

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 496**

Introduced by Sullivan, 41.

Read first time January 23, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend section 9-812, Reissue  
2 Revised Statutes of Nebraska, and sections 79-1011,  
3 79-1012, and 79-1028.01, Revised Statutes Cumulative  
4 Supplement, 2012; to change provisions relating to  
5 reorganization incentive payments; to harmonize  
6 provisions; to repeal the original sections; and to  
7 declare an emergency.  
8 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 9-812, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           9-812 (1) All money received from the operation of  
4 lottery games conducted pursuant to the State Lottery Act in Nebraska  
5 shall be credited to the State Lottery Operation Trust Fund, which  
6 fund is hereby created. All payments of the costs of establishing and  
7 maintaining the lottery games shall be made from the State Lottery  
8 Operation Cash Fund. In accordance with legislative appropriations,  
9 money for payments for expenses of the division shall be transferred  
10 from the State Lottery Operation Trust Fund to the State Lottery  
11 Operation Cash Fund, which fund is hereby created. All money  
12 necessary for the payment of lottery prizes shall be transferred from  
13 the State Lottery Operation Trust Fund to the State Lottery Prize  
14 Trust Fund, which fund is hereby created. The amount used for the  
15 payment of lottery prizes shall not be less than forty percent of the  
16 dollar amount of the lottery tickets which have been sold.

17           (2) Beginning October 1, 2003, a portion of the dollar  
18 amount of the lottery tickets which have been sold on an annualized  
19 basis shall be transferred from the State Lottery Operation Trust  
20 Fund to the Education Innovation Fund, the Nebraska Opportunity Grant  
21 Fund, the Nebraska Environmental Trust Fund, the Nebraska State Fair  
22 Board, and the Compulsive Gamblers Assistance Fund. The dollar amount  
23 transferred pursuant to this subsection shall equal the greater of  
24 (a) the dollar amount transferred to the funds in fiscal year 2002-03  
25 or (b) any amount which constitutes at least twenty-two percent and

1 no more than twenty-five percent of the dollar amount of the lottery  
2 tickets which have been sold on an annualized basis. To the extent  
3 that funds are available, the Tax Commissioner and director may  
4 authorize a transfer exceeding twenty-five percent of the dollar  
5 amount of the lottery tickets sold on an annualized basis.

6 (3) Of the money available to be transferred to the  
7 Education Innovation Fund, the Nebraska Opportunity Grant Fund, the  
8 Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and  
9 the Compulsive Gamblers Assistance Fund:

10 (a) The first five hundred thousand dollars shall be  
11 transferred to the Compulsive Gamblers Assistance Fund to be used as  
12 provided in section 71-817;

13 (b) Nineteen and three-fourths percent of the money  
14 remaining after the payment of prizes and operating expenses and the  
15 initial transfer to the Compulsive Gamblers Assistance Fund shall be  
16 transferred to the Education Innovation Fund;

17 (c) Twenty-four and three-fourths percent of the money  
18 remaining after the payment of prizes and operating expenses and the  
19 initial transfer to the Compulsive Gamblers Assistance Fund shall be  
20 transferred to the Nebraska Opportunity Grant Fund;

21 (d) Forty-four and one-half percent of the money  
22 remaining after the payment of prizes and operating expenses and the  
23 initial transfer to the Compulsive Gamblers Assistance Fund shall be  
24 transferred to the Nebraska Environmental Trust Fund to be used as  
25 provided in the Nebraska Environmental Trust Act;

1           (e) Ten percent of the money remaining after the payment  
2 of prizes and operating expenses and the initial transfer to the  
3 Compulsive Gamblers Assistance Fund shall be transferred to the  
4 Nebraska State Fair Board if the most populous city within the county  
5 in which the fair is located provides matching funds equivalent to  
6 ten percent of the funds available for transfer. Such matching funds  
7 may be obtained from the city and any other private or public entity,  
8 except that no portion of such matching funds shall be provided by  
9 the state. If the Nebraska State Fair ceases operations, ten percent  
10 of the money remaining after the payment of prizes and operating  
11 expenses and the initial transfer to the Compulsive Gamblers  
12 Assistance Fund shall be transferred to the General Fund; and

13           (f) One percent of the money remaining after the payment  
14 of prizes and operating expenses and the initial transfer to the  
15 Compulsive Gamblers Assistance Fund shall be transferred to the  
16 Compulsive Gamblers Assistance Fund to be used as provided in section  
17 71-817.

