

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 642**

Introduced by Day, 49.

Read first time January 20, 2021

Committee:

1 A BILL FOR AN ACT relating to schools; to amend sections 79-1007.13 and  
2 79-1018.01, Revised Statutes Cumulative Supplement, 2020; to state  
3 findings; to provide reimbursements for mental health expenditures;  
4 to state intent for appropriations; to change provisions relating to  
5 local system formula resources; to harmonize provisions; and to  
6 repeal the original sections.

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

1           Section 1. The Legislature finds that the mental health needs of  
2 students are becoming an increasing barrier to learning and that schools  
3 need additional resources to address the mental health needs of students.

4           Sec. 2. (1) The State Department of Education shall reimburse each  
5 qualifying school district and educational service unit for allowable  
6 mental health expenditures in the immediately following school fiscal  
7 year a pro rata amount based on the reimbursement percentage as  
8 determined by the department. The reimbursement percentage shall equal  
9 the ratio of the appropriations by the Legislature for reimbursements  
10 pursuant to this section divided by the total allowable mental health  
11 expenditures for the preceding school fiscal year, except that if such  
12 ratio is greater than eighty percent, the reimbursement percentage shall  
13 equal eighty percent.

14           (2) To qualify for reimbursement pursuant to this section, a school  
15 district or educational service unit shall:

16           (a) Designate an employee of the school district or educational  
17 service unit as a community-based mental health resource liaison and  
18 provide the appropriate training and resources for such employee to  
19 assist students, families, teachers, and schools in locating the  
20 resources necessary to address the mental health needs of individual  
21 students in the district or educational service unit; and

22           (b) Submit allowable mental health expenditures in a manner  
23 prescribed by the department.

24           (3) An allowable mental health expenditure that is:

25           (a)(i) Directly related to meeting the mental health needs of an  
26 individual student or group of students;

27           (ii) Directly related to a focused strategy approved by the  
28 department to reduce the mental health needs of students by improving the  
29 overall educational environment; or

30           (iii) Directly related to the training or work of the community-  
31 based mental health resource liaison; and

1           (b) Not an allowable reimbursable cost under the Special Education  
2 Act.

3           (4) The State Board of Education shall adopt and promulgate rules  
4 and regulations to carry out this section, including, but not limited to,  
5 criteria to further define allowable mental health expenditures.

6           Sec. 3. It is the intent of the Legislature that twelve million  
7 dollars be appropriated from the General Fund for reimbursements for  
8 allowable mental health expenditures pursuant to section 2 of this act  
9 for fiscal year 2022-23 and that such appropriation shall be increased  
10 annually by no more than ten percent.

11           Sec. 4. Section 79-1007.13, Revised Statutes Cumulative Supplement,  
12 2020, is amended to read:

13           79-1007.13 The department shall calculate a special receipts  
14 allowance for each district equal to the amount of special education,  
15 state ward, ~~and~~ accelerated or differentiated curriculum program, and  
16 mental health receipts included in local system formula resources under  
17 subdivisions (7), (8), (15), ~~and~~ (16), and (18) of section 79-1018.01  
18 attributable to the school district.

19           Sec. 5. Section 79-1018.01, Revised Statutes Cumulative Supplement,  
20 2020, is amended to read:

21           79-1018.01 Except as otherwise provided in this section, local  
22 system formula resources include other actual receipts available for the  
23 funding of general fund operating expenditures as determined by the  
24 department for the second school fiscal year immediately preceding the  
25 school fiscal year in which aid is to be paid. Other actual receipts  
26 include:

27           (1) Public power district sales tax revenue;

28           (2) Fines, penalties, and license money distributed in accordance  
29 with Article VII, section 5, of the Constitution of Nebraska fees;

30           (3) Tuition receipts from individuals, other districts, or any other  
31 source except receipts derived from adult education, receipts derived

1 from summer school tuition, receipts derived from early childhood  
2 education tuition, tuition receipts from converted contracts beginning  
3 with the calculation of state aid to be distributed in school fiscal year  
4 2011-12, and receipts from educational entities as defined in section  
5 79-1201.01 for providing distance education courses through the  
6 Educational Service Unit Coordinating Council to such educational  
7 entities;

8 (4) Transportation receipts;

9 (5) Interest on investments;

10 (6) Other miscellaneous noncategorical local receipts, not including  
11 receipts from private foundations, individuals, associations, or  
12 charitable organizations;

13 (7) Special education receipts;

14 (8) Special education receipts and non-special education receipts  
15 from the state for wards of the court and wards of the state;

16 (9) All receipts from the temporary school fund. Receipts from the  
17 temporary school fund shall only include (a) receipts pursuant to section  
18 79-1035 and (b) the receipt of funds pursuant to section 79-1036 for  
19 property leased for a public purpose as set forth in subdivision (1)(a)  
20 of section 77-202;

21 (10) Motor vehicle tax receipts received;

22 (11) Pro rata motor vehicle license fee receipts;

23 (12) Other miscellaneous state receipts excluding revenue from the  
24 textbook loan program authorized by section 79-734;

25 (13) Impact aid entitlements for the school fiscal year which have  
26 actually been received by the district to the extent allowed by federal  
27 law;

28 (14) All other noncategorical federal receipts;

29 (15) Receipts under the federal Medicare Catastrophic Coverage Act  
30 of 1988, as such act existed on January 1, 2014, as authorized pursuant  
31 to section ~~sections 43-2510~~ and 43-2511 for services to school-age

1 children, excluding amounts designated as reimbursement for costs  
2 associated with the implementation and administration of the billing  
3 system pursuant to section 43-2511;

4 (16) Receipts for accelerated or differentiated curriculum programs  
5 pursuant to sections 79-1106 to 79-1108.03;~~and~~

6 (17) Revenue received from the nameplate capacity tax distributed  
7 pursuant to section 77-6204; and -

8 (18) Mental health receipts received pursuant to section 2 of this  
9 act.

10 Sec. 6. Original sections 79-1007.13 and 79-1018.01, Revised  
11 Statutes Cumulative Supplement, 2020, are repealed.