

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 890

Introduced by Walz, 15; Kolterman, 24; Lindstrom, 18.

Read first time January 07, 2022

Committee:

1 A BILL FOR AN ACT relating to education; to amend sections 79-1002,
2 79-1009.01, and 79-1031, Reissue Revised Statutes of Nebraska,
3 sections 79-703, 79-1001, 79-1005, 79-1005.01, 79-1007.13,
4 79-1008.01, 79-1009, 79-1015.01, 79-1017.01, 79-1018.01, 79-1022,
5 79-1022.02, 79-1027, 79-1031.01, 79-11,155, 79-2104, 79-2104.01,
6 79-2104.03, and 79-2104.04, Revised Statutes Cumulative Supplement,
7 2020, and sections 79-1003, 79-1007.11, 79-1023, 79-1065.02, and
8 79-2104.02, Revised Statutes Supplement, 2021; to change the Tax
9 Equity and Educational Opportunities Support Act as prescribed; to
10 create a fund; to eliminate provisions relating to community
11 achievement plans; to eliminate obsolete provisions; to harmonize
12 provisions; to repeal the original sections; to outright repeal
13 section 79-2122, Revised Statutes Cumulative Supplement, 2020; and
14 to declare an emergency.
15 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-703, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 79-703 (1) To ensure both equality of opportunity and quality of
4 programs offered, all public schools in the state shall be required to
5 meet quality and performance-based approval or accreditation standards as
6 prescribed by the State Board of Education. The board shall establish a
7 core curriculum standard, which shall include multicultural education and
8 vocational education courses, for all public schools in the state.
9 Accreditation and approval standards shall be designed to assure
10 effective schooling and quality of instructional programs regardless of
11 school size, wealth, or geographic location. ~~Accreditation standards for~~
12 ~~school districts that are members of a learning community shall include~~
13 ~~participation in the community achievement plan for the learning~~
14 ~~community as approved by the board.~~ Accreditation standards for education
15 programs in state institutions under the supervision of the Department of
16 Health and Human Services that house juveniles shall include an annual
17 report to the State Board of Education by the superintendent of
18 institutional schools. The board shall recognize and encourage the
19 maximum use of cooperative programs and may provide for approval or
20 accreditation of programs on a cooperative basis, including the sharing
21 of administrative and instructional staff, between school districts for
22 the purpose of meeting the approval and accreditation requirements
23 established pursuant to this section and section 79-318.

24 (2) The Commissioner of Education shall appoint an accreditation
25 committee which shall be representative of the educational institutions
26 and agencies of the state and shall include as a member the director of
27 admissions of the University of Nebraska.

28 (3) The accreditation committee shall be responsible for: (a)
29 Recommending appropriate standards and policies with respect to the
30 accreditation and classification of schools; and (b) making
31 recommendations annually to the commissioner relative to the

1 accreditation and classification of individual schools. No school shall
2 be considered for accreditation status which has not first fulfilled all
3 requirements for an approved school.

4 (4) All public schools in the state, including, but not limited to,
5 schools operated by school districts and education programs in state
6 institutions under the supervision of the Department of Health and Human
7 Services that house juveniles, shall be accredited.

8 (5) It is the intent of the Legislature that all public school
9 students shall have access to all educational services required of
10 accredited schools. Such services may be provided through cooperative
11 programs or alternative methods of delivery.

12 Sec. 2. Section 79-1001, Revised Statutes Cumulative Supplement,
13 2020, is amended to read:

14 79-1001 Sections 79-1001 to 79-1033 and sections 4, 13, 14, 15, 19,
15 20, 21, 28, and 29 of this act shall be known and may be cited as the Tax
16 Equity and Educational Opportunities Support Act.

17 Sec. 3. Section 79-1002, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 79-1002 It is the intent, purpose, and goal of the Legislature to
20 revise the current ~~create~~ a system of financing the public school system
21 so that it ~~which~~ will:

22 (1) Provide state support from all sources of state funding
23 sufficient to match ~~support~~ the statewide aggregate general fund
24 operating expenditures for Nebraska elementary and secondary public
25 education ~~that cannot be met~~ by local resources;

26 (2) Reduce the reliance on the property tax for the support of the
27 public school system to the median level of reliance on property taxes
28 for the support of public schools in all other states;

29 (3) Broaden financial support for the public school system by
30 dedicating twenty percent ~~a portion~~ of the revenue received from the
31 state income tax for support of the system;

1 (4) Keep pace with the increasing cost of operating the public
2 school system;

3 (5) Assure a foundation support level for the operation of the
4 public school system through education stabilization base aid , ~~taking~~
5 ~~local resources into consideration~~;

6 (6) Reserve funds, as available, in a trust to assist the state in
7 meeting education funding goals during economic downturns;

8 (7) ~~(6)~~ Recognize a portion of the costs of programs to address the
9 unique educational needs of students who are in poverty or who have
10 limited English proficiency as being specific to the local system
11 providing such programs;

12 (8) ~~(7)~~ Create a process to collect information regarding the
13 programs and the cost of the programs provided to address the unique
14 educational needs of students who are in poverty or who have limited
15 English proficiency in order to analyze which programs may be appropriate
16 to receive state support and to analyze the poverty and limited English
17 proficiency allowances;

18 (9) ~~(8)~~ Assure a greater level of equity of educational
19 opportunities for all public school students;

20 (10) ~~(9)~~ Assure a greater level of equity in property tax rates for
21 the support of the public school system; and

22 (11) ~~(10)~~ Assure measured growth in the state aid appropriation
23 through the continuation of limits on the growth of general fund budgets
24 of districts.

25 Sec. 4. (1) For school fiscal years prior to school fiscal year
26 2022-23, the state aid for each school district shall equal the sum to be
27 paid to such school district for such school fiscal year as equalization
28 aid calculated pursuant to section 79-1008.01, allocated income tax funds
29 calculated pursuant to section 79-1005.01, net option funding calculated
30 pursuant to section 79-1009, community achievement plan aid calculated
31 pursuant to section 79-1005, and adjustments due to changes in school

1 district boundaries pursuant to section 79-1065.02.

2 (2) For school fiscal years 2022-23 and 2023-24, the state aid for
3 each school district shall equal the sum to be paid to such school
4 district for such school fiscal year as education stabilization base aid
5 calculated pursuant to section 13 of this act, equalization aid
6 calculated pursuant to section 79-1008.01, allocated income tax funds
7 calculated pursuant to section 79-1005.01, hold harmless adjustments
8 calculated pursuant to section 15 of this act, and adjustments due to
9 changes in school district boundaries pursuant to section 79-1065.02.

10 (3) For school fiscal year 2024-25 and each school fiscal year
11 thereafter, the state aid for each school district shall equal the sum to
12 be paid to such school district for such school fiscal year as education
13 stabilization base aid calculated pursuant to section 13 of this act,
14 equalization aid calculated pursuant to section 79-1008.01, allocated
15 income tax funds calculated pursuant to section 79-1005.01, and any
16 adjustments due to changes in school district boundaries pursuant to
17 section 79-1065.02.

18 Sec. 5. Section 79-1003, Revised Statutes Supplement, 2021, is
19 amended to read:

20 79-1003 For purposes of the Tax Equity and Educational Opportunities
21 Support Act:

22 (1) Adjusted general fund operating expenditures means the
23 difference of the general fund operating expenditures increased by the
24 cost growth factor calculated pursuant to section 79-1007.10, minus (a)
25 for school fiscal years prior to school fiscal year 2022-23, the
26 transportation allowance, special receipts allowance, poverty allowance,
27 limited English proficiency allowance, distance education and
28 telecommunications allowance, elementary site allowance, summer school
29 allowance, community achievement plan allowance, and focus school and
30 program allowance or (b) for school fiscal year 2022-23 and each school
31 fiscal year thereafter, the transportation allowance, special receipts

1 allowance, poverty allowance, limited English proficiency allowance,
2 distance education and telecommunications allowance, elementary site
3 allowance, summer school allowance, and focus school and program
4 allowance;

5 (2) Adjusted valuation means the assessed valuation of taxable
6 property of each local system in the state, adjusted pursuant to the
7 adjustment factors described in section 79-1016. Adjusted valuation means
8 the adjusted valuation for the property tax year ending during the school
9 fiscal year immediately preceding the school fiscal year in which the aid
10 based upon that value is to be paid. For purposes of determining the
11 local effort rate yield pursuant to section 79-1015.01, adjusted
12 valuation does not include the value of any property which a court, by a
13 final judgment from which no appeal is taken, has declared to be
14 nontaxable or exempt from taxation;

15 (3) Allocated income tax funds means the amount of assistance paid
16 to a local system pursuant to section 79-1005.01;

17 (4) Average daily membership means the average daily membership for
18 grades kindergarten through twelve attributable to the local system, as
19 provided in each district's annual statistical summary, and includes the
20 proportionate share of students enrolled in a public school instructional
21 program on less than a full-time basis;

22 (5) Base fiscal year means the first school fiscal year following
23 the school fiscal year in which the reorganization or unification
24 occurred;

25 (6) Board means the school board of each school district;

26 (7) Categorical funds means funds limited to a specific purpose by
27 federal or state law, including, but not limited to, Title I funds, Title
28 VI funds, federal career and technical education funds, federal school
29 lunch funds, Indian education funds, Head Start funds, and funds received
30 ~~prior to July 1, 2022,~~ from the Nebraska Education Improvement Fund;

31 (8) Consolidate means to voluntarily reduce the number of school

1 districts providing education to a grade group and does not include
2 dissolution pursuant to section 79-498;

3 (9) Converted contract means an expired contract that was in effect
4 for at least fifteen school years beginning prior to school year 2012-13
5 for the education of students in a nonresident district in exchange for
6 tuition from the resident district when the expiration of such contract
7 results in the nonresident district educating students, who would have
8 been covered by the contract if the contract were still in effect, as
9 option students pursuant to the enrollment option program established in
10 section 79-234;

11 (10) Converted contract option student means a student who will be
12 an option student pursuant to the enrollment option program established
13 in section 79-234 for the school fiscal year for which aid is being
14 calculated and who would have been covered by a converted contract if the
15 contract were still in effect and such school fiscal year is the first
16 school fiscal year for which such contract is not in effect;

17 (11) Department means the State Department of Education;

18 (12) District means any school district or unified system as defined
19 in section 79-4,108;

