

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 132**

Introduced by DeBoer, 10; Brandt, 32; Dorn, 30; Hilkemann, 4;  
McCollister, 20; McKinney, 11; Stinner, 48; Walz, 15;  
Wishart, 27.

Read first time January 07, 2021

Committee:

- 1 A BILL FOR AN ACT relating to school finance; to create the School
- 2 Financing Review Commission; to provide powers and duties; and to
- 3 declare an emergency.
- 4 Be it enacted by the people of the State of Nebraska,

1           Section 1. (1) The School Financing Review Commission is created.  
2 The commission shall consist of sixteen members, including:  
3           (a) The Commissioner of Education or his or her designee;  
4           (b) One representative of the Governor appointed by the Governor;  
5           (c) One representative of postsecondary education with expertise in  
6 school finance;  
7           (d) One member of the Educational Service Unit Coordinating Council;  
8           (e) One school board member and one school administrator each  
9 representing a school district with not more than one thousand two  
10 hundred students;  
11           (f) One school board member and one school administrator each  
12 representing a school district with more than one thousand two hundred  
13 students but not more than ten thousand students;  
14           (g) One school board member and one school administrator each  
15 representing a school district with more than ten thousand students;  
16           (h) Six members from the state at large, two from each congressional  
17 district, who reside in school districts of varied sizes and with varying  
18 percentages of limited English proficiency students and poverty students.  
19 At least one of the members appointed pursuant to this subdivision shall  
20 have experience teaching in a public school as a certificated teacher, at  
21 least one shall have experience in business, and at least one shall have  
22 experience in an agriculture-related business.  
23           (2) The members described in subdivisions (1)(c) through (h) of this  
24 section shall be appointed by the Governor to serve through December 31,  
25 2030. To the extent possible, the membership of the commission shall be  
26 diverse in terms of race, gender, and other demographic factors.  
27 Vacancies shall be filled by the Governor for the remainder of the term.  
28 The Commissioner of Education or his or her designee shall be the  
29 chairperson of the commission, and the commission shall elect a vice-  
30 chairperson from among its members. Members of the commission shall not  
31 receive any compensation for their services but shall be reimbursed for

1 expenses incurred as a member of the commission as provided in sections  
2 81-1174 to 81-1177.

3 (3) The staff of the State Department of Education may assist as  
4 needed and requested by the chairperson of the commission in accordance  
5 with guidelines developed by the commission. The commission may also  
6 obtain assistance from the State Department of Education and the  
7 Department of Revenue in acquiring the data needed to carry out its  
8 duties.

9 (4) For administrative purposes, the commission shall be housed  
10 within the State Department of Education.

11 Sec. 2. (1) The School Financing Review Commission shall conduct an  
12 indepth review of the financing of the public elementary and secondary  
13 schools. As a part of such indepth review, the commission shall:

14 (a) Examine methods of financing public elementary and secondary  
15 schools, including methods used in other states, which would provide  
16 equitable educational opportunities across the state and offer  
17 alternatives to heavy reliance on property tax;

18 (b) Examine the option of using a measure of income as a component  
19 in the financing of public elementary and secondary schools;

20 (c) Examine the option of using sales tax as a component in the  
21 financing of public elementary and secondary schools, including, but not  
22 limited to, an examination of the experience of any other states with  
23 such option;

24 (d) Examine financing issues as they relate to the quality and  
25 performance of public elementary and secondary schools;

26 (e) Examine options for funding public prekindergarten services;

27 (f) Examine options for funding college-readiness and career-  
28 readiness programs, including, but not limited to, programs of  
29 excellence, dual-enrollment courses, and career academies;

30 (g) Examine the costs and resources necessary to meet the diverse  
31 and growing needs of students across the state, including, but not

1 limited to, the needs of poverty students and limited English proficiency  
2 students;

3 (h) Examine methods used by other states to fund public elementary  
4 and secondary school infrastructure needs;

5 (i) Examine other issues related to public elementary and secondary  
6 school finance as necessary and as determined by the chairperson;

7 (j) Prepare a report on the progress of the work of the commission  
8 and submit it electronically to the Legislature on or before December 31,  
9 2021; and

10 (k) Prepare a preliminary report and present it to the Legislative  
11 Council in November 2022. A final report with recommendations on  
12 maintaining adequate and equitable funding for public schools in light of  
13 information gathered through the review shall be presented to the  
14 Governor, the State Board of Education, and electronically to the  
15 Legislature by December 1, 2022.

16 (2) On and after December 1, 2022, to assure that every Nebraskan is  
17 educated for success, the School Financing Review Commission shall:

18 (a) Review the mission of providing Nebraskans the opportunity to  
19 acquire the necessary skills and knowledge to be productive individuals;

20 (b) Review, make recommendations on, and report on progress toward  
21 achieving any goals established by the Legislature and the State  
22 Department of Education related to such mission. The committee may  
23 solicit comments, concerns, and case studies from all sizes of schools in  
24 Nebraska and develop best practices for implementing and achieving such  
25 goals; and

26 (c) Review the implementation of the Tax Equity and Educational  
27 Opportunities Support Act and the implementation of any recommendations  
28 contained in reports issued under subsection (1) of this section.

29 (3) On or before July 1 of each even-numbered year beginning in 2024  
30 and ending in 2030, the School Financing Review Commission shall report  
31 to the Governor, to the State Board of Education, and electronically to

1 the Legislature on the adequacy of school funding sources.

2       Sec. 3. Since an emergency exists, this act takes effect when  
3 passed and approved according to law.