

LEGISLATIVE BILL 348

Approved by the Governor June 10, 1993

Introduced by Withem, 14

AN ACT relating to education; to amend sections 17-601.01, 17-601.02, 79-201.01 to 79-201.03, 79-307, 79-321.03, 79-435, 79-464, 79-507, 79-521, 79-803.03, 79-803.08, 79-803.09, 79-1281, 79-1281.01, 79-1286, 79-1430 to 79-1434, 79-2110, 79-3309, 81-501.01, 81-525, 81-528, and 81-529, Reissue Revised Statutes of Nebraska, 1943, and sections 10-716.01, 77-3439, 79-101, 79-101.01, 79-330, 79-402.11, 79-426.28, 79-433, 79-434, 79-444, 79-488.04, 79-490, 79-4,207, 79-547.03, 79-803.07, 79-1247.07, 79-1282 to 79-1285, 79-1303, 79-1421, 79-1422, 79-1423, 79-1429, 79-2210, 79-2801, 79-2804, 79-2812, 79-2842, 79-2844, 79-2845, 79-3354, 79-3403, 79-3405, 79-3406, 79-3408 to 79-3410, 79-3703, 79-3806, 79-3822, 79-3824, 81-502, 81-503, 81-505, and 81-551, Revised Statutes Supplement, 1992; to change provisions relating to bonds, nomination of school board candidates, powers and duties of educational service unit boards, year-round school, filling of vacancies on school boards, procedures to change boundaries, submission of a report, student services, bonded indebtedness, taxable property and valuation, taxation for abatement of environmental hazards and for accessibility barrier elimination, budget statements, entrance requirements, transportation of children, sale of property, the Professional Practices Commission, disciplinary actions, applicability of the Nebraska Budget Act, apportionment of school funds, telecommunications resources, private postsecondary career schools, return of depositions and exhibits, the enrollment option program, evaluation of early childhood education pilot projects, and the Tax Equity and Educational Opportunities Support Act; to define and redefine terms; to create a fund and committees; to authorize sponsorship of certain organizations; to transfer a program to the State Fire Marshal and authorize fees; to eliminate a program, an authorization for certain contracts, and a provision transferring a program; to harmonize provisions; to provide operative dates; to repeal the original sections, and also sections 79-321.02, 79-321.04, 79-341, and 79-403.04, Reissue Revised Statutes of Nebraska, 1943; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

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(5) The pilot projects shall continue for three calendar years, and by July 1, ~~1994~~ 1995, the department shall conduct an overall evaluation of the success or failure of the pilot projects and components thereof. A report evaluating the pilot projects shall be made to the State Board of Education and the Legislature by November 30, ~~1994~~ 1995.

Sec. 71. That section 79-3806, Revised Statutes Supplement, 1992, be amended to read as follows:

79-3806. (1) Except as provided in subsections (2) through ~~(6)~~ (7) of this section, each district shall receive equalization aid in the amount that the total formula need of each district, as determined pursuant to subsection ~~(4)~~ (5) of this section and sections 79-3805 and 79-3807, exceeds its total formula resources as determined pursuant to subsection ~~(4)~~ (5) of this section and sections 79-3808 to 79-3811.

(2) A district shall not receive state aid for each of the school years 1992-93, 1993-94, and 1994-95 which is less than one hundred percent of the amount of aid received pursuant to the School Foundation and Equalization Act for school year 1989-90.

(3) No district shall receive equalization aid in an amount such that total state aid received would result in such district having a general fund tax levy of less than sixty percent of the local effort rate as computed pursuant to section 79-3809. The calculation shall be based on valuation, state aid, and levy data from the current school year and, for the calculation of state aid in school year 1992-93 and each school year thereafter, shall also take into consideration the amounts of nonresident high school tuition certified by the department pursuant to section 79-4,102 for the current school year and for the school year in which such state aid is to be paid.

(4) For the calculation of state aid to be paid in school year 1993-94 and each school year thereafter in Class I districts which have more than one general fund levy in the current year, the department shall base the calculation on a derived general fund levy for the district computed by adding the general fund property tax yield for all portions of the district and dividing the result by the total assessed valuation of the district in hundreds.

(5) For school districts in affiliated school systems as defined in section 79-101.01, equalization aid to be paid in school year 1992-93 and each school year thereafter shall be computed as follows:

(a) For affiliated Class I districts, the total formula need and total formula resources shall be allocated to each affiliated school system based upon the proportion of such Class I district's adjusted valuation contained in each system with which it is affiliated;

(b) For the high school district and each Class I district or portion thereof allocated pursuant to subdivision (a) of this subsection, the total formula resources shall be subtracted from the total formula need, except that the difference shall never be less than zero;

(c) Each district's total formula need, total formula resources, and difference calculated pursuant to subdivision (b) of this

subsection shall be added to arrive at system formula need, system in formula resources, and system total difference;

(d) System equalization aid shall equal the amount by which the system formula need exceeds system formula resources; and

(e) Each district's share of the system equalization aid shall be calculated by dividing the district's difference calculated pursuant to subdivision (b) of this subsection by the system total difference and multiplying the result by the system equalization aid.