20 (13) Ensuing school fiscal year means the school fiscal year
21 following the current school fiscal year;

22 (14) Equalization aid means the amount of assistance calculated to
23 be paid to a local system pursuant to section 79-1008.01;

24 (15) Fall membership means the total membership in kindergarten
25 through grade twelve attributable to the local system as reported on the
26 fall school district membership reports for each district pursuant to
27 section 79-528;

28 (16) Fiscal year means the state fiscal year which is the period
29 from July 1 to the following June 30;

30 (17) Formula students means:

31 (a) For state aid certified pursuant to section 79-1022, the sum of

1 the product of fall membership from the school fiscal year immediately
2 preceding the school fiscal year in which the aid is to be paid
3 multiplied by the average ratio of average daily membership to fall
4 membership for the second school fiscal year immediately preceding the
5 school fiscal year in which the aid is to be paid and the prior two
6 school fiscal years plus (i) for school fiscal years prior to school
7 fiscal year 2022-23, sixty percent or (ii) for school fiscal year 2022-23
8 and each school fiscal year thereafter, one hundred percent of the
9 qualified early childhood education fall membership plus tuitioned
10 students from the school fiscal year immediately preceding the school
11 fiscal year in which aid is to be paid minus the product of the number of
12 students enrolled in kindergarten that is not full-day kindergarten from
13 the fall membership multiplied by 0.5; and

14 (b) For the final calculation of state aid pursuant to section
15 79-1065, the sum of average daily membership plus (i) for school fiscal
16 years prior to school fiscal year 2022-23, sixty percent or (ii) for
17 school fiscal year 2022-23 and each school fiscal year thereafter, one
18 hundred percent of the qualified early childhood education average daily
19 membership plus tuitioned students minus the product of the number of
20 students enrolled in kindergarten that is not full-day kindergarten from
21 the average daily membership multiplied by 0.5 from the school fiscal
22 year immediately preceding the school fiscal year in which aid was paid;

23 (18) Free lunch and free milk calculated students means, using the
24 most recent data available on November 1 of the school fiscal year
25 immediately preceding the school fiscal year in which aid is to be paid,
26 (a) for schools that did not provide free meals to all students pursuant
27 to the community eligibility provision, students who individually
28 qualified for free lunches or free milk pursuant to the federal Richard
29 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
30 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
31 and sections existed on January 1, 2021, and rules and regulations

1 adopted thereunder, plus (b) for schools that provided free meals to all
2 students pursuant to the community eligibility provision, the greater of
3 the number of students in such school who individually qualified for free
4 lunch or free milk using the most recent school fiscal year for which the
5 school did not provide free meals to all students pursuant to the
6 community eligibility provision or one hundred ten percent of the product
7 of the students who qualified for free meals at such school pursuant to
8 the community eligibility provision multiplied by the identified student
9 percentage calculated pursuant to such federal provision, except that the
10 free lunch and free milk calculated students for any school pursuant to
11 subdivision (18)(b) of this section shall not exceed one hundred percent
12 of the students qualified for free meals at such school pursuant to the
13 community eligibility provision;

14 (19) Full-day kindergarten means kindergarten offered by a district
15 for at least one thousand thirty-two instructional hours;

16 (20) General fund budget of expenditures means the total budget of
17 disbursements and transfers for general fund purposes as certified in the
18 budget statement adopted pursuant to the Nebraska Budget Act, except that
19 for purposes of the limitation imposed in section 79-1023, the general
20 fund budget of expenditures does not include any special grant funds,
21 exclusive of local matching funds, received by a district;

22 (21) General fund expenditures means all expenditures from the
23 general fund;

24 (22) General fund operating expenditures means, for state aid
25 calculated for each school fiscal year, as reported on the annual
26 financial report for the second school fiscal year immediately preceding
27 the school fiscal year in which aid is to be paid, the total general fund
28 expenditures minus (a) the amount of all receipts to the general fund, to
29 the extent that such receipts are not included in local system formula
30 resources, from early childhood education tuition, summer school tuition,
31 educational entities as defined in section 79-1201.01 for providing

1 distance education courses through the Educational Service Unit
2 Coordinating Council to such educational entities, private foundations,
3 individuals, associations, charitable organizations, the textbook loan
4 program authorized by section 79-734, federal impact aid, and levy
5 override elections pursuant to section 77-3444, (b) the amount of
6 expenditures for categorical funds, tuition paid to other school
7 districts, tuition paid to postsecondary institutions for college credit,
8 transportation fees paid to other districts, adult education, community
9 services, redemption of the principal portion of general fund debt
10 service, retirement incentive plans authorized by section 79-855, and
11 staff development assistance authorized by section 79-856, (c) the amount
12 of any transfers from the general fund to any bond fund and transfers
13 from other funds into the general fund, (d) any legal expenses in excess
14 of fifteen-hundredths of one percent of the formula need for the school
15 fiscal year in which the expenses occurred, (e) expenditures to pay for
16 incentives agreed to be paid by a school district to certificated
17 employees in exchange for a voluntary termination of employment for which
18 the State Board of Education approved an exclusion pursuant to
19 subdivision (1)(h), (i), (j), or (k) of section 79-1028.01, (f)(i)
20 expenditures to pay for employer contributions pursuant to subsection (2)
21 of section 79-958 to the School Employees Retirement System of the State
22 of Nebraska to the extent that such expenditures exceed the employer
23 contributions under such subsection that would have been made at a
24 contribution rate of seven and thirty-five hundredths percent or (ii)
25 expenditures to pay for school district contributions pursuant to
26 subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the retirement
27 system established pursuant to the Class V School Employees Retirement
28 Act to the extent that such expenditures exceed the school district
29 contributions under such subdivision that would have been made at a
30 contribution rate of seven and thirty-seven hundredths percent, and (g)
31 any amounts paid by the district for lobbyist fees and expenses reported

1 to the Clerk of the Legislature pursuant to section 49-1483.

2 For purposes of this subdivision (22) of this section, receipts from
3 levy override elections shall equal ninety-nine percent of the difference
4 of the total general fund levy minus the maximum levy authorized pursuant
5 to subdivision (2)(a) of section 77-3442 for the same fiscal year a levy
6 of one dollar and five cents per one hundred dollars of taxable valuation
7 multiplied by the assessed valuation for school districts that have voted
8 pursuant to section 77-3444 to override the maximum levy provided
9 pursuant to section 77-3442;

10 (23) Income tax liability means the amount of the reported income
11 tax liability for resident individuals pursuant to the Nebraska Revenue
12 Act of 1967 less all nonrefundable credits earned and refunds made;

13 (24) Income tax receipts means the amount of income tax collected
14 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
15 credits earned and refunds made;

16 (25) Limited English proficiency students means the number of
17 students with limited English proficiency in a district from the most
18 recent data available on November 1 of the school fiscal year preceding
19 the school fiscal year in which aid is to be paid plus the difference of
20 such students with limited English proficiency minus the average number
21 of limited English proficiency students for such district, prior to such
22 addition, for the three immediately preceding school fiscal years if such
23 difference is greater than zero;

24 (26) Local system means a unified system or a school district;

25 (27) Low-income child means a child under nineteen years of age
26 living in a household having an annual adjusted gross income for the
27 second calendar year preceding the beginning of the school fiscal year
28 for which aid is being calculated equal to or less than the maximum
29 household income pursuant to sections 9(b)(1) and 17(c)(4) of the Richard
30 B. Russell National School Lunch Act, 42 U.S.C. 1758(b)(1) and 42 U.S.C.
31 1766(c)(4), respectively, and sections 3(a)(6) and 4(e)(1)(A) of the

1 Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6) and 42 U.S.C. 1773(e)
2 (1)(A), respectively, as such acts and sections existed on January 1,
3 2021, for a household of that size that would have allowed the child to
4 meet the income qualifications for free meals during the school fiscal
5 year immediately preceding the school fiscal year for which aid is being
6 calculated;

7 (28) Low-income students means the number of low-income children
8 within the district multiplied by the ratio of the formula students in
9 the district divided by the total children under nineteen years of age
10 residing in the district as derived from income tax information;

11 (29) Most recently available complete data year means the most
12 recent single school fiscal year for which the annual financial report,
13 fall school district membership report, annual statistical summary,
14 Nebraska income tax liability by school district for the calendar year in
15 which the majority of the school fiscal year falls, and adjusted
16 valuation data are available;

17 (30) Poverty students means the unadjusted poverty students plus the
18 difference of such unadjusted poverty students minus the average number
19 of poverty students for such district, prior to such addition, for the
20 three immediately preceding school fiscal years if such difference is
21 greater than zero;

22 (31) Qualified early childhood education average daily membership
23 means the product of the average daily membership of students who will be
24 eligible to attend kindergarten the following school year and are
25 enrolled in an early childhood education program approved by the
26 department pursuant to section 79-1103 for such school district for such
27 school year multiplied by the ratio of the actual instructional hours of
28 the program divided by one thousand thirty-two if: (a) The program is
29 receiving a grant pursuant to such section for the third year; (b) the
30 program has already received grants pursuant to such section for three
31 years; or (c) the program has been approved pursuant to subsection (5) of

1 section 79-1103 for such school year and the two preceding school years,
2 including any such students in portions of any of such programs receiving
3 an expansion grant;

4 (32) Qualified early childhood education fall membership means the
5 product of membership on October 1 of each school year of students who
6 will be eligible to attend kindergarten the following school year and are
7 enrolled in an early childhood education program approved by the
8 department pursuant to section 79-1103 for such school district for such
9 school year multiplied by the ratio of the planned instructional hours of
10 the program divided by one thousand thirty-two if: (a) The program is
11 receiving a grant pursuant to such section for the third year; (b) the
12 program has already received grants pursuant to such section for three
13 years; or (c) the program has been approved pursuant to subsection (5) of
14 section 79-1103 for such school year and the two preceding school years,
15 including any such students in portions of any of such programs receiving
16 an expansion grant;

17 (33) Regular route transportation means the transportation of
18 students on regularly scheduled daily routes to and from the schools such
19 students attend;

20 (34) Reorganized district means any district involved in a
21 consolidation and currently educating students following consolidation;

22 (35) School year or school fiscal year means the fiscal year of a
23 school district as defined in section 79-1091;

24 (36) Sparse local system means a local system that is not a very
25 sparse local system but which meets the following criteria:

