

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 668

Introduced by Wickersham, 49

Read first time January 20, 1999

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1007.01 and 79-1007.02,
3 Revised Statutes Supplement, 1998; to change provisions
4 relating to average formula cost per student; to
5 harmonize provisions; and to repeal the original
6 sections.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1007.01, Revised Statutes
2 Supplement, 1998, is amended to read:

3 79-1007.01. (1) For school fiscal year 1998-99 and each
4 school fiscal year thereafter, the adjusted formula students for
5 each local system shall be calculated by:

6 (a) Multiplying the formula students in each grade range
7 by the corresponding weighting factors to calculate the weighted
8 formula students for each grade range as follows:

9 (i) The weighting factor for kindergarten is five-tenths;

10 (ii) The weighting factor for grades one through six,
11 including full-day kindergarten, is one;

12 (iii) The weighting factor for grades seven and eight is
13 one and two-tenths; and

14 (iv) The weighting factor for grades nine through twelve
15 is one and four-tenths;

16 (b) Adding the weighted formula students for each grade
17 range to calculate the weighted formula students for the local
18 system; and

19 (c) Adjusting the weighted formula students by adding the
20 following demographic factors:

21 (i) The Indian-land factor shall equal 0.25 times the
22 average daily attendance of students who reside on Indian land as
23 reported by the United States Department of Education in
24 calculating the local system's payment pursuant to 20 U.S.C. 7701
25 et seq.;

26 (ii) The limited English proficiency factor shall equal
27 0.25 times the formula students in the local system with limited
28 English proficiency as defined under rules and regulations of the

1 United States Department of Education promulgated pursuant to Title
2 VI of the Civil Rights Act of 1964;

3 (iii) The department shall calculate the number of
4 formula students to whom the poverty factor shall apply. The
5 department shall calculate a ratio of the formula students to the
6 total children under nineteen years of age residing in the local
7 system and shall apply the ratio to the low-income children within
8 the local system, in order to determine the number of low-income
9 students within such local system. The number of children under
10 nineteen years of age used in this calculation shall be derived
11 from income tax information. The poverty factor shall equal the
12 number of low-income students or the formula students qualified for
13 free lunches or free milk under United States Department of
14 Agriculture child nutrition programs, whichever is greater,
15 multiplied by the following factors:

16 (A) 0 for the qualified formula students comprising the
17 first five percent of the formula students in the local system;

18 (B) 0.05 for the qualified formula students comprising
19 more than five percent and not more than ten percent of the formula
20 students in the local system;

21 (C) 0.10 for the qualified formula students comprising
22 more than ten percent and not more than fifteen percent of the
23 formula students in the local system;

24 (D) 0.15 for the qualified formula students comprising
25 more than fifteen percent and not more than twenty percent of the
26 formula students in the local system;

27 (E) 0.20 for the qualified formula students comprising
28 more than twenty percent and not more than twenty-five percent of

1 the formula students in the local system;

2 (F) 0.25 for the qualified formula students comprising
3 more than twenty-five percent and not more than thirty percent of
4 the formula students in the local system; and

5 (G) 0.30 for the qualified formula students comprising
6 more than thirty percent of the formula students in the local
7 system; and

8 (iv) The extreme remoteness factor shall equal 0.125
9 times the formula students in the local system for each local
10 system that has fewer than two hundred formula students, more than
11 six hundred square miles in the local system, less than
12 three-tenths formula student per square mile in the local system,
13 and more than twenty-five miles between the high school attendance
14 center and the next closest high school attendance center on paved
15 roads.

16 (2) The total adjusted formula students for each local
17 system shall equal the weighted formula students plus the
18 demographic factors, except that (a) for local systems qualifying
19 for the extreme remoteness factor, the total adjusted formula
20 students shall be greater than or equal to one hundred fifty
21 adjusted formula students, (b) the total adjusted formula students
22 for a local system shall not include the extreme remoteness factor
23 or any adjustment to the adjusted formula students resulting from
24 qualification for the extreme remoteness factor for the calculation
25 of the average formula cost per student in each cost grouping
26 pursuant to subdivision ~~(2)~~ (3) of section 79-1007.02, and (c) the
27 total adjusted formula students for a local system shall include
28 the extreme remoteness factor and any adjustment to the adjusted

1 formula students resulting from qualification for the extreme
2 remoteness factor for the calculation of the local system's formula
3 need pursuant to subdivision ~~(3)~~ (4) of section 79-1007.02.

4 Sec. 2. Section 79-1007.02, Revised Statutes Supplement,
5 1998, is amended to read:

6 79-1007.02. For state aid calculated for school fiscal
7 year 1998-99 and each school fiscal year thereafter:

8 (1) Using data from the annual financial reports for the
9 most recently available complete data year, the annual statistical
10 summary reports for the school fiscal year immediately preceding
11 the school fiscal year in which aid is to be paid, the fall
12 membership reports and supplements thereto for the school fiscal
13 year immediately preceding the school fiscal year in which aid is
14 to be paid, and the school district census as reported under
15 sections 79-524 and 79-578 for the second school fiscal year
16 preceding the school fiscal year in which aid is to be paid, the
17 department shall divide the local systems into three cost groupings
18 prior to the certification of state aid based upon the following
19 criteria:

20 (a) The very sparse cost grouping will consist of local
21 systems that have (i)(A) less than one-half student per square mile
22 in the county in which the high school attendance center is
23 located, based on the school district census, (B) less than one
24 formula student per square mile in the local system, and (C) more
25 than fifteen miles between the high school attendance center and
26 the next closest high school attendance center on paved roads or
27 (ii)(A) more than four hundred fifty square miles in the local
28 system, (B) less than one-half student per square mile in the local

