



107th Legislature, 2nd Session

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LEGISLATIVE ISSUES CONFERENCE
JANUARY 30-31 - LINCOLN
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ON ALL BILLS NASB IS FOLLOWING
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SHARE YOUR STORY

KNOW YOUR DISTRICT'S DATA
UNDERSTAND THE DATA THAT WILL
MAKE A DIFFERENCE

YOUR NASB LEGISLATIVE TEAM

COLBY COASH, JOHN SPATZ,
MATT BELKA & LINDSEY WOOTON

DAY 10 - 593 BILLS INTRODUCED ...

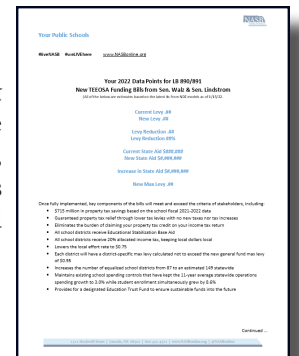
That's right, with today being the 10th Day of this year's Legislature, all bills have now been introduced. Add in 22 Constitutional Amendments to that, a total of 615 new bills and Constitutional Amendments were introduced, with NASB following around 85 of those. These items can be viewed anytime at <https://nasb.envisiams.com/legislative-bills>



LB 890/891 ...

LB 890 and LB 891, the new TEEOSA Funding bills from Sen. Walz & Sen. Lindstrom will be heard in front of the Education and Revenue Committees respectively next week. In preparation of those hearings, NASB has been working with the Senators and their staff, as well as NDE and Chip Kay of Columbus Public Schools to get estimates based on the latest NDE models for each of your districts.

Please reach out to Lindsey Wooton at NASB for your district specific estimates ... lwooton@NASBonline.org



Here are some general data points and bullets on the bills from the Senators. Once fully implemented, key components of the bills will meet and exceed the criteria of stakeholders, including:

- \$728 million in property tax savings based on the school fiscal 2022-2023 data
- Guaranteed property tax relief through lower tax levies with no new taxes nor tax increases
- Eliminates the burden of claiming your property tax credit on your income tax return
- All school districts receive Educational Stabilization Base Aid
- All school districts receive 20% allocated income tax, keeping local dollars local
- Lowers the local effort rate to \$0.75
- Each district will have a district-specific max levy calculated not to exceed the new general fund max levy of \$0.95
- Increases the number of equalized school districts from 86 to an estimated 158 statewide
- 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%
- Provides for a designated Education Trust Fund to ensure sustainable funds into the future
- (See the pdf shared with all Senators from Sen. Walz office on page 4)

Per Sen. Walz office, "We encourage you to communicate these numbers to your communities and local media to illustrate to the local taxpayers the benefits of this power package of bills that simultaneously supports public schools and provides meaningful tax relief. Local taxpayers should know that when these bills are enacted 20% of their income taxes paid return to their local school districts."

CONTINUED ON PAGE 2



107th Legislature, 2nd Session

CONTINUED FROM PAGE 1

OTHER KEY BILLS, TOPICS & THEMES ...

<https://nasb.envisiams.com/legislative-bills>

LB 364, Sen. Linehan's Scholarship Tax Credit Act bills was defeated by filibuster on Wednesday, January 12, as she only received 28 of the 33 votes needed. We assumed we had not heard the last of this bill this year, and sure enough, LB 1237 - Adopt the Opportunity Scholarships Act and the Nebraska Child Care Contribution Tax Credit Act, was introduced by Senator Brewer today.

This past Tuesday was the first day of Committee Hearings. Colby testified in Support of two bills in Education:



- LB 758 - Change provisions relating to the Nebraska Farm-to-School Program Act.
- LB 838 - Require the State Department of Education to create an aid program relating to the early childhood workforce.

Thursday in Revenue, Dave Welsch, a school board member from Milford testified on NASB's behalf on two bills which will take away the authority of locally elected school board members to fulfill their elected duties.



- LB 986 - Adopt the School District Property Tax Limitation Act.
- LB 987 - Adopt the School District Property Tax Limitation Act.

There is a Constitutional Amendment to eliminate the State Board of Education and provide for the Governor to appoint the Commissioner of Education, LR 278CA.

LB 1211 - Change provisions relating to option enrollment for students.

Some themes we are seeing this year on items NASB will likely need to weigh in on include:

EDUCATIONAL WORKFORCE

- LB 690 - Redefine basic skills competency for purposes of teachers' and administrators' certificates or permits.
- LB 696 - Appropriate federal funds to the State Department of Education for school employee retention payments.
- LB 960 - Eliminate certain basic skill and content test requirements for eligibility for teaching certificates.
- LB 945 - Adopt the Teach in Nebraska Today Act, provide for student loan repayment assistance, and appropriate General Funds.
- LB 1128 - Adopt the Student Loan Repayment Assistance for Teachers Act.
- LB 1131 - State intent to appropriate federal funds for bonus payments for teachers, child care workers, and health care workers.
- LB 1220 - Appropriate federal funds to the State Department of Education for premium payments for teachers working in underserved communities.

SCHOOL FINANCE

- LB 890 - Change the Tax Equity and Educational Opportunities Support Act.
- LB 891 - Change the distribution of sales tax revenue, school levy limitations, and other tax and school

CONTINUED ON PAGE 3



107th Legislature, 2nd Session

CONTINUED FROM PAGE 2

provisions.

- LB 1207 - Change taxation and school funding provisions.