26 (a)(i) Less than two students per square mile in the county in which
27 each high school is located, based on the school district census, (ii)
28 less than one formula student per square mile in the local system, and
29 (iii) more than ten miles between each high school and the next closest
30 high school on paved roads;

31 (b)(i) Less than one and one-half formula students per square mile

1 in the local system and (ii) more than fifteen miles between each high
2 school and the next closest high school on paved roads;

3 (c)(i) Less than one and one-half formula students per square mile
4 in the local system and (ii) more than two hundred seventy-five square
5 miles in the local system; or

6 (d)(i) Less than two formula students per square mile in the local
7 system and (ii) the local system includes an area equal to ninety-five
8 percent or more of the square miles in the largest county in which a high
9 school is located in the local system;

10 (37) Special education means specially designed kindergarten through
11 grade twelve instruction pursuant to section 79-1125, and includes
12 special education transportation;

13 (38) Special grant funds means the budgeted receipts for grants,
14 including, but not limited to, categorical funds, reimbursements for
15 wards of the court, short-term borrowings including, but not limited to,
16 registered warrants and tax anticipation notes, interfund loans,
17 insurance settlements, and reimbursements to county government for
18 previous overpayment. The state board shall approve a listing of grants
19 that qualify as special grant funds;

20 (39) State aid means the amount of assistance paid to a district
21 pursuant to the Tax Equity and Educational Opportunities Support Act;

22 (40) State board means the State Board of Education;

23 (41) State support means all funds provided to districts by the
24 State of Nebraska for the general fund support of elementary and
25 secondary education;

26 (42) Statewide average basic funding per formula student means the
27 statewide total basic funding for all districts divided by the statewide
28 total formula students for all districts;

29 (43) Statewide average general fund operating expenditures per
30 formula student means the statewide total general fund operating
31 expenditures for all districts divided by the statewide total formula

1 students for all districts;

2 (44) Teacher has the definition found in section 79-101;

3 (45) Tuition receipts from converted contracts means tuition
4 receipts received by a district from another district in the most
5 recently available complete data year pursuant to a converted contract
6 prior to the expiration of the contract;

7 (46) Tuitioned students means students in kindergarten through grade
8 twelve of the district whose tuition is paid by the district to some
9 other district or education agency;

10 (47) Unadjusted poverty students means the greater of the number of
11 low-income students or the free lunch and free milk calculated students
12 in a district; and

13 (48) Very sparse local system means a local system that has:

14 (a)(i) Less than one-half student per square mile in each county in
15 which each high school is located based on the school district census,
16 (ii) less than one formula student per square mile in the local system,
17 and (iii) more than fifteen miles between the high school and the next
18 closest high school on paved roads; or

19 (b)(i) More than four hundred fifty square miles in the local
20 system, (ii) less than one-half student per square mile in the local
21 system, and (iii) more than fifteen miles between each high school and
22 the next closest high school on paved roads.

23 Sec. 6. Section 79-1005, Revised Statutes Cumulative Supplement,
24 2020, is amended to read:

25 79-1005 (1) For school fiscal years prior to school fiscal year
26 2022-23 ~~year 2017-18 and each school fiscal year thereafter~~, the
27 department shall determine the community achievement plan aid to be paid
28 to each school district that will participate in a community achievement
29 plan approved by the State Board of Education ~~pursuant to section 79-2122~~
30 for such school fiscal year. For the first two school fiscal years a
31 school district will participate in such plan, a new community

1 achievement plan adjustment equal to the community achievement aid shall
2 be included in the calculation of formula need for such school district.
3 For all other school fiscal years, a community achievement plan allowance
4 equal to the community achievement aid shall be included in the
5 calculation of formula need for school districts qualifying for community
6 achievement plan aid. Community achievement plan aid shall be included as
7 a formula resource pursuant to section 79-1017.01.

8 (2) Community achievement plan aid shall equal 0.4643 percent of the
9 product of the statewide average general fund operating expenditures per
10 formula student multiplied by the total formula students for all of the
11 member school districts in such learning community. The community
12 achievement plan aid for each learning community shall be divided
13 proportionally among the member school districts based on the sum of two
14 percent of the poverty allowance calculated pursuant to section
15 79-1007.06, two percent of the limited English proficiency allowance
16 calculated pursuant to section 79-1007.08, and, for school districts with
17 poverty students greater than forty percent of the formula students,
18 except as otherwise provided in this section, three percent of the
19 product of the statewide average general fund operating expenditures per
20 formula student multiplied by the difference of the poverty students
21 minus forty percent of the formula students for such school district.

22 ~~(3) For school fiscal year 2017-18, community achievement plan aid~~
23 ~~and a new community achievement plan adjustment shall be calculated for~~
24 ~~school districts that are members of a learning community and shall be~~
25 ~~included in formula resources pursuant to section 79-1017.01 in such~~
26 ~~amount regardless of the status of the approval of a community~~
27 ~~achievement plan, but community achievement plan aid shall not be paid to~~
28 ~~such school districts until a community achievement plan for such~~
29 ~~learning community is approved by the state board. If a community~~
30 ~~achievement plan is not approved for such learning community prior to~~
31 ~~September 1, 2017, the adjustment and aid calculated pursuant to this~~

~~1 section shall be removed for the final calculation of state aid pursuant
2 to section 79-1065 for school fiscal year 2017-18 and such amount shall
3 be subtracted from the state aid appropriated by the Legislature for the
4 determination of the local effort rate pursuant to section 79-1015.01 for
5 the final calculation of state aid for school fiscal year 2017-18.~~

6 Sec. 7. Section 79-1005.01, Revised Statutes Cumulative Supplement,
7 2020, is amended to read:

8 79-1005.01 (1) Not later than November 15 of each year, the Tax
9 Commissioner shall certify to the department for the preceding tax year
10 the income tax liability of resident individuals for each local system.

11 ~~(2) For school fiscal years prior to 2017-18, one hundred two
12 million two hundred eighty-nine thousand eight hundred seventeen dollars
13 which is equal to the amount appropriated to the School District Income
14 Tax Fund for distribution in school fiscal year 1992-93 shall be
15 disbursed as option payments as determined under section 79-1009 and as
16 allocated income tax funds as determined in this section and sections
17 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01. For school fiscal
18 years prior to school fiscal year 2017-18, funds not distributed as
19 allocated income tax funds due to minimum levy adjustments shall not
20 increase the amount available to local systems for distribution as
21 allocated income tax funds.~~

22 ~~(3) Using the data certified by the Tax Commissioner pursuant to
23 subsection (1) of this section, the department shall calculate the
24 allocation percentage and each local system's allocated income tax funds.
25 The allocation percentage shall be the amount stated in subsection (2) of
26 this section minus the total amount paid for option students pursuant to
27 section 79-1009, with the difference divided by the aggregate statewide
28 income tax liability of all resident individuals certified pursuant to
29 subsection (1) of this section. Each local system's allocated income tax
30 funds shall be calculated by multiplying the allocation percentage times
31 the local system's income tax liability certified pursuant to subsection~~

1 ~~(1) of this section.~~

2 ~~(2) (4) For school fiscal years prior to school fiscal year 2022-23~~
3 ~~year 2017-18 and each school fiscal year thereafter, each local system's~~
4 allocated income tax funds shall be calculated by multiplying the local
5 system's income tax liability certified pursuant to subsection (1) of
6 this section by two and twenty-three hundredths percent.

7 ~~(3) For school fiscal year 2022-23, each local system's allocated~~
8 ~~income tax funds shall be calculated by multiplying the local system's~~
9 ~~income tax liability certified pursuant to subsection (1) of this section~~
10 ~~by ten percent.~~

11 ~~(4) For school fiscal year 2023-24 and each school fiscal year~~
12 ~~thereafter, each local system's allocated income tax funds shall be~~
13 ~~calculated by multiplying the local system's income tax liability~~
14 ~~certified pursuant to subsection (1) of this section by twenty percent.~~

15 Sec. 8. Section 79-1007.11, Revised Statutes Supplement, 2021, is
16 amended to read:

17 79-1007.11 (1) ~~For school fiscal years prior to school fiscal year~~
18 ~~2022-23:~~

19 ~~(a) Except as otherwise provided in this section, each school~~
20 district's formula need shall equal the difference of the sum of the
21 school district's basic funding, poverty allowance, limited English
22 proficiency allowance, focus school and program allowance, summer school
23 allowance, special receipts allowance, transportation allowance,
24 elementary site allowance, distance education and telecommunications
25 allowance, community achievement plan allowance, averaging adjustment,
26 new community achievement plan adjustment, student growth adjustment, any
27 positive student growth adjustment correction, and new school adjustment
28 minus the sum of the limited English proficiency allowance correction,
29 poverty allowance correction, and any negative student growth adjustment
30 correction.

31 ~~(b) (2) If the formula need calculated for a school district~~

1 pursuant to subdivision (1)(a) ~~subsection (1)~~ of this section is less
2 than one hundred percent of the formula need for such district for the
3 school fiscal year immediately preceding the school fiscal year for which
4 aid is being calculated, the formula need for such district shall equal
5 one hundred percent of the formula need for such district for the school
6 fiscal year immediately preceding the school fiscal year for which aid is
7 being calculated.

8 (c) ~~(3)~~ If the formula need calculated for a school district
9 pursuant to subdivision (1)(a) ~~subsection (1)~~ of this section is more
10 than one hundred twelve percent of the formula need for such district for
11 the school fiscal year immediately preceding the school fiscal year for
12 which aid is being calculated, the formula need for such district shall
13 equal one hundred twelve percent of the formula need for such district
14 for the school fiscal year immediately preceding the school fiscal year
15 for which aid is being calculated, except that the formula need shall not
16 be reduced pursuant to this subdivision ~~subsection~~ for any district
17 receiving a student growth adjustment for the school fiscal year for
18 which aid is being calculated.

19 (d) ~~(4)~~ For purposes of subdivisions (1)(b) and (c) ~~subsections (2)~~
20 ~~and (3)~~ of this section, the formula need for the school fiscal year
21 immediately preceding the school fiscal year for which aid is being
22 calculated shall be the formula need used in the final calculation of aid
23 pursuant to section 79-1065 and for districts that were affected by a
24 reorganization with an effective date in the calendar year preceding the
25 calendar year in which aid is certified for the school fiscal year for
26 which aid is being calculated, the formula need for the school fiscal
27 year immediately preceding the school fiscal year for which aid is being
28 calculated shall be attributed to the affected school districts based on
29 information provided to the department by the school districts or
30 proportionally based on the adjusted valuation transferred if sufficient
31 information has not been provided to the department.

