

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1033

Introduced by Murante, 49.

Read first time January 16, 2018

Committee:

1 A BILL FOR AN ACT relating to learning communities; to amend sections
2 11-119, 13-903, 13-2202, 32-546.01, 32-567, 32-604, 32-1203,
3 77-1601.02, 77-1614, 77-1624, 77-1702, 77-1708, 77-1772, 77-2201,
4 77-2202, 79-102, 79-201, 79-2,104, 79-408, 79-413, 79-415, 79-416,
5 79-433, 79-452, 79-458, 79-458.01, 79-467, 79-468, 79-473, 79-4,117,
6 79-4,118, 79-4,120, 79-4,127, 79-527, 79-529, 79-549, 79-760.05,
7 79-769, 79-777, 79-850, 79-1007.05, 79-1014, 79-1074, 79-1125.01,
8 79-1142, 79-1210, 79-2404, and 81-1203, Reissue Revised Statutes of
9 Nebraska, sections 13-503, 68-907, 70-651.04, 77-1704.01,
10 77-1736.06, 77-2704.15, 79-215, 79-233, 79-235, 79-235.01, 79-238,
11 79-241, 79-4,119, 79-4,121, 79-4,122, 79-4,123, 79-4,125, 79-4,126,
12 79-4,128, 79-528, 79-611, 79-703, 79-760.02, 79-760.03, 79-979,
13 79-1005, 79-1005.01, 79-1007.18, 79-1008.01, 79-1013, 79-1024,
14 79-1033, 79-1036, 79-1041, 79-1075, 79-1083, 79-1084, 79-1086,
15 79-10,143, 79-11,155, 79-1241.03, 79-1245, 79-2104, 79-2117,
16 79-2120, and 79-2122, Revised Statutes Cumulative Supplement, 2016,
17 and sections 13-508, 13-511, 77-3442, 79-237, 79-407, 79-1003,
18 79-1007.11, 79-1009, 79-1017.01, 79-1022, and 79-10,145, Revised
19 Statutes Supplement, 2017; to provide for termination of learning
20 communities and the learning community coordinating council; to
21 change authorization for early childhood education for children in
22 poverty, elementary learning centers, and focus schools and programs
23 as prescribed; to provide levy authority as prescribed; to rename

1 and change provisions of the Learning Community Reorganization Act;
2 to harmonize provisions; to provide operative dates; to repeal the
3 original sections; and to outright repeal section 32-555.01, Reissue
4 Revised Statutes of Nebraska, and sections 79-1008.02, 79-1073, and
5 79-10,126.01, Revised Statutes Cumulative Supplement, 2016.

6 Be it enacted by the people of the State of Nebraska,

1 Section 1. On July 1, 2019, any learning community established
2 pursuant to section 79-2102, as such section existed immediately prior to
3 the operative date of this section, shall be dissolved. Each learning
4 community coordinating council shall prepare for such dissolution by
5 transferring all assets to member school districts and performing such
6 other tasks as may be necessary for an orderly dissolution. Any remaining
7 records, books, papers, and personal property belonging to such learning
8 community after such dissolution shall be delivered to the State Board of
9 Education to be distributed, as determined by the state board, to the
10 school districts that were members of such learning community immediately
11 prior to its dissolution. Any liabilities of a learning community
12 remaining after dissolution shall be divided proportionately between
13 former member school districts based on the taxable valuation of such
14 school districts. The boundaries of all former member school districts of
15 a learning community shall remain unchanged unless modified pursuant to a
16 reorganization entered into by one or more such school districts.

17 Sec. 2. (1) Two or more school districts for which the principal
18 office of the school district is located in a county where a city of the
19 metropolitan class is located or for which the principal office of the
20 school district is located in a county that has a contiguous border of at
21 least five miles in the aggregate with a city of the metropolitan class
22 may form a joint entity pursuant to the Interlocal Cooperation Act with
23 every educational service unit for which any participating school
24 district is a member for the purpose of creating, implementing, and
25 operating such early childhood education programs or services for
26 children in poverty pursuant to this section. The agreement creating such
27 joint entity shall address legal, financial, and academic
28 responsibilities.

29 (2) A joint entity formed pursuant to subsection (1) of this section
30 shall provide one or more early childhood education programs or services
31 for children in poverty. In developing the early childhood education

1 programs or services for children in poverty, the joint entity shall seek
2 input from community resources and collaborate with such resources in
3 order to maximize the available opportunities and resources for such
4 programs or services. The joint entity may contract for some or all of
5 the programs or services. Such joint entity shall take special efforts to
6 establish early childhood education programs for children in poverty so
7 that such programs are readily available and accessible to children and
8 families located in areas with a high concentration of poverty.

9 (3) Beginning July 1, 2019, the school districts participating in a
10 joint entity providing one or more early childhood education programs or
11 services for children in poverty pursuant to this section may levy for
12 such programs and services pursuant to subdivision (2)(e) of section
13 77-3442.

14 Sec. 3. (1) Two or more school districts for which the principal
15 office of the school district is located in a county where a city of the
16 metropolitan class is located or for which the principal office of the
17 school district is located in a county that has a contiguous border of at
18 least five miles in the aggregate with a city of the metropolitan class
19 may form a joint entity pursuant to the Interlocal Cooperation Act with
20 every educational service unit for which any participating school
21 district is a member for the purpose of creating, implementing, and
22 operating elementary learning centers pursuant to this section. The
23 agreement creating such joint entity shall address legal, financial, and
24 academic responsibilities.

