prior to such  
26 addition, for the three immediately preceding school fiscal years if such  
27 difference is greater than zero;

28 (27) Local system means: (a) For school fiscal years prior to school  
29 fiscal year 2016-17, a learning community for purposes of calculation of  
30 state aid for the second full school fiscal year after becoming a  
31 learning community and each school fiscal year thereafter, a unified

1 system, a Class VI district and the associated Class I districts, or a  
2 Class II, III, IV, or V district and any affiliated Class I districts or  
3 portions of Class I districts; and (b) for school fiscal year 2016-17 and  
4 each school fiscal year thereafter, a unified system, a Class VI district  
5 and the associated Class I districts, or a Class II, III, IV, or V  
6 district and any affiliated Class I districts or portions of Class I  
7 districts. The membership, expenditures, and resources of Class I  
8 districts that are affiliated with multiple high school districts will be  
9 attributed to local systems based on the percent of the Class I valuation  
10 that is affiliated with each high school district;

11 (28) Low-income child means a child under nineteen years of age  
12 living in a household having an annual adjusted gross income for the  
13 second calendar year preceding the beginning of the school fiscal year  
14 for which aid is being calculated equal to or less than the maximum  
15 household income that would allow a student from a family of four people  
16 to be a free lunch and free milk student during the school fiscal year  
17 immediately preceding the school fiscal year for which aid is being  
18 calculated;

19 (29) Low-income students means the number of low-income children  
20 within the district multiplied by the ratio of the formula students in  
21 the district divided by the total children under nineteen years of age  
22 residing in the district as derived from income tax information;

23 (30) Most recently available complete data year means the most  
24 recent single school fiscal year for which the annual financial report,  
25 fall school district membership report, annual statistical summary,  
26 Nebraska income tax liability by school district for the calendar year in  
27 which the majority of the school fiscal year falls, and adjusted  
28 valuation data are available;

29 (31) Poverty students means the number of low-income students or the  
30 number of students who are free lunch and free milk students in a  
31 district plus the difference of the number of low-income students or the

1 number of students who are free lunch and free milk students in a  
2 district, whichever is greater, minus the average number of poverty  
3 students for such district, prior to such addition, for the three  
4 immediately preceding school fiscal years if such difference is greater  
5 than zero;

6 (32) Qualified early childhood education average daily membership  
7 means the product of the average daily membership ~~for school fiscal year~~  
8 ~~2006-07 and each school fiscal year thereafter~~ of students who will be  
9 eligible to attend kindergarten the following school year and are  
10 enrolled in an early childhood education program approved by the  
11 department pursuant to section 79-1103 for such school district for such  
12 school year multiplied by the ratio of the actual instructional hours of  
13 the program divided by one thousand thirty-two if: (a) The program is  
14 receiving a grant pursuant to such section for the third year; (b) the  
15 program has already received grants pursuant to such section for three  
16 years; or (c) the program has been approved pursuant to subsection (5) of  
17 section 79-1103 for such school year and the two preceding school years,  
18 including any such students in portions of any of such programs receiving  
19 an expansion grant;

20 (33) Qualified early childhood education fall membership means the  
21 product of membership on the last Friday in September ~~2006 and each year~~  
22 ~~thereafter~~ of students who will be eligible to attend kindergarten the  
23 following school year and are enrolled in an early childhood education  
24 program approved by the department pursuant to section 79-1103 for such  
25 school district for such school year multiplied by the ratio of the  
26 planned instructional hours of the program divided by one thousand  
27 thirty-two if: (a) The program is receiving a grant pursuant to such  
28 section for the third year; (b) the program has already received grants  
29 pursuant to such section for three years; or (c) the program has been  
30 approved pursuant to subsection (5) of section 79-1103 for such school  
31 year and the two preceding school years, including any such students in



1 portions of any of such programs receiving an expansion grant;

2 (34) Regular route transportation means the transportation of  
3 students on regularly scheduled daily routes to and from the attendance  
4 center;

5 (35) Reorganized district means any district involved in a  
6 consolidation and currently educating students following consolidation;

7 (36) School year or school fiscal year means the fiscal year of a  
8 school district as defined in section 79-1091;

9 (37) Sparse local system means a local system that is not a very  
10 sparse local system but which meets the following criteria:

11 (a)(i) Less than two students per square mile in the county in which  
12 each high school is located, based on the school district census, (ii)  
13 less than one formula student per square mile in the local system, and  
14 (iii) more than ten miles between each high school attendance center and  
15 the next closest high school attendance center on paved roads;

16 (b)(i) Less than one and one-half formula students per square mile  
17 in the local system and (ii) more than fifteen miles between each high  
18 school attendance center and the next closest high school attendance  
19 center on paved roads;

20 (c)(i) Less than one and one-half formula students per square mile  
21 in the local system and (ii) more than two hundred seventy-five square  
22 miles in the local system; or

23 (d)(i) Less than two formula students per square mile in the local  
24 system and (ii) the local system includes an area equal to ninety-five  
25 percent or more of the square miles in the largest county in which a high  
26 school attendance center is located in the local system;

27 (38) Special education means specially designed kindergarten through  
28 grade twelve instruction pursuant to section 79-1125, and includes  
29 special education transportation;

30 (39) Special grant funds means the budgeted receipts for grants,  
31 including, but not limited to, categorical funds, reimbursements for

1 wards of the court, short-term borrowings including, but not limited to,  
2 registered warrants and tax anticipation notes, interfund loans,  
3 insurance settlements, and reimbursements to county government for  
4 previous overpayment. The state board shall approve a listing of grants  
5 that qualify as special grant funds;

6 (40) State aid means the amount of assistance paid to a district  
7 pursuant to the Tax Equity and Educational Opportunities Support Act;

8 (41) State board means the State Board of Education;

9 (42) State support means all funds provided to districts by the  
10 State of Nebraska for the general fund support of elementary and  
11 secondary education;

12 (43) Statewide average basic funding per formula student means the  
13 statewide total basic funding for all districts divided by the statewide  
14 total formula students for all districts;

15 (44) Statewide average general fund operating expenditures per  
16 formula student means the statewide total general fund operating  
17 expenditures for all districts divided by the statewide total formula  
18 students for all districts;

19 (45) Teacher has the definition found in section 79-101;

20 ~~(46) Temporary aid adjustment factor means (a) for school fiscal~~  
21 ~~years before school fiscal year 2007-08, one and one-fourth percent of~~  
22 ~~the sum of the local system's transportation allowance, the local~~  
23 ~~system's special receipts allowance, and the product of the local~~  
24 ~~system's adjusted formula students multiplied by the average formula cost~~  
25 ~~per student in the local system's cost grouping and (b) for school fiscal~~  
26 ~~year 2007-08, one and one-fourth percent of the sum of the local system's~~  
27 ~~transportation allowance, special receipts allowance, and distance~~  
28 ~~education and telecommunications allowance and the product of the local~~  
29 ~~system's adjusted formula students multiplied by the average formula cost~~  
30 ~~per student in the local system's cost grouping;~~

31 (46 47) Tuition receipts from converted contracts means tuition

1 receipts received by a district from another district in the most  
2 recently available complete data year pursuant to a converted contract  
3 prior to the expiration of the contract;

4 (47 48) Tuitioned students means students in kindergarten through  
5 grade twelve of the district whose tuition is paid by the district to  
6 some other district or education agency; and

7 (48 49) Very sparse local system means a local system that has:

8 (a)(i) Less than one-half student per square mile in each county in  
9 which each high school attendance center is located based on the school  
10 district census, (ii) less than one formula student per square mile in  
11 the local system, and (iii) more than fifteen miles between the high  
12 school attendance center and the next closest high school attendance  
13 center on paved roads; or

14 (b)(i) More than four hundred fifty square miles in the local  
15 system, (ii) less than one-half student per square mile in the local  
16 system, and (iii) more than fifteen miles between each high school  
17 attendance center and the next closest high school attendance center on  
18 paved roads.

19 Sec. 8. Section 79-1003.01, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 79-1003.01 (1) The department shall calculate a summer school  
22 allowance for each district which submits the information required for  
23 the calculation on a form prescribed by the department on or before  
24 October 15 of the school fiscal year preceding the school fiscal year for  
25 which aid is being calculated. For aid calculated for school fiscal years  
26 through school fiscal year 2013-14, the summer school allowance shall be  
27 equal to two and one-half percent of the summer school student units for  
28 such district multiplied by eighty-five percent of the statewide average  
29 general fund operating expenditures per formula student. For aid  
30 calculated for school fiscal year 2014-15 and each school fiscal year  
31 thereafter, the summer school allowance shall be equal to the lesser of

1 two and one-half percent of the product of the summer school student  
2 units for such district multiplied by eighty-five percent of the  
3 statewide average general fund operating expenditures per formula student  
4 or the summer school and early childhood summer school expenditures that  
5 are paid for with noncategorical funds generated by state or local taxes  
6 as reported on the annual financial report for the most recently  
7 available data year and that are not included in other allowances.

