# School Finance Review Commission

*Spending Sub-Committee*

**August 4, 2026**

# Sub-Committee Meetings

- May 18, 2026
- June 1, 2026
- July 14, 2026
- July 27, 2026

# Thank you!

**Tyler Kelley & Bryce Wilson**

**(And Team)**

# Reported Sub-Committee Next Steps From the April 2026 Meeting

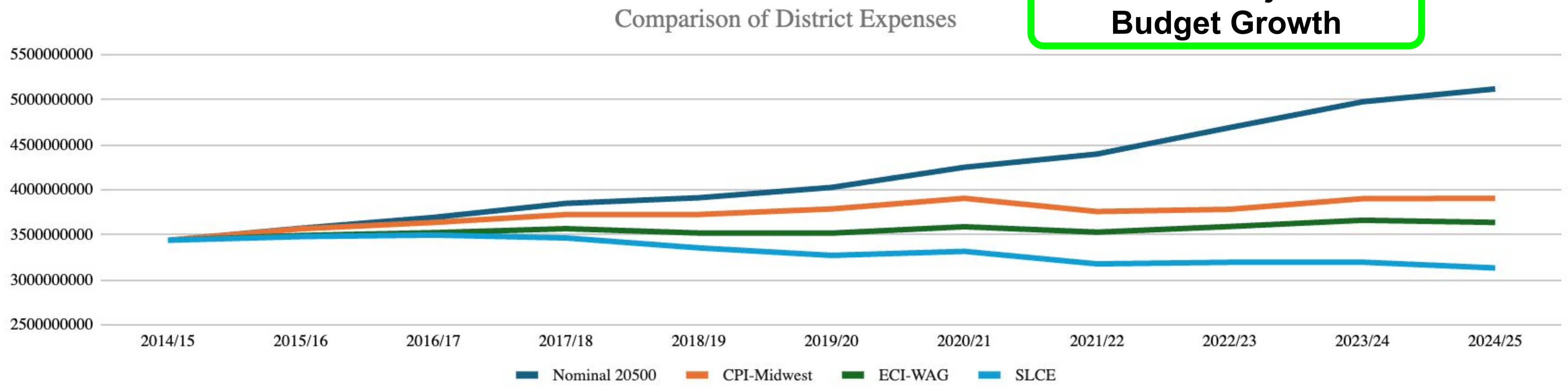
- Discuss possible school spending efficiency recommendations for the full commission to consider.
- Discuss any potential recommendations to the revenue cap or other school caps and lids related to school finance.