18           (4)(a) The Education Innovation Fund is created. At least  
19 seventy-five percent of the lottery proceeds allocated to the  
20 Education Innovation Fund shall be available for disbursement.

21           ~~(b) For fiscal year 2010-11, the Education Innovation~~  
22 ~~Fund shall be allocated as follows: The first one million dollars~~  
23 ~~shall be transferred to the Excellence in Teaching Cash Fund to fund~~  
24 ~~the Excellence in Teaching Act, and the amount remaining in the~~  
25 ~~Education Innovation Fund shall be allocated, after administrative~~

1 expenses, for distance education equipment and incentives pursuant to  
2 sections ~~79-1336~~ and ~~79-1337~~.

3           ~~(c) For fiscal year 2011-12, the Education Innovation~~  
4 ~~Fund shall be allocated as follows: (i) The first two hundred twenty-~~  
5 ~~five thousand dollars shall be transferred to the Excellence in~~  
6 ~~Teaching Cash Fund to fund the Attracting Excellence to Teaching~~  
7 ~~Program; (ii) the next three million three hundred sixty five~~  
8 ~~thousand nine hundred sixty two dollars shall be distributed to~~  
9 ~~school districts as grants pursuant to the Early Childhood Education~~  
10 ~~Grant Program; (iii) the next two million one hundred seventy five~~  
11 ~~thousand six hundred seventy three dollars shall be distributed to~~  
12 ~~local systems as grants for approved accelerated or differentiated~~  
13 ~~curriculum programs for students identified as learners with high~~  
14 ~~ability pursuant to section 79-1108.02; (iv) the next four hundred~~  
15 ~~ninety one thousand five hundred forty one dollars shall be used by~~  
16 ~~the State Department of Education for the development of an~~  
17 ~~integrated early childhood, elementary, secondary, and postsecondary~~  
18 ~~student information system; (v) the next four hundred fifty thousand~~  
19 ~~dollars shall fund the Center for Student Leadership and Extended~~  
20 ~~Learning Act; (vi) the next one hundred fourteen thousand six hundred~~  
21 ~~twenty nine dollars shall fund the multicultural education program~~  
22 ~~created under section 79-720; (vii) the next one hundred twenty three~~  
23 ~~thousand four hundred sixty eight dollars shall be used by the~~  
24 ~~department to employ persons to investigate and prosecute alleged~~  
25 ~~violations as provided in section 79-868; (viii) up to the next one~~

1 ~~hundred sixty thousand dollars shall be used by the department to~~  
2 ~~implement section 79-759; and (ix) the amount remaining shall be~~  
3 ~~allocated, after administrative expenses, for distance education~~  
4 ~~equipment and incentives pursuant to sections 79-1336 and 79-1337.~~