8 (2) Summer school student units shall be calculated for each student  
9 enrolled in summer school as defined in section 79-536 in a school  
10 district who attends such summer school for at least twelve days in the  
11 most recently available complete data year, whether or not the student is  
12 in the membership of the school district. The initial number of units for  
13 each such student shall equal the sum of the ratios, each rounded down to  
14 the nearest whole number, of the number of days for which the student  
15 attended summer school classes in such district for at least three hours  
16 and less than six hours per day divided by twelve days and of two times  
17 the number of days for which the student attended summer school classes  
18 in such district for six or more hours per day divided by twelve days.

19 (3) Each school district shall receive an additional summer school  
20 student unit for each summer school student unit attributed to remedial  
21 math or reading programs. Each school district shall also receive an  
22 additional summer school student unit for each summer school student unit  
23 attributed to a free lunch and free milk student.

24 (4) ~~Summer Beginning with state aid calculated for school fiscal~~  
25 ~~year 2012-13, summer~~ school student units shall be calculated for each  
26 student who was both enrolled in the most recently available complete  
27 data year in a summer session of an early childhood education program for  
28 which a qualified early childhood education fall membership greater than  
29 zero has been calculated for the school fiscal year for which aid is  
30 being calculated and eligible to attend kindergarten in the fall  
31 immediately following such summer session. The initial number of units

1 for each such early childhood education student shall equal the sum of  
2 the ratios, each rounded down to the nearest whole number, of the number  
3 of days for which the student attended the summer session in such  
4 district for at least three hours and less than six hours per day divided  
5 by twelve days and of two times the number of days for which the student  
6 attended the summer session in such district for six or more hours per  
7 day divided by twelve days. The initial summer school student units for  
8 early childhood education students shall be multiplied by six-tenths.  
9 Instructional hours included in the calculation of the qualified early  
10 childhood education fall membership or the qualified early childhood  
11 education average daily membership shall not be included in the  
12 calculation of the summer school allowance.

13 (5) Each school district shall receive an additional six-tenths of a  
14 summer school student unit for each early childhood education student  
15 unit attributed to a free lunch and free milk early childhood education  
16 student.

17 (6) This section does not prevent school districts from requiring  
18 and collecting fees for summer school or summer sessions of early  
19 childhood education programs, except that summer school student units  
20 shall not be calculated for school districts which collect fees for  
21 summer school from students who qualify for free or reduced-price lunches  
22 under United States Department of Agriculture child nutrition programs.

23 (7) For school fiscal year 2016-17 and each school fiscal year  
24 thereafter, fifty percent of the summer school allowance calculated  
25 pursuant to this section for each school district shall be paid to such  
26 school district as summer school aid for the school fiscal year for which  
27 aid is being calculated.

28 Sec. 9. Section 79-1005.01, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 79-1005.01 (1)(a) For school fiscal years prior to school fiscal  
31 year 2016-17, an A# amount equal to the amount appropriated to the School

1 District Income Tax Fund for distribution in school fiscal year 1992-93  
2 shall be disbursed as option payments as determined under section 79-1009  
3 and as allocated income tax funds as determined in this section and  
4 sections 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, except as  
5 provided in section 79-1008.02. Funds not distributed as allocated income  
6 tax funds due to minimum levy adjustments shall not increase the amount  
7 available to local systems for distribution as allocated income tax  
8 funds.

9 (b) For school fiscal year 2016-17 and each school fiscal year  
10 thereafter, except as otherwise provided in this section, each local  
11 system shall receive as allocated income tax funds an amount equal to ten  
12 percent of the income tax liability of resident individuals for such  
13 local system.

14 (2) Not later than November 15 of each year through 2014, the Tax  
15 Commissioner shall certify to the department for the preceding tax year  
16 the income tax liability of resident individuals for each local system.  
17 ~~The 1996 income tax liability of resident individuals of Class I~~  
18 ~~districts that are affiliated with multiple high school districts shall~~  
19 ~~be divided between local systems based on the percentage of the Class I~~  
20 ~~district's valuation affiliated with each high school district.~~

21 (3) For school fiscal years prior to school fiscal year 2016-17,  
22 using Using the data certified by the Tax Commissioner pursuant to  
23 subsection (2) of this section, the department shall calculate the  
24 allocation percentage and each local system's allocated income tax funds.  
25 The allocation percentage shall be an amount equal to the amount  
26 appropriated to the School District Income Tax Fund for distribution in  
27 school fiscal year 1992-93 minus the total amount paid for option  
28 students pursuant to section 79-1009 and (a) for aid calculated for  
29 school fiscal year 2010-11, minus twenty million dollars and (b) for aid  
30 calculated for school fiscal years 2011-12 and 2012-13, minus twenty-one  
31 million dollars with the difference divided by the aggregate statewide

1 income tax liability of all resident individuals certified pursuant to  
2 subsection (2) of this section. Each local system's allocated income tax  
3 funds shall be calculated by multiplying the allocation percentage times  
4 the local system's income tax liability certified pursuant to subsection  
5 (2) of this section.

6 (4) Not later than November 15, 2015, and each November 15  
7 thereafter, the Tax Commissioner shall certify to the department for the  
8 preceding tax year the statewide aggregate income tax liability of  
9 resident individuals. For school fiscal year 2016-17 and each school  
10 fiscal year thereafter, using such data certified by the Tax Commissioner  
11 immediately preceding such school fiscal year, the department shall  
12 calculate student support aid for each local system. The student support  
13 aid for each local system shall equal the support per student multiplied  
14 by the formula students for the local system for which student support  
15 aid is being calculated. For purposes of this subsection, support per  
16 student shall equal ten percent of the statewide aggregate income tax  
17 liability of resident individuals divided by the statewide aggregate  
18 total of all formula students for the school fiscal year for which aid is  
19 being calculated.

20 Sec. 10. (1) Beginning with school fiscal year 2016-17, each local  
21 system shall receive aid distributed as property tax credit funds  
22 computed as prescribed in this section for the purpose of providing  
23 property tax relief.

24 (2) The property tax credit rate shall equal the amount available in  
25 the Property Tax Credit Cash Fund created pursuant to section 77-4211 on  
26 November 1 preceding the school fiscal year for which aid is being  
27 calculated divided by the ratio of the aggregate adjusted valuation for  
28 all local systems as certified pursuant to subsection (2) of section  
29 79-1016 divided by one hundred. Such rate shall be certified by the  
30 department pursuant to section 79-1022.

31 (3) The property tax credit funds for each local system shall equal

1 the property tax credit rate for such school fiscal year multiplied by  
2 the ratio of such local system's total adjusted valuation as certified  
3 pursuant to subsection (2) of section 79-1016 divided by one hundred.

4       Sec. 11. For school fiscal year 2016-17 and each school fiscal year  
5 thereafter, each local system shall receive apportionment funds from the  
6 temporary school fund equal to any amount in lieu of tax money certified  
7 by the Commissioner of Education pursuant to section 79-1035 for any  
8 school district in the local system plus a per-student allocation. The  
9 per-student allocation shall equal the local system formula students  
10 multiplied by the ratio of the remainder of the temporary school fund to  
11 be allocated as certified by the commissioner pursuant to section 79-1035  
12 divided by the statewide aggregate total formula students.

13       Sec. 12. Section 79-1007.05, Reissue Revised Statutes of Nebraska,  
14 is amended to read:

15       79-1007.05   ~~The~~ ~~For school fiscal year 2008-09 and each school~~  
16 ~~fiscal year thereafter,~~ the department shall determine the focus school  
17 and program allowance for each school district in a learning community  
18 which submits the information required for the calculation on a form  
19 prescribed by the department on or before October 15 of the school fiscal  
20 year preceding the school fiscal year for which aid is being calculated.  
21 Such form may require confirmation from a learning community official  
22 that the focus school or program has been approved by the learning  
23 community coordinating council for the school fiscal year for which the  
24 allowance is being calculated. The focus school and program allowance for  
25 each school district in a learning community shall equal the sum of the  
26 allowances calculated pursuant to this section for each focus school and  
27 focus program operated by the school district for the school fiscal year  
28 for which aid is being calculated.

29       For the school fiscal year containing the majority of the first  
30 school year that a school or program will be in operation as a focus  
31 school or program approved by the learning community and meeting the



1 requirements of section 79-769, the focus school and program allowance  
2 for such focus school or program shall equal the statewide average  
3 general fund operating expenditures per formula student multiplied by  
4 0.10 then multiplied by the estimated number of students who will be  
5 participating in the focus school or program as reported on the form  
6 required pursuant to this section.