# How has school spending changed over time?

| Data Year | Nominal General Fund 20500 | | | CPI-Midwest | | | | | | ECI-WAG | | | | | | SLCE | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2014/15 | $3,439,579,557 | | | 224.61 | | | $3,439,579,557 | | | 122.70 | | | $3,439,579,557 | | | 1997.51 | | | $3,439,579,557 | | |
| 2015/16 | $3,572,595,284 | $133,015,727 | 3.87% | 224.97 | 0.36 | 0.16% | $3,566,894,347 | $127,314,790 | 3.70% | 125.50 | 2.80 | 2.28% | $3,492,887,979 | $53,308,422 | 1.55% | 2050.50 | 52.99 | 2.65% | $3,480,270,203 | $40,690,646 | 1.18% |
| 2016/17 | $3,693,448,262 | $120,852,978 | 3.38% | 228.10 | 3.13 | 1.39% | $3,636,953,183 | $70,058,836 | 1.96% | 128.60 | 3.10 | 2.47% | $3,523,997,681 | $31,109,702 | 0.89% | 2109.42 | 58.91 | 2.87% | $3,497,510,841 | $17,240,638 | 0.50% |
| 2017/18 | $3,849,590,780 | $156,142,518 | 4.23% | 232.12 | 4.02 | 1.76% | $3,725,055,923 | $88,102,740 | 2.42% | 132.38 | 3.78 | 2.94% | $3,568,232,587 | $44,234,906 | 1.26% | 2219.07 | 109.66 | 5.20% | $3,465,230,372 | -$32,280,469 | -0.92% |
| 2018/19 | $3,911,809,306 | $62,218,526 | 1.62% | 235.81 | 3.68 | 1.59% | $3,726,164,508 | $1,108,585 | 0.03% | 136.35 | 3.98 | 3.00% | $3,520,198,033 | $48,034,554 | -1.35% | 2329.10 | 110.03 | 4.96% | $3,354,892,337 | $110,338,036 | -3.18% |
| 2019/20 | $4,026,623,996 | $114,814,690 | 2.94% | 238.79 | 2.99 | 1.27% | $3,787,543,381 | $61,378,873 | 1.65% | 140.40 | 4.05 | 2.97% | $3,518,994,048 | -$1,203,986 | -0.03% | 2458.50 | 129.40 | 5.56% | $3,271,594,582 | -$83,297,754 | -2.48% |
| 2020/21 | $4,250,192,447 | $223,568,451 | 5.55% | 244.44 | 5.64 | 2.36% | $3,905,526,953 | $117,983,572 | 3.12% | 145.28 | 4.88 | 3.47% | $3,589,734,044 | $70,739,996 | 2.01% | 2559.84 | 101.34 | 4.12% | $3,316,533,697 | $44,939,115 | 1.37% |
| 2021/22 | $4,397,221,321 | $147,028,874 | 3.46% | 262.76 | 18.33 | 7.50% | $3,758,804,967 | $146,721,986 | -3.76% | 152.85 | 7.58 | 5.21% | $3,529,859,706 | $59,874,338 | -1.67% | 2764.56 | 204.71 | 8.00% | $3,177,182,829 | $139,350,869 | -4.20% |
| 2022/23 | $4,691,367,811 | $294,146,490 | 6.69% | 278.51 | 15.75 | 5.99% | $3,783,514,776 | $24,709,809 | 0.66% | 160.25 | 7.40 | 4.84% | $3,592,080,065 | $62,220,359 | 1.76% | 2933.00 | 168.44 | 6.09% | $3,195,042,612 | $17,859,783 | 0.56% |
| 2023/24 | $4,977,266,999 | $285,899,188 | 6.09% | 286.56 | 8.05 | 2.89% | $3,901,367,254 | $117,852,478 | 3.11% | 166.78 | 6.53 | 4.07% | $3,661,883,740 | $69,803,675 | 1.94% | 3110.81 | 177.81 | 6.06% | $3,195,998,351 | $955,739 | 0.03% |
| 2024/25 | $5,120,364,611 | $143,097,612 | 2.88% | 294.47 | 7.91 | 2.76% | $3,905,705,500 | $4,338,246 | 0.11% | 172.71 | 5.93 | 3.56% | $3,637,814,411 | -$24,069,330 | -0.66% | 3265.44 | 154.63 | 4.97% | $3,132,188,909 | -$63,809,441 | -2.00% |

| Annual Growth Rates | | Annual Growth Rates | | | | Annual Growth Rates | | | | Annual Growth Rates | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1-yr | 2.88% | 1-yr | 2.76% | 1-yr | 0.11% | 1-yr | 3.56% | 1-yr | -0.66% | 1-yr | 4.97% | 1-yr | -2.00% |
| 5-yr average | 4.92% | 5-yr average | 4.28% | 5-yr average | 0.62% | 5-yr average | 4.23% | 5-yr average | 0.67% | 5-yr average | 5.84% | 5-yr average | -0.87% |
| 7-yr average | 4.16% | 7-yr average | 3.46% | 7-yr average | 0.68% | 7-yr average | 3.87% | 7-yr average | 0.28% | 7-yr average | 5.67% | 7-yr average | -1.43% |
| 10-yr average | 4.06% | 10-yr average | 2.74% | 10-yr average | 1.28% | 10-yr average | 3.48% | 10-yr average | 0.56% | 10-yr average | 5.04% | 10-yr average | -0.93% |

**Inflation Adjusted Budget Growth**



# Revised Spreadsheet

| Data Year | Nominal General Fund 20500 | | |
|---|---|---|---|
| 2014/15 | $3,439,579,557 | | |
| 2015/16 | $3,572,595,284 | $133,015,727 | 3.87% |
| 2016/17 | $3,693,448,262 | $120,852,978 | 3.38% |
| 2017/18 | $3,849,590,780 | $156,142,518 | 4.23% |
| 2018/19 | $3,911,809,306 | $62,218,526 | 1.62% |
| 2019/20 | $4,026,623,996 | $114,814,690 | 2.94% |
| 2020/21 | $4,250,192,447 | $223,568,451 | 5.55% |
| 2021/22 | $4,397,221,321 | $147,028,874 | 3.46% |
| 2022/23 | $4,691,367,811 | $294,146,490 | 6.69% |
| 2023/24 | $4,977,266,999 | $285,899,188 | 6.09% |
| 2024/25 | $5,120,364,611 | $143,097,612 | 2.88% |
| | Annual Growth Rates | | |
| | 1-yr | 2.88% | |
| | 5-yr average | 4.92% | |
| | 7-yr average | 4.16% | |
| | 10-yr average | 4.06% | |