5           ~~(d)~~(b) For fiscal year 2012-13, the Education Innovation  
6 Fund shall be allocated as follows: (i) The first forty-five thousand  
7 dollars shall be transferred to the Excellence in Teaching Cash Fund  
8 to fund the Attracting Excellence to Teaching Program; (ii) the next  
9 three million three hundred sixty-five thousand nine hundred sixty-  
10 two dollars shall be distributed to school districts as grants  
11 pursuant to the Early Childhood Education Grant Program; (iii) the  
12 next two million one hundred seventy-five thousand six hundred  
13 seventy-three dollars shall be distributed to local systems as grants  
14 for approved accelerated or differentiated curriculum programs for  
15 students identified as learners with high ability pursuant to section  
16 79-1108.02; (iv) the next one hundred eight thousand one hundred  
17 thirty-six dollars shall be used by the department for the  
18 development of an integrated early childhood, elementary, secondary,  
19 and postsecondary student information system; (v) the next four  
20 hundred fifty thousand dollars shall fund the Center for Student  
21 Leadership and Extended Learning Act; (vi) the next one hundred  
22 fourteen thousand six hundred twenty-nine dollars shall be used by  
23 the department to fund the multicultural education program created  
24 under section 79-720; (vii) the next one hundred twenty-three  
25 thousand four hundred sixty-eight dollars shall be used by the

1 department to employ persons to investigate and prosecute alleged  
2 violations as provided in section 79-868; (viii) up to the next one  
3 hundred sixty thousand dollars shall be used by the department to  
4 implement section 79-759; (ix) the next twenty-seven thousand two  
5 hundred dollars shall be used to fund the Interstate Compact on  
6 Educational Opportunity for Military Children; (x) the next two  
7 hundred thousand dollars shall be used to provide grants to establish  
8 bridge programs pursuant to sections 79-1189 to 79-1195; and (xi) the  
9 amount remaining shall be allocated, after administrative expenses,  
10 for distance education equipment and incentives pursuant to sections  
11 79-1336 and 79-1337.

12 ~~(e)-(c)~~ For fiscal year 2013-14, the Education Innovation  
13 Fund shall be allocated as follows: (i) The first one million dollars  
14 shall be transferred to the Excellence in Teaching Cash Fund to fund  
15 the Excellence in Teaching Act; (ii) the next one million dollars  
16 shall be transferred to the School District Reorganization Fund;  
17 (iii) the next allocation shall be distributed to local systems as  
18 grants for approved accelerated or differentiated curriculum programs  
19 for students identified as learners with high ability pursuant to  
20 section 79-1108.02 in an aggregated amount up to the amount  
21 distributed in the prior fiscal year for such purposes increased by  
22 the basic allowable growth rate pursuant to section 79-1025; ~~(iii)~~  
23 (iv) the next allocation shall be used by the State Department of  
24 Education for the integrated early childhood, elementary, secondary,  
25 and postsecondary student information system in an aggregated amount

1 up to the amount used in the prior fiscal year for such purposes  
2 increased by the basic allowable growth rate pursuant to section  
3 79-1025; ~~(iv)~~ (v) the next allocation shall fund the Center for  
4 Student Leadership and Extended Learning Act in an aggregated amount  
5 up to the amount used in the prior fiscal year for such purposes  
6 increased by the basic allowable growth rate pursuant to section  
7 79-1025; ~~(v)~~ (vi) the next allocation shall be used by the department  
8 to fund the multicultural education program created under section  
9 79-720 in an aggregated amount up to the amount used in the prior  
10 fiscal year for such purposes increased by the basic allowable growth  
11 rate pursuant to section 79-1025; ~~(vi)~~ (vii) the next allocation  
12 shall be used by the department to employ persons to investigate and  
13 prosecute alleged violations as provided in section 79-868 in an  
14 aggregated amount up to the amount used in the prior fiscal year for  
15 such purposes increased by the basic allowable growth rate pursuant  
16 to section 79-1025; ~~(vii)~~ (viii) up to the next one hundred sixty  
17 thousand dollars shall be used by the department to implement section  
18 79-759; ~~(viii)~~ (ix) the next two hundred thousand dollars shall be  
19 used to provide grants to establish bridge programs pursuant to  
20 sections 79-1189 to 79-1195; and ~~(ix)~~ (x) the amount remaining shall  
21 be allocated, after administrative expenses, for distance education  
22 equipment and incentives pursuant to sections 79-1336 and 79-1337.