1 (2) For school fiscal year 2022-23 and each school fiscal year
2 thereafter, each school district's formula need shall equal the
3 difference of the sum of the school district's basic funding, poverty
4 allowance, limited English proficiency allowance, focus school and
5 program allowance, summer school allowance, special receipts allowance,
6 transportation allowance, elementary site allowance, distance education
7 and telecommunications allowance, averaging adjustment, student growth
8 adjustment, positive student growth adjustment correction, and new school
9 adjustment minus the sum of the limited English proficiency allowance
10 correction, poverty allowance correction, and negative student growth
11 adjustment correction.

12 Sec. 9. Section 79-1007.13, Revised Statutes Cumulative Supplement,
13 2020, is amended to read:

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

19 Sec. 10. Section 79-1008.01, Revised Statutes Cumulative Supplement,
20 2020, is amended to read:

21 79-1008.01 (1) Except as otherwise provided in this section, each
22 ~~Each~~ local system shall receive equalization aid in the amount that the
23 total formula need, as determined pursuant to section 79-1007.11, exceeds
24 its total formula resources, as determined pursuant to section
25 79-1017.01.

26 (2) The equalization aid for a local system shall be zero if the
27 total formula resources equals or exceeds the total formula need for such
28 local system.

29 (3) For school fiscal year 2022-23 and each school fiscal year
30 thereafter, if the state and local spending authority aid adjustment
31 calculated for any local system pursuant to section 20 of this act is

1 greater than zero, the equalization aid for such local system shall equal
2 the equalization aid calculated pursuant to subsections (1) and (2) of
3 this section minus such state and local spending authority aid
4 adjustment.

5 Sec. 11. Section 79-1009, Revised Statutes Cumulative Supplement,
6 2020, is amended to read:

7 79-1009 (1)(a) For school fiscal years prior to school fiscal year
8 2022-23, a A district shall receive net option funding if (i) option
9 students as defined in section 79-233 were actually enrolled in the
10 school year immediately preceding the school year in which the aid is to
11 be paid or ~~∟~~ (ii) option students as defined in such section will be
12 enrolled in the school year in which the aid is to be paid as converted
13 contract option students, ~~or (iii) for the calculation of aid for school~~
14 ~~fiscal year 2017-18 for school districts that are members of a learning~~
15 ~~community, open enrollment students were actually enrolled for school~~
16 ~~year 2016-17 pursuant to section 79-2110.~~

17 (b) The determination of the net number of option students shall be
18 based on (i) the number of students enrolled in the district as option
19 students and the number of students residing in the district but enrolled
20 in another district as option students as of the day of the fall
21 membership count pursuant to section 79-528, for the school fiscal year
22 immediately preceding the school fiscal year in which aid is to be paid
23 and ~~∟~~ (ii) the number of option students that will be enrolled in the
24 district or enrolled in another district as converted contract option
25 students for the fiscal year in which the aid is to be paid, ~~and (iii)~~
26 ~~for the calculation of aid for school fiscal year 2017-18 for school~~
27 ~~districts that are members of a learning community, the number of~~
28 ~~students enrolled in the district as open enrollment students and the~~
29 ~~number of students residing in the district but enrolled in another~~
30 ~~district as open enrollment students as of the day of the fall membership~~
31 ~~count pursuant to section 79-528 for school fiscal year 2016-17.~~

1 (c) ~~Net~~ Except as otherwise provided in this subsection, net number
2 of option students means the difference of the number of option students
3 enrolled in the district minus the number of students residing in the
4 district but enrolled in another district as option students.—For
5 purposes of the calculation of aid for school fiscal year 2017-18 for
6 school districts that are members of a learning community, net number of
7 option students means the difference of the number of students residing
8 in another school district who are option students or open enrollment
9 students enrolled in the district minus the number of students residing
10 in the district but enrolled in another district as option students or
11 open enrollment students.

12 (2) ~~Net~~ (2)(a) For all school fiscal years except school fiscal
13 years 2017-18 and 2018-19, net option funding shall be the product of the
14 net number of option students multiplied by the statewide average basic
15 funding per formula student.

16 (b) For school fiscal years 2017-18 and 2018-19, net option funding
17 shall be the product of the net number of option students multiplied by
18 ninety-five and five-tenths percent of the statewide average basic
19 funding per formula student.

20 (3) A district's net option funding shall be zero if the calculation
21 produces a negative result.

22 ~~Payments made under this section for school fiscal years prior to~~
23 ~~school fiscal year 2017-18 shall be made from the funds to be disbursed~~
24 ~~under section 79-1005.01.~~

25 Such payments shall go directly to the option school district but
26 shall count as a formula resource for the local system.

27 Sec. 12. Section 79-1009.01, Reissue Revised Statutes of Nebraska,
28 is amended to read:

29 79-1009.01 For school fiscal years prior to school fiscal year
30 2022-23 ~~2027-28~~, a district which will have converted contract option
31 students shall apply to the department on a form approved by the

1 department within fifteen days after April 27, 2011, for converted
2 contract option students for school fiscal year 2011-12 and on or before
3 November 1 of the calendar year preceding the beginning of all other
4 school fiscal years for which there will be converted contract option
5 students. The department shall determine the amount of tuition receipts
6 from converted contracts to be excluded from the calculation of local
7 system formula resources for each of the first two school fiscal years
8 for which the converted contract will not be in effect and shall
9 determine the number of converted contract option students to be
10 attributed to the receiving district in the calculation of state aid for
11 the first school fiscal year for which the converted contract will not be
12 in effect, and the same number shall be attributed as optioning out of
13 the resident school district. In the final calculation of state aid
14 pursuant to section 79-1065, students that were attributed as optioning
15 into or out of a district shall be replaced with the actual number from
16 fall membership. The department shall notify the applicant district
17 within thirty days after receipt of the completed application.

18 Sec. 13. (1) For school fiscal year 2022-23 and each school fiscal
19 year thereafter, the department shall determine the education
20 stabilization base aid to be paid to each school district from money
21 appropriated from the Education Stabilization Base Aid Trust Fund and any
22 additional appropriations by the Legislature as provided in this section.

23 (2) For school fiscal year 2022-23, the education stabilization base
24 shall equal five hundred fifty dollars per formula student.

25 (3) For school fiscal year 2023-24, the education stabilization base
26 shall equal one thousand one hundred dollars per formula student.

27 (4) For school fiscal year 2024-25 and each school fiscal year
28 thereafter, the education stabilization base shall equal the education
29 stabilization base for the school fiscal year immediately preceding the
30 school fiscal year for which the education stabilization base is being
31 calculated multiplied by the basic allowable growth rate pursuant to

1 section 79-1025 for the school fiscal year for which education
2 stabilization base aid is being calculated.

3 (5) The education stabilization base aid to be paid to each school
4 district in each school fiscal year shall equal the education
5 stabilization base multiplied by the number of formula students for such
6 school district.

7 (6) For each school fiscal year, if the total education
8 stabilization base aid for all school districts is less than the total
9 amount transferred to the Education Stabilization Base Aid Trust Fund
10 during the state fiscal year immediately preceding the state fiscal year
11 during which the calculation is being made, such difference shall be
12 reserved in the fund for future education stabilization base aid payments
13 pursuant to subsection (7) of this section.

14 (7) For each school fiscal year, if the total education
15 stabilization base aid for all school districts is greater than the total
16 amount transferred to the Education Stabilization Base Aid Trust Fund
17 during the state fiscal year immediately preceding the state fiscal year
18 during which the calculation is being made:

19 (i) Any money in the Education Stabilization Base Aid Trust Fund
20 reserved for future payments pursuant to subsection (6) of this section
21 shall be used to, if possible, fund education stabilization base aid as
22 calculated pursuant to subsection (5) of this section; and

23 (ii) If there is not enough money in the Education Stabilization
24 Base Aid Trust Fund to fund education stabilization base aid as
25 calculated pursuant to subsection (5) of this section, the State
26 Treasurer shall transfer from the General Fund to the Education
27 Stabilization Base Aid Trust Fund the amount necessary to pay education
28 stabilization base aid at such level.

29 (8) Education stabilization base aid shall be paid directly to the
30 school district, but shall count as a formula resource for the local
31 system.

1 Sec. 14. (1) The Education Stabilization Base Aid Trust Fund is
2 created.

3 (2) The Education Stabilization Base Aid Trust Fund shall consist of
4 money transferred to the fund by the State Treasurer, and all such money
5 shall be held in trust solely for the purposes described in this section.

6 (3) The State Treasurer shall disburse money transferred into the
7 Education Stabilization Base Aid Trust Fund to the State Department of
8 Education monthly as appropriated by the Legislature to provide education
9 stabilization base aid pursuant to section 13 of this act. Any excess
10 money in the fund shall be reserved for future payments of education
11 stabilization base aid.

12 (4) Any money in the Education Stabilization Base Aid Trust Fund
13 available for investment shall be invested by the state investment
14 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
15 State Funds Investment Act, and the earnings, if any, shall be credited
16 to the fund.

17 Sec. 15. For school fiscal years 2022-23 and 2023-24, the
18 department shall calculate a hold harmless adjustment for each school
19 district. The hold harmless adjustment shall equal the greater of zero or
20 the difference of the state aid calculated prior to any hold harmless
21 adjustment for the school district for such school fiscal year minus the
22 state aid certified for such school district for school fiscal year
23 2021-22. The hold harmless adjustment shall be paid directly to the
24 school district as part of the school district's state aid.

25 Sec. 16. Section 79-1015.01, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 79-1015.01 (1) Local system formula resources shall include local
28 effort rate yield which shall be computed as prescribed in this section.