| Data Year | CPI-Midwest | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2014/15 | 224.61 | | | $3,439,579,557 | | | 1.0000 | $3,439,579,557 |
| 2015/16 | 224.97 | 0.36 | 0.16% | $3,566,894,347 | $127,314,790 | 3.70% | 1.0016 | $3,445,077,008 |
| 2016/17 | 228.10 | 3.13 | 1.39% | $3,636,953,183 | $70,058,836 | 1.96% | 1.0155 | $3,493,008,707 |
| 2017/18 | 232.12 | 4.02 | 1.76% | $3,725,055,923 | $88,102,740 | 2.42% | 1.0334 | $3,554,570,461 |
| 2018/19 | 235.81 | 3.68 | 1.59% | $3,726,164,508 | $1,108,585 | 0.03% | 1.0498 | $3,610,946,133 |
| 2019/20 | 238.79 | 2.99 | 1.27% | $3,787,543,381 | $61,378,873 | 1.65% | 1.0631 | $3,656,695,696 |
| 2020/21 | 244.44 | 5.64 | 2.36% | $3,905,526,953 | $117,983,572 | 3.12% | 1.0883 | $3,743,124,867 |
| 2021/22 | 262.76 | 18.33 | 7.50% | $3,758,804,967 | -$146,721,986 | -3.76% | 1.1698 | $4,023,776,891 |
| 2022/23 | 278.51 | 15.75 | 5.99% | $3,783,514,776 | $24,709,809 | 0.66% | 1.2399 | $4,264,905,458 |
| 2023/24 | 286.56 | 8.05 | 2.89% | $3,901,367,254 | $117,852,478 | 3.11% | 1.2758 | $4,388,129,778 |
| 2024/25 | 294.47 | 7.91 | 2.76% | $3,905,705,500 | $4,338,246 | 0.11% | 1.3110 | $4,509,275,326 |
| | Annual Growth Rates | | | | | | | |
| | 1-yr | 2.76% | | 1-yr | 0.11% | | | |
| | 5-yr average | 4.28% | | 5-yr average | 0.62% | | | |
| | 7-yr average | 3.46% | | 7-yr average | 0.68% | | | |
| | 10-yr average | 2.74% | | 10-yr average | 1.28% | | | |

| Data Year | ECI-WAG | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2014/15 | 122.70 | | | $3,439,579,557 | | | 1.000 | $3,439,579,557 |
| 2015/16 | 125.50 | 2.80 | 2.28% | $3,492,887,979 | $53,308,422 | 1.55% | 1.022 | $3,518,070,370 |
| 2016/17 | 128.60 | 3.10 | 2.47% | $3,523,997,681 | $31,109,702 | 0.89% | 1.048 | $3,604,970,913 |
| 2017/18 | 132.38 | 3.78 | 2.94% | $3,568,232,587 | $44,234,906 | 1.26% | 1.078 | $3,710,793,348 |
| 2018/19 | 136.35 | 3.98 | 3.00% | $3,520,198,033 | -$48,034,554 | -1.35% | 1.111 | $3,822,222,271 |
| 2019/20 | 140.40 | 4.05 | 2.97% | $3,518,994,048 | -$1,203,986 | -0.03% | 1.144 | $3,935,753,625 |
| 2020/21 | 145.28 | 4.88 | 3.47% | $3,589,734,044 | $70,739,996 | 2.01% | 1.184 | $4,072,411,737 |
| 2021/22 | 152.85 | 7.58 | 5.21% | $3,529,859,706 | -$59,874,338 | -1.67% | 1.245 | $4,284,757,419 |
| 2022/23 | 160.25 | 7.40 | 4.84% | $3,592,080,065 | $62,220,359 | 1.76% | 1.306 | $4,492,197,425 |
| 2023/24 | 166.78 | 6.53 | 4.07% | $3,661,883,740 | $69,803,675 | 1.94% | 1.359 | $4,675,109,051 |
| 2024/25 | 172.71 | 5.93 | 3.56% | $3,637,814,411 | -$24,069,330 | -0.66% | 1.407 | $4,841,341,381 |
| | Annual Growth Rates | | | | | | | |
| | 1-yr | 3.56% | | 1-yr | -0.66% | | | |
| | 5-yr average | 4.23% | | 5-yr average | 0.67% | | | |
| | 7-yr average | 3.87% | | 7-yr average | 0.28% | | | |
| | 10-yr average | 3.48% | | 10-yr average | 0.56% | | | |