7 For the school fiscal year containing the majority of the second  
8 school year that a school or program will be in operation as a focus  
9 school or program approved by the learning community and meeting the  
10 requirements of section 79-769, the focus school and program allowance  
11 for such focus school or program shall equal the statewide average  
12 general fund operating expenditures per formula student multiplied by  
13 0.10 then multiplied by (1) for state aid certified pursuant to section  
14 79-1022, the difference of the product of two multiplied by the number of  
15 students participating in the focus school or program as reported on the  
16 fall membership report from the school fiscal year immediately preceding  
17 the school fiscal year in which the aid is to be paid minus the estimated  
18 number of students used in the certification of state aid pursuant to  
19 section 79-1022 for the school fiscal year immediately preceding the  
20 school fiscal year in which the aid is to be paid and (2) for the final  
21 calculation of state aid pursuant to section 79-1065, the difference of  
22 the product of two multiplied by the number of students participating in  
23 the focus school or program as reported on the annual statistical summary  
24 report from the school fiscal year immediately preceding the school  
25 fiscal year in which the aid was paid minus the estimated number of  
26 students used in the final calculation of state aid pursuant to section  
27 79-1065 for the school fiscal year immediately preceding the school  
28 fiscal year in which the aid is to be paid.

29 For the school fiscal year containing the majority of the third  
30 school year that a school or program will be in operation as a focus  
31 school or program approved by the learning community and meeting the

1 requirements of section 79-769 and each school fiscal year thereafter,  
2 the focus school and program allowance for such focus school or program  
3 shall equal the statewide average general fund operating expenditures per  
4 formula student multiplied by 0.10 then multiplied by the number of  
5 students participating in the focus school or program as reported on the  
6 fall membership report from the school fiscal year immediately preceding  
7 the school fiscal year in which the aid is to be paid for state aid  
8 certified pursuant to section 79-1022 and as reported on the annual  
9 statistical summary report from the school fiscal year immediately  
10 preceding the school fiscal year in which the aid was paid for the final  
11 calculation of state aid pursuant to section 79-1065.

12 For school fiscal year 2016-17 and each school fiscal year  
13 thereafter, fifty percent of the focus school and program allowance  
14 calculated pursuant to this section for each school district shall be  
15 paid to such school district as focus school and program aid for the  
16 school fiscal year for which aid is being calculated.

17 Sec. 13. Section 79-1007.06, Reissue Revised Statutes of Nebraska,  
18 is amended to read:

19 79-1007.06 (1) ~~The For school fiscal year 2008-09 and each school~~  
20 ~~fiscal year thereafter,~~ the department shall determine the poverty  
21 allowance for each school district that meets the requirements of this  
22 section and has not been disqualified pursuant to section 79-1007.07.  
23 Each school district shall designate a maximum poverty allowance on a  
24 form prescribed by the department on or before October 15 of the school  
25 fiscal year immediately preceding the school fiscal year for which aid is  
26 being calculated. The school district may decline to participate in the  
27 poverty allowance by providing the department with a maximum poverty  
28 allowance of zero dollars on such form on or before October 15 of the  
29 school fiscal year immediately preceding the school fiscal year for which  
30 aid is being calculated. Each school district designating a maximum  
31 poverty allowance greater than zero dollars shall submit a poverty plan

1 pursuant to section 79-1013.

2 (2) The poverty allowance for each school district that has not been  
3 disqualified pursuant to section 79-1007.07 shall equal the lesser of:

4 (a) The maximum amount designated pursuant to subsection (1) of this  
5 section by the school district in the local system, if such school  
6 district designated a maximum amount, for the school fiscal year for  
7 which aid is being calculated; or

8 (b) The sum of:

9 (i) The statewide average general fund operating expenditures per  
10 formula student multiplied by 0.0375 then multiplied by the poverty  
11 students comprising more than five percent and not more than ten percent  
12 of the formula students in the school district; plus

13 (ii) The statewide average general fund operating expenditures per  
14 formula student multiplied by 0.0750 then multiplied by the poverty  
15 students comprising more than ten percent and not more than fifteen  
16 percent of the formula students in the school district; plus

17 (iii) The statewide average general fund operating expenditures per  
18 formula student multiplied by 0.1125 then multiplied by the poverty  
19 students comprising more than fifteen percent and not more than twenty  
20 percent of the formula students in the school district; plus

21 (iv) The statewide average general fund operating expenditures per  
22 formula student multiplied by 0.1500 then multiplied by the poverty  
23 students comprising more than twenty percent and not more than twenty-  
24 five percent of the formula students in the school district; plus

25 (v) The statewide average general fund operating expenditures per  
26 formula student multiplied by 0.1875 then multiplied by the poverty  
27 students comprising more than twenty-five percent and not more than  
28 thirty percent of the formula students in the school district; plus

29 (vi) The statewide average general fund operating expenditures per  
30 formula student multiplied by 0.2250 then multiplied by the poverty  
31 students comprising more than thirty percent of the formula students in

1 the school district.

2 (3) For school fiscal year 2016-17 and each school fiscal year  
3 thereafter, fifty percent of the poverty allowance calculated pursuant to  
4 this section for each school district shall be paid to such school  
5 district as poverty aid for the school fiscal year for which aid is being  
6 calculated.

7 Sec. 14. Section 79-1007.08, Reissue Revised Statutes of Nebraska,  
8 is amended to read:

9 79-1007.08 (1) ~~The For school fiscal year 2008-09 and each school~~  
10 ~~fiscal year thereafter,~~ the department shall determine the limited  
11 English proficiency allowance for each school district that meets the  
12 requirements of this section and has not been disqualified pursuant to  
13 section 79-1007.09. Each school district shall designate a maximum  
14 limited English proficiency allowance on or before October 15 of the  
15 school fiscal year immediately preceding the school fiscal year for which  
16 aid is being calculated. The school district may decline to participate  
17 in the limited English proficiency allowance by providing the department  
18 with a maximum limited English proficiency allowance of zero dollars on  
19 such form on or before October 15 of the school fiscal year immediately  
20 preceding the school fiscal year for which aid is being calculated. Each  
21 school district designating a maximum limited English proficiency  
22 allowance greater than zero dollars shall submit a limited English  
23 proficiency plan pursuant to section 79-1014.

24 (2) The limited English proficiency allowance for each school  
25 district that has not been disqualified pursuant to section 79-1007.09  
26 shall equal the lesser of:

27 (a) The amount designated pursuant to subsection (1) of this section  
28 by the school district, if such school district designated a maximum  
29 amount, for the school fiscal year for which aid is being calculated; or

30 (b) The statewide average general fund operating expenditures per  
31 formula student multiplied by 0.25 then multiplied by:

1 (i) The number of students in the school district who are limited  
2 English proficient as defined under 20 U.S.C. 7801, as such section  
3 existed on January 1, 2006, if such number is greater than or equal to  
4 twelve;

5 (ii) Twelve, if the number of students in the school district who  
6 are limited English proficient as defined under 20 U.S.C. 7801, as such  
7 section existed on January 1, 2006, is greater than or equal to one and  
8 less than twelve; or

9 (iii) Zero, if the number of students in the school district who are  
10 limited English proficient as defined under 20 U.S.C. 7801, as such  
11 section existed on January 1, 2006, is less than one.

12 (3) For school fiscal year 2016-17 and each school fiscal year  
13 thereafter, fifty percent of the limited English proficiency allowance  
14 calculated pursuant to this section for each school district shall be  
15 paid to such school district as limited English proficiency aid for the  
16 school fiscal year for which aid is being calculated.

17 Sec. 15. Section 79-1007.12, Reissue Revised Statutes of Nebraska,  
18 is amended to read:

19 79-1007.12 The department shall calculate a transportation allowance  
20 for each district equal to the lesser of:

21 (1) Each local system's general fund expenditures for regular route  
22 transportation and in lieu of transportation expenditures pursuant to  
23 section 79-611 in the second school fiscal year immediately preceding the  
24 school fiscal year in which aid is to be paid, but not including special  
25 education transportation expenditures or other expenditures previously  
26 excluded from general fund operating expenditures; or

27 (2) The number of miles traveled in the second school fiscal year  
28 immediately preceding the school fiscal year in which aid is to be paid  
29 by vehicles owned, leased, or contracted by the district or the districts  
30 in the local system for the purpose of regular route transportation  
31 multiplied by four hundred percent of the mileage rate established by the

1 Department of Administrative Services pursuant to section 81-1176 as of  
2 January 1 of the most recently available complete data year added to in  
3 lieu of transportation expenditures pursuant to section 79-611 from the  
4 same data year.

5 (3) For school fiscal year 2016-17 and each school fiscal year  
6 thereafter, fifty percent of the transportation allowance calculated  
7 pursuant to this section for each school district shall be paid to such  
8 school district as transportation aid for the school fiscal year for  
9 which aid is being calculated.