OPEN MEETINGS ACT

- LB 742 - Provide for minutes to be kept in an electronic record under the Open Meetings Act.
- LB 743 - Change provisions relating to when closed sessions may be held under the Open Meetings Act.
- LB 908 - Provide additional requirements for virtual conferencing under the Open Meetings Act.

CURRICULUM

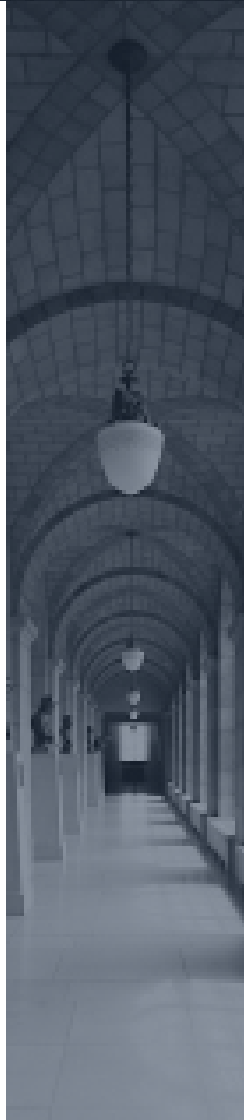
- LB 768 - Change provisions relating to establishment of academic content standards for school districts.
- LB 1112 - Adopt the Computer Science and Technology Act and provide graduation requirements and academic content standards.

LOCAL CONTROL

- LB 986 - Adopt the School District Property Tax Limitation Act. See above.
- LB 987 - Adopt the School District Property Tax Limitation Act. See above. These are like bills Senator Briese has introduced in the past to limit spending by 2.5% (LB 408 - Adopt the Property Tax Request Act)
- LB 1001 - Limit the school term for school districts and educational service units.

KEY DATES OF NOTE ...

- Day 10 ... Final Day to Introduce Bills - Today, January 20
- LB 890 will be heard in the Education Committee Tuesday, January 25
- LB 891 will be heard in the Revenue Committee the following day, Wednesday, January 26
- NASB's annual Legislative Issues Conference will be January 30-31 at the Cornhusker Marriott - Lincoln
- School Board Member Week in Nebraska will be January 30 to February 5 ... Thank You School Boards!
- Priority Bills will be announced February 23
- All Day Floor Debate begins March 8
- The 60th and final day of the 107th Legislature, 2nd Session is currently scheduled for April 20
- NASB School Leaders & Law Conference will be June 22-23 in Kearney
- Legislative Proposals for 2023 are due July 1



LEGISLATIVE ISSUES CONFERENCE - JANUARY 30-31, 2022 - CORNHUSKER MARRIOTT HOTEL LINCOLN

SUNDAY, JANUARY 30 - 6:00 PM - RECEPTION, DINNER & PROGRAM - SENATOR MIKE FLOOD
 "Reflections on Education Policy and the Legislature After Two Terms Away"
 Hospitality event to follow hosted by First National Capital Markets

REG
NOW!



MONDAY, JANUARY 31 - 8:30 AM - Welcome & Introductions followed by key Committee Chairs and a number of other Senators sharing their respective views throughout the morning. Get a first hand look at all of the bills introduced that will have an impact on public education in Nebraska during this year's legislative session. Lunch with the Senators follows.

LB890 & LB891 2022 Power Package

KEY COMPONENTS

- ESBA = \$1100/formula student
- Local Effort Rate (LER) = 75¢
- Allocated Income Tax Fund (AITF) = 20%
- Equalization Aid for 158 districts
- Hold harmless for 6 districts

Note: Currently, the Local Effort Rate is \$1.00, Allocated Income Tax Fund is 2.23%, and only 86 school districts are equalized.

UPDATED!!!

Additional Highlights

- Max General Fund levy is 95¢
 - Can go above the district-specific max levy to 95¢ with supermajority vote of the School Board
- Special Building Fund is separated and has a max levy of 10¢ (QCPUF is with it)
 - Can go to 15¢ with supermajority vote of the School Board for delineated reasons
 - Combined GF & SBF levies cannot exceed \$1.05 without vote of the people
- 4-year-olds counted at 100% instead of 60% in formula students
- Other actual receipts list divided:
 - Shorter list (primarily state items) remain in the formula as previous
 - Additional revenue receipts (primarily local items) moved to only be used for an equalization adjustment as needed
 - Some federal receipts eliminated
- Net Option Funding and Community Achievement Plan are repealed
- Education Committee will submit a report and recommendations to the Legislature for TEEOSA every four years
- 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%
- Designated, sustainable funds for the future

WILL PHASE-IN YEAR 1

- ESBA = \$550/formula student
- Local Effort Rate (LER) = 85¢
- Allocated Income Tax Fund (AITF) = 10%
- Equalization Aid for 143 districts
- Hold harmless for 29 districts

Education Stabilization Base Aid (ESBA) is funding for every student across the state. It is funded by dedicating $\frac{1}{2}$ ¢ of existing sales tax and state matching funds placed in a trust fund. Beginning in year three, the prior year's ESBA amount may grow by the Basic Allowable Growth Rate.

Funding LBS90

- Repurposing LB1107 (2020) Nebraska Property Tax Incentive Act to fund sustainable property tax relief through the TEEOSA formula
- Insert an annual growth cap on the Property Tax Credit Fund equal to Base Limitation, excluding the gambling dollars

Property Tax Relief

- \$728 million based on 2022-23 data
- Guaranteed through lower levies
- District-specific maximum levy calculated to ensure property tax relief
- Eliminates the burden of claiming on your income tax return

Estimated 58/42 split in State & Local Spending would move Nebraska from 48th to 13th in the nation!