| Data Year | SLCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2014/15 | 1997.51 | | | $3,439,579,557 | | | 1.0000 | $3,439,579,557 |
| 2015/16 | 2050.50 | 52.99 | 2.65% | $3,480,270,203 | $40,690,646 | 1.18% | 1.0265 | $3,530,825,191 |
| 2016/17 | 2109.42 | 58.91 | 2.87% | $3,497,510,841 | $17,240,638 | 0.50% | 1.0560 | $3,632,271,553 |
| 2017/18 | 2219.07 | 109.66 | 5.20% | $3,465,230,372 | -$32,280,469 | -0.92% | 1.1109 | $3,821,094,798 |
| 2018/19 | 2329.10 | 110.03 | 4.96% | $3,354,892,337 | -$110,338,036 | -3.18% | 1.1660 | $4,010,554,727 |
| 2019/20 | 2458.50 | 129.40 | 5.56% | $3,271,594,582 | -$83,297,754 | -2.48% | 1.2308 | $4,233,377,098 |
| 2020/21 | 2559.84 | 101.34 | 4.12% | $3,316,533,697 | $44,939,115 | 1.37% | 1.2815 | $4,407,877,739 |
| 2021/22 | 2764.56 | 204.71 | 8.00% | $3,177,182,829 | -$139,350,869 | -4.20% | 1.3840 | $4,760,378,417 |
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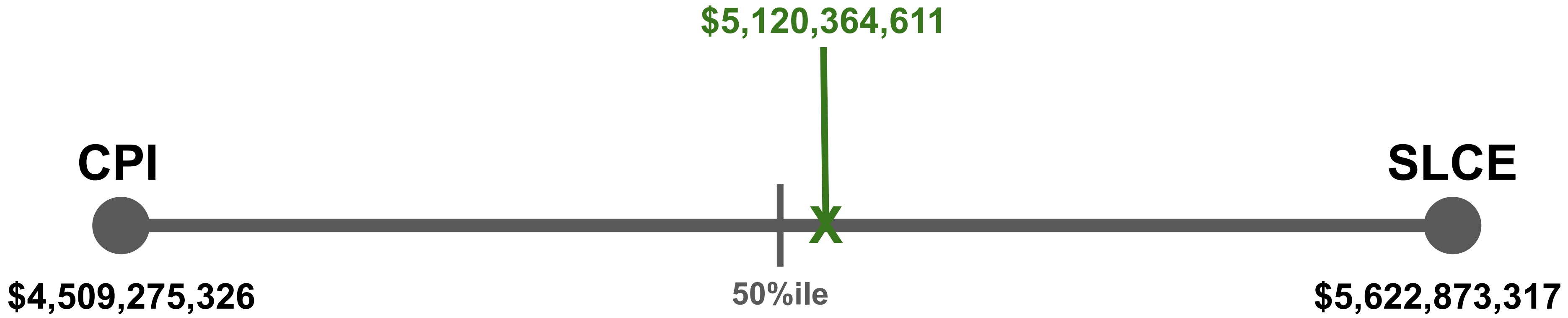
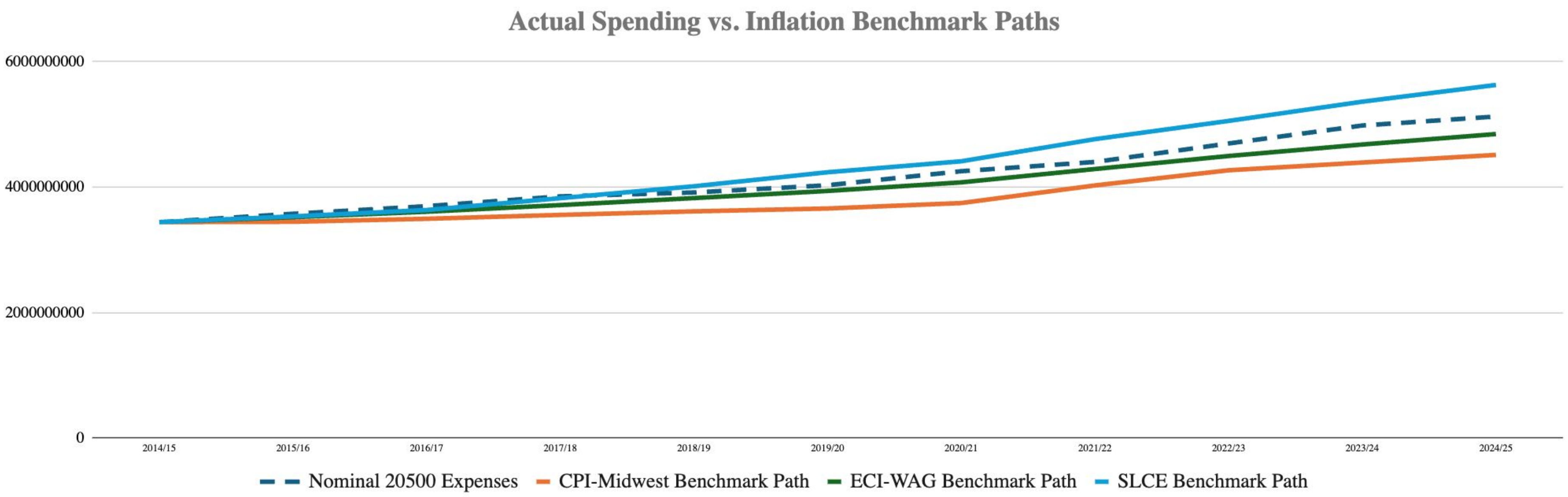
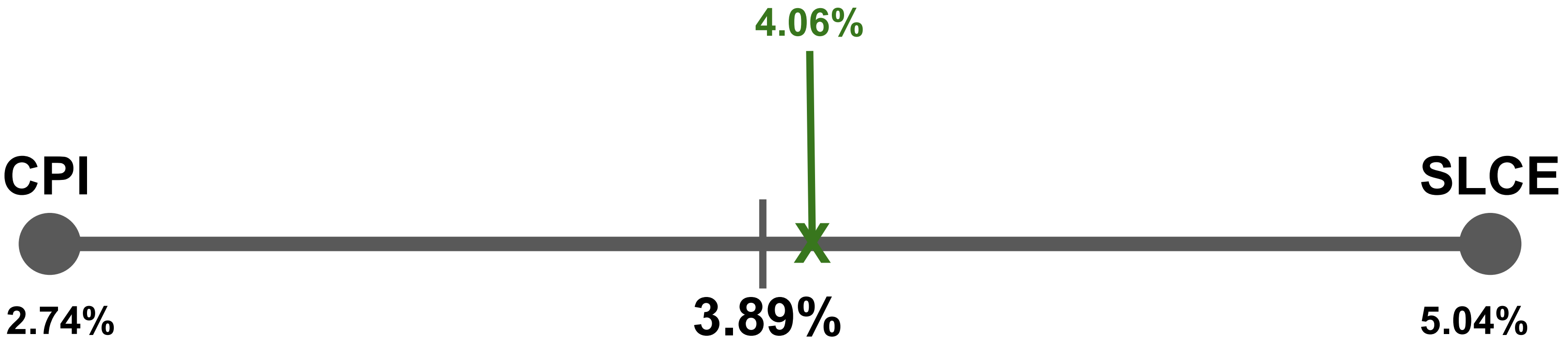
| | 1-yr | 4.97% | | 1-yr | -2.00% | | | |
| | 5-yr average | 5.84% | | 5-yr average | -0.87% | | | |
| | 7-yr average | 5.67% | | 7-yr average | -1.43% | | | |
| | 10-yr average | 5.04% | | 10-yr average | -0.93% | | | |