10 Sec. 16. Section 79-1007.14, Reissue Revised Statutes of Nebraska,  
11 is amended to read:

12 79-1007.14 The department shall calculate a distance education and  
13 telecommunications allowance for each school district equal to eighty-  
14 five percent of the difference of the costs for (1) telecommunications  
15 services, (2) access to data transmission networks that transmit data to  
16 and from the school district, and (3) the transmission of data on such  
17 networks paid by the school districts in the local system as reported on  
18 the annual financial report for the most recently available complete data  
19 year minus the receipts from the federal Universal Service Fund pursuant  
20 to section 254 of the Telecommunications Act of 1996, 47 U.S.C. 254, as  
21 such section existed on January 1, 2015 ~~2008~~, for the school districts in  
22 the local system as reported on the annual financial report for the most  
23 recently available complete data year.

24 For school fiscal year 2016-17 and each school fiscal year  
25 thereafter, fifty percent of the distance education and  
26 telecommunications allowance calculated pursuant to this section for each  
27 school district shall be paid to such school district as distance  
28 education and telecommunications aid for the school fiscal year for which  
29 aid is being calculated.

30 Sec. 17. Section 79-1007.15, Reissue Revised Statutes of Nebraska,  
31 is amended to read:

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

14           ~~(1 2) The~~ For school fiscal year 2009-10 and each school fiscal year  
15 thereafter, the department shall calculate an elementary site allowance  
16 for any district which has at least one qualifying elementary attendance  
17 site and which submits the information required for the calculation on a  
18 form prescribed by the department on or before October 15 of the school  
19 fiscal year preceding the school fiscal year for which aid is being  
20 calculated. A qualifying elementary attendance site shall be an  
21 elementary attendance site, in a district with multiple elementary  
22 attendance sites, which does not have another elementary attendance site  
23 within seven miles in the same school district or which is the only  
24 public elementary attendance site located in an incorporated city or  
25 village.

26           ~~(2 3)~~ The elementary site allowance for each qualifying district  
27 shall equal the sum of the elementary site allowances for each qualifying  
28 elementary attendance site in the district. The elementary site allowance  
29 for each qualifying elementary attendance site shall equal five hundred  
30 percent of the statewide average general fund operating expenditures per  
31 formula student multiplied by the result of rounding the ratio of the

1 fall membership attributed to the elementary attendance site divided by  
2 eight up to the next whole number if the result was not a whole number,  
3 except that if the resulting whole number is greater than the number of  
4 elementary site grades, the whole number shall be reduced to equal the  
5 number of elementary site grades.

6 (3 4) For purposes of this section:

7 (a) Each district shall determine which grades are considered  
8 elementary site grades, except that (i) all grades designated as  
9 elementary site grades shall be offered in each elementary attendance  
10 site in the district, without any preference indicated by the school  
11 board or any school district administrator for students to attend  
12 different elementary attendance sites depending on their elementary site  
13 grade level, for the school fiscal year for which aid is being calculated  
14 and for each of the five school fiscal years preceding the school fiscal  
15 year for which aid is being calculated and (ii) elementary site grades  
16 shall not include grades nine, ten, eleven, or twelve;

17 (b) An elementary attendance site is an attendance site in which  
18 elementary site grades are offered;

19 (c) The primary elementary site shall be the elementary attendance  
20 site to which the most formula students are attributed in the district  
21 and shall not be a qualifying elementary attendance site; and

22 (d) Fall membership means the fall membership for the school fiscal  
23 year immediately preceding the school fiscal year for which aid is being  
24 calculated.

25 (4 5) If the elementary attendance site is new or is being reopened  
26 after being closed for at least one school year, the requirements of  
27 subdivision (3 4)(a)(i) of this section with respect to preceding school  
28 fiscal years shall not apply to school fiscal years in which the  
29 elementary attendance site was not in operation.

30 (5 6) The department shall determine if the qualifications for the  
31 elementary site allowance have been met for each elementary attendance



1 site for which information has been submitted. The department may rely on  
2 the information submitted and any other information available to the  
3 department, including, but not limited to, past attendance patterns. The  
4 state board shall establish a procedure for appeal of decisions of the  
5 department to the state board for a final determination.

6 (6) For school fiscal year 2016-17 and each school fiscal year  
7 thereafter, fifty percent of the elementary site allowance calculated  
8 pursuant to this section for each school district shall be paid to such  
9 school district as elementary site aid for the school fiscal year for  
10 which aid is being calculated.

11 Sec. 18. Section 79-1007.18, Reissue Revised Statutes of Nebraska,  
12 is amended to read:

13 79-1007.18 (1)(a) For school fiscal years prior to school fiscal  
14 year 2016-17, the ~~The~~ department shall calculate an averaging adjustment  
15 for districts if the basic funding per formula student is less than the  
16 averaging adjustment threshold and the general fund levy for the school  
17 fiscal year immediately preceding the school fiscal year for which aid is  
18 being calculated was at least one dollar per one hundred dollars of  
19 taxable valuation. For school districts that are members of a learning  
20 community, the general fund levy for purposes of this section includes  
21 both the common general fund levy and the school district general fund  
22 levy authorized pursuant to subdivisions (2)(b) and (2)(c) of section  
23 77-3442. The averaging adjustment shall equal the district's formula  
24 students multiplied by the percentage specified in this section for such  
25 district of the difference between the averaging adjustment threshold  
26 minus such district's basic funding per formula student.

27 (b) For school fiscal year 2016-17 and each school fiscal year  
28 thereafter, the department shall calculate an averaging adjustment for  
29 districts with at least nine hundred formula students if the basic  
30 funding per formula student is less than the averaging adjustment  
31 threshold. The averaging adjustment shall equal the district's formula

1 students multiplied by ninety percent of the difference between the  
2 averaging adjustment threshold minus such district's basic funding per  
3 formula student.

4 (2)(a) For school fiscal years 2012-13 and 2013-14, the averaging  
5 adjustment threshold shall equal the lesser of (i) the averaging  
6 adjustment threshold for the school fiscal year immediately preceding the  
7 school fiscal year for which aid is being calculated increased by the  
8 basic allowable growth rate or (ii) the statewide average basic funding  
9 per formula student for the school fiscal year for which aid is being  
10 calculated.

11 (b) For school fiscal year 2014-15 and each school fiscal year  
12 thereafter, the averaging adjustment threshold shall equal the aggregate  
13 basic funding for all districts with nine hundred or more formula  
14 students divided by the aggregate formula students for all districts with  
15 nine hundred or more formula students for the school fiscal year for  
16 which aid is being calculated.

17 (3) For school fiscal years prior to fiscal year 2016-17, the The  
18 percentage to be used in the calculation of an averaging adjustment shall  
19 be based on the general fund levy for the school fiscal year immediately  
20 preceding the school fiscal year for which aid is being calculated.

21 (4) For school fiscal years prior to fiscal year 2016-17, the The  
22 percentages to be used in the calculation of averaging adjustments shall  
23 be as follows:

24 (a) If such levy was at least one dollar per one hundred dollars of  
25 taxable valuation but less than one dollar and one cent per one hundred  
26 dollars of taxable valuation, the percentage shall be fifty percent;

27 (b) If such levy was at least one dollar and one cent per one  
28 hundred dollars of taxable valuation but less than one dollar and two  
29 cents per one hundred dollars of taxable valuation, the percentage shall  
30 be sixty percent;

31 (c) If such levy was at least one dollar and two cents per one

1 hundred dollars of taxable valuation but less than one dollar and three  
2 cents per one hundred dollars of taxable valuation, the percentage shall  
3 be seventy percent;

4 (d) If such levy was at least one dollar and three cents per one  
5 hundred dollars of taxable valuation but less than one dollar and four  
6 cents per one hundred dollars of taxable valuation, the percentage shall  
7 be eighty percent; and

8 (e) If such levy was at least one dollar and four cents per one  
9 hundred dollars of taxable valuation, the percentage shall be ninety  
10 percent.

11 Sec. 19. Section 79-1008.01, Reissue Revised Statutes of Nebraska,  
12 is amended to read:

13 79-1008.01 For all school fiscal years prior to except school fiscal  
14 year 2016-17 2010-11, except as provided in section 79-1008.02 sections  
15 79-1008.02 and 79-1009, each local system shall receive equalization aid  
16 in the amount that the total formula need of each local system, as  
17 determined pursuant to section 79-1007.11 sections 79-1007.04 to  
18 79-1007.23 and 79-1007.25, exceeds its total formula resources as  
19 determined pursuant to section 79-1017.01 sections 79-1015.01 to  
20 79-1018.01.

