

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 725
Final Reading

Introduced by Sullivan, 41.

Read first time January 09, 2014

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1007.20 and 79-1015.01,
3 Revised Statutes Supplement, 2013; to change provisions
4 relating to a student growth adjustment correction and
5 local effort rate yield; to repeal the original sections;
6 and to declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1007.20, Revised Statutes
2 Supplement, 2013, is amended to read:

3 79-1007.20 (1) School districts may apply to the
4 department for a student growth adjustment, on a form prescribed by
5 the department, on or before October 15 of the school fiscal year
6 immediately preceding the school fiscal year for which aid is being
7 calculated. Such form shall require an estimate of the average daily
8 membership for the school fiscal year for which aid is being
9 calculated, the estimated student growth calculated by subtracting
10 the fall membership of the current school fiscal year from the
11 estimated average daily membership for the school fiscal year for
12 which aid is being calculated, and evidence supporting the estimates.
13 On or before the immediately following December 1, the department
14 shall approve the estimated student growth, approve a modified
15 student growth, or deny the application based on the requirements of
16 this section, the evidence submitted on the application, and any
17 other information provided by the department. The state board shall
18 establish procedures for appeal of decisions of the department to the
19 state board for final determination.

20 (2) The student growth adjustment for each approved
21 district shall equal the sum of the product of the school district's
22 basic funding per formula student multiplied by the difference of the
23 approved student growth minus the greater of twenty-five students or
24 one percent of the fall membership for the school fiscal year
25 immediately preceding the school fiscal year for which aid is being

1 calculated plus the product of fifty percent of the school district's
2 basic funding per formula student multiplied by the greater of
3 twenty-five students or one percent of the fall membership for the
4 school fiscal year immediately preceding the school fiscal year for
5 which aid is being calculated.

6 (3) ~~For school fiscal year 2011-12 and each school fiscal~~
7 ~~year thereafter, the~~ The department shall calculate a student growth
8 adjustment correction for each district that received a student
9 growth adjustment for aid distributed in the most recently available
10 complete data year. Such student growth correction shall equal the
11 product of the difference of the ~~average daily membership for such~~
12 ~~school fiscal year minus the estimated average daily membership~~
13 actual student growth for such school fiscal year minus the estimated
14 student growth for such school fiscal year used to calculate the
15 student growth adjustment for such school fiscal year multiplied by
16 the school district's basic funding per formula student used in the
17 final calculation of aid pursuant to section 79-1065 for such school
18 fiscal year, except that the absolute value of a negative correction
19 shall not exceed the original adjustment.

20 Sec. 2. Section 79-1015.01, Revised Statutes Supplement,
21 2013, is amended to read:

22 79-1015.01 (1) Local system formula resources shall
23 include local effort rate yield which shall be computed as prescribed
24 in this section.

25 (2) For each school fiscal year except school fiscal

1 years 2011-12 through ~~2014-15~~2013-14: (a) For state aid certified
2 pursuant to section 79-1022, the local effort rate shall be the
3 maximum levy, for the school fiscal year for which aid is being
4 certified, authorized pursuant to subdivision (2)(a) of section
5 77-3442 less five cents; (b) for the final calculation of state aid
6 pursuant to section 79-1065, the local effort rate shall be the rate
7 which, when multiplied by the total adjusted valuation of all taxable
8 property in local systems receiving equalization aid pursuant to the
9 Tax Equity and Educational Opportunities Support Act, will produce
10 the amount needed to support the total formula need of such local
11 systems when added to state aid appropriated by the Legislature and
12 other actual receipts of local systems described in section
13 79-1018.01; and (c) the local effort rate yield for such school
14 fiscal years shall be determined by multiplying each local system's
15 total adjusted valuation by the local effort rate.

16 (3) For school fiscal years 2011-12 and 2012-13: (a) For
17 state aid certified pursuant to section 79-1022, the local effort
18 rate shall be the maximum levy, for the school fiscal year for which
19 aid is being certified, authorized pursuant to subdivision (2)(a) of
20 section 77-3442 less one and five-hundredths of one cent; (b) for the
21 final calculation of state aid pursuant to section 79-1065, the local
22 effort rate shall be the rate which, when multiplied by the total
23 adjusted valuation of all taxable property in local systems receiving
24 equalization aid pursuant to the Tax Equity and Educational
25 Opportunities Support Act, will produce the amount needed to support

1 the total formula need of such local systems when added to state aid
2 appropriated by the Legislature and other actual receipts of local
3 systems described in section 79-1018.01; and (c) the local effort
4 rate yield for such school fiscal years shall be determined by
5 multiplying each local system's total adjusted valuation by the local
6 effort rate.

7 (4) For school fiscal ~~years 2013-14 and 2014-15: year~~
8 2013-14: (a) For state aid certified pursuant to section 79-1022, the
9 local effort rate shall be the maximum levy, for the school fiscal
10 year for which aid is being certified, authorized pursuant to
11 subdivision (2)(a) of section 77-3442 less two cents; (b) for the
12 final calculation of state aid pursuant to section 79-1065, the local
13 effort rate shall be the rate which, when multiplied by the total
14 adjusted valuation of all taxable property in local systems receiving
15 equalization aid pursuant to the Tax Equity and Educational
16 Opportunities Support Act, will produce the amount needed to support
17 the total formula need of such local systems when added to state aid
18 appropriated by the Legislature and other actual receipts of local
19 systems described in section 79-1018.01; and (c) the local effort
20 rate yield for such school fiscal years shall be determined by
21 multiplying each local system's total adjusted valuation by the local
22 effort rate.

23 Sec. 3. Original sections 79-1007.20 and 79-1015.01,
24 Revised Statutes Supplement, 2013, are repealed.

25 Sec. 4. Since an emergency exists, this act takes effect

1 when passed and approved according to law.