# Nebraska 10 Year School Spending When Adjusted for Inflation is at the 55%ile of the Range Between Measures.




Actual Spending vs. Inflation Benchmark Paths
6000000000
4000000000
2000000000
0
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
Nominal 20500 Expenses
CPI-Midwest Benchmark Path
ECI-WAG Benchmark Path
SLCE Benchmark Path

# 10-Year: 55%ile of the Inflationary Index Range



# Reported Sub-Committee Next Steps From the April 2026 Meeting

- Discuss possible school spending efficiency recommendations for the full commission to consider.
- Discuss any potential recommendations to the revenue cap or other school caps and lids related to school finance.

# Draft Initial School Spending Efficiency Recommendations

- Study to analyze (audit) of existing state statutes to understand the impact they have on school spending/human resources and explore opportunities to sunset existing laws to increase efficiency.
- Add a component similar to the “fiscal note” for proposed legislation which analyzes the impact of proposed legislation on other political subdivisions (e.g., costs, proposed operational impacts; etc.).
- Systematize a “spending” analysis through the School Finance Review Commission similar to what the sub-committee completed and reported at the April Commission meeting on a regular interval (e.g., every 3-5 years).
- Commission a study to analyze the limitations and merits of school consolidation for serving students and creating spending efficiency.  This recommendation by the sub-committee does not endorse consolidation as a strategy, but rather acknowledges that this is a topic frequently referenced as a potential cost savings strategy without a clear basis for what savings may be derived, and under what conditions those potential savings would occur.  Further, any commissioned study should include an analysis of potential consequences of consolidation.
- Explore strategies to address the root causes of increased special education costs - e.g., special education staff shortages; lack of availability of level 3 program services (impact of limited supply and demand); cost of contracted services; etc.

