

**COLLABORATION MEMBERS**

Nebraska Council of School
Administrators

Nebraska Association of School
Boards

Nebraska State Education
Association

Schools Taking Action for
Children's Education (STANCE)

Greater Nebraska Schools
Association

Nebraska Rural Community
Schools Association

Educational Service Units
Coordinating Council

Stand for Schools

DATE: August 9, 2024

TO: Members of Nebraska Legislature

RE: AM51 to LB9

The Education Collaboration stands united in opposition to AM51 to LB9 and proposed amendments. We recognize the need for property tax relief and have consistently supported a more equitable balance of funding sources for K-12 public education in Nebraska. The drastic change to the Local Effort Rate (LER) proposed for 2025-26 risks breaking the TEEOSA formula due to the disproportionately large percentage of school funding being channeled through the State.

We are also concerned about the intent language in Section 80 of AM51. Expressing a desire to completely overhaul TEEOSA without a clear plan is premature. Moreover, the intent to "replace school general fund levies by no later than the 2026-27 school fiscal year," as reiterated from the plan, suggests a future scenario where the State assumes nearly all school funding responsibilities.

This proposed shift would leave the allocation of critical dollars solely to future legislatures, significantly undermining local control. We believe it is essential to maintain local control of significant school district funding, allowing local school boards to make decisions that reflect the unique needs and contexts of their communities.

Additionally, the proposed plan fails to provide new funding for schools and, in fact, would result in a net loss of levying authority, leading to cuts in schools and reduced support for students. While the proposal funnels state money to schools, the existing caps mean that little to none of this money will be available for student support. There is a pressing need for property tax reform, but equally important is the need for increased funding for schools, particularly to address educator workforce shortages.

Making decisions of this magnitude about state aid to schools within the time constraints of a special session is reckless. We urge caution. The rushed nature of this process does not allow for careful planning, adequate forethought, or the inclusion of school finance experts and modeling to prevent adverse impacts and unforeseen consequences.

To avoid disastrous results, we recommend the establishment of an inclusive School Funding Commission. This commission should include board members, school business managers from diverse schools, NASB delegates, educators represented by NSEA, and school finance officials from the Nebraska Department of Education.