

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 248

Introduced by Wickersham, 49; Raikes, 25

Read first time January 5, 2001

Committee: Rereferred to Education

A BILL

- 1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
- 2 Support Act; to amend sections 79-1003 and 79-1018.01,
- 3 Revised Statutes Supplement, 2000; to change provisions
- 4 relating to other actual receipts; to harmonize
- 5 provisions; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1003, Revised Statutes Supplement,
2 2000, is amended to read:

3 79-1003. For purposes of the Tax Equity and Educational
4 Opportunities Support Act:

5 (1) Adjusted general fund operating expenditures means
6 general fund operating expenditures as calculated pursuant to
7 subdivision (21) of this section minus the transportation allowance
8 and minus the special receipts allowance;

9 (2) Adjusted valuation means the assessed valuation of
10 taxable property of each local system in the state, adjusted
11 pursuant to the adjustment factors described in section 79-1016.
12 Adjusted valuation means the adjusted valuation for the property
13 tax year ending during the school fiscal year immediately preceding
14 the school fiscal year in which the aid based upon that value is to
15 be paid. For purposes of determining the local effort rate yield
16 pursuant to section 79-1015.01, adjusted valuation does not include
17 the value of any property which a court, by a final judgment from
18 which no appeal is taken, has declared to be nontaxable or exempt
19 from taxation;

20 (3) Allocated income tax funds means the amount of
21 assistance paid to a local system pursuant to section 79-1005.01 as
22 adjusted by the minimum levy adjustment pursuant to section
23 79-1008.02;

24 (4) Average daily attendance of a student who resides on
25 Indian land means average daily attendance of a student who resides
26 on Indian land from the most recent data available on November 1
27 preceding the school fiscal year in which aid is to be paid;

28 (5) Average daily membership means the average daily

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

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

9 (7) Board means the school board of each school district;

10 (8) Categorical funds means funds limited to a specific
11 purpose by federal or state law, including, but not limited to,
12 Title I funds, Title VI funds, federal vocational education funds,
13 federal school lunch funds, Indian education funds, Head Start
14 funds, funds from the Education Innovation Fund, and funds from the
15 School Technology Fund;

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

19 (10) Department means the State Department of Education;

20 (11) District means any Class I, II, III, IV, V, or VI
21 school district;

22 (12) Ensuing school fiscal year means the school fiscal
23 year following the current school fiscal year;

24 (13) Equalization aid means the amount of assistance
25 calculated to be paid to a local system pursuant to sections
26 79-1008.01 to 79-1022;

27 (14) Fall membership means the total membership in
28 kindergarten through grade twelve attributable to the local system

1 as reported on the fall school district membership reports for each
2 district pursuant to section 79-528;

3 (15) Fiscal year means the state fiscal year which is the
4 period from July 1 to the following June 30;

5 (16) Formula students means (a) for state aid certified
6 pursuant to section 79-1022, the sum of fall membership from the
7 school fiscal year immediately preceding the school fiscal year in
8 which the aid is to be paid, multiplied by the average ratio of
9 average daily membership to fall membership for the second school
10 fiscal year immediately preceding the school fiscal year in which
11 aid is to be paid and the prior two school fiscal years, and
12 tuitioned students from the school fiscal year immediately
13 preceding the school fiscal year in which the aid is to be paid and
14 (b) for final calculation of state aid pursuant to section 79-1065,
15 the sum of average daily membership and tuitioned students from the
16 school fiscal year immediately preceding the school fiscal year in
17 which the aid was paid;

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

22 (18) Full-day kindergarten means kindergarten offered by
23 a district for at least one thousand thirty-two instructional
24 hours;

25 (19) General fund budget of expenditures means the total
26 budgeted expenditures for general fund purposes as certified in the
27 budget statement adopted pursuant to the Nebraska Budget Act,
28 except that for purposes of the limitation imposed in section