# 2023-2024 NDE Teacher Vacancy Survey Report

| Endorsement Area | Unfilled** | | Vacant *** | Endorsement Area | Unfilled** | | Vacant *** |
|---|---|---|---|---|---|---|---|
| | # | % | # | | # | % | # |
| Special Education | **209.60** | **23.63%** | 76.1 | Art | **30.33** | **3.42%** | 13.33 |
| Elementary Education | **109.50** | **12.34%** | 61.0 | School Counselor | **29.75** | **3.35%** | 1.0 |
| Career Education Areas | **75.25** | **8.48%** | 21.0 | Health/Physical Education | **29.50** | **3.33%** | 11.5 |
| Language Arts | **74.50** | **8.40%** | 35.0 | Music Instrumental/Vocal | **27.25** | **3.07%** | 2.25 |
| Mathematics | **66.80** | **7.53%** | 47.6 | World Language | **26.00** | **2.93%** | 4.5 |
| Speech Language Pathology | **54.80** | **6.18%** | 15.8 | School Psychologist | **20.70** | **2.33%** | 17.2 |
| Science | **49.50** | **5.58%** | 29.0 | ESL/ELL | **18.10** | **2.04%** | 10.5 |
| Early Childhood Education | **35.00** | **3.95%** | 2.0 | Social Studies/Social Science | **16.00** | **1.80%** | 9.0 |

| Special Education Expenditures | | | |
|---|---|---|---|
| **Year** | **Total Expenditures** | **$ Change from prior year** | **% of Change from Prior Year** |
| **24-25** | $862,244,946 | $77,126,132 | 9.82% |
| **23-24** | $785,118,814 | $58,380,526 | 8.03% |
| **22-23** | $726,738,288 | $44,739,180 | 6.56% |
| **21-22** | $681,999,108 | $37,145,421 | 5.76% |
| **20-21** | $644,853,687 | $21,225,163 | 3.40% |
| **19-20** | $623,628,524 | $14,602,791 | 2.40% |
| **18-19** | $609,025,733 | $15,648,638 | 2.64% |
| **17-18** | $593,377,095 | $27,678,116 | 4.89% |
| **16-17** | $565,698,979 | $20,705,570 | 3.80% |
| **15-16** | $544,993,408 | $24,436,511 | 4.69% |

# 79-3402
Revenue Cap

For purposes of the School District Property Tax Limitation Act, unless the context otherwise requires:

(1) Approved bonds means (a) bonds that are issued by a school district after the question of issuing such bonds has been approved by the voters of such school district and (b) bonds that are issued by a school district pursuant to section 79-10,110, 79-10,110.01, or 79-10,110.02;

(2) Average daily membership has the same meaning as in section 79-1003;

(3) Base growth percentage means the sum of:

(a) Three percent;

(b) The annual percentage increase in the student enrollment of the school district multiplied by:

(i) One if the school district's student enrollment has grown by an average of at least three percent and by at least one hundred fifty students over the preceding three years;

(ii) Seven-tenths if the school district's student enrollment has grown by an average of at least three percent over the preceding three years; or

(iii) Four-tenths if subdivisions (3)(b)(i) and (3)(b)(ii) of this section do not apply;

(c) The percentage obtained by first dividing the annual increase in the total number of limited English proficiency students in the school district by the student enrollment of the school district and then multiplying the quotient by fifteen hundredths; and

(d) The percentage obtained by first dividing the annual increase in the total number of poverty students in the school district by the student enrollment of the school district and then multiplying the quotient by fifteen hundredths;

(4) Department means the State Department of Education;

(5) Non-property-tax revenue means revenue of a school district from all state and local sources other than real and personal property taxes. Non-property-tax revenue does not include grants, donations, bonds, all revenue from a school district that has been merged into another school district or dissolved, activity funds, bond funds, cooperative funds, depreciation funds, employee benefit funds, nutrition funds, qualified capital purpose undertaking funds, or student fee funds, insurance proceeds, proceeds from the sale of property including land, buildings, or capital assets in special building funds, or proceeds of financing;

(6) Property tax request means the total amount of property taxes for the general and special building funds requested to be raised for a school district through the levy imposed pursuant to section 77-1601;

(7) Property tax request authority means the amount that may be included in a property tax request for the general or special building funds of the school district as determined pursuant to the School District Property Tax Limitation Act;

(8) School board has the same meaning as in section 79-101;

(9) School district has the same meaning as in section 79-101; and

(10) Student enrollment means the total number of students in the school district according to the fall school district membership report described in subsection (4) of section 79-528.