1 system, and (C) more than fifteen miles between the high school
2 attendance center and the next closest high school attendance
3 center on paved roads;

4 (b) The sparse cost grouping will consist of local
5 systems that do not qualify for the very sparse cost grouping but
6 which meet the following criteria:

7 (i)(A) Less than two students per square mile in the
8 county in which the high school is located, based on the school
9 district census, (B) less than one formula student per square mile
10 in the local system, and (C) more than ten miles between the high
11 school attendance center and the next closest high school
12 attendance center on paved roads;

13 (ii)(A) Less than one and one-half formula students per
14 square mile in the local system and (B) more than fifteen miles
15 between the high school attendance center and the next closest high
16 school attendance center on paved roads; or

17 (iii) The local system includes ninety-five percent or
18 more of a county; and

19 (c) The standard cost grouping will consist of local
20 systems that do not qualify for the very sparse or the sparse cost
21 groupings.

22 For purposes of subdivision (1) of this section, if a
23 local system did not operate and offer instruction in grades nine
24 through twelve within the boundaries of the local system during the
25 school fiscal year immediately preceding the school fiscal year in
26 which aid is to be paid, the local system shall not be considered
27 to have a high school attendance center;

28 (2) The department shall calculate the size adjustment

1 factor for each local system having fewer than nine hundred
2 adjusted formula students for the most recently available complete
3 data year. The size adjustment factor shall be calculated as
4 follows:

5 (a) The minimum cost per adjusted formula student shall
6 be determined. Minimum cost per adjusted formula student is equal
7 to the total estimated general fund operating expenditures per
8 adjusted formula student for all local systems in the state having
9 nine hundred or more adjusted formula students divided by the total
10 number of adjusted formula students for all such systems;

11 (b) The maximum cost per adjusted formula student shall
12 be determined. Maximum cost per adjusted formula student is equal
13 to the total estimated general fund operating expenditures per
14 adjusted formula student for all local systems in the state having
15 two hundred fifty or more but not more than three hundred fifty
16 adjusted formula students divided by the total number of adjusted
17 formula students for all such systems; and

18 (c) Maximum cost per adjusted formula student shall be
19 divided by minimum cost per adjusted formula student, the result of
20 which shall be the highest allowable cost factor.

21 The straight-line adjustment shall be calculated by
22 subtracting one from the highest allowable cost factor and dividing
23 the sum by six hundred. The straight-line adjustment factor shall
24 be multiplied by the number of weighted formula students in the
25 affected local system subtracted from nine hundred, and the
26 resulting number shall be added to one to obtain the affected local
27 system's size adjustment factor, which factor shall not exceed the
28 highest allowable cost factor.

1 (d) For each local system in the state having fewer than
2 nine hundred adjusted formula students, the average formula cost
3 per student for the standard cost grouping shall be multiplied by
4 the size adjustment factor calculated pursuant to this subsection
5 and the resulting sum shall be the adjusted average formula cost
6 per student for that local system and shall for all purposes
7 replace the average formula cost per student for such local system,
8 except as provided in subdivision (2)(e) of this section.

9 (e) For each local system which qualifies for the sparse
10 or very sparse cost grouping, the average formula cost per student
11 shall be calculated both by the method used in this subsection and
12 by the method used in subsection (3) of this section, and such
13 system's average formula cost per student shall be the greater of
14 the two results.

15 (3) The department shall calculate the average formula
16 cost per student in each cost grouping by dividing the total
17 estimated general fund operating expenditures for the cost grouping
18 by the total adjusted formula students for all local systems in the
19 cost grouping. The calculation of total adjusted formula students
20 for purposes of this subdivision shall take into account the
21 requirements of subsection (2) of section 79-1007.01. The total
22 estimated general fund operating expenditures for the cost grouping
23 is equal to the total adjusted general fund operating expenditures
24 for all local systems in the cost grouping multiplied by a cost
25 growth factor. The cost growth factor for each cost grouping is
26 equal to the sum of: (a) One; plus (b) the product of two times the
27 ratio of the difference between the formula students attributable
28 to the cost grouping without weighting or adjustment pursuant to

1 section 79-1007.01 and the average daily membership attributable to
2 the cost grouping for the most recently available complete data
3 year divided by the average daily membership attributable to the
4 cost grouping for the most recently available complete data year,
5 except that the ratio shall not be less than zero; plus (c) the
6 basic allowable growth rate pursuant to section 79-1025 for the
7 school fiscal year in which the aid is to be distributed; plus (d)
8 the basic allowable growth rate pursuant to section 79-1025 for the
9 school fiscal year immediately preceding the school fiscal year in
10 which the aid is to be distributed; plus (e) one-half of any
11 additional growth rate allowed by special action of school boards
12 for the school fiscal year in which the aid is to be distributed as
13 determined on or before December 1 of the school fiscal year
14 immediately preceding the school fiscal year when aid is to be
15 distributed; plus (f) one-half of any additional growth rate
16 allowed by special action of the school boards for the school
17 fiscal year immediately preceding the school fiscal year when the
18 aid is to be distributed; and

19 ~~(3)~~ (4) Each local system's formula need will be equal to
20 the local system's transportation allowance plus the local system's
21 special education allowance plus the product of the local system's
22 adjusted formula students multiplied by the average formula cost
23 per student in the local system's cost grouping. The calculation
24 of total adjusted formula students for purposes of this subdivision
25 shall take into account the requirements of subsection (2) of
26 section 79-1007.01.

27 Sec. 3. Original sections 79-1007.01 and 79-1007.02,
28 Revised Statutes Supplement, 1998, are repealed.