1 79-1023, the calculation of Class I total allowable general fund
2 budget of expenditures minus the special education budget of
3 expenditures pursuant to section 79-1083.03, and the calculation
4 pursuant to subdivision (2) of section 79-1027.01, the general fund
5 budget of expenditures does not include any special grant funds,
6 exclusive of local matching funds, received by a district subject
7 to the approval of the department;

8 (20) General fund expenditures means all expenditures
9 from the general fund;

10 (21) General fund operating expenditures means the total
11 general fund expenditures minus categorical funds, tuition paid,
12 transportation fees paid to other districts, adult education,
13 summer school, community services, redemption of the principal
14 portion of general fund debt service, and transfers from other
15 funds into the general fund for the second school fiscal year
16 immediately preceding the school fiscal year in which aid is to be
17 paid;

18 (22) Income tax liability means the amount of the
19 reported income tax liability for resident individuals pursuant to
20 the Nebraska Revenue Act of 1967 less all nonrefundable credits
21 earned and refunds made;

22 (23) Income tax receipts means the amount of income tax
23 collected pursuant to the Nebraska Revenue Act of 1967 less all
24 nonrefundable credits earned and refunds made;

25 (24) High school district means a school district
26 providing instruction in at least grades nine through twelve;

27 (25) Limited English proficiency student means a student
28 with limited English proficiency from the most recent data

1 available on November 1 of the school fiscal year preceding the
2 school fiscal year in which aid is to be paid;

3 (26) Local system means a Class VI district and the
4 associated Class I districts or a Class II, III, IV, or V district
5 and any affiliated Class I districts or portions of Class I
6 districts. The membership, expenditures, and resources of Class I
7 districts that are affiliated with multiple high school districts
8 will be attributed to local systems based on the percent of the
9 Class I valuation that is affiliated with each high school
10 district;

11 (27) Low-income child means a child under nineteen years
12 of age living in a household having an annual adjusted gross income
13 of fifteen thousand dollars or less for the second calendar year
14 preceding the beginning of the school fiscal year for which aid is
15 being calculated;

16 (28) Most recently available complete data year means the
17 most recent single school fiscal year for which the annual
18 financial report, fall school district membership report, annual
19 statistical summary, Nebraska income tax liability by school
20 district for the calendar year in which the majority of the school
21 fiscal year falls, and adjusted valuation data are available;

22 (29) Regular route transportation means the
23 transportation of students on regularly scheduled daily routes to
24 and from the attendance center;

25 (30) Reorganized district means any district involved in
26 a consolidation and currently educating students following
27 consolidation;

28 (31) School year or school fiscal year means the fiscal

1 year of a school district as defined in section 79-1091;

2 (32) Special education means specially designed
3 kindergarten through grade twelve instruction pursuant to section
4 79-1125, and includes special education transportation;

5 (33) Special grant funds means the budgeted receipts for
6 grants, including, but not limited to, Title I funds, Title VI
7 funds, funds from the Education Innovation Fund, reimbursements for
8 wards of the court, short-term borrowings including, but not
9 limited to, registered warrants and tax anticipation notes,
10 interfund loans, insurance settlements, and reimbursements to
11 county government for previous overpayment, that have been approved
12 by the state board;

13 (34) Special receipts allowance means the amount of
14 special education, state ward, and accelerated or differentiated
15 curriculum program receipts included in local system formula
16 resources under subdivisions ~~(7)~~, ~~(8)~~, ~~(16)~~, and ~~(17)~~ (8), (9),
17 (17), and (18) of section 79-1018.01;

18 (35) State aid means the amount of assistance paid to a
19 district pursuant to the Tax Equity and Educational Opportunities
20 Support Act;

21 (36) State board means the State Board of Education;

22 (37) State support means all funds provided to districts
23 by the State of Nebraska for the general fund support of elementary
24 and secondary education;

