

COMMITTEE STATEMENT

LB 149

HEARING DATE: January 19, 1999

COMMITTEE ON: Education

TITLE: (Education Committee) Provide for recalculation and recertification of state aid to schools

ROLL CALL VOTE – FINAL COMMITTEE ACTION

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

8 Yes

Senators Bohlke, Brashear, Coordsen, Price, Raikes,
Stuhr, Suttle, Wickersham

0 No

0 Present, not voting

0 Absent

PROPONENTS

Senator Ardyce Bohlke
Liz Karnes
Bev Peterson, Chair
Kim Ma
Errol Wells
Linda Poole
Jon Habben, Superintendent
Bryce Neidig

Duane Obermier

Also, speaking in behalf of:

Also, present and indicating support but not
publicly testifying:

Steve Kleinsmith
Julie Johnson
Jean Stothert
Al Inzerello, Asst. Superintendent

REPRESENTING

Introducer for the Committee
Westside Community Schools, Board
Nebraska State School Board
Student, Lincoln Public Schools
Friends of Rural Education
Millard Public Schools, Board
Newman Grove Public Schools
Nebraska Farm Bureau

Nebraska State Education Association (NSEA)
Nebraska Association of School Boards
Greater Nebraska Schools Association
Nebraska Rural Community Schools Association
Women Involved in Farm Economics (WIFE)
Class I's United
Friends of Rural Education

Millard Public Schools
Millard Public Schools
Millard Public Schools
Westside Public Schools

COMMITTEE STATEMENT

Larry Hiatt, Superintendent
Nelson Dahl, Superintendent
Steve Wiitala
Barry Ballou
Brad Cabrera, Superintendent
Harry Weichel
John Goc
Steve Coleman
John Bonaiuto
Mike Dulaney

Butte Public Schools
Lynch Public Schools
Omaha Public Schools
Hastings Public Schools
Sutton Public Schools, and NRCSA
Self
Class I's United
Papillion
NASB
Nebraska Council of School Administrators

OPPONENTS

REPRESENTING

NEUTRAL

REPRESENTING

SUMMARY OF PURPOSE AND/OR CHANGES:

Legislative Bill 149 amends the Tax Equity and Educational Opportunities Support Act (T.E.E.O.S.A.) by requiring the recertification of state aid to be paid in the 1999-2000 school year by April 1, 1999, setting the local effort rate at ten cents below the maximum levy for the certification of state aid, changing the certification deadline for future years to February 1, and removing an estimation procedure. Other modifications to the act contained in the bill support these changes.

A new section declares the certification of state aid made on December 1, 1998 to be null and void and a recertification is required on or before April 1, 1999. The certification and the recertification contain both the calculation of aid for the 1999-2000 school year and prior year corrections based on the final calculation, or respin, of aid for the 1998-99 school year. For the respin for 1998-99 only, no district will receive less than was calculated for the respin on December 1, 1998.

Section 79-1003 is amended to remove estimation language from the general fund operating expenditures definition in subsection (21), the special education allowance definition in subsection (33), and the transportation allowance definition in subsection (38). The general fund operating expenditures and transportation allowance definitions are further amended by clarifying that the data is for the school year 2 years prior to the year in which aid is to be paid. Another section of the bill changes the certification date from December 1 to February 1 in § 79-1026, which causes the most recently available complete data year to change. The new most recently available complete data year becomes 2 years prior to the year in which aid will be paid. The current most recently available complete data year is 3 years prior to the year in which aid will be paid. The deleted estimation language adjusts elements of the formula for the certification of aid by the average annual change over the two years immediately preceding the most recently available complete data year, which is 3 years prior to the year in which aid is to be paid. Currently the respin uses data from 2 years prior to the year in which state aid was paid, rather than the adjusted 3 year old data used in the certification of that aid.

COMMITTEE STATEMENT

Section 79-1003 is also amended by clarifying that special grant funds are not included in calculations pursuant to § 79-1027.01, which specifies procedures for reducing budgets when a system's total tax request exceeds the maximum levy. The transportation allowance definition is further modified to clarify that it applies to local systems.

Section 79-1005.01 is amended to remove language that states the allocated income tax funds, or rebate, are taken from the funds dedicated to public education and to clarify that reductions in allocated income tax funds due to minimum levy adjustments will not increase the amount available as allocated income tax funds. Currently, those amounts are redistributed as equalization aid, but that provision is stricken in the bill.

