

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 725**

Introduced by Walz, 15; Cavanaugh, 6; Crawford, 45; Kolowski, 31;  
McDonnell, 5; Morfeld, 46; Pansing Brooks, 28; Quick, 35;  
Wishart, 27.

Read first time January 23, 2019

Committee: Education

- 1 A BILL FOR AN ACT relating to schools; to amend sections 79-1007.13 and
- 2 79-1018.01, Revised Statutes Cumulative Supplement, 2018; to state
- 3 findings; to provide for reimbursements for mental health
- 4 expenditures; to state intent for appropriations; to harmonize
- 5 provisions; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1           Section 1. The Legislature finds that the mental health needs of  
2 students are becoming an increasing barrier to learning and that schools  
3 need additional resources to address the mental health needs of students.

4           Sec. 2. (1) The State Department of Education shall reimburse each  
5 qualifying school district and educational service unit for allowable  
6 mental health expenditures in the immediately following school fiscal  
7 year a pro rata amount based on the reimbursement percentage as  
8 determined by the department. The reimbursement percentage shall equal  
9 the ratio of the money in the School Mental Health Resources Fund  
10 available for reimbursements pursuant to this section divided by the  
11 total allowable mental health expenditures for the preceding school  
12 fiscal year, except that if such ratio is greater than eighty percent,  
13 the reimbursement percentage shall equal eighty percent.

14           (2) To qualify for reimbursement pursuant to this section, a school  
15 district or educational service unit shall:

16           (a) Designate an employee of the school district or educational  
17 service unit as a community-based mental health resource liaison and  
18 provide the appropriate training and resources for such employee to  
19 assist students, families, teachers, and schools in locating the  
20 resources necessary to address the mental health needs of individual  
21 students in the district or educational service unit; and

22           (b) Submit allowable mental health expenditures in a manner  
23 prescribed by the department.

24           (3) An allowable mental health expenditure shall be:

25           (a) Directly related to meeting the mental health needs of an  
26 individual student or group of students;

27           (b) Directly related to a focused strategy approved by the  
28 department to reduce the mental health needs of students by improving the  
29 overall educational environment; or

30           (c) Directly related to the training or work of the community-based  
31 mental health resource liaison.

1       (4) The State Board of Education shall adopt and promulgate rules  
2 and regulations to carry out this section, including, but not limited to,  
3 criteria to further define allowable mental health expenditures.

4       Sec. 3. (1) The School Mental Health Resources Fund is created. The  
5 fund shall be administered by the State Department of Education. Any  
6 money in the fund available for investment shall be invested by the state  
7 investment officer pursuant to the Nebraska Capital Expansion Act and the  
8 Nebraska State Funds Investment Act.

9       (2) The State Treasurer shall credit to the fund such money as is  
10 (a) transferred to the fund by the Legislature, (b) donated as gifts,  
11 bequests, or other contributions to such fund from public or private  
12 entities, or (c) made available by any department or agency of the United  
13 States if so directed by such department or agency.

14       (3) The fund shall be expended by the department for reimbursements  
15 to school districts and educational service units for allowable mental  
16 health expenditures pursuant to section 2 of this act.

17       Sec. 4. It is the intent of the Legislature that twelve million  
18 dollars be transferred from the General Fund to the School Mental Health  
19 Resources Fund annually for reimbursements pursuant to section 2 of this  
20 act beginning with the 2020-21 fiscal year.

21       Sec. 5. Section 79-1007.13, Revised Statutes Cumulative Supplement,  
22 2018, is amended to read:

23       79-1007.13 The department shall calculate a special receipts  
24 allowance for each district equal to the amount of special education,  
25 state ward, ~~and~~ accelerated or differentiated curriculum program, and  
26 mental health receipts included in local system formula resources under  
27 subdivisions (7), (8), (15), ~~and~~ (16), and (18) of section 79-1018.01  
28 attributable to the school district.

29       Sec. 6. Section 79-1018.01, Revised Statutes Cumulative Supplement,  
30 2018, is amended to read:

31       79-1018.01 Except as otherwise provided in this section, local

1 system formula resources include other actual receipts available for the  
2 funding of general fund operating expenditures as determined by the  
3 department for the second school fiscal year immediately preceding the  
4 school fiscal year in which aid is to be paid. Other actual receipts  
5 include:

6 (1) Public power district sales tax revenue;

7 (2) Fines, penalties, and license money distributed in accordance  
8 with Article VII, section 5, of the Constitution of Nebraska fees;

9 (3) Tuition receipts from individuals, other districts, or any other  
10 source except receipts derived from adult education, receipts derived  
11 from summer school tuition, receipts derived from early childhood  
12 education tuition, tuition receipts from converted contracts beginning  
13 with the calculation of state aid to be distributed in school fiscal year  
14 2011-12, and receipts from educational entities as defined in section  
15 79-1201.01 for providing distance education courses through the  
16 Educational Service Unit Coordinating Council to such educational  
17 entities;

18 (4) Transportation receipts;

19 (5) Interest on investments;

20 (6) Other miscellaneous noncategorical local receipts, not including  
21 receipts from private foundations, individuals, associations, or  
22 charitable organizations;

23 (7) Special education receipts;

24 (8) Special education receipts and non-special education receipts  
25 from the state for wards of the court and wards of the state;

26 (9) All receipts from the temporary school fund. Receipts from the  
27 temporary school fund shall only include (a) receipts pursuant to section  
28 79-1035 and (b) the receipt of funds pursuant to section 79-1036 for  
29 property leased for a public purpose as set forth in subdivision (1)(a)  
30 of section 77-202;

31 (10) Motor vehicle tax receipts received;

1 (11) Pro rata motor vehicle license fee receipts;

2 (12) Other miscellaneous state receipts excluding revenue from the  
3 textbook loan program authorized by section 79-734;

4 (13) Impact aid entitlements for the school fiscal year which have  
5 actually been received by the district to the extent allowed by federal  
6 law;

7 (14) All other noncategorical federal receipts;

8 (15) Receipts under the federal Medicare Catastrophic Coverage Act  
9 of 1988, as such act existed on January 1, 2014, as authorized pursuant  
10 to section ~~sections 43-2510~~ and 43-2511 for services to school-age  
11 children, excluding amounts designated as reimbursement for costs  
12 associated with the implementation and administration of the billing  
13 system pursuant to section 43-2511;

14 (16) Receipts for accelerated or differentiated curriculum programs  
15 pursuant to sections 79-1106 to 79-1108.03; ~~and~~

16 (17) Revenue received from the nameplate capacity tax distributed  
17 pursuant to section 77-6204; and -

18 (18) Mental health receipts received pursuant to section 2 of this  
19 act.

20 Sec. 7. Original sections 79-1007.13 and 79-1018.01, Revised  
21 Statutes Cumulative Supplement, 2018, are repealed.