21 For school fiscal year 2016-17 and each school fiscal year  
22 thereafter, each local system shall receive equalization aid in the  
23 amount that the total formula need of each local system, as determined  
24 pursuant to section 79-1007.11 exceeds its total formula resources as  
25 determined pursuant to section 79-1017.01 For school fiscal year ~~2010-11~~,  
26 except as provided in ~~sections 79-1008.02 and 79-1009~~, each local system  
27 shall receive equalization aid in the amount by which one hundred two and  
28 twenty-three hundredths percent of the total formula need of each local  
29 system, as determined pursuant to ~~sections 79-1007.04 to 79-1007.23 and~~  
30 ~~79-1007.25~~, exceeds its total formula resources as determined pursuant to  
31 ~~sections 79-1015.01 to 79-1018.01~~.

1           Sec. 20. Section 79-1008.02, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3           79-1008.02   For school fiscal years prior to school fiscal year  
4 2016-17, a A minimum levy adjustment shall be calculated and applied to  
5 any local system that has a general fund common levy for the fiscal year  
6 during which aid is certified that is less than the maximum levy, for  
7 such fiscal year for such local system, allowed pursuant to subdivision  
8 (2)(a) or (b) of section 77-3442 without a vote pursuant to section  
9 77-3444 less five cents for learning communities and less ten cents for  
10 all other local systems. To calculate the minimum levy adjustment, the  
11 department shall subtract the local system general fund common levy for  
12 such fiscal year for such local system from the maximum levy allowed  
13 pursuant to subdivision (2)(a) or (b) of section 77-3442 without a vote  
14 pursuant to section 77-3444 less five cents for learning communities and  
15 less ten cents for all other local systems and multiply the result by the  
16 local system's adjusted valuation divided by one hundred. The minimum  
17 levy adjustment shall be added to the formula resources of the local  
18 system for the determination of equalization aid pursuant to section  
19 79-1008.01. If the minimum levy adjustment is greater than or equal to  
20 the allocated income tax funds calculated pursuant to section 79-1005.01,  
21 the local system shall not receive allocated income tax funds. If the  
22 minimum levy adjustment is less than the allocated income tax funds  
23 calculated pursuant to section 79-1005.01, the local system shall receive  
24 allocated income tax funds in the amount of the difference between the  
25 allocated income tax funds calculated pursuant to section 79-1005.01 and  
26 the minimum levy adjustment. This section does not apply to the  
27 calculation of aid for a local system containing a learning community for  
28 the first school fiscal year for which aid is calculated for such local  
29 system.

30           Sec. 21. Section 79-1009, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           79-1009 (1)(a) A district shall receive net option funding if option  
2 students as defined in section 79-233 (i) were actually enrolled in the  
3 school year immediately preceding the school year in which the aid is to  
4 be paid or (ii) will be enrolled in the school year in which the aid is  
5 to be paid as converted contract option students.

6           (b) The determination of the net number of option students shall be  
7 based on (i) the number of students enrolled in the district as option  
8 students and the number of students residing in the district but enrolled  
9 in another district as option students as of the day of the fall  
10 membership count pursuant to section 79-528, for the school fiscal year  
11 immediately preceding the school fiscal year in which aid is to be paid,  
12 and (ii) the number of option students that will be enrolled in the  
13 district or enrolled in another district as converted contract option  
14 students for the fiscal year in which the aid is to be paid.

15           (c) Net number of option students means the difference of the number  
16 of option students enrolled in the district minus the number of students  
17 residing in the district but enrolled in another district as option  
18 students.

19           (2) For purposes of this section: (a) For school fiscal years prior  
20 to school fiscal year 2016-17, net option funding shall be the sum of the  
21 product of the net number of option students multiplied by the statewide  
22 average basic funding per formula student; and (b) for school fiscal year  
23 2016-17 and each school fiscal year thereafter, net option funding for  
24 each district shall be the product of the net number of option students  
25 multiplied by the difference of the statewide average basic funding per  
26 formula student minus the per student allocation of the temporary school  
27 fund as determined pursuant to section 11 of this act and minus the per  
28 student income tax support as determined pursuant to section 79-1005.01.

29           (3) A district's net option funding shall be zero if the calculation  
30 produces a negative result.

31           For school fiscal years prior to school fiscal year 2016-17,

1 ~~payments~~ Payments made under this section shall be made from the funds to  
2 be disbursed under section 79-1005.01.

3 Such payments shall go directly to the option school district but  
4 shall count as a formula resource for the local system.

5 Sec. 22. Section 79-1015.01, Reissue Revised Statutes of Nebraska,  
6 is amended to read:

7 79-1015.01 (1) Local system formula resources shall include local  
8 effort rate yield which shall be computed as prescribed in this section.

9 (2) For each school fiscal year prior to school fiscal year 2016-17,  
10 except school fiscal year ~~years 2011-12 through~~ 2013-14: (a) For state  
11 aid certified pursuant to section 79-1022, the local effort rate shall be  
12 the maximum levy, for the school fiscal year for which aid is being  
13 certified, authorized pursuant to subdivision (2)(a) of section 77-3442  
14 less five cents; (b) for the final calculation of state aid pursuant to  
15 section 79-1065, the local effort rate shall be the rate which, when  
16 multiplied by the total adjusted valuation of all taxable property in  
17 local systems receiving equalization aid pursuant to the Tax Equity and  
18 Educational Opportunities Support Act, will produce the amount needed to  
19 support the total formula need of such local systems when added to state  
20 aid appropriated by the Legislature and other actual receipts of local  
21 systems described in section 79-1018.01; and (c) the local effort rate  
22 yield for such school fiscal years shall be determined by multiplying  
23 each local system's total adjusted valuation by the local effort rate.

24 ~~(3) For school fiscal years 2011-12 and 2012-13: (a) For state aid~~  
25 ~~certified pursuant to section 79-1022, the local effort rate shall be the~~  
26 ~~maximum levy, for the school fiscal year for which aid is being~~  
27 ~~certified, authorized pursuant to subdivision (2)(a) of section 77-3442~~  
28 ~~less one and five-hundredths of one cent; (b) for the final calculation~~  
29 ~~of state aid pursuant to section 79-1065, the local effort rate shall be~~  
30 ~~the rate which, when multiplied by the total adjusted valuation of all~~  
31 ~~taxable property in local systems receiving equalization aid pursuant to~~

~~1 the Tax Equity and Educational Opportunities Support Act, will produce  
2 the amount needed to support the total formula need of such local systems  
3 when added to state aid appropriated by the Legislature and other actual  
4 receipts of local systems described in section 79-1018.01; and (c) the  
5 local effort rate yield for such school fiscal years shall be determined  
6 by multiplying each local system's total adjusted valuation by the local  
7 effort rate.~~

8 (3 4) For school fiscal year 2013-14: (a) For state aid certified  
9 pursuant to section 79-1022, the local effort rate shall be the maximum  
10 levy, for the school fiscal year for which aid is being certified,  
11 authorized pursuant to subdivision (2)(a) of section 77-3442 less two  
12 cents; (b) for the final calculation of state aid pursuant to section  
13 79-1065, the local effort rate shall be the rate which, when multiplied  
14 by the total adjusted valuation of all taxable property in local systems  
15 receiving equalization aid pursuant to the Tax Equity and Educational  
16 Opportunities Support Act, will produce the amount needed to support the  
17 total formula need of such local systems when added to state aid  
18 appropriated by the Legislature and other actual receipts of local  
19 systems described in section 79-1018.01; and (c) the local effort rate  
20 yield for such school fiscal years shall be determined by multiplying  
21 each local system's total adjusted valuation by the local effort rate.

22 (4) For school fiscal year 2016-17 and each school fiscal year  
23 thereafter: (a) For state aid certified pursuant to section 79-1022, the  
24 local effort rate shall be the maximum levy after the subtraction of the  
25 property tax credit rate as determined pursuant to section 10 of this act  
26 for the school fiscal year for which aid is being certified as authorized  
27 pursuant to subdivision (2)(a) of section 77-3442 less ten cents; (b) for  
28 the final calculation of state aid pursuant to section 79-1065, the local  
29 effort rate shall be the rate which, when multiplied by the total  
30 adjusted valuation of all taxable property in local systems receiving  
31 equalization aid pursuant to the Tax Equity and Educational Opportunities

1 Support Act, will produce the amount needed to support the total formula  
2 need of such local systems when added to state aid appropriated by the  
3 Legislature and other actual receipts of local systems described in  
4 section 79-1018.01; and (c) the local effort rate yield for such school  
5 fiscal years shall be determined by multiplying each local system's total  
6 adjusted valuation by the local effort rate.

