

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 793

Introduced by Kremer, 34; Hudkins, 21; Price, 26; Quandahl, 31;
Raikes, 25; Stuhr, 24

Read first time January 17, 2001

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1001, 79-1008.02, and
3 79-1028, Revised Statutes Supplement, 2000; to provide
4 for teacher salary enhancement payments; to change
5 provisions relating to the minimum levy adjustment; to
6 provide for an exception to growth rate limitations; to
7 harmonize provisions; and to repeal the original
8 sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) For state aid calculated for school
2 fiscal year 2002-03 and each school fiscal year thereafter, an
3 amount equal to the product of fifty dollars multiplied by the
4 number of adjusted formula students shall be disbursed as teacher
5 salary enhancement payments, except as otherwise provided in this
6 section and section 79-1008.02.

7 (2) To receive teacher salary enhancement payments
8 pursuant to this section for school fiscal year 2003-04, each
9 district in the local system shall provide evidence to the
10 department, in a manner prescribed by the department, that the
11 teacher salary enhancement payments were used to increase teacher
12 salaries for school year 2002-03. To receive teacher salary
13 enhancement payments for school fiscal year 2004-05 and each school
14 fiscal year thereafter, the local system shall maintain teacher
15 salary levels for the prior school year for each position on the
16 locally negotiated salary schedules of the districts in the local
17 system that are greater than or equal to the salary for the
18 position on the salary schedule for school year 2002-03. If a
19 school district reconfigures the salary schedule or does not use a
20 salary schedule to determine teacher compensation, the district
21 shall present evidence showing that the salary of each teacher that
22 has been employed by the district for the school fiscal year prior
23 to the school fiscal year for which aid is being calculated has
24 maintained a salary level greater than or equal to the salary level
25 the teacher would have received based on the methods for
26 compensating teachers for school year 2002-03.

27 (3) If a local system does not qualify for teacher salary
28 enhancement payments for any school fiscal year, an amount equal to

1 the teacher salary enhancement payments for the prior school fiscal
2 year shall be subtracted from the aid to be disbursed to the local
3 system. If the department determines within three years following
4 the school fiscal year for which the aid was distributed that a
5 local system incorrectly qualified for the teacher salary
6 enhancement payments, the erroneous payments shall be subtracted
7 from the local system's state aid for the school fiscal year
8 following the determination.

9 (4) All local systems shall certify required data and
10 other information related to the teacher salary enhancement
11 payments to the department on or before the date established by the
12 department. The department may require data, other information, or
13 affidavits to carry out this section. The department may require
14 audits of such information on a regular basis, a random basis, or
15 upon notice from any source that the information provided by the
16 district is not accurate.

17 **Sec. 2. Section 79-1001, Revised Statutes Supplement,**
18 **2000, is amended to read:**

19 **79-1001. Sections 79-1001 to 79-1033 and section 1 of**
20 **this act shall be known and may be cited as the Tax Equity and**
21 **Educational Opportunities Support Act.**

22 **Sec. 3. Section 79-1008.02, Revised Statutes Supplement,**
23 **2000, is amended to read:**

24 **79-1008.02. A minimum levy adjustment shall be**
25 **calculated and applied to any local system that has a general fund**
26 **common levy in the calendar year when aid is certified that is less**
27 **than ninety percent of the maximum levy allowed pursuant to**
28 **subdivision (2)(a) of section 77-3442 without a vote pursuant to**

1 section 77-3444. To calculate the minimum levy adjustment, the
2 department shall subtract the local system general fund common levy
3 in the calendar year when aid is certified from ninety percent of
4 the maximum levy allowed pursuant to subdivision (2)(a) of section
5 77-3442 without a vote pursuant to section 77-3444 and multiply the
6 result by the local system's adjusted valuation divided by one
7 hundred. The minimum levy adjustment shall be added to the formula
8 resources of the local system for the determination of equalization
9 aid pursuant to section 79-1008.01. If the minimum levy adjustment
10 is greater than or equal to the allocated income tax funds
11 calculated pursuant to section 79-1005.01 plus the teacher salary
12 enhancement payments calculated under section 1 of this act, the
13 local system shall not receive allocated income tax funds or
14 teacher salary enhancement payments. If the minimum levy
15 adjustment is less than the allocated income tax funds calculated
16 pursuant to section 79-1005.01 plus the teacher salary enhancement
17 payments, the local system shall receive allocated income tax funds
18 plus teacher salary enhancement payments in the amount of the
19 difference between the sum of the allocated income tax funds
20 calculated pursuant to section 79-1005.01 plus teacher salary
21 enhancement payments and the minimum levy adjustment.