23 ~~(f)~~ (d) For fiscal year 2014-15, the Education Innovation  
24 Fund shall be allocated as follows: (i) The first one million dollars  
25 shall be transferred to the Excellence in Teaching Cash Fund to fund

1 the Excellence in Teaching Act; (ii) the next one million dollars  
2 shall be transferred to the School District Reorganization Fund;  
3 (iii) the next allocation shall be distributed to local systems as  
4 grants for approved accelerated or differentiated curriculum programs  
5 for students identified as learners with high ability pursuant to  
6 section 79-1108.02 in an aggregated amount up to the amount  
7 distributed in the prior fiscal year for such purposes increased by  
8 the basic allowable growth rate pursuant to section 79-1025; ~~(iii)~~  
9 (iv) the next allocation shall be used by the State Department of  
10 Education for the integrated early childhood, elementary, secondary,  
11 and postsecondary student information system in an aggregated amount  
12 up to the amount used in the prior fiscal year for such purposes  
13 increased by the basic allowable growth rate pursuant to section  
14 79-1025; ~~(iv)~~ (v) the next allocation shall fund the Center for  
15 Student Leadership and Extended Learning Act in an aggregated amount  
16 up to the amount used in the prior fiscal year for such purposes  
17 increased by the basic allowable growth rate pursuant to section  
18 79-1025; ~~(v)~~ (vi) the next allocation shall be used by the department  
19 to fund the multicultural education program created under section  
20 79-720 in an aggregated amount up to the amount used in the prior  
21 fiscal year for such purposes increased by the basic allowable growth  
22 rate pursuant to section 79-1025; ~~(vi)~~ (vii) the next allocation  
23 shall be used by the department to employ persons to investigate and  
24 prosecute alleged violations as provided in section 79-868 in an  
25 aggregated amount up to the amount used in the prior fiscal year for

1 such purposes increased by the basic allowable growth rate pursuant  
2 to section 79-1025; ~~(vii)~~ (viii) the next two hundred thousand  
3 dollars shall be used to provide grants to establish bridge programs  
4 pursuant to sections 79-1189 to 79-1195; and ~~(viii)~~ (ix) the amount  
5 remaining shall be allocated, after administrative expenses, for  
6 distance education equipment and incentives pursuant to sections  
7 79-1336 and 79-1337.

8 ~~(g)~~ (e) For fiscal year 2015-16, the Education Innovation  
9 Fund shall be allocated as follows: (i) The first one million dollars  
10 shall be transferred to the Excellence in Teaching Cash Fund to fund  
11 the Excellence in Teaching Act; (ii) the next one million dollars  
12 shall be transferred to the School District Reorganization Fund;  
13 (iii) the next allocation shall be distributed to local systems as  
14 grants for approved accelerated or differentiated curriculum programs  
15 for students identified as learners with high ability pursuant to  
16 section 79-1108.02 in an aggregated amount up to the amount  
17 distributed in the prior fiscal year for such purposes increased by  
18 the basic allowable growth rate pursuant to section 79-1025; ~~(iii)~~  
19 (iv) the next allocation shall be used by the State Department of  
20 Education for the integrated early childhood, elementary, secondary,  
21 and postsecondary student information system in an aggregated amount  
22 up to the amount used in the prior fiscal year for such purposes  
23 increased by the basic allowable growth rate pursuant to section  
24 79-1025; ~~(iv)~~ (v) the next allocation shall fund the Center for  
25 Student Leadership and Extended Learning Act in an aggregated amount

1 up to the amount used in the prior fiscal year for such purposes  
2 increased by the basic allowable growth rate pursuant to section  
3 79-1025; ~~(v)~~ (vi) the next allocation shall be used by the department  
4 to fund the multicultural education program created under section  
5 79-720 in an aggregated amount up to the amount used in the prior  
6 fiscal year for such purposes increased by the basic allowable growth  
7 rate pursuant to section 79-1025; ~~(vi)~~ (vii) the next allocation  
8 shall be used by the department to employ persons to investigate and  
9 prosecute alleged violations as provided in section 79-868 in an  
10 aggregated amount up to the amount used in the prior fiscal year for  
11 such purposes increased by the basic allowable growth rate pursuant  
12 to section 79-1025; and ~~(vii)~~ (viii) the amount remaining shall be  
13 allocated, after administrative expenses, for distance education  
14 equipment and incentives pursuant to sections 79-1336 and 79-1337.

