

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1010**

Introduced by Walz, 15; Conrad, 46.

Read first time January 05, 2024

Committee:

- 1 A BILL FOR AN ACT relating to education; to amend sections 79-1021 and
- 2 79-1142, Revised Statutes Supplement, 2023; to provide transfers to
- 3 the Education Future Fund for reimbursements for special education;
- 4 to harmonize provisions; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1021, Revised Statutes Supplement, 2023, is  
2 amended to read:

3 79-1021 (1) The Education Future Fund is created. The fund shall be  
4 administered by the department and shall consist of money transferred to  
5 the fund by the Legislature. Any money in the fund available for  
6 investment shall be invested by the state investment officer pursuant to  
7 the Nebraska Capital Expansion Act and the Nebraska State Funds  
8 Investment Act.

9 (2) The fund shall be used only for the following purposes, in order  
10 of priority:

11 (a) To fully fund equalization aid under the Tax Equity and  
12 Educational Opportunities Support Act;

13 (b) To fund reimbursements related to special education under  
14 section 79-1142;

15 (c) To fund foundation aid under the Tax Equity and Educational  
16 Opportunities Support Act;

17 (d) To increase funding for school districts in a way that results  
18 in direct property tax relief, which means a dollar-for-dollar  
19 replacement of property taxes by a state funding source;

20 (e) To provide funding for a grant program created by the  
21 Legislature to address teacher turnover rates and keep existing teachers  
22 in classrooms;

23 (f) To provide funding to increase career and technical educational  
24 classroom opportunities for students. Such funding must provide students  
25 with the academic and technical skills, knowledge, and training necessary  
26 to succeed in future careers;

27 (g) To provide funding for a grant program created by the  
28 Legislature to provide students the opportunity to have a mentor who will  
29 continuously engage with the student directly to aid in the student's  
30 professional growth and give ongoing support and encouragement to the  
31 student;

1 (h) To provide funding for extraordinary increases in special  
2 education expenditures to allow school districts with large, unexpected  
3 special education expenditures to more easily meet the needs of all  
4 students; and

5 (i) To provide funding to help recruit teachers throughout the state  
6 by utilizing apprenticeships through a teacher apprenticeship program and  
7 an alternative certification process.

8 (3)(a) The State Treasurer shall transfer one billion dollars from  
9 the General Fund to the Education Future Fund in fiscal year 2023-24, on  
10 such dates and in such amounts as directed by the budget administrator of  
11 the budget division of the Department of Administrative Services.

12 (b) The State Treasurer shall transfer two hundred fifty million  
13 dollars from the General Fund to the Education Future Fund in fiscal year  
14 2024-25, on such dates and in such amounts as directed by the budget  
15 administrator of the budget division of the Department of Administrative  
16 Services.

17 (c) It is the intent of the Legislature that two hundred fifty  
18 million dollars be transferred from the General Fund to the Education  
19 Future Fund in fiscal year 2025-26 and each fiscal year thereafter.

20 (4)(a) Every year beginning in 2024, the Department of Revenue shall  
21 certify to the State Treasurer the amount of tax credits that remain  
22 unclaimed under the Nebraska Property Tax Incentive Act for the tax year  
23 completed four years prior. The State Treasurer shall transfer such  
24 amount from the General Fund to the Education Future Fund, and such money  
25 shall be used solely for the purpose described in subdivision (2)(b) of  
26 this section.

27 (b) Any amount transferred pursuant to this subsection shall be in  
28 addition to any amount transferred pursuant to subsection (3) of this  
29 section.

30 Sec. 2. Section 79-1142, Revised Statutes Supplement, 2023, is  
31 amended to read:

1           79-1142 (1) Level I services refers to services provided to children  
2 with disabilities who require an aggregate of not more than three hours  
3 per week of special education services and support services and includes  
4 all administrative, diagnostic, consultative, and vocational-adjustment  
5 counselor services.

6           (2) The total allowable reimbursable cost for support services shall  
7 not exceed a percentage, established by the State Board of Education, of  
8 the school district's or approved cooperative's total allowable  
9 reimbursable cost for all special education programs and support  
10 services. The percentage established by the board for support services  
11 shall not exceed the difference of ten percent minus the percentage of  
12 the appropriations for special education approved by the Legislature set  
13 aside for reimbursements for support services pursuant to subsection (5)  
14 of this section.

