

# Nebraska State Legislature

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## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### SENATORS WALZ AND LINDSTROM ANNOUNCE NEW TEEOSA FUNDING BILLS

LINCOLN, NE - Today Senator Lynne Walz, Chairwoman of the Education Committee, representing District 15, and Senator Brett Lindstrom, Vice Chairman of the Revenue Committee, representing District 18, introduced a power package of bills, LB890 (Walz) and LB891 (Lindstrom), that offer a transformational vision for education funding. Both Senators Walz and Lindstrom acknowledged that collaboration has been key in developing these bills. This is the culmination of over six months of collaborative conversations with stakeholders both in and outside of education, including 42 senators, 10 policy groups and the vast majority of school districts from across the state.

Once fully implemented, key components of the bills will meet and exceed the criteria of stakeholders, including:

1. \$715 million in property tax savings based on the school fiscal 2021-2022 data
2. Guaranteed property tax relief through lower tax levies with no new taxes nor tax increases
3. Eliminates the burden of claiming your property tax credit on your income tax return
4. All school districts receive Educational Stabilization Base Aid
5. All school districts receive 20% allocated income tax. Keeping local dollars local!
6. Lowers the local effort rate to 75¢
7. Increases the number of equalized school districts from 87 to an estimated 149 statewide
8. Maintains existing school spending controls that have kept the 11-year average statewide operations spending growth to 3.0% while student enrollment simultaneously grew by 8.6%
9. Provides for a designated Education Trust Fund to ensure sustainable funds into the future

One size does not fit all when trying to fund 244 separate school districts, each with unique needs. The “Nebraska Way” for funding schools is an enormous lift recognized by the Legislature. Trying to balance local control, urban versus rural, small versus large, and the reliance on property taxes for our school districts is not an easy task. Because of these unique needs, each district will have a district-specific max levy calculated not to exceed the new general fund max levy of 95¢. These bills provide a compromise on the “Nebraska Way” to provide equity in funding for all school districts across the state based upon each district's story, enrollment, valuation, and income.

“We recognize that education is the cornerstone to economic development and a strong workforce. Education is a priority for every Nebraskan. We need to be responsive and assure that the funding and resources are available not only today but well into the future. This is not just a school funding solution, it is a local economic development solution”, stated Senator Walz. The funds saved by taxpayers will be reinvested into local communities.

“Providing sustainable property tax relief while fully funding education will make Nebraska competitive for future generations”, stated Senator Brett Lindstrom. “Nebraskans have felt the strain of the property tax burden and the vast majority of property taxes paid to fund education. This legislation corrects the discrepancy between funding sources and recipients, and ensures that our children will have the educational opportunities to spark innovation and meet the needs of tomorrow.”

The intention of this power package of bills is to be simple, transparent, and equitable. There are two valuable outcomes: 1) a structurally sound and sustainable school funding model and 2) a substantial reduction in the reliance on property taxes to fund public schools. The introduced package has an estimated 50/50 split statewide between local property taxes and state funding.

Senators Walz and Lindstrom look forward to working together with the Legislature to pass this power package of bills that will ensure stable funding of school districts and bring meaningful tax relief to all Nebraskans.

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