29 (2) For each school fiscal years prior to school fiscal year 2022-23
30 year except school fiscal years 2017-18 and 2018-19: (a) For state aid
31 certified pursuant to section 79-1022, the local effort rate shall be the

1 maximum levy, for the school fiscal year for which aid is being
2 certified, authorized pursuant to subdivision (2)(a) of section 77-3442
3 less five cents; (b) for the final calculation of state aid pursuant to
4 section 79-1065, the local effort rate shall be the rate which, when
5 multiplied by the total adjusted valuation of all taxable property in
6 local systems receiving equalization aid pursuant to the Tax Equity and
7 Educational Opportunities Support Act, will produce the amount needed to
8 support the total formula need of such local systems when added to state
9 aid appropriated by the Legislature and other actual receipts of local
10 systems described in section 79-1018.01; and (c) the local effort rate
11 yield for such school fiscal years shall be determined by multiplying
12 each local system's total adjusted valuation by the local effort rate.

13 (3) For school fiscal year 2022-23 years ~~2017-18 and 2018-19~~: (a)
14 For state aid certified pursuant to section 79-1022, the local effort
15 rate shall be the maximum levy, for the school fiscal year for which aid
16 is being certified, authorized pursuant to subdivision (2)(a) of section
17 77-3442 less ten two and ninety seven hundredths cents; (b) for the final
18 calculation of state aid pursuant to section 79-1065, the local effort
19 rate shall be the rate which, when multiplied by the total adjusted
20 valuation of all taxable property in local systems receiving equalization
21 aid pursuant to the Tax Equity and Educational Opportunities Support Act,
22 will produce the amount needed to support the total formula need of such
23 local systems when added to state aid appropriated by the Legislature and
24 other actual receipts of local systems described in section 79-1018.01;
25 and (c) the local effort rate yield for such school fiscal years shall be
26 determined by multiplying each local system's total adjusted valuation by
27 the local effort rate.

28 (4) Except as provided in subsection (5) of this section, for school
29 fiscal year 2023-24 and each school fiscal year thereafter: (a) For state
30 aid certified pursuant to section 79-1022, the local effort rate shall be
31 the maximum levy, for the school fiscal year for which aid is being

1 certified, authorized pursuant to subdivision (2)(a) of section 77-3442
2 less twenty cents; (b) for the final calculation of state aid pursuant to
3 section 79-1065, the local effort rate shall be the rate which, when
4 multiplied by the total adjusted valuation of all taxable property in
5 local systems receiving equalization aid pursuant to the Tax Equity and
6 Educational Opportunities Support Act, will produce the amount needed to
7 support the total formula need of such local systems when added to state
8 aid appropriated by the Legislature and other actual receipts of local
9 systems described in section 79-1018.01; and (c) the local effort rate
10 yield for such school fiscal years shall be determined by multiplying
11 each local system's total adjusted valuation by the local effort rate.

12 (5) For school fiscal year 2023-24 and each school fiscal year
13 thereafter, if (a) the total sales and use tax collected for the
14 immediately preceding fiscal year has dropped to a rate lower than the
15 amount collected in the second preceding fiscal year and (b) the total
16 General Fund revenues collected for the state during the immediately
17 preceding fiscal year have dropped to a rate lower than the amount
18 collected in the second preceding fiscal year, the Legislature may adjust
19 the local effort rate for one year to a rate no less than seventy-five
20 cents and no greater than eighty-five cents.

21 Sec. 17. Section 79-1017.01, Revised Statutes Cumulative Supplement,
22 2020, is amended to read:

23 79-1017.01 (1) For state aid calculated for each school fiscal year
24 prior to school fiscal year 2022-23, local system formula resources
25 includes other actual receipts determined pursuant to section 79-1018.01,
26 net option funding determined pursuant to section 79-1009, allocated
27 income tax funds determined pursuant to section 79-1005.01, and community
28 achievement plan aid determined pursuant to section 79-1005, and is
29 reduced by amounts paid by the district in the most recently available
30 complete data year as property tax refunds pursuant to or in the manner
31 prescribed by section 77-1736.06.

1 (2) For state aid calculated for school fiscal year 2022-23 and each
2 school fiscal year thereafter, local system formula resources includes
3 education stabilization base aid determined pursuant to section 13 of
4 this act, other actual receipts determined pursuant to section
5 79-1018.01, local effort rate yield determined pursuant to section
6 79-1015.01, and allocated income tax funds determined pursuant to section
7 79-1005.01, and is reduced by amounts paid by the district in the most
8 recently available complete data year as property tax refunds pursuant to
9 or in the manner prescribed by section 77-1736.06.

10 Sec. 18. Section 79-1018.01, Revised Statutes Cumulative Supplement,
11 2020, is amended to read:

12 79-1018.01 (1)(a) Except as otherwise provided in this section,
13 local system formula resources include other actual receipts available
14 for the funding of general fund operating expenditures as determined by
15 the department for the second school fiscal year immediately preceding
16 the school fiscal year in which aid is to be paid.

17 (b) For school fiscal years prior to school fiscal year 2022-23,
18 other ~~Other~~ actual receipts include:

19 (i) ~~(1)~~ Public power district sales tax revenue;

20 (ii) ~~(2)~~ Fines, penalties, and license money distributed in
21 accordance with Article VII, section 5, of the Constitution of Nebraska
22 fees;

23 (iii) ~~(3)~~ Tuition receipts from individuals, other districts, or any
24 other source except receipts derived from adult education, receipts
25 derived from summer school tuition, receipts derived from early childhood
26 education tuition, tuition receipts from converted contracts beginning
27 with the calculation of state aid to be distributed in school fiscal year
28 2011-12, and receipts from educational entities as defined in section
29 79-1201.01 for providing distance education courses through the
30 Educational Service Unit Coordinating Council to such educational
31 entities;

- 1 ~~(iv)~~ ~~(4)~~ Transportation receipts;
- 2 ~~(v)~~ ~~(5)~~ Interest on investments;
- 3 ~~(vi)~~ ~~(6)~~ Other miscellaneous noncategorical local receipts, not
4 including receipts from private foundations, individuals, associations,
5 or charitable organizations;
- 6 ~~(vii)~~ ~~(7)~~ Special education receipts;
- 7 ~~(viii)~~ ~~(8)~~ Special education receipts and non-special education
8 receipts from the state for wards of the court and wards of the state;
- 9 ~~(ix)~~ ~~(9)~~ All receipts from the temporary school fund. Receipts from
10 the temporary school fund shall only include ~~(A)~~ ~~(a)~~ receipts pursuant to
11 section 79-1035 and ~~(B)~~ ~~(b)~~ the receipt of funds pursuant to section
12 79-1036 for property leased for a public purpose as set forth in
13 subdivision (1)(a) of section 77-202;
- 14 ~~(x)~~ ~~(10)~~ Motor vehicle tax receipts received;
- 15 ~~(xi)~~ ~~(11)~~ Pro rata motor vehicle license fee receipts;
- 16 ~~(xii)~~ ~~(12)~~ Other miscellaneous state receipts excluding revenue from
17 the textbook loan program authorized by section 79-734;
- 18 ~~(xiii)~~ ~~(13)~~ Impact aid entitlements for the school fiscal year which
19 have actually been received by the district to the extent allowed by
20 federal law;
- 21 ~~(xiv)~~ ~~(14)~~ All other noncategorical federal receipts;
- 22 ~~(xv)~~ ~~(15)~~ Receipts under the federal Medicare Catastrophic Coverage
23 Act of 1988, as such act existed on January 1, 2014, as authorized
24 pursuant to sections 43-2510 and 43-2511 for services to school-age
25 children, excluding amounts designated as reimbursement for costs
26 associated with the implementation and administration of the billing
27 system pursuant to section 43-2511;
- 28 ~~(xvi)~~ ~~(16)~~ Receipts for accelerated or differentiated curriculum
29 programs pursuant to sections 79-1106 to 79-1108.03; and
- 30 ~~(xvii)~~ ~~(17)~~ Revenue received from the nameplate capacity tax
31 distributed pursuant to section 77-6204.

1 (c) For school fiscal year 2022-23 and each school fiscal year
2 thereafter, other actual receipts include:

3 (i) Tuition receipts from individuals, other districts, or any other
4 source except receipts derived from adult education, receipts derived
5 from summer school tuition, receipts derived from early childhood
6 education tuition, tuition receipts from converted contracts beginning
7 with the calculation of state aid to be distributed in school fiscal year
8 2011-12, and receipts from educational entities as defined in section
9 79-1201.01 for providing distance education courses through the
10 Educational Service Unit Coordinating Council to such educational
11 entities;

12 (ii) Transportation receipts;

13 (iii) Special education receipts;

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

16 (v) Impact aid entitlements for the school fiscal year which have
17 actually been received by the school district to the extent allowed by
18 federal law;

19 (vi) Accelerated or differentiated curriculum program receipts
20 pursuant to sections 79-1106 to 79-1108.03; and

21 (vii) Receipts under the federal Medicare Catastrophic Coverage Act
22 of 1988, as such act existed on January 1, 2014, as authorized pursuant
23 to sections 43-2510 and 43-2511 for services to school-age children,
24 excluding amounts designated as reimbursement for costs associated with
25 the implementation and administration of the billing system pursuant to
26 section 43-2511.

27 (2) For school fiscal year 2022-23 and each school fiscal year
28 thereafter, except as otherwise provided in this section, total state and
29 local spending authority includes additional revenue receipts available
30 for the funding of general fund operating expenditures as determined by
31 the department for the second school fiscal year immediately preceding

1 the school fiscal year in which aid is to be paid. Additional revenue
2 receipts include:

3 (a) Public power district sales tax revenue;

4 (b) Fines, penalties, and license money distributed in accordance
5 with Article VII, section 5, of the Constitution of Nebraska;

6 (c) Interest on investments;

7 (d) Other miscellaneous noncategorical local receipts, not including
8 receipts from private foundations, individuals, associations, or
9 charitable organizations;

10 (e) All receipts from the temporary school fund. Receipts from the
11 temporary school fund shall only include (i) receipts pursuant to section
12 79-1035 and (ii) the receipt of funds pursuant to section 79-1036 for
13 property leased for a public purpose as set forth in subdivision (1)(a)
14 of section 77-202;

15 (f) Motor vehicle tax receipts received;

16 (g) Pro rata motor vehicle license fee receipts;

17 (h) Other miscellaneous state receipts excluding revenue from the
18 textbook loan program authorized by section 79-734; and

19 (i) Revenue received from the nameplate capacity tax distributed
20 pursuant to section 77-6204.