7       Sec. 23. Section 79-1017.01, Reissue Revised Statutes of Nebraska,  
8 is amended to read:

9       79-1017.01 (1) For state aid calculated for school fiscal year  
10 2013-14, total local system formula resources include: (a) Other actual  
11 receipts determined pursuant to section 79-1018.01, (b) includes  
12 retirement aid determined under section 79-1028.03, (c) teacher education  
13 aid determined for each district pursuant to subdivision (2) of section  
14 79-1007.25, (d) instructional time aid determined pursuant to subsection  
15 (2) of section 79-1007.23, (e) net option funding pursuant to section  
16 79-1009, (f) other actual receipts determined pursuant to section  
17 79-1018.01, (g) allocated income tax funds determined for each district  
18 pursuant to section 79-1005.01, (h) and adjustments pursuant to section  
19 79-1008.02, and (i) the local effort rate yield determined pursuant to  
20 section 79-1015.01 and is reduced by amounts paid by the district in the  
21 most recently available complete data year as property tax refunds  
22 pursuant to or in the manner prescribed by section 77-1736.06.

23       (2) For state aid calculated for school fiscal years 2014-15 and  
24 2015-16, total local system formula resources include: (a) includes  
25 teacher education aid determined for each district pursuant to section  
26 79-1007.25, (b) instructional time aid determined pursuant to subsection  
27 (2) of section 79-1007.23, (c) net option funding pursuant to section  
28 79-1009, (d) other actual receipts determined pursuant to section  
29 79-1018.01, (e) allocated income tax funds determined for each district  
30 pursuant to section 79-1005.01, (f) and adjustments pursuant to section  
31 79-1008.02, (g) other actual receipts determined pursuant to section



1 79-1018.01, and (h) the local effort rate yield determined pursuant to  
2 section 79-1015.01 and is reduced by amounts paid by the district in the  
3 most recently available complete data year as property tax refunds  
4 pursuant to or in the manner prescribed by section 77-1736.06.

5 (3) For state aid calculated for school fiscal year 2016-17 and each  
6 school fiscal year thereafter, total local system formula resources  
7 include (a) apportionment funds determined pursuant to section 11 of this  
8 act, (b) student support aid determined pursuant to section 79-1005.01,  
9 (c) summer school aid determined pursuant to section 79-1003.01, focus  
10 school and program aid determined pursuant to section 79-1007.05, poverty  
11 aid determined pursuant to section 79-1007.06, limited English  
12 proficiency aid determined pursuant to section 79-1007.08, transportation  
13 aid determined pursuant to section 79-1007.12, distance education aid  
14 determined pursuant to section 79-1007.14, and elementary site aid  
15 determined pursuant to section 79-1007.15, (d) net option funding  
16 determined pursuant to section 79-1009, (e) other actual receipts  
17 determined pursuant to section 79-1018.01, (f) property tax credit funds  
18 determined pursuant to section 10 of this act, and (h) the local effort  
19 rate yield determined pursuant to section 79-1015.01 includes allocated  
20 income tax funds determined for each district pursuant to section  
21 79-1005.01 and adjustments pursuant to section 79-1008.02 and is reduced  
22 by amounts paid by the district in the most recently available complete  
23 data year as property tax refunds pursuant to or in the manner prescribed  
24 by section 77-1736.06.

25 Sec. 24. Section 79-1018.01, Reissue Revised Statutes of Nebraska,  
26 is amended to read:

27 79-1018.01 Except as otherwise provided in this section, local  
28 system formula resources include other actual receipts available for the  
29 funding of general fund operating expenditures as determined by the  
30 department for the second school fiscal year immediately preceding the  
31 school fiscal year in which aid is to be paid. Other actual receipts

1 include:

2 (1) Public power district sales tax revenue;

3 (2) Fines and license fees;

4 (3) Tuition receipts from individuals, other districts, or any other  
5 source except receipts derived from adult education, receipts derived  
6 from summer school tuition, receipts derived from early childhood  
7 education tuition, tuition receipts from converted contracts beginning  
8 with the calculation of state aid to be distributed in school fiscal year  
9 2011-12, and receipts from educational entities as defined in section  
10 79-1201.01 for providing distance education courses through the  
11 Educational Service Unit Coordinating Council to such educational  
12 entities;

13 (4) Transportation receipts;

14 (5) Interest on investments;

15 (6) Other miscellaneous noncategorical local receipts, not including  
16 receipts from private foundations, individuals, associations, or  
17 charitable organizations;

18 (7) Special education receipts;

19 (8) Special education receipts and non-special education receipts  
20 from the state for wards of the court and wards of the state;

21 (9) For aid calculated for school fiscal years prior to school  
22 fiscal year 2016-17, all ~~All~~ receipts from the temporary school fund.  
23 Receipts from the temporary school fund shall only include (a) receipts  
24 pursuant to section 79-1035, ~~to the extent that such receipts for the~~  
25 ~~calculation of aid for school fiscal year 2018-19 and each school fiscal~~  
26 ~~year thereafter are not returned to the temporary school fund pursuant to~~  
27 ~~section 79-309.01,~~ and (b) the receipt of funds pursuant to section  
28 79-1036 for property leased for a public purpose as set forth in  
29 subdivision (1)(a) of section 77-202;

30 (10) Motor vehicle tax receipts received;

31 (11) Pro rata motor vehicle license fee receipts;

1 (12) Other miscellaneous state receipts excluding revenue from the  
2 textbook loan program authorized by section 79-734;

3 (13) Impact aid entitlements for the school fiscal year which have  
4 actually been received by the district to the extent allowed by federal  
5 law;

6 (14) All other noncategorical federal receipts;

7 (15) All receipts pursuant to the enrollment option program under  
8 sections 79-232 to 79-246;

9 (16) Receipts under the federal Medicare Catastrophic Coverage Act  
10 of 1988, as such act existed on January 1, 2014, as authorized pursuant  
11 to sections 43-2510 and 43-2511 for services to school-age children,  
12 excluding amounts designated as reimbursement for costs associated with  
13 the implementation and administration of the billing system pursuant to  
14 section 43-2511;

15 (17) Receipts for accelerated or differentiated curriculum programs  
16 pursuant to sections 79-1106 to 79-1108.03; and

17 (18) Revenue received from the nameplate capacity tax distributed  
18 pursuant to section 77-6204.

19 Sec. 25. Section 79-1022, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 79-1022 (1) On or before April 10, 2014, and on or before March 1 of  
22 each year thereafter for each ensuing fiscal year, the department shall  
23 determine the amounts to be distributed to each local system and each  
24 district for the ensuing school fiscal year pursuant to the Tax Equity  
25 and Educational Opportunities Support Act and shall certify the amounts  
26 to the Director of Administrative Services, the Auditor of Public  
27 Accounts, each learning community, and each district. The amount to be  
28 distributed to each district ~~that is not a member of a learning community~~  
29 from the amount certified for a local system shall be proportional based  
30 on the formula students attributed to each district in the local system,  
31 except that the ~~The amount to be distributed for school fiscal years~~

1 prior to school fiscal year 2016-17 to each district that is a member of  
2 a learning community from the amount certified for the local system shall  
3 be proportional based on the formula needs calculated for each district  
4 in the local system. On or before March 1, 2016, and on or before March 1  
5 of each year thereafter, the department shall certify the property tax  
6 credit rate for the ensuing school fiscal year to the Property Tax  
7 Administrator, Tax Commissioner, and Auditor of Public Accounts. On or  
8 before April 10, 2014, and on or before March 1 of each year thereafter  
9 for each ensuing fiscal year, the department shall report the necessary  
10 funding level for the ensuing school fiscal year to the Governor, the  
11 Appropriations Committee of the Legislature, and the Education Committee  
12 of the Legislature. The report submitted to the committees of the  
13 Legislature shall be submitted electronically. Except as otherwise  
14 provided in this subsection, certified state aid amounts, including  
15 adjustments pursuant to section 79-1065.02, shall be shown as budgeted  
16 non-property-tax receipts and deducted prior to calculating the property  
17 tax request in the district's general fund budget statement as provided  
18 to the Auditor of Public Accounts pursuant to section 79-1024.

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

28 Sec. 26. Section 79-1035, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 79-1035 (1)(a) The State Treasurer shall, each year through 2015 on  
31 or before the third Monday in January, make a complete exhibit of all

1 money belonging to the permanent school fund and the temporary school  
2 fund as returned to him or her from the several counties, together with  
3 the amount derived from other sources, and deliver such exhibit duly  
4 certified to the Commissioner of Education.

5 (b) On or before November 1, 2015, and each November 1 thereafter,  
6 the State Treasurer shall make a complete exhibit of all money belonging  
7 to the permanent school fund and the temporary school fund as returned to  
8 him or her from the several counties, together with the amount derived  
9 from other sources, and deliver such exhibit duly certified to the  
10 Commissioner of Education. The Beginning in 2016 and each year  
11 thereafter, the exhibit required in subdivision (1)(a) of this section  
12 shall include a separate accounting, not to exceed an amount of ten  
13 million dollars, of the income from solar and wind agreements on school  
14 lands. The Board of Educational Lands and Funds shall provide the State  
15 Treasurer with the information necessary to make the exhibit required by  
16 this subsection. Separate accounting shall not be made for income from  
17 solar or wind agreements on school lands that exceeds the sum of ten  
18 million dollars.