15           (3) Except as provided in subsection (6) of this section, for  
16 special education and support services provided in each school fiscal  
17 year, the department shall reimburse each school district in the  
18 following school fiscal year eighty percent of the total allowable excess  
19 costs for all special education programs and support services.  
20 Cooperatives of school districts or educational service units shall also  
21 be eligible for reimbursement for cooperative programs pursuant to this  
22 section if such cooperatives or educational service units have complied  
23 with the reporting and approval requirements of section 79-1155 for  
24 cooperative programs which were offered in the preceding school fiscal  
25 year.

26           (4)(a) The payments shall be made by the department to the school  
27 district of residence, cooperative of school districts, or educational  
28 service unit each school year in a minimum of seven payments between the  
29 fifth and twentieth day of each month beginning in December. Additional  
30 payments may be made based upon additional valid claims submitted. The  
31 State Treasurer shall, between the fifth and twentieth day of each month,

1 notify the Director of Administrative Services of the amount of funds  
2 available in the General Fund and the Education Future Fund for payment  
3 purposes. The director shall, upon receiving such certification, draw  
4 warrants against such funds as appropriated.

5 (b) If the General Fund appropriations for special education  
6 approved by the Legislature, minus the amounts set aside pursuant to  
7 subsection (5) of this section, are insufficient to reimburse eighty  
8 percent of the total allowable excess costs for all special education  
9 programs and support services for any school fiscal year:

10 (i) Such allowable excess costs shall be reimbursed from the General  
11 Fund appropriations for special education approved by the Legislature,  
12 minus the amounts set aside pursuant to subsection (5) of this section,  
13 on a pro rata basis at the maximum rate of reimbursement such  
14 appropriations will allow as determined by the department; and

15 (ii) The remainder of the eighty percent reimbursement of such  
16 allowable excess costs shall be paid from the Education Future Fund.  
17 Amounts transferred to the Education Future Fund pursuant to subsection  
18 (4) of section 79-1021 shall be the primary source of funding for such  
19 reimbursement. If additional funds are needed, then any other funds  
20 available in the Education Future Fund may be used.

21 (5) Residential settings described in subdivision (10)(c) of section  
22 79-215 shall be reimbursed for the educational services, including  
23 special education services and support services, in an amount determined  
24 pursuant to the average per pupil cost of the service agency.  
25 Reimbursements pursuant to this section shall be made from funds set  
26 aside for such purpose within sixty days after receipt of a reimbursement  
27 request submitted in the manner required by the department and including  
28 any documentation required by the department for educational services  
29 that have been provided, except that if there are not any funds available  
30 for the remainder of the state fiscal year for such reimbursements, the  
31 reimbursement shall occur within thirty days after the beginning of the

1 immediately following state fiscal year. The department may audit any  
2 required documentation and subtract any payments made in error from  
3 future reimbursements. The department shall set aside separate amounts  
4 from the appropriations for special education approved by the Legislature  
5 for reimbursements pursuant to this subsection for students receiving  
6 special education services and for students receiving support services  
7 for each state fiscal year. The amounts set aside for each purpose shall  
8 be based on estimates of the reimbursements to be requested during the  
9 state fiscal year and shall not be less than the total amount of  
10 reimbursements requested in the prior state fiscal year plus any unpaid  
11 requests from the prior state fiscal year.

12 (6) For each school district that received a payment pursuant to the  
13 Extraordinary Increase in Special Education Expenditures Act in the  
14 school fiscal year for which special education expenditures were  
15 reimbursed pursuant to subsection (3) of this section, an amount equal to  
16 such payment shall be subtracted from the reimbursement calculated  
17 pursuant to subsection (3) of this section and such amount shall be  
18 transferred to the Education Future Fund.

19 (7) On or before November 15 of each year, the department shall  
20 submit to the Governor, the Appropriations Committee of the Legislature,  
21 and the Education Committee of the Legislature:

22 (a) The total allowable excess costs for all special education  
23 programs and support services for all school districts, cooperatives of  
24 school districts, and educational service units; and

25 (b) The total reimbursements requested pursuant to subsection (5) of  
26 this section for the most recently completed school fiscal year.

27 Sec. 3. Original sections 79-1021 and 79-1142, Revised Statutes  
28 Supplement, 2023, are repealed.