21 Sec. 19. (1) For school fiscal year 2022-23 and each school fiscal
22 year thereafter, the total state and local spending authority for each
23 school district shall equal the sum of the budget authority for the
24 general fund budget of expenditures pursuant to section 79-1023,
25 exclusions to the budget authority pursuant to section 79-1028.01, and
26 the projected state and local special education expenditures as would be
27 reported for federal special education maintenance of effort purposes.

28 (2) For school fiscal year 2022-23 and each school fiscal year
29 thereafter, no school district shall collect state and local revenue in
30 excess of the total state and local spending authority for such school
31 district.

1 Sec. 20. (1) The State Department of Education shall calculate a
2 total state and local spending authority aid adjustment for each school
3 district as follows:

4 (a) Add other actual receipts pursuant to section 79-1018.01 to the
5 school district's formula need calculated pursuant to section 79-1007.11;

6 (b) Subtract the total calculated pursuant to subdivision (a) of
7 this subsection from the total state and local spending authority
8 calculated pursuant to section 19 of this act;

9 (c) If the difference calculated pursuant to subdivision (b) of this
10 subsection is greater than zero, the state and local spending authority
11 aid adjustment shall equal such difference except that the state and
12 local spending authority adjustment shall not exceed the equalization aid
13 calculated pursuant to subsection (1) of section 79-1008.01; and

14 (d) If the difference calculated pursuant to subdivision (b) of this
15 subsection is less than or equal to zero, the state and local spending
16 authority aid adjustment shall equal zero.

17 (2) Equalization aid shall be reduced by the state and local
18 spending authority aid adjustment pursuant to section 79-1008.01.

19 Sec. 21. (1) For school fiscal year 2022-23 and each school fiscal
20 year thereafter, the department shall calculate a projected general fund
21 tax asking for the immediately following school fiscal year for each
22 school district.

23 (2) The projected general fund tax asking shall equal the total
24 state and local spending authority pursuant to section 19 of this act
25 minus the sum of the education stabilization base aid to be paid pursuant
26 to section 13 of this act, allocated income tax funds pursuant to section
27 79-1005.01, equalization aid pursuant to section 79-1008.01, other actual
28 receipts and additional revenue receipts determined pursuant to section
29 79-1018.01, and, for school fiscal years 2022-23 and 2023-24, any hold
30 harmless adjustment pursuant to section 15 of this act, less any state
31 and local spending authority aid adjustment pursuant to section 20 of

1 this act.

2 (3) Each school district shall calculate a district-specific maximum
3 levy on the proposed budget statement prescribed by the Auditor of Public
4 Accounts pursuant to subsection (1) of section 13-504. Except as provided
5 in subsection (4) of this section, the district-specific maximum levy
6 shall equal the projected general fund tax asking calculated pursuant to
7 subsection (2) of this section multiplied by one hundred and divided by
8 the total current taxable value of all taxable property in such school
9 district as certified by the county assessor pursuant to section 13-509.

10 (4) If the district-specific maximum levy calculated pursuant to
11 subsection (3) of this section for a school district is greater than the
12 maximum levy authorized pursuant to subdivision (2)(a) of section
13 77-3442, the district-specific maximum levy for such school district
14 shall equal such maximum levy.

15 (5) A school district may exceed the district-specific maximum levy
16 determined pursuant to subsections (3) and (4) of this section by an
17 amount approved by a two-thirds majority of all members of the school
18 board of such school district, not to exceed the maximum levy authorized
19 pursuant to subdivision (2)(a) of section 77-3442.

20 Sec. 22. Section 79-1022, Revised Statutes Cumulative Supplement,
21 2020, is amended to read:

22 79-1022 (1) On or before May 15, 2022 ~~1, 2020~~, and on or before
23 March 1 of each year thereafter, the department shall determine, publish
24 on its website for the public, and certify to the Director of
25 Administrative Services, the Auditor of Public Accounts, the State
26 Treasurer, and each school district the following information for each
27 local system and school district for the ensuing school fiscal year: the
28 amounts to be distributed to each local system for the ensuing school
29 fiscal year pursuant to the Tax Equity and Educational Opportunities
30 Support Act

31 (a) For school fiscal years 2022-23 and 2023-24:

- 1 (i) The state aid to be paid pursuant to section 4 of this act;
2 (ii) Allocated income tax funds to be paid as a part of state aid
3 pursuant to section 79-1005.01;
4 (iii) Education stabilization base aid to be paid as a part of state
5 aid pursuant to section 13 of this act;
6 (iv) Equalization aid to be paid as a part of state aid pursuant to
7 section 79-1008.01;
8 (v) Any hold harmless adjustment to be paid as a part of state aid
9 pursuant to section 15 of this act;
10 (vi) The projected general fund tax asking calculated pursuant to
11 section 21 of this act;
12 (vii) The budget authority for the general fund budget of
13 expenditures calculated pursuant to section 79-1023; and
14 (viii) The applicable allowable reserve percentage determined
15 pursuant to section 79-1027.
16 (b) For school fiscal year 2024-25 and each school fiscal year
17 thereafter:
18 (i) The state aid to be paid pursuant to section 4 of this act;
19 (ii) Allocated income tax funds to be paid as a part of state aid
20 pursuant to section 79-1005.01;
21 (iii) Education stabilization base aid to be paid as a part of state
22 aid pursuant to section 13 of this act;
23 (iv) Equalization aid to be paid as a part of state aid pursuant to
24 section 79-1008.01;
25 (v) The projected general fund tax asking calculated pursuant to
26 section 21 of this act;
27 (vi) The budget authority for the general fund budget of
28 expenditures for the ensuing school fiscal year calculated pursuant to
29 section 79-1023; and
30 (vii) The applicable allowable reserve percentage determined
31 pursuant to section 79-1027.

1 ~~(2) and shall certify the amounts to the Director of Administrative~~
2 ~~Services, the Auditor of Public Accounts, and each local system.~~ On or
3 before May 15, 2022 ~~1, 2020~~, and on or before March 1 of each year
4 thereafter, the department shall report the necessary funding level for
5 the ensuing school fiscal year to the Governor, the Appropriations
6 Committee of the Legislature, and the Education Committee of the
7 Legislature. The report submitted to the committees of the Legislature
8 shall be submitted electronically.

9 (3) State aid certified pursuant to subsection (1) of this section
10 ~~Except as otherwise provided in this subsection, certified state aid~~
11 ~~amounts, including adjustments pursuant to section 79-1065.02, shall be~~
12 shown as budgeted non-property-tax receipts and deducted prior to
13 calculating the property tax request in the local system's general fund
14 budget statement as provided to the Auditor of Public Accounts pursuant
15 to section 79-1024.

16 ~~(4) (2)~~ Except as provided in this subsection, subsection (8) of
17 section 79-1016, and sections ~~79-1005~~, 79-1033, and 79-1065.02, the state
18 aid amounts certified pursuant to subsection (1) of this section shall be
19 distributed in ten as nearly as possible equal payments on the last
20 business day of each month beginning in September of each ensuing school
21 fiscal year and ending in June of the following year, except that when a
22 local system is to receive a monthly payment of less than one thousand
23 dollars, such payment shall be one lump-sum payment on the last business
24 day of December during the ensuing school fiscal year.

25 Sec. 23. Section 79-1022.02, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 79-1022.02 Notwithstanding any other provision of law, any
28 certification of state aid pursuant to section 79-1022, certification of
29 budget authority pursuant to section 79-1023, and certification of
30 applicable allowable reserve percentages pursuant to section 79-1027
31 completed prior to March 2, 2022 ~~February 13, 2020~~, for school fiscal

1 year ~~2022-23~~ ~~2020-21~~ are null and void.

2 Sec. 24. Section 79-1023, Revised Statutes Supplement, 2021, is
3 amended to read:

4 79-1023 (1) ~~The On or before May 1, 2020, and on or before March 1~~
5 ~~of each year thereafter,~~ the department shall determine and certify
6 pursuant to section 79-1022 to each school district budget authority for
7 the general fund budget of expenditures for each school district for the
8 ensuing school fiscal year.

9 (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and
10 81-829.51, each school district shall have budget authority for the
11 general fund budget of expenditures equal to the greater of (a) the
12 general fund budget of expenditures for the immediately preceding school
13 fiscal year minus exclusions pursuant to subsection (1) of section
14 79-1028.01 for such school fiscal year with the difference increased by
15 the basic allowable growth rate for the school fiscal year for which
16 budget authority is being calculated, (b) the general fund budget of
17 expenditures for the immediately preceding school fiscal year minus
18 exclusions pursuant to subsection (1) of section 79-1028.01 for such
19 school fiscal year with the difference increased by an amount equal to
20 any student growth adjustment calculated for the school fiscal year for
21 which budget authority is being calculated, or (c) one hundred ten
22 percent of formula need for the school fiscal year for which budget
23 authority is being calculated minus the special education budget of
24 expenditures as filed on the school district budget statement on or
25 before September 30 for the immediately preceding school fiscal year,
26 which special education budget of expenditures is increased by the basic
27 allowable growth rate for the school fiscal year for which budget
28 authority is being calculated.

29 (3) For any school fiscal year for which the budget authority for
30 the general fund budget of expenditures for a school district is based on
31 a student growth adjustment, the budget authority for the general fund

1 budget of expenditures for such school district shall be adjusted in
2 future years to reflect any student growth adjustment corrections related
3 to such student growth adjustment.

4 Sec. 25. Section 79-1027, Revised Statutes Cumulative Supplement,
5 2020, is amended to read:

6 79-1027 No district shall adopt a budget, which includes total
7 requirements of depreciation funds, necessary employee benefit fund cash
8 reserves, and necessary general fund cash reserves, exceeding the
9 applicable allowable reserve percentages of total general fund budget of
10 expenditures as specified in the schedule set forth in this section.

11	Average daily	Allowable
12	membership of	reserve
13	district	percentage
14	0 - 471	45
15	471.01 - 3,044	35
16	3,044.01 - 10,000	25
17	10,000.01 and over	20

18 ~~The On or before May 1, 2020, and on or before March 1 each year~~
19 ~~thereafter,~~ the department shall determine and certify pursuant to
20 section 79-1022 each district's applicable allowable reserve percentage
21 for the ensuing school fiscal year.