19 (2) On or before February 25 each year through 2015 following  
20 receipt of the exhibit from the State Treasurer pursuant to subsection  
21 (1) of this section, the Commissioner of Education shall make the  
22 apportionment of the temporary school fund to each school district as  
23 follows: From the whole amount there shall be paid to those districts in  
24 which there are school or saline lands, which lands are used for a public  
25 purpose, an amount in lieu of tax money that would be raised if such  
26 lands were taxable, to be fixed in the manner prescribed in section  
27 79-1036; and the remainder shall be apportioned to the districts  
28 according to the pro rata enumeration of children who are five through  
29 eighteen years of age in each district last returned from the school  
30 district. The calculation of apportionment for each school fiscal year  
31 shall include any corrections to the prior school fiscal year's

1 apportionment.

2       (3) For calendar years prior to 2016, the ~~The~~ Commissioner of  
3 Education shall certify the amount of the apportionment of the temporary  
4 school fund as provided in subsection (2) of this section to the Director  
5 of Administrative Services. The Director of Administrative Services shall  
6 draw a warrant on the State Treasurer in favor of the various districts  
7 for the respective amounts so certified by the Commissioner of Education.  
8 For 2016 and each year thereafter, the funds shall be distributed through  
9 the Tax Equity and Educational Opportunities Support Act as specified in  
10 section 11 of this act.

11       (4) On or before February 25, 2016, the commissioner shall calculate  
12 and certify the amount of transitional apportionment for each district  
13 based on the appropriation for such purpose and the method used to  
14 calculate the apportionment of the temporary school funds for 2015  
15 pursuant to subsection (2) of this section. It is the intent of the  
16 Legislature that an amount be appropriated for such purpose equal to the  
17 amount received by districts pursuant to subsection (2) of this section  
18 for 2015. The commissioner shall certify the amount of the transitional  
19 apportionment to the Director of Administrative Services. The Director of  
20 Administrative Services shall draw a warrant on the State Treasurer in  
21 favor of the various districts for the respective amounts so certified by  
22 the commissioner.

23       (4) For purposes of this section, agreement means any lease,  
24 easement, covenant, or other such contractual arrangement.

25       Sec. 27. Section 79-1035.02, Reissue Revised Statutes of Nebraska,  
26 is amended to read:

27       79-1035.02 The temporary school fund is the holding fund to which  
28 the interest, dividends, and any other income from the permanent school  
29 fund, the net income from the school lands, and the money from all other  
30 sources required or provided by law are credited as described in Article  
31 VII, section 9, of the Constitution of Nebraska. The entire balance of

1 the temporary school fund, including all interest and any other income  
2 therefrom, shall be exclusively used for the support and maintenance of  
3 the common schools in each public school district in the state as the  
4 Legislature provides, in accordance with Article VII, section 9, of the  
5 Constitution of Nebraska, and shall be distributed to each public school  
6 district annually.

7 For 2016 and each year thereafter, such annual distribution shall be  
8 made through the Tax Equity and Educational Opportunities Support Act  
9 pursuant to section 11 of this act based on the balance available on  
10 October 1 preceding the school fiscal year for which the distribution is  
11 being calculated.

12 Sec. 28. Section 79-1036, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 79-1036 (1) In making the apportionment under section 79-1035 and  
15 section 11 of this act, the Commissioner of Education shall distribute  
16 from the school fund for school purposes, to any and all learning  
17 communities and school districts which are not members of a learning  
18 community, in which there are situated school lands which have not been  
19 sold and transferred by deed or saline lands owned by the state, which  
20 lands are being used for a public purpose, an amount in lieu of tax money  
21 that would be raised by school district levies and learning community  
22 common levies for which the proceeds are distributed to member school  
23 districts pursuant to sections 79-1073 and 79-1073.01 if such lands were  
24 taxable, to be ascertained in accordance with subsection (2) of this  
25 section, except that:

26 (a) For Class I districts or portions thereof which are affiliated  
27 and in which there are situated school or saline lands, 38.6207 percent  
28 of the in lieu of land tax money calculated pursuant to subsection (2) of  
29 this section, based on the affiliated school system tax levy computed  
30 pursuant to section 79-1077, shall be distributed to the affiliated high  
31 school district and the remainder shall be distributed to the Class I

1 district;

2 (b) For Class I districts or portions thereof which are part of a  
3 Class VI district which offers instruction in grades nine through twelve  
4 and in which there are situated school or saline lands, 38.6207 percent  
5 of the in lieu of land tax money calculated pursuant to subsection (2) of  
6 this section, based on the Class VI school system levy computed pursuant  
7 to section 79-1078, shall be distributed to the Class VI district and the  
8 remainder shall be distributed to the Class I district;

9 (c) For Class I districts or portions thereof which are part of a  
10 Class VI district which offers instruction in grades seven through twelve  
11 and in which there are situated school or saline lands, 55.1724 percent  
12 of the in lieu of land tax money calculated pursuant to subsection (2) of  
13 this section, based on the Class VI school system levy computed pursuant  
14 to section 79-1078, shall be distributed to the Class VI district and the  
15 remainder shall be distributed to the Class I district; and

16 (d) For Class I districts or portions thereof which are part of a  
17 Class VI district which offers instruction in grades six through twelve  
18 and in which there are situated school or saline lands, 62.0690 percent  
19 of the in lieu of land tax money calculated pursuant to subsection (2) of  
20 this section, based on the Class VI school system levy computed pursuant  
21 to section 79-1078, shall be distributed to the Class VI district and the  
22 remainder shall be distributed to the Class I district.

23 (2) The county assessor shall certify to the Commissioner of  
24 Education the tax levies of each school district and learning community  
25 in which school land or saline land is located and the last appraised  
26 value of such school land, which value shall be the same percentage of  
27 the appraised value as the percentage of the assessed value is of market  
28 value in subsection (2) of section 77-201 for the purpose of applying the  
29 applicable tax levies for each district and learning community in  
30 determining the distribution to the districts of such amounts. The school  
31 board of any school district and the learning community coordinating



1 council of any learning community in which there is located any leased or  
2 undeeded school land or saline land subject to this section may appeal to  
3 the Board of Educational Lands and Funds for a reappraisalment of such  
4 school land if such school board or learning community coordinating  
5 council deems the land not appraised in proportion to the value of  
6 adjoining land of the same or similar value. The Board of Educational  
7 Lands and Funds shall proceed to investigate the facts involved in such  
8 appeal and, if the contention of the school board or learning community  
9 coordinating council is correct, make the proper reappraisalment. The  
10 value calculation in this subsection shall be used by the Commissioner of  
11 Education for making distributions in each school fiscal year.

12 Sec. 29. Section 79-1073.01, Reissue Revised Statutes of Nebraska,  
13 is amended to read:

14 79-1073.01 Amounts levied by learning communities for special  
15 building funds for member school districts pursuant to subdivision (2)(f  
16 g) of section 77-3442 shall be distributed by the county treasurer  
17 collecting such levy proceeds to all member school districts  
18 proportionally based on the formula students used in the most recent  
19 certification of state aid pursuant to section 79-1022. Each time the  
20 county treasurer certifies a property tax refund pursuant to section  
21 77-1736.06 based on the levy of a learning community for special building  
22 funds for member school districts or any entity issues an in lieu of  
23 property tax reimbursement based on the levy of a learning community for  
24 special building funds for member school districts, including amounts  
25 paid pursuant to sections 70-651.01 and 79-1036, the amount to be  
26 certified or reimbursed to each district shall be proportional on the  
27 same basis as property tax receipts from such levy are distributed to  
28 member school districts.

29 Any amounts distributed pursuant to this section shall be used by  
30 the member school districts for special building funds.

