

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB890

Chairperson: Senator Lynne Walz

Committee: Education

Date of Hearing: January 25, 2022

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB890 makes permanent revisions to the Tax Equity and Educational Opportunities Act (TEEOSA) formula with an intent of increasing state support for public K-12 education to an equivocal level as paid for by local sources. It creates a new funding source entitled Education Stabilization Base Aid (ESBA), while eliminating Net Option Funding. ESBA will be paid out of the newly created ESBA Trust Fund. The funding mechanism for such fund, as well as the overall cost of the bill, is outlined in Senator Brett Lindstrom's LB891.

LB890 increases each district's allocated income tax to 20%, the level initially included in the original TEEOSA formula. The revisions in the formula also increase 4-year-olds in the formula students' calculation to a full child reflecting both the value of early childhood education and the higher costs associated with small class ratios. It removes the Community Achievement Plan from the needs formula, and bifurcates other actual receipts into two lists based on the inherent source/purpose of such funds.

LB890 implements a district-specific maximum levy calculated for each school district, not to exceed the general fund maximum levy that is reduced in LB891 to 95¢. This ensures that the additional funding provided to school districts will result in property tax relief.

LB890 also establishes a requirement that the Education Committee submit a report and recommendations to the Legislature for TEEOSA every four years.

Principal Introducer: _____

Senator Lynne Walz