22 Each district with combined necessary general fund cash reserves,
23 total requirements of depreciation funds, and necessary employee benefit
24 fund cash reserves less than the applicable allowable reserve percentage
25 specified in this section may, notwithstanding the district's applicable
26 allowable growth rate, increase its necessary general fund cash reserves
27 such that the total necessary general fund cash reserves, total
28 requirements of depreciation funds, and necessary employee benefit fund
29 cash reserves do not exceed such applicable allowable reserve percentage.

30 Sec. 26. Section 79-1031, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 79-1031 The department, with assistance from the Property Tax
2 Administrator, the Tax Commissioner or the Tax Commissioner's designee,
3 the Legislative Fiscal Analyst, and the budget division of the Department
4 of Administrative Services, shall annually, on or before November 15,
5 provide an estimate of the necessary funding level for the next school
6 fiscal year under the Tax Equity and Educational Opportunities Support
7 Act to the Governor, the Appropriations Committee of the Legislature, and
8 the Education Committee of the Legislature.

9 Sec. 27. Section 79-1031.01, Revised Statutes Cumulative Supplement,
10 2020, is amended to read:

11 79-1031.01 The Appropriations Committee of the Legislature shall
12 annually include the amount necessary to fund the state aid that will be
13 certified pursuant to section 79-1022 to school districts on or before
14 May 1, 2020, and on or before March 1 of each year thereafter for each
15 ensuing school fiscal year in its recommendations to the Legislature to
16 carry out the requirements of the Tax Equity and Educational
17 Opportunities Support Act.

18 Sec. 28. (1) On or before December 15, 2026, and on or before
19 December 15 every fourth year thereafter, the Education Committee of the
20 Legislature shall submit a report and recommendations regarding the Tax
21 Equity and Educational Opportunities Support Act electronically to the
22 Clerk of the Legislature as provided in this section.

23 (2) The report required by this section shall include, but not be
24 limited to, the following:

25 (a) An analysis of the effectiveness of the Tax Equity and
26 Educational Opportunities Support Act in meeting the legislative intent
27 described in section 79-1002;

28 (b) A summary of any changes that were made to the act since the
29 enactment of this legislative bill, with a focus on the changes made
30 since the last time a report was submitted under this section;

31 (c) A breakdown of the annual funding from the Insurance Tax Fund

1 pursuant to section 77-913, the Education Stabilization Base Aid Trust
2 Fund pursuant to section 14 of this act, and the General Fund;

3 (d) A financial summary of the Education Stabilization Base Aid
4 Trust Fund;

5 (e) A review of property valuation fluctuations by sector;

6 (f) A year-over-year graphical representation of the local effort
7 rate pursuant to section 79-1015.01, the allocated income tax rate
8 pursuant to section 79-1005.01, the basic allowable growth rate pursuant
9 to section 79-1025, the maximum levy for general fund budgets pursuant to
10 section 77-3442, and the per student equalization stabilization base
11 pursuant to section 13 of this act;

12 (g) A brief narrative of any extenuating factors that impacted the
13 economy, school districts, or school finance during the reporting period
14 including, but not limited to, enacted policy changes that have affected
15 revenue receipts; and

16 (h) Any proposed statutory changes to the calculations for formula
17 need pursuant to section 79-1007.11, the budget authority for the general
18 fund budget of expenditures pursuant to section 79-1023, and education
19 stabilization base aid pursuant to section 13 of this act that are needed
20 to better reflect the current economic conditions in the state.

21 (3) The committee may receive assistance from the State Department
22 of Education, the Property Tax Administrator, the Tax Commissioner or the
23 Tax Commissioner's designee, the Legislative Fiscal Analyst, or the
24 budget division of the Department of Administrative Services in preparing
25 the report required by this section.

26 (4) At the discretion of the chairperson of the Education Committee,
27 or at the request of the chairperson of the Appropriations Committee,
28 such report may be submitted on a more frequent basis than required under
29 subsection (1) of this section.

30 Sec. 29. The Legislature finds that adjustments to the Tax Equity
31 and Educational Opportunities Support Act may be necessary during

1 economic downturns in order for the state to continue to meet its
2 education funding goals. In such cases, it is the intent of the
3 Legislature that adjustments be made to the act in the following order of
4 priority:

5 (1) The first priority shall be to, for one year, increase the
6 education stabilization base amount to be paid for each formula student
7 pursuant to section 13 of this act to an amount no greater than necessary
8 to cover the deficit, to the extent funds are available for such purpose;

9 (2) The second priority shall be to adjust the local effort rate as
10 described in subsection (5) of section 79-1015.01; and

11 (3) The third priority shall be to adjust the base limitation as
12 described in section 77-3446.

13 Sec. 30. Section 79-1065.02, Revised Statutes Supplement, 2021, is
14 amended to read:

15 79-1065.02 (1) State aid payments pursuant to the Tax Equity and
16 Educational Opportunities Support Act and payments of core services and
17 technology infrastructure funds pursuant to section 79-1241.03 shall be
18 adjusted when property within the boundaries of a school district or
19 educational service unit is transferred to another school district or
20 educational service unit in response to annexation of the transferred
21 property by a city or village.

22 (2)(a) For a school district to qualify for additional state aid
23 pursuant to this section, the school district from which property is
24 being transferred shall apply on a form prescribed by the State
25 Department of Education on or before August 20 preceding the first school
26 fiscal year for which the property will not be available for taxation for
27 the school district's general fund levy.

28 (b) For an educational service unit to qualify for additional core
29 services and technology infrastructure funds pursuant to this section,
30 the educational service unit from which property is being transferred
31 shall apply on a form prescribed by the State Department of Education on

1 or before August 20 preceding the first school fiscal year for which the
2 property will not be available for taxation for the educational service
3 unit's general fund levy.

4 (3)(a) Upon receipt of an application from a school district, the
5 department, with the assistance of the Property Tax Administrator, shall
6 calculate the amount of additional state aid, if any, that the local
7 system, as defined in section 79-1003, for the applicant school district
8 would have received for such school fiscal year if the adjusted valuation
9 for the transferred property had not been included in the adjusted
10 valuation of such local system for the calculation of state aid for such
11 school fiscal year. On or before September 20 of such school fiscal year,
12 the department shall certify to the applicant school district the amount
13 of additional state aid, if any, such school district will receive.
14 Except as otherwise provided in this subdivision, if such school district
15 receives a lump-sum payment pursuant to subsection (4) ~~(2)~~ of section
16 79-1022, such lump-sum payment shall be increased by the amount of
17 additional state aid. Except as otherwise provided in this subdivision,
18 if such school district does not receive a lump-sum payment pursuant to
19 subsection (4) ~~(2)~~ of section 79-1022, state aid payments shall be
20 increased by one-tenth of the amount of additional state aid for each of
21 the ten state aid payments for such school fiscal year. If a portion of
22 the total reduction calculated pursuant to subdivision (4)(a) of this
23 section for local systems receiving valuation in the transfer of property
24 that is the subject of the application is delayed until future years, the
25 additional state aid to be paid in the school fiscal year described in
26 subdivision (2)(a) of this section shall be reduced by the amount of the
27 total reduction that is delayed until future years. The amount of the
28 reduction shall be paid as additional aid in the next school fiscal year.

29 (b) Upon receipt of an application from an educational service unit,
30 the department, with the assistance of the Property Tax Administrator,
31 shall calculate the amount of additional core services and technology

1 infrastructure funds, if any, that such educational service unit would
2 have received for such school fiscal year if the adjusted valuation for
3 the transferred property had not been included in the adjusted valuation
4 of such educational service unit for the calculation of core services and
5 technology infrastructure funds for such school fiscal year. On or before
6 September 20 of such school fiscal year, the department shall certify to
7 the applicant educational service unit the amount of additional core
8 services and technology infrastructure funds, if any, such educational
9 service unit will receive. Except as otherwise provided in this
10 subdivision, payments of core services and technology infrastructure
11 funds shall be increased by one-tenth of the amount of any additional
12 core services and technology infrastructure funds for each of the ten
13 payments of core services and technology infrastructure funds for such
14 school fiscal year. If a portion of the total reduction calculated
15 pursuant to subdivision (4)(b) of this section for an educational service
16 unit receiving valuation in the transfer of property that is the subject
17 of the application is delayed until future years, the additional state
18 aid or core services and technology infrastructure funds to be paid to
19 the applicant educational service unit in the school fiscal year
20 described in subdivision (2)(b) of this section shall be reduced by the
21 amount of the total reduction that is delayed until future years. The
22 amount of the reduction shall be paid as additional core services and
23 technology infrastructure funds to such educational service unit in the
24 next school fiscal year.

25 (4)(a) The state aid payments shall be reduced for the school
26 districts of each receiving local system. An amount equal to the
27 additional state aid calculated pursuant to subdivision (3)(a) of this
28 section for the local system of an applicant school district shall be
29 attributed to the local systems receiving valuation in such transfer
30 based upon the ratio of the adjusted valuation received by each local
31 system divided by the total adjusted valuation transferred from the

1 applicant school district. For any school district of a receiving local
2 system that receives a lump-sum payment pursuant to subsection ~~(4)~~ (2) of
3 section 79-1022, such lump-sum payment shall be reduced by the amount
4 attributed to the receiving local system. For any school district of a
5 receiving local system that does not receive a lump-sum payment pursuant
6 to subsection ~~(4)~~ (2) of section 79-1022, state aid payments shall be
7 reduced by one-tenth of the amount attributed to such receiving local
8 system for each of the ten state aid payments for such school fiscal
9 year. If the total reduction is greater than the total state aid payments
10 for such school fiscal year, the remainder shall be subtracted from state
11 aid payments in future school fiscal years until the total reduction has
12 been subtracted from state aid payments. On or before September 20 of
13 such school fiscal year, the department shall certify to each school
14 district of the receiving local system the amount of the reduction in
15 state aid.

16 (b) Core services and technology infrastructure funds shall be
17 reduced for each receiving educational service unit. An amount equal to
18 the additional core services and technology infrastructure funds
19 calculated pursuant to subdivision (3)(b) of this section for the
20 applicant educational service unit shall be attributed to the educational
21 service units receiving valuation in such transfer based upon the ratio
22 of the adjusted valuation received by each educational service unit
23 divided by the total adjusted valuation transferred from the applicant
24 educational service unit. Core services and technology infrastructure
25 funds shall be reduced by one-tenth of the amount attributed to any such
26 receiving educational service unit for each of the ten payments of core
27 services and technology infrastructure funds for such school fiscal year.
28 If the total reduction is greater than the total payments of core
29 services and technology infrastructure funds for any such educational
30 service unit for such school fiscal year, the remainder shall be
31 subtracted from payments of core services and technology infrastructure

1 funds in future school fiscal years until the total reduction has been
2 subtracted from such payments. On or before September 20 of such school
3 fiscal year, the department shall certify to the receiving educational
4 service units the amount of the reduction in core services and technology
5 infrastructure funds.