15 ~~(h)~~ (f) For fiscal year 2016-17 and each fiscal year  
16 thereafter, the Education Innovation Fund shall be allocated, after  
17 administrative expenses, for education purposes as provided by the  
18 Legislature.

19 (5) Any money in the State Lottery Operation Trust Fund,  
20 the State Lottery Operation Cash Fund, the State Lottery Prize Trust  
21 Fund, or the Education Innovation Fund available for investment shall  
22 be invested by the state investment officer pursuant to the Nebraska  
23 Capital Expansion Act and the Nebraska State Funds Investment Act.

24 (6) Unclaimed prize money on a winning lottery ticket  
25 shall be retained for a period of time prescribed by rules and

1 regulations. If no claim is made within such period, the prize money  
2 shall be used at the discretion of the Tax Commissioner for any of  
3 the purposes prescribed in this section.

4           Sec. 2. Section 79-1011, Revised Statutes Cumulative  
5 Supplement, 2012, is amended to read:

6           79-1011 (1) To ~~encourage consolidation of Class II and~~  
7 ~~III school districts with less than three hundred ninety students,~~  
8 ~~incentives provide assistance to reorganizing school districts,~~  
9 support shall be paid to reorganized Class II, III, IV, or V  
10 districts resulting from consolidations which meet during the first  
11 two school fiscal years following a consolidation which meets the  
12 requirements of this section. This section shall only apply to  
13 consolidations with an effective date after ~~May 31, 2009, and before~~  
14 ~~June 1, 2011.~~ the effective date of this act.

15           (2) To qualify for ~~incentive support~~ payments under this  
16 section, the consolidation must be approved for ~~incentive support~~  
17 payments by the State Committee for the Reorganization of School  
18 Districts. Consolidating school districts shall file an application  
19 with the state committee ~~on or before June 15, 2009, or within thirty~~  
20 days following the issuance of the boundary change order pursuant to  
21 subsection (1) of section 79-479., ~~whichever is later.~~ The state  
22 committee shall approve or disapprove ~~incentive support~~ payments  
23 within thirty days after receipt of the application.

24           (3) For ~~incentive support~~ payments to be approved by the  
25 state committee, a reorganization study, including efficiency,

1 demographic, curriculum, facility, financial, and community  
2 components, must be completed prior to the ~~reorganization-~~  
3 consolidation. If a study containing such elements has been completed  
4 and the study indicates that the ~~reorganization-~~consolidation will  
5 most likely result in more efficiency in the delivery of educational  
6 services or greater educational opportunities, the state committee  
7 may approve ~~incentive~~ support payments.

8 (4) ~~Incentive payments shall be based on the number of~~  
9 ~~students moving from Class II or III school districts with less than~~  
10 ~~three hundred ninety students into a reorganized Class II, III, IV,~~  
11 ~~or V school district with at least three hundred ninety students~~  
12 ~~based on the average daily membership in each affected district in~~  
13 ~~the school fiscal year immediately preceding the first school fiscal~~  
14 ~~year the boundary change will be in effect and the average daily~~  
15 ~~membership the consolidated district would have had following the~~  
16 ~~boundary change if it had occurred in the school fiscal year~~  
17 ~~immediately preceding the first school fiscal year the boundary~~  
18 ~~change will be in effect. The incentive amount for each district~~  
19 ~~involved in the reorganization having an average daily membership of~~  
20 ~~less than three hundred ninety students~~ The total support to be paid  
21 to the reorganized district shall equal one hundred twenty-five  
22 thousand dollars for each of the original Class II or III school  
23 districts involved in the consolidation. ~~plus the product of five~~  
24 ~~hundred dollars per student multiplied by the difference of three~~  
25 ~~hundred ninety students minus the average daily membership in such~~