22 Sec. 4. Section 79-1028, Revised Statutes Supplement,
23 2000, is amended to read:

24 79-1028. (1) A Class II, III, IV, V, or VI school
25 district may exceed the local system's allowable growth rate for
26 (a) expenditures in support of a service which is the subject of an
27 agreement or a modification of an existing agreement whether
28 operated by one of the parties to the agreement or an independent

1 joint entity or joint public agency, (b) expenditures to pay for
 2 repairs to infrastructure damaged by a natural disaster which is
 3 declared a disaster emergency pursuant to the Emergency Management
 4 Act, (c) expenditures to pay for judgments, except judgments or
 5 orders from the Commission of Industrial Relations, obtained
 6 against a school district which require or obligate a school
 7 district to pay such judgment, to the extent such judgment is not
 8 paid by liability insurance coverage of a school district, (d)
 9 expenditures to pay for sums agreed to be paid by a school district
 10 to certificated employees in exchange for a voluntary termination
 11 of employment, or (e) expenditures to pay for lease-purchase
 12 contracts approved on or after July 1, 1997, and before July 1,
 13 1998, to the extent the lease payments are not budgeted
 14 expenditures for fiscal year 1997-98.

15 (2) A Class II, III, IV, V, or VI district may exceed its
 16 applicable allowable growth rate by a specific dollar amount if the
 17 district projects an increase in formula students in the district
 18 over the current school year greater than twenty-five students or
 19 greater than those listed in the schedule provided in this
 20 subsection, whichever is less. Districts shall project increases
 21 in formula students on forms prescribed by the department. The
 22 state board shall approve, deny, or modify the projected increases.

23	Average daily	Projected increase
24	membership of	of formula students
25	district	by percentage
26	0 - 50	10
27	50.01 - 250	5
28	250.01 - 1,000	3

1 1,000.01 and over

1

2 The department shall compute the district's estimated
3 allowable budget per pupil using the budgeted general fund
4 expenditures found on the budget statement for the current school
5 year divided by the number of formula students in the current
6 school year and multiplied by the district's applicable allowable
7 growth rate. The resulting allowable budget per pupil shall be
8 multiplied by the projected formula students to arrive at the
9 estimated budget needs for the ensuing year. The department shall
10 allow the district to increase its general fund budget of
11 expenditures for the ensuing school year by the amount necessary to
12 fund the estimated budget needs of the district as computed
13 pursuant to this subsection. On or before April 1, 1999, and on or
14 before February 1 for each year thereafter, the department shall
15 make needed revisions in the applicable allowable growth rate of
16 districts which have been allowed additional growth pursuant to
17 this subsection to reflect the actual formula students of such
18 district and shall certify such revisions to each district.

19 (3) A Class II, III, IV, V, or VI district may exceed its
20 applicable allowable growth rate by a specific dollar amount if
21 construction, expansion, or alteration of district buildings will
22 cause an increase in building operation and maintenance costs of at
23 least five percent. The department shall document the projected
24 increase in building operation and maintenance costs and may allow
25 a Class II, III, IV, V, or VI district to exceed the local system's
26 applicable allowable growth percentage by the amount necessary to
27 fund such increased costs. The department shall compute the actual
28 increased costs for the school year and shall, if needed, modify

1 the local system's applicable allowable growth rate for the ensuing
2 school year.

3 (4) A Class II, III, IV, V, or VI district may exceed its
4 applicable allowable growth rate by a specific dollar amount if the
5 district demonstrates to the satisfaction of the state board that
6 it will exceed its applicable allowable growth rate as a result of
7 costs pursuant to the Retirement Incentive Plan authorized in
8 section 79-855 or the Staff Development Assistance authorized in
9 section 79-856. The department shall compute the amount by which
10 the increased cost of such program or programs exceeds the
11 district's applicable allowable growth rate and shall allow the
12 district to increase its general fund expenditures by such amount
13 for that fiscal year.

14 (5) For school fiscal year 2002-03, a district may exceed
15 its applicable allowable growth rate by a specific dollar amount
16 equal to the adjusted formula students attributable to the district
17 multiplied by fifty dollars.

18 Sec. 5. Original sections 79-1001, 79-1008.02, and 79-1028,
19 Revised Statutes Supplement, 2000, are repealed.