31 Sec. 30. Section 79-2104, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 79-2104 A learning community coordinating council shall have the  
3 authority to:

4 (1) Levy a common levy for the general funds of member school  
5 districts pursuant to sections 77-3442 and 79-1073;

6 (2) Levy a common levy for the special building funds of member  
7 school districts pursuant to sections 77-3442 and 79-1073.01;

8 (3) Levy for elementary learning center facility leases, for  
9 remodeling of leased elementary learning center facilities, and for up to  
10 fifty percent of the estimated cost for focus school or program capital  
11 projects approved by the learning community coordinating council pursuant  
12 to subdivision (2)(h) of section 77-3442 and section 79-2111;

13 (4) Levy for early childhood education programs for children in  
14 poverty, for elementary learning center employees, for contracts with  
15 other entities or individuals who are not employees of the learning  
16 community for elementary learning center programs and services, and for  
17 pilot projects pursuant to subdivision (2)(h ±) of section 77-3442,  
18 except that not more than ten percent of such levy may be used for  
19 elementary learning center employees;

20 (5) Collect, analyze, and report data and information, including,  
21 but not limited to, information provided by a school district pursuant to  
22 subsection (5) of section 79-201;

23 (6) Approve focus schools and focus programs to be operated by  
24 member school districts;

25 (7) Adopt, approve, and implement a diversity plan which shall  
26 include open enrollment and may include focus schools, focus programs,  
27 magnet schools, and pathways pursuant to section 79-2110;

28 (8) Administer the open enrollment provisions in section 79-2110 for  
29 the learning community as part of a diversity plan developed by the  
30 council to provide educational opportunities which will result in  
31 increased diversity in schools across the learning community;

1 (9) Annually conduct school fairs to provide students and parents  
2 the opportunity to explore the educational opportunities available at  
3 each school in the learning community and develop other methods for  
4 encouraging access to such information and promotional materials;

5 (10) Develop and approve reorganization plans for submission  
6 pursuant to the Learning Community Reorganization Act;

7 (11) Establish and administer elementary learning centers through  
8 achievement subcouncils pursuant to sections 79-2112 to 79-2114;

9 (12) Administer the learning community funds distributed to the  
10 learning community pursuant to section 79-2111;

11 (13) Approve or disapprove poverty plans and limited English  
12 proficiency plans for member school districts through achievement  
13 subcouncils established under section 79-2117;

14 (14) Establish a procedure for receiving community input and  
15 complaints regarding the learning community;

16 (15) Establish a procedure to assist parents, citizens, and member  
17 school districts in accessing an approved center pursuant to the Dispute  
18 Resolution Act to resolve disputes involving member school districts or  
19 the learning community. Such procedure may include payment by the  
20 learning community for some mediation services;

21 (16) Establish and administer pilot projects related to enhancing  
22 the academic achievement of elementary students, particularly students  
23 who face challenges in the educational environment due to factors such as  
24 poverty, limited English skills, and mobility;

25 (17) Provide funding to public or private entities engaged in the  
26 juvenile justice system providing profiling and diversion programming  
27 designed to reduce excessive absenteeism and unnecessary involvement with  
28 the juvenile justice system; and

29 (18) Hold public hearings at its discretion in response to issues  
30 raised by residents regarding the learning community, a member school  
31 district, and academic achievement.

1           Sec. 31. Section 79-2111, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           79-2111 (1) A learning community may levy a maximum levy pursuant to  
4 subdivision (2)(g ~~h~~) of section 77-3442 for elementary learning center  
5 facility leases, for remodeling of leased elementary learning center  
6 facilities, and for up to fifty percent of the estimated costs for focus  
7 school or program capital projects approved pursuant to this section. The  
8 proceeds from such levy shall be used for elementary learning center  
9 facility leases, for remodeling of leased elementary learning center  
10 facilities, and to reduce the bonded indebtedness required for approved  
11 projects by up to fifty percent of the estimated cost of the approved  
12 project. The funds used for reductions of bonded indebtedness shall be  
13 transferred to the school district for which the project was approved and  
14 shall be deposited in such school district's special building fund for  
15 use on such project.

16           (2) The learning community may approve pursuant to this section  
17 funding for capital projects which will include the purchase,  
18 construction, or remodeling of facilities for a focus school or program  
19 designed to meet the requirements of section 79-769. Such approval shall  
20 include an estimated cost for the project and shall state the amount that  
21 will be provided by the learning community for such project.

22           (3) If, within the ten years following receipt of the funding for a  
23 capital project pursuant to this section, a school district receiving  
24 such funding uses the facility purchased, constructed, or remodeled with  
25 such funding for purposes other than those stated to qualify for the  
26 funds, the school district shall repay such funds to the learning  
27 community with interest at the rate prescribed in section 45-104.02  
28 accruing from the date the funds were transferred to the school  
29 district's building fund as of the last date the facility was used for  
30 such purpose as determined by the learning community coordinating council  
31 or the date that the learning community coordinating council determines

1 that the facility will not be used for such purpose or that such facility  
2 will not be purchased, constructed, or remodeled for such purpose.  
3 Interest shall continue to accrue on outstanding balances until the  
4 repayment has been completed. The remaining terms of repayment shall be  
5 determined by the learning community coordinating council. The learning  
6 community coordinating council may waive such repayment if the facility  
7 is used for a different focus school or program for a period of time that  
8 will result in the use of the facility for qualifying purposes for a  
9 total of at least ten years.

10 Sec. 32. Section 84-612, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 84-612 (1) There is hereby created within the state treasury a fund  
13 known as the Cash Reserve Fund which shall be under the direction of the  
14 State Treasurer. The fund shall only be used pursuant to this section.

15 (2) The State Treasurer shall transfer funds from the Cash Reserve  
16 Fund to the General Fund upon certification by the Director of  
17 Administrative Services that the current cash balance in the General Fund  
18 is inadequate to meet current obligations. Such certification shall  
19 include the dollar amount to be transferred. Any transfers made pursuant  
20 to this subsection shall be reversed upon notification by the Director of  
21 Administrative Services that sufficient funds are available.

22 (3) In addition to receiving transfers from other funds, the Cash  
23 Reserve Fund shall receive federal funds received by the State of  
24 Nebraska for undesignated general government purposes, federal revenue  
25 sharing, or general fiscal relief of the state.

26 (4) On July 7, 2009, the State Treasurer shall transfer five million  
27 dollars from the Cash Reserve Fund to the Roads Operations Cash Fund. The  
28 Department of Roads shall use such funds to provide the required state  
29 match for federal funding made available to the state through  
30 congressional earmarks.

31 (5) The State Treasurer shall transfer a total of sixty-eight

1 million dollars from the Cash Reserve Fund to the General Fund on or  
2 before June 30, 2013, on such dates and in such amounts as directed by  
3 the budget administrator of the budget division of the Department of  
4 Administrative Services.

5 (6) The State Treasurer shall transfer ten million dollars from the  
6 Cash Reserve Fund to the General Fund on or before June 30, 2013, on such  
7 date as directed by the budget administrator of the budget division of  
8 the Department of Administrative Services.

9 (7) The State Treasurer, at the direction of the budget  
10 administrator of the budget division of the Department of Administrative  
11 Services, shall transfer not to exceed forty-three million fifteen  
12 thousand four hundred fifty-nine dollars in total from the Cash Reserve  
13 Fund to the Nebraska Capital Construction Fund between July 1, 2013, and  
14 June 30, 2017.

15 (8) The State Treasurer shall transfer fourteen million five hundred  
16 thousand dollars from the Cash Reserve Fund to the Nebraska Capital  
17 Construction Fund on or before June 30, 2015, on such date as directed by  
18 the budget administrator of the budget division of the Department of  
19 Administrative Services.

20 (9) The State Treasurer shall transfer fifty million five hundred  
21 thousand dollars from the Cash Reserve Fund to the General Fund on or  
22 before December 31, 2014, on such date as directed by the budget  
23 administrator of the budget division of the Department of Administrative  
24 Services.

25 (10) The State Treasurer shall transfer an amount equal to twenty-  
26 five percent of the amount paid to school districts from the temporary  
27 school fund in 2015 pursuant to subsection (2) of section 79-1035 to the  
28 temporary school fund on or before October 15, 2015, for the purpose of  
29 the transition between methods for distributing funds from the temporary  
30 school fund.

31 Sec. 33. Section 36 of this act becomes operative on July 1, 2016.

1 The other sections of this act become operative on their effective date.

2       Sec. 34. Original sections 77-1701, 77-4211, 79-528, 79-1001,  
3 79-1003, 79-1003.01, 79-1005.01, 79-1007.05, 79-1007.06, 79-1007.08,  
4 79-1007.12, 79-1007.14, 79-1007.15, 79-1007.18, 79-1008.01, 79-1008.02,  
5 79-1009, 79-1015.01, 79-1017.01, 79-1018.01, 79-1022, 79-1035,  
6 79-1035.02, 79-1036, 79-1073.01, 79-2104, 79-2111, and 84-612, Reissue  
7 Revised Statutes of Nebraska, and sections 77-3442 and 77-4212, Revised  
8 Statutes Cumulative Supplement, 2014, are repealed.

9       Sec. 35. The following sections are outright repealed: Sections  
10 79-1007.04 and 79-1007.17, Reissue Revised Statutes of Nebraska.

11       Sec. 36. The following sections are outright repealed: Sections  
12 77-4209 and 77-4210, Reissue Revised Statutes of Nebraska.