1 ~~district.~~

2           (5) Except as otherwise provided in this subsection, base  
3 fiscal year ~~incentive~~-support payments shall equal fifty percent of  
4 the amount calculated pursuant to subsection (4) of this section.  
5 Base fiscal year ~~incentive~~-support payments shall be calculated as of  
6 August 2 immediately preceding the base fiscal year and shall be paid  
7 directly to the reorganized district from the School District  
8 Reorganization Fund pursuant to subsection (6) of this section. The  
9 payments shall be made in ten as nearly as possible equal payments on  
10 the last business day of each month, beginning in September and  
11 ending the following June, for the base fiscal year. If the total  
12 amount of base fiscal year ~~incentive~~-support payments for that school  
13 fiscal year exceeds the amount in the School District Reorganization  
14 Fund, the base fiscal year ~~incentive~~-support payments shall be  
15 reduced proportionately so that the total amount of base fiscal year  
16 ~~incentive~~-support payments equals the amount of funds so  
17 appropriated. The base fiscal year ~~incentive~~-support payments shall  
18 not be included in local system formula resources as calculated under  
19 section 79-1018.01.

20           (6) The amount calculated pursuant to subsection (4) of  
21 this section minus the amount of base fiscal year ~~incentive~~-support  
22 payments pursuant to subsection (5) of this section shall be paid out  
23 of any remaining funds in the School District Reorganization Fund  
24 after base fiscal year ~~incentive~~-support payments. If the total  
25 amount of second-year ~~incentive~~-support payments exceeds the

1 remaining funds, the second-year ~~incentive-support~~ payments shall be  
2 reduced proportionately so that the total amount of second-year  
3 ~~incentive-support~~ payments equals the amount in the fund. Second-year  
4 ~~incentive-support~~ payments shall not be included in local system  
5 formula resources as calculated pursuant to section 79-1018.01.

6 Sec. 3. Section 79-1012, Revised Statutes Cumulative  
7 Supplement, 2012, is amended to read:

8 79-1012 The School District Reorganization Fund is  
9 created. The fund shall be administered by the department. The fund  
10 shall consist of money transferred from the Education Innovation Fund  
11 and shall be used to provide support payments to reorganized school  
12 districts pursuant to section 79-1011. ~~Any unencumbered money~~  
13 ~~remaining in the School District Reorganization Fund on July 1, 2011,~~  
14 ~~shall be transferred to the Education Innovation Fund on such date.~~  
15 ~~Any money remaining in the School District Reorganization Fund on~~  
16 ~~July 1, 2013, shall be transferred to the Education Innovation Fund~~  
17 ~~on such date.~~ Any money in the School District Reorganization Fund  
18 available for investment shall be invested by the state investment  
19 officer pursuant to the Nebraska Capital Expansion Act and the  
20 Nebraska State Funds Investment Act.

21 Sec. 4. Section 79-1028.01, Revised Statutes Cumulative  
22 Supplement, 2012, is amended to read:

23 79-1028.01 (1) For each school fiscal year, a school  
24 district may exceed its budget authority for the general fund budget  
25 of expenditures as calculated pursuant to section 79-1023 for such

1 school fiscal year by a specific dollar amount for the following  
2 exclusions:

3 (a) Expenditures for repairs to infrastructure damaged by  
4 a natural disaster which is declared a disaster emergency pursuant to  
5 the Emergency Management Act;