| Levers | |
|---|---|
| **Property Tax Authority** | |
| Base Growth | 3% |
| 3(b)(i) Enrollment Growth Rate | 0.03 |
| 3(b)(i) Enrollment Growth Total | 150 |
| 3(b)(i) Multiplier | 1 |
| 3(b)(ii) Enrollment Growth Rate | 0.03 |
| 3(b)(ii) Enrollment Growth Total | 0 |
| 3(b)(ii) Multiplier | 0.7 |
| 3(b)(iii) Multiplier | 0.4 |
| English Proficency Multiplier | 0.15 |
| Poverty Multiplier | 0.15 |
| Years | 3 |

# Impact of Enrollment Growth on Revenue Cap

| Year | Base Growth (Avrg) | Count of i | Count of ii | Count of iii | Basic Growth % for Membership (Average) | Basic Growth % for Membership (Median) | District Count w/ Enrollment Growth | District Count w/ Enrollment Growth % |
|---|---|---|---|---|---|---|---|---|
| **2023/24** | 3.00% | 3 | 24 | 217 | 0.87% | 0.00% | 121.00 | 50% |
| **2024/25** | 3.00% | 3 | 22 | 219 | 0.73% | 0.00% | 109.00 | 45% |
| **2025/26** | 3.00% | 2 | 22 | 221 | 0.63% | 0.00% | 113.00 | 46% |
| **2026/27** | 3.00% | 2 | 15 | 227 | 0.60% | 0.00% | 93.00 | 38% |

# Impact of LEP on Revenue Cap

| Year | Basic Growth % for LEP (Average) | Basic Growth for LEP (Median) | District Count w/ LEP Student Enrollment Growth | District Count % w/ LEP Student Enrollment Growth |
|---|---|---|---|---|
| **2023/24** | 0.05% | 0.00% | 73.00 | 30% |
| **2024/25** | 0.03% | 0.00% | 61.00 | 25% |
| **2025/26** | 0.07% | 0.00% | 94.00 | 38% |
| **2026/27** | 0.04% | 0.00% | 71.00 | 29% |

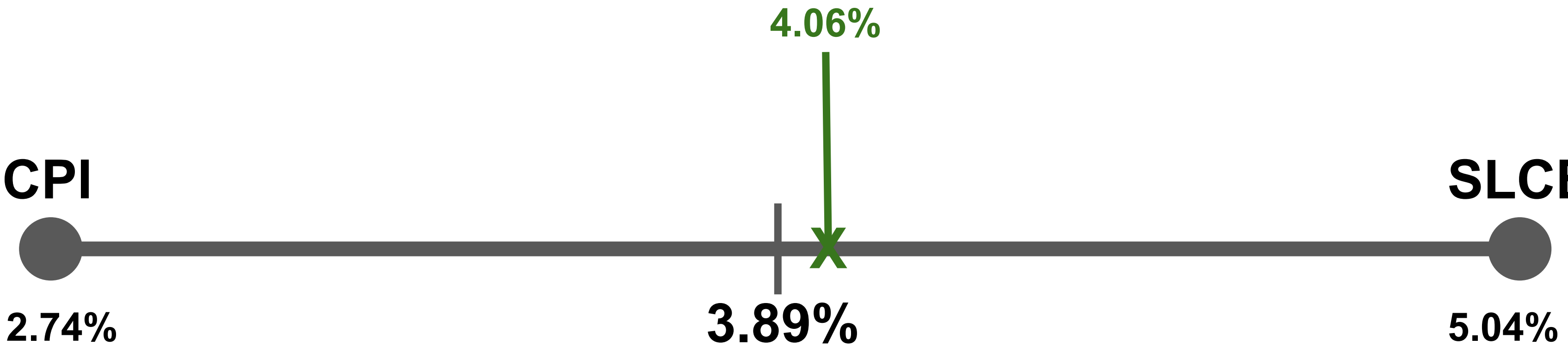
# Impact of Poverty on Revenue Cap

| Year | Basic Growth % for Poverty (Average) | Basic Growth for Poverty (Median) | District Count w/ Poverty Growth | District Count % w/ Poverty Growth |
|---|---|---|---|---|
| **2023/24** | 0.60% | 0.56% | 213.00 | 87% |
| **2024/25** | 0.29% | 0.17% | 148.00 | 61% |
| **2025/26** | 0.03% | 0.00% | 14.00 | 6% |
| **2026/27** | 0.09% | 0.00% | 65.00 | 27% |