6 (5) For purposes of the final calculation of state aid for school
7 districts pursuant to section 79-1065, the adjusted valuation of the
8 property that was transferred shall also be transferred for purposes of
9 adjusted valuation for the final calculation of state aid. For
10 determining adjustments in state aid pursuant to section 79-1065, the
11 final calculation of state aid shall be compared to the state aid
12 certified for such school fiscal year combined with any adjustments in
13 state aid payments and transfers from other districts pursuant to this
14 section.

15 Sec. 31. Section 79-11,155, Revised Statutes Cumulative Supplement,
16 2020, is amended to read:

17 79-11,155 The Commissioner of Education shall appoint a student
18 achievement coordinator, subject to confirmation by a majority vote of
19 the members of the State Board of Education. The coordinator shall have a
20 background and training in addressing the unique educational needs of
21 low-achieving students, including students in poverty, limited English
22 proficient students, and highly mobile students.

23 The coordinator shall evaluate and coordinate existing resources for
24 effective programs to increase achievement for such students across the
25 state.

26 ~~The coordinator or other department staff designated by the~~
27 ~~Commissioner of Education shall also consult with learning communities,~~
28 ~~educational service units, and school districts on the development,~~
29 ~~implementation, and evaluation of community achievement plans. In~~
30 ~~addition, the coordinator or other department staff designated by the~~
31 ~~commissioner shall conduct an initial review of submitted community~~

1 ~~achievement plans and return the plans with any suggestions or comments~~
2 ~~prior to the final submission of the plan for approval by the State Board~~
3 ~~of Education.~~

4 Sec. 32. Section 79-2104, Revised Statutes Cumulative Supplement,
5 2020, is amended to read:

6 79-2104 A learning community coordinating council shall have the
7 authority to:

8 (1) For fiscal years prior to fiscal year 2017-18, levy a common
9 levy for the general funds of member school districts pursuant to
10 sections 77-3442 and 79-1073;

11 (2) Levy for elementary learning center facility leases, for
12 remodeling of leased elementary learning center facilities, and for up to
13 fifty percent of the estimated cost for focus school or program capital
14 projects approved by the learning community coordinating council pursuant
15 to subdivision (2)(f) of section 77-3442 and section 79-2111;

16 (3) Levy for early childhood education programs for children in
17 poverty, for elementary learning center employees, for contracts with
18 other entities or individuals who are not employees of the learning
19 community for elementary learning center programs and services, and for
20 pilot projects pursuant to subdivision (2)(g) of section 77-3442, except
21 that not more than ten percent of such levy may be used for elementary
22 learning center employees;

23 ~~(4) Develop, submit, administer, and evaluate community achievement~~
24 ~~plans in collaboration with the advisory committee, educational service~~
25 ~~units serving member school districts, member school districts, and the~~
26 ~~student achievement coordinator or other department staff designated by~~
27 ~~the Commissioner of Education;~~

28 (4) ~~(5)~~ Collect, analyze, and report data and information,
29 including, but not limited to, information provided by a school district
30 pursuant to subsection (5) of section 79-201;

31 (5) ~~(6)~~ Approve focus schools and focus programs to be operated by

1 member school districts;

2 ~~(6)~~ ~~(7)~~ Adopt, approve, and implement a diversity plan pursuant to
3 sections 79-2110 and 79-2118;

4 ~~(7)~~ ~~(8)~~ Through school year 2016-17, administer the open enrollment
5 provisions in section 79-2110 for the learning community as part of a
6 diversity plan developed by the council to provide educational
7 opportunities which will result in increased diversity in schools across
8 the learning community;

9 ~~(8)~~ ~~(9)~~ Annually conduct school fairs to provide students and
10 parents the opportunity to explore the educational opportunities
11 available at each school in the learning community and develop other
12 methods for encouraging access to such information and promotional
13 materials;

14 ~~(9)~~ ~~(10)~~ Develop procedures for determining best practices for
15 addressing student achievement barriers and for disseminating such
16 practices within the learning community and to other school districts;

17 ~~(10)~~ ~~(11)~~ Establish and administer elementary learning centers
18 through achievement subcouncils pursuant to sections 79-2112 to 79-2114;

19 ~~(11)~~ ~~(12)~~ Administer the learning community funds distributed to the
20 learning community pursuant to section 79-2111;

21 ~~(12)~~ ~~(13)~~ Establish a procedure for receiving community input and
22 complaints regarding the learning community;

23 ~~(13)~~ ~~(14)~~ Establish a procedure to assist parents, citizens, and
24 member school districts in accessing an approved center pursuant to the
25 Dispute Resolution Act to resolve disputes involving member school
26 districts or the learning community. Such procedure may include payment
27 by the learning community for some mediation services;

28 ~~(14)~~ ~~(15)~~ Establish and administer pilot projects related to
29 enhancing the academic achievement of elementary students, particularly
30 students who face challenges in the educational environment due to
31 factors such as poverty, limited English skills, and mobility;

1 ~~(15) (16)~~ Provide funding to public or private entities engaged in
2 the juvenile justice system providing pre-filing and diversion programming
3 designed to reduce excessive absenteeism and unnecessary involvement with
4 the juvenile justice system; and

5 ~~(16) (17)~~ Hold public hearings at its discretion in response to
6 issues raised by residents regarding the learning community, a member
7 school district, and academic achievement.

8 Sec. 33. Section 79-2104.01, Revised Statutes Cumulative Supplement,
9 2020, is amended to read:

10 79-2104.01 Each learning community coordinating council shall have
11 an advisory committee composed of the superintendent from each member
12 school district or his or her representative. The advisory committee
13 shall:

14 ~~(1) Collaborate with the learning community coordinating council on~~
15 ~~the development, implementation, and evaluation of the community~~
16 ~~achievement plan;~~

17 ~~(1) (2)~~ Review proposals for focus programs, focus schools, magnet
18 schools, and pathways;

19 ~~(2) (3)~~ Provide recommendations for improving the learning
20 community's diversity plan;

21 ~~(3) (4)~~ Review results and provide recommendations to the learning
22 community coordinating council regarding the implementation and
23 administration of early childhood education programs for children in
24 poverty; and

25 ~~(4) (5)~~ Provide input to the learning community coordinating council
26 on other issues as requested.

27 Sec. 34. Section 79-2104.02, Revised Statutes Supplement, 2021, is
28 amended to read:

29 79-2104.02 Each learning community coordinating council shall use
30 any funds received pursuant to section 79-1241.03 for ~~evaluation of~~
31 ~~programs related to the community achievement plan developed with the~~

1 ~~assistance of the student achievement coordinator or other department~~
2 ~~staff designated by the Commissioner of Education and~~ evaluation and
3 research regarding the progress of the learning community pursuant to
4 plans developed by the learning community coordinating council with
5 assistance from the Educational Service Unit Coordinating Council and
6 adjusted on an ongoing basis. The evaluation regarding the progress of
7 the learning community shall be conducted by one or more other entities
8 or individuals who are not employees of the learning community and shall
9 measure progress toward the goals and objectives of the learning
10 community, which goals and objectives shall include reduction of
11 excessive absenteeism of students in the member school districts of the
12 learning community and closing academic achievement gaps based on
13 socioeconomic status, and the effectiveness of the approaches used by the
14 learning community or pilot project to reach such goals and objectives.
15 ~~Any research conducted pursuant to this section shall also be related to~~
16 ~~such goals and objectives or programs related to the community~~
17 ~~achievement plan.~~ Each learning community shall report evaluation and
18 research results electronically to the Education Committee of the
19 Legislature on or before February 1 of each year.

20 Sec. 35. Section 79-2104.03, Revised Statutes Cumulative Supplement,
21 2020, is amended to read:

22 79-2104.03 The advisory committee described in section 79-2104.01
23 shall submit a plan as provided in subdivision (3) ~~(4)~~ of section
24 79-2104.01 to the learning community coordinating council for any early
25 childhood education programs for children in poverty and the services to
26 be provided by such programs. In developing the plan, the advisory
27 committee shall seek input from member school districts and community
28 resources and collaborate with such resources in order to maximize the
29 available opportunities and resources for such programs. The advisory
30 committee may, as part of such plan, recommend services to be provided
31 through contract with, or grants to, school districts to provide or

1 contract for some or all of the services. The advisory committee shall
2 take special efforts to establish early childhood education programs for
3 children in poverty so that such programs are readily available and
4 accessible to children and families located in areas with a high
5 concentration of poverty.

6 Sec. 36. Section 79-2104.04, Revised Statutes Cumulative Supplement,
7 2020, is amended to read:

8 79-2104.04 Each learning community coordinating council shall be
9 required to select at least two members to meet with the advisory
10 committee and learning community administrators at least twice annually
11 to discuss the ~~community achievement plan~~, results of evaluations
12 conducted with learning community or school district funds, best
13 practices for improving achievement, particularly for students with
14 achievement obstacles, learning community programs, and other matters
15 related to improving education for students within the learning community
16 and throughout the state.

17 Sec. 37. Original sections 79-1002, 79-1009.01, and 79-1031,
18 Reissue Revised Statutes of Nebraska, sections 79-703, 79-1001, 79-1005,
19 79-1005.01, 79-1007.13, 79-1008.01, 79-1009, 79-1015.01, 79-1017.01,
20 79-1018.01, 79-1022, 79-1022.02, 79-1027, 79-1031.01, 79-11,155, 79-2104,
21 79-2104.01, 79-2104.03, and 79-2104.04, Revised Statutes Cumulative
22 Supplement, 2020, and sections 79-1003, 79-1007.11, 79-1023, 79-1065.02,
23 and 79-2104.02, Revised Statutes Supplement, 2021, are repealed.

24 Sec. 38. The following section is outright repealed: Section
25 79-2122, Revised Statutes Cumulative Supplement, 2020.

26 Sec. 39. Since an emergency exists, this act takes effect when
27 passed and approved according to law.