6 (b) Expenditures for judgments, except judgments or  
7 orders from the Commission of Industrial Relations, obtained against  
8 a school district which require or obligate a school district to pay  
9 such judgment, to the extent such judgment is not paid by liability  
10 insurance coverage of a school district;

11 (c) Expenditures pursuant to the Retirement Incentive  
12 Plan authorized in section 79-855 or the Staff Development Assistance  
13 authorized in section 79-856;

14 (d) Expenditures of amounts received from educational  
15 entities as defined in section 79-1201.01 for providing distance  
16 education courses through the Educational Service Unit Coordinating  
17 Council to such educational entities;

18 (e) Expenditures to pay another school district for the  
19 transfer of land from such other school district;

20 (f) Expenditures in school fiscal years 2009-10 through  
21 2016-17 to pay for employer contributions pursuant to subsection (2)  
22 of section 79-958 to the School Employees Retirement System of the  
23 State of Nebraska to the extent that such expenditures exceed the  
24 employer contributions under such subsection that would have been  
25 made at a contribution rate of seven and thirty-five hundredths

1 percent;

2 (g) Expenditures in school fiscal years 2009-10 through  
3 2016-17 to pay for school district contributions pursuant to  
4 subdivision (1)(c)(i) of section 79-9,113 to the retirement system  
5 established pursuant to the Class V School Employees Retirement Act  
6 to the extent that such expenditures exceed the school district  
7 contributions under such subdivision that would have been made at a  
8 contribution rate of seven and thirty-seven hundredths percent;

9 (h) Expenditures for sums agreed to be paid by a school  
10 district to certificated employees in exchange for a voluntary  
11 termination occurring prior to July 1, 2009, or occurring on or after  
12 the last day of the 2010-11 school year and prior to the first day of  
13 the 2013-14 school year;

14 (i) Any expenditures in school fiscal years 2016-17 and  
15 2017-18 of amounts specified in the notice provided by the  
16 Commissioner of Education pursuant to section 79-309.01 for teacher  
17 performance pay;

18 (j) The special education budget of expenditures; and

19 (k) Expenditures of special grant funds.

20 (2) For each school fiscal year, a school district may  
21 exceed its budget authority for the general fund budget of  
22 expenditures as calculated pursuant to section 79-1023 for such  
23 school fiscal year by a specific dollar amount and include such  
24 dollar amount in the budget of expenditures used to calculate budget  
25 authority for the general fund budget of expenditures pursuant to

1 section 79-1023 for future years for the following exclusions:

2 (a) Expenditures of ~~incentive~~support payments or base  
3 fiscal year ~~incentive~~support payments to be received in such school  
4 fiscal year pursuant to section 79-1011;

5 (b) The first school fiscal year the district will be  
6 participating in Network Nebraska for the full school fiscal year,  
7 for the difference of the estimated expenditures for such school  
8 fiscal year for telecommunications services, access to data  
9 transmission networks that transmit data to and from the school  
10 district, and the transmission of data on such networks as such  
11 expenditures are defined by the department for purposes of the  
12 distance education and telecommunications allowance minus the dollar  
13 amount of such expenditures for the second school fiscal year  
14 preceding the first full school fiscal year the district participates  
15 in Network Nebraska; and

16 (c) Expenditures for new elementary attendance sites in  
17 the first year of operation or the first year of operation after  
18 being closed for at least one school year if such elementary  
19 attendance site will most likely qualify for the elementary site  
20 allowance in the immediately following school fiscal year as  
21 determined by the state board.

22 (3) The state board shall approve, deny, or modify the  
23 amount allowed for any exclusions to the budget authority for the  
24 general fund budget of expenditures pursuant to this section.

25 Sec. 5. Original section 9-812, Reissue Revised Statutes

1 of Nebraska, and sections 79-1011, 79-1012, and 79-1028.01, Revised  
2 Statutes Cumulative Supplement, 2012, are repealed.

3                   Sec. 6. Since an emergency exists, this act takes effect  
4 when passed and approved according to law.