# Overall Revenue Cap Analysis

| Year | Total Base Growth Rate % (Average) | Total Base Growth Rate % (Median) | Count of School Districts |
|---|---|---|---|
| **2023/24** | 4.51% | 3.95% | 244.00 |
| **2024/25** | 4.05% | 3.46% | 244.00 |
| **2025/26** | 3.73% | 3.18% | 245.00 |
| **2026/27** | 3.74% | 3.13% | 244.00 |

# 55%ile of the Inflationary Index Range



# Revenue Cap Override
# *79-3405*

- The base revenue cap may be overridden by a vote of the people or 70% vote of the Board of Education.
- Base growth percentage increase is fixed to average daily membership:

| Enrollment | Override Amount |
|---|---|
| <471 Students | +7% |
| >471 - <3044 Students | +6% |
| >3044 - <10,000 Students | +5% |
| >10,000 Students | +4% |

**79-3405. Property tax request authority; election to exceed; procedure; base growth percentage; increase; procedure.**

(1) A school district's property tax request may exceed its property tax request authority by an amount approved by a sixty percent majority of legal voters voting on the issue at a special election called for such purpose upon the recommendation of the school board of such school district or upon the receipt by the county clerk or election commissioner of a petition requesting an election signed by at least five percent of the legal voters of the school district. The recommendation of the school board or the petition of the legal voters shall include the amount by which the school board would increase its property tax request for the year over and above the property tax request authority of such school district. The county clerk or election commissioner shall call for a special election on the issue within thirty days after the receipt of such school board recommendation or legal voter petition. The election shall be held pursuant to the Election Act, and all costs shall be paid by the school district.

(2)(a) A school district may increase the base growth percentage used to determine its property tax request authority under section 79-3403 by a percentage approved by an affirmative vote of at least seventy percent of the school board of such school district. The maximum base growth percentage that may be approved under this subsection shall be:

(i) The base growth percentage that would otherwise be applicable plus an additional seven percent for school districts with an average daily membership of no more than four hundred seventy-one students;

(ii) The base growth percentage that would otherwise be applicable plus an additional six percent for school districts with an average daily membership of more than four hundred seventy-one students but no more than three thousand forty-four students;

(iii) The base growth percentage that would otherwise be applicable plus an additional five percent for school districts with an average daily membership of more than three thousand forty-four students but no more than ten thousand students; or

(iv) The base growth percentage that would otherwise be applicable plus an additional four percent for school districts with an average daily membership of more than ten thousand students.

(b) Before a school board votes to increase a school district's base growth percentage under this subsection, the school board shall publish notice of the upcoming vote in a legal newspaper of general circulation in the school district. Such publication shall occur at least one week prior to the public meeting at which the vote will be taken.

(3) A school district's property tax request may exceed its property tax request authority pursuant to any property tax authority approved by the voters at a levy override election under section 77-3444 held prior to January 1, 2024.

# Unused Authority

## 79-3406.

### Unused property tax request authority; carry forward.

A school district may choose not to increase its property tax request by the full amount allowed by the school district's property tax request authority in a particular year. In such cases, the school district may carry forward to future years the amount of unused property tax request authority. The department shall calculate each school district's unused property tax request authority and shall submit an accounting of such amount to the school board of the school district. Such unused property tax request authority may then be used in later years for increases in the school district's property tax request.

### Source

- Laws 2023, LB243, § 6.

# General Revenue Cap Analysis

- Student enrollment growth factors, in most situations, create revenue cap growth sufficient to meet the corresponding demand on the district budget, but can create larger revenue cap increases than may be needed in certain settings.  This may be difficult to control for perfectly.
- Revenue cap growth factors for poverty and LEP are having less of an impact on revenue cap growth than what growth in these areas may allow the district to accommodate.
- The base cap (3%) sits below the midpoint of inflationary indices within a ten year window. This may create a base cap that is challenging to sustain even if a district is increasing revenue at a significantly slower pace than inflation.
- The revenue cap overlaps with other budget related limitations - spending authority; budget authority; levy maximums; revenue cap.
- As previously established in April, unused tax authority has accumulated to be a greater amount than anticipated.
- Frequent proposed discussions around changes to the revenue cap in the legislature put school districts in a difficult position regarding how best to respond using the current cap.

# Next Steps

- Model and propose possible base cap alternatives (e.g., higher percentage such as 3.5/4%; five-year rolling baseline of 50% of range between CPI & SLCE OR 80% of SLCE; etc.).
- Model and propose possible alternatives to some of the cap growth factors.
- Model and propose possible alternatives for how districts may override the baseline cap to respond to unique situations.
- Model and propose possible alternatives for how unused authority may be retained.
- Explore possible ways simplify the existing array of caps and lids to streamline the budgeting process without removing reasonable school finance parameters.