25 (38) Transportation allowance means the lesser of (a) ~~for~~
26 ~~state aid calculated for school fiscal year 1998-99, each~~
27 ~~district's, and~~ for state aid calculated for school fiscal year
28 1999-00 and each school fiscal year thereafter, each local system's

1 general fund expenditures for regular route transportation and in
2 lieu of transportation expenditures pursuant to section 79-611 in
3 the second school fiscal year immediately preceding the school
4 fiscal year in which aid is to be paid, but not including special
5 education transportation expenditures or other expenditures
6 previously excluded from general fund operating expenditures, or
7 (b) ~~for state aid calculated for school fiscal year 1998-99, for~~
8 ~~each district, and~~ for state aid calculated for school fiscal year
9 1999-00 and each school fiscal year thereafter, for each local
10 system, the number of miles traveled in the second school fiscal
11 year immediately preceding the school fiscal year in which aid is
12 to be paid by vehicles owned, leased, or contracted by the district
13 or the districts in the local system for the purpose of regular
14 route transportation multiplied by four hundred percent of the
15 mileage rate established by the Department of Administrative
16 Services pursuant to section 81-1176 as of January 1 of the most
17 recently available complete data year added to in lieu of
18 transportation expenditures pursuant to section 79-611 from the
19 same data year; and

20 (39) Tuitioned students means students in kindergarten
21 through grade twelve of the district whose tuition is paid by the
22 district to some other district or education agency.

23 Sec. 2. Section 79-1018.01, Revised Statutes Supplement,
24 2000, is amended to read:

25 79-1018.01. Local system formula resources include other
26 actual receipts available for the funding of general fund operating
27 expenditures as determined by the department for the second school
28 fiscal year immediately preceding the school fiscal year in which

1 aid is to be paid, except that receipts from the Community
2 Improvements Cash Fund and receipts acquired pursuant to the
3 Low-Level Radioactive Waste Disposal Act shall not be included.

4 Other actual receipts include:

5 (1) Public power district sales tax revenue;

6 (2) Fines and license fees;

7 (3) Tuition receipts from individuals, other districts,
8 or any other source except those derived from adult education;

9 (4) Transportation receipts;

10 (5) Interest on investments;

11 (6) Other miscellaneous noncategorical local receipts;

12 (7) Fifty percent of private contributions, not including
13 receipts of cash and tangible property from private foundations,
14 individuals, associations, or charitable organizations, except that
15 receipts from any single fundraising event that generates less than
16 five thousand dollars are not included;

17 ~~(7)~~ (8) Special education receipts, excluding grant funds
18 received pursuant to section 9-812;

19 ~~(8)~~ (9) Special education receipts and non-special
20 education receipts from the state for wards of the court and wards
21 of the state;

22 ~~(9)~~ (10) All receipts from the temporary school fund;

23 ~~(10)~~ (11) Motor vehicle tax receipts received on or after
24 January 1, 1998;

25 ~~(11)~~ (12) Pro rata motor vehicle license fee receipts;

26 ~~(12)~~ (13) Other miscellaneous state receipts excluding
27 revenue from the textbook loan program authorized by section
28 79-734;

1 ~~(13)~~ (14) Impact aid entitlements for the school fiscal
2 year which have actually been received by the district to the
3 extent allowed by federal law;

4 ~~(14)~~ (15) All other noncategorical federal receipts;

5 ~~(15)~~ (16) All receipts pursuant to the enrollment option
6 program under sections 79-232 to 79-246;

7 ~~(16)~~ (17) Receipts under the federal Medicare
8 Catastrophic Coverage Act of 1988 as authorized pursuant to
9 sections 43-2510 and 43-2511 but only to the extent of the amount
10 the local system would have otherwise received pursuant to the
11 Special Education Act; and

12 ~~(17)~~ (18) Receipts for accelerated or differentiated
13 curriculum programs pursuant to sections 79-1106 to 79-1108.03.

14 Sec. 3. Original sections 79-1003 and 79-1018.01,
15 Revised Statutes Supplement, 2000, are repealed.