~~(6)~~ ~~(5)~~ Beginning with school year 1994-95, a district which does not generate equalization aid pursuant to subsection (1) of this section and in which option students as defined in section 79-3402 were actually enrolled in the most recently available complete data year shall receive additional state aid for each such student in an amount equal to the statewide average tiered cost per student or the option school district's tiered cost per student, whichever is less.

~~(7)~~ ~~(6)~~ For school years 1992-93 and 1993-94, a district which does not generate equalization aid pursuant to subsection (1) of this section and in which option students as defined in section 79-3402 were actually enrolled in the most recently available complete data year shall receive additional state aid computed by first multiplying the number of such option students, by grade group, by the district's tiered cost per student for each grade group and then summing the results for all grade groups in the district. The district shall receive additional state aid equal to the amount by which this calculation exceeds the district's actual receipts pursuant to section 79-3415 in the most recently available complete data year.

Sec. 72. That section 79-3822, Revised Statutes Supplement, 1992, be amended to read as follows:

79-3822. The department shall annually, on or before December 1, provide data to the Governor to enable the Governor to prepare the necessary legislation to:

(1) Appropriate an amount which will provide financial support from all state sources to districts equal to forty-five percent of the estimated general fund operating expenditures of districts for the ensuing school year;

(2) Appropriate an amount of income tax revenue received to insure that twenty percent of all income tax receipts are dedicated to the support of districts throughout the state;

(3) Appropriate an amount equal to any state aid funds which have been returned to the General Fund from an earlier appropriation due to the repayment of funds by districts; and

~~(4)~~ ~~(3)~~ Establish and implement a basic allowable growth rate and an allowable growth range for district budgets for the ensuing school year.

The Governor shall submit such legislation, along with any modifications made by the Governor as part of his or her annual budget request, to the Legislature.

Sec. 73. That section 79-3824, Revised Statutes

Supplement, 1992, be amended to read as follows:

79-3824. (1) State aid payable pursuant to the Tax Equity and Educational Opportunities Support Act for each school year shall be based upon data found in applicable reports for the most recently available complete data year. The annual financial reports of all school districts shall be submitted to the Commissioner of Education pursuant to the date prescribed in subdivision (3) of section 79-451. If a school district fails to timely submit its report, the commissioner, after notice to the district and an opportunity to be heard, shall direct that any state aid granted pursuant to the Tax Equity and Educational Opportunities Support Act be withheld until such time as the report is received by the department. In addition, the commissioner shall notify the county superintendent to direct the county treasurer to withhold all school money belonging to the school district until such time as the commissioner notifies the county superintendent of receipt of such report. The county treasurer shall withhold such money.

(2) A district which receives federal funds in excess of twenty-five percent of its general fund budget of expenditures may apply for early payment of state aid paid pursuant to the Tax Equity and Educational Opportunities Support Act when such federal funds are not received in a timely manner. Such application may be made at any time by a district suffering such financial hardship and may be for any amount up to fifty percent of the remaining amount to which the district is entitled during the current fiscal year. The state board may grant the entire amount applied for or any portion of such amount if, ~~after a hearing,~~ the state board finds that a financial hardship exists in the district. The state board shall notify the Director of Administrative Services of the amount of funds to be paid in lump sum and the reduced amount of the monthly payments. The Director of Administrative Services shall, at the time of the next state aid payment made pursuant to section 79-3813, draw a warrant for the lump-sum amount from appropriated funds and forward such warrant to the district. For purposes of this subsection, financial hardship shall mean a situation in which income to a district is exceeded by liabilities to such a degree that if early payment is not received it will be necessary for the district to discontinue vital services or functions.

Sec. 74. The State Board of Education and the State Department of Education may sponsor and direct the activities of FFA, Future Homemakers of America, Future Business Leaders of America, Vocational Industrial Clubs of America, DECA - An Association of Marketing Students, Health Occupation Student Association, Young Farmers and Ranchers Educational Association, Technology Students Association, and Phi Beta Lambda. The duties of the department may include, but need not be limited to, the following:

(1) Establish policies and procedures for the operation of the organizations listed in this section;

(2) Supervise students involved in such organizations;

(3) Hold periodic conferences, meetings, and functions to train, recognize, and reward student participants;

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