Section 79-1007.02 is amended to clarify that the data from the annual financial reports will be from the school year 2 years prior to the year in which aid is to be paid. The average formula cost per student is also calculated prior to the certification of state aid, which means the calculation will not change in the respin. A reference to the certification of state aid being on December 1 is deleted.

Section 79-1008.01 is amended by deleting a reference to the certification of state aid being on December 1.

Section 79-1010 is amended by removing the provisions that the \$2 million set aside for base fiscal year incentive payments be subtracted from the T.E.E.O.S.A. appropriation and that unexpended balances of the set aside be reappropriated to T.E.E.O.S.A. The provision that non-base year incentive payments be subtracted from the appropriation prior to any calculations is also removed.

Section 79-1015.01 is amended by setting the local effort rate ten cents below the maximum levy for the certification of state aid. The current procedure for determining the local effort rate will be used for the respin.

Section 79-1018.01 is amended by clarifying that the formula resources are for the school year 2 years prior to the year state aid will be paid. Estimation language similar to that deleted in 79-1003 is also deleted in this section.

Section 79-1022 is amended by changing the date for the certification of state aid from December 1 to April 1 for 1999 and February 1 for each year thereafter. The section is also amended to remove the requirement for the Legislative Fiscal Analyst to provide an estimated funding level. A new provision requires the Department of Education to report the necessary funding level to the Governor, the Appropriations Committee, and the Education Committee on or before the certification date.

COMMITTEE STATEMENT

Section 79-1026 is amended by changing the date for the certification of allowable growth percentages from December 1 to April 1 for 1999 and February 1 for each year thereafter.

Section 79-1027 is amended by changing the date for the certification of allowable reserve percentages from December 1 to April 1 for 1999 and February 1 for each year thereafter.

Section 79-1028 is amended by changing the date for the certification of revisions of allowable growth rates due to student growth from December 1 to April 1 for 1999 and February 1 for each year thereafter.

Section 79-1031 is amended by requiring the department, with assistance from the Property Tax Administrator, the Legislative Fiscal Analyst, and the budget division of the Department of Administrative Services, to provide an estimate to the Governor, the Appropriations Committee, and the Education Committee on or before November 15 of each year. The language is eliminated regarding legislation the Governor is required to submit as part of his budget request.

Section 79-1031.01 is amended by eliminating language stating that it is the Legislature's intent to ensure sufficient funding to result in a statewide tax levy less than the maximum levy and a requirement that the Legislative Fiscal Analyst calculate an amount to carry out that intent. The Appropriations Committee requirement to include that amount in its budget recommendations is modified to require the committee to include the amount necessary to fund the state aid certified.

Section 79-1083.02 is amended by changing the deadline for the designation of primary high school districts for Class I school districts from December 1 to February 1.

Section 79-1083.03 is amended by changing the deadline for Class VI districts to certify Class I allowable general fund budgets minus special education budgets from January 1 to April 5 for 1999, and March 1 for each year thereafter. The deadline for certifying these amounts to the department is moved from April 1 to May 20 for 1999 and April 20 for each year thereafter. For Class I districts with primary high school districts other than Class VI districts, the deadline for the department to certify the allowable general fund budget minus special education budgets is moved from December 1 to April 1 for 1999 and February 1 for each year thereafter. The dates in two references to the certification of the applicable allowable growth rate are also moved from December 1 to April 1 for 1999 and February 1 for each year thereafter, which is consistent with the modifications in § 79-1026. The deadline for Class I districts to submit requests for additional budget authority is moved from February 1 to April 10 for 1999 and March 10 for each year thereafter. The deadline for high school districts to act on the requests is moved from March 1 to May 10 for 1999 and April 10 for each year thereafter. The deadline for primary high school districts to certify the total general fund budget of expenditures to

COMMITTEE STATEMENT

the department and other affected districts is moved from April 1 to May 20 for 1999 and April 20 for each year thereafter. The term “budget authority” is replaced with “total general fund budget of expenditures”.

Section 79-1089 is amended by moving the deadline for school district audits to be submitted to the Auditor of Public Accounts, Commissioner of Education, and county superintendent from November 15 to November 1.

This bill has an emergency clause.

EXPLANATION OF AMENDMENTS, IF ANY:

The committee amendment clarifies that the estimate the Department of Education provides to the Governor, Appropriations Committee, and the Education Committee pursuant to the amended § 79-1031 is for the necessary funding level for the next school fiscal year under the Tax Equity and Educational Opportunities Support Act.

Senator Ardyce Bohlke