25 (2) A joint entity formed pursuant to subsection (1) of this section
26 shall establish and operate one or more elementary learning centers.
27 Elementary learning centers shall serve as visionary resource centers for
28 enhancing the academic success of elementary students, particularly those
29 students who face challenges in the educational environment due to
30 factors such as poverty, limited English skills, and mobility.

31 (3) In developing an elementary learning center, a joint entity

1 shall seek input from community resources and collaborate with such
2 resources in order to maximize the available opportunities and the
3 participation of elementary students and their families. Services shall
4 be provided through contracts with, or grants to, entities other than
5 school districts to provide some or all of the services. An elementary
6 learning center may also serve as a clearinghouse for recommending
7 programs provided by school districts or other entities and assist
8 students in accessing such programs.

9 (4) Each joint entity establishing or operating an elementary
10 learning center pursuant to this section shall provide for at least one
11 elementary learning center facility that is located in an area with a
12 high concentration of poverty. Such facility may be owned or leased by
13 such school district or joint entity, or the use of the facility may be
14 donated. Programs offered by the elementary learning center may be
15 offered in such facility or in other facilities, including school
16 buildings.

17 (5) Beginning July 1, 2019, the school districts participating in a
18 joint entity operating an elementary learning center pursuant to this
19 section may levy for elementary learning center facility leases and for
20 remodeling of leased elementary learning center facilities pursuant to
21 subdivision (2)(d) of section 77-3442.

22 (6) Beginning July 1, 2019, the school districts participating in a
23 joint entity operating one or more elementary learning centers pursuant
24 to this section may levy for elementary learning center employees, for
25 contracts with other entities or individuals who are not employees of
26 such school district or joint entity, and for elementary learning center
27 programs and services pursuant to subdivision (2)(e) of section 77-3442.

28 (7) An elementary learning center executive director may be
29 appointed by the joint entity to administer the elementary learning
30 center or centers. Any such executive director shall be a person well
31 equipped to work with populations in poverty and to analyze effective

1 methods for assisting and encouraging such populations to access the
2 programs offered by elementary learning centers. Any such elementary
3 learning center executive director shall receive such salary as is set by
4 the participating school districts.

5 (8) Any such elementary learning center executive director may
6 select, appoint, and compensate as he or she sees fit, within the amount
7 provided by the participating school districts, such noncertificated
8 assistants and noncertificated employees as he or she deems necessary to
9 discharge the responsibilities of such elementary learning center or
10 centers. Such assistants and employees shall be subject to the control
11 and supervision of the elementary learning center executive director.

12 (9) Terms and conditions of employment of school employees providing
13 services for an elementary learning center shall be established by the
14 negotiated agreement of the school district or joint entity employing
15 such school employees to provide services. For certificated employees as
16 defined in section 79-824, the school district or joint entity shall be
17 deemed to be a public employer as defined in section 48-801. Compensation
18 paid to school employees for services provided to a school district or
19 joint entity shall be subject to the School Employees Retirement Act
20 unless such employee is employed by a Class V school district, in which
21 case compensation paid such school employee shall be subject to the Class
22 V School Employees Retirement Act.

23 (10) Programs offered by an elementary learning center may be
24 accessed by any elementary-age child who resides in a participating
25 school district or any family with an elementary-age child who resides in
26 a participating school district. Services to be provided by the
27 elementary learning center shall comply with all applicable state
28 regulations for such services, including, but not limited to, regulations
29 requiring certification of teachers, safety provisions, and compliance
30 with state standards. Such programs shall be designed to enhance the
31 academic success of elementary students and may include, but are not

1 limited to:

2 (a) Summer school, extended-school-day programs, and extended-
3 school-year programs which may be coordinated with programs offered in
4 the schools;

5 (b) Literacy centers for providing intensive assistance to
6 elementary-age children and their parents to work on reading skills
7 outside of the school day;

8 (c) Computer labs;

9 (d) Tutors for elementary students;

10 (e) Mentors for elementary students;

11 (f) Services for transient students;

12 (g) Attendance advocates to assist in resolving issues that
13 contribute to truancy;

14 (h) Transportation for truant students;

15 (i) English classes for parents and other family members;

16 (j) Health services;

17 (k) Mental health services;

18 (l) Child care for children of parents working on their own literacy
19 skills or working with their children on academic skills at the center;

20 (m) Nutritional services for families working on skills at the
21 center;

22 (n) Transportation for participating families;

23 (o) Distribution of clothing and school supplies;

24 (p) Information on other resources to assist participating families;

25 and

26 (q) Interpreter services for educational needs.

27 (11) Each elementary learning center shall report the participation
28 of elementary students in academic programs offered by or in
29 collaboration with the center to the elementary schools attended by such
30 students.

31 Sec. 4. (1) Beginning July 1, 2019, the school districts

1 participating in a joint entity operating a focus school pursuant to
2 section 79-769 may levy a maximum levy pursuant to subdivision (2)(d) of
3 section 77-3442 for up to fifty percent of the estimated costs for focus
4 school or program capital projects approved pursuant to this section. The
5 proceeds from such levy shall be used to reduce the necessary bonded
6 indebtedness for such capital project, shall be transferred to the school
7 district acting as the fiscal agent for such interlocal agreement, and
8 shall be deposited in such school district's building fund for use on
9 such capital project.

10 (2) The school districts participating in a joint entity pursuant to
11 section 79-769 to operate a focus school may, pursuant to this section,
12 approve funding for capital projects which will include the purchase,
13 construction, or remodeling of facilities for a focus school or program
14 designed to meet the requirements of such section. Such approval shall
15 include an estimated cost for the project and shall state the amount that
16 will be provided by the participating school districts for such project.

17 (3) If, within the ten years following receipt of the funding for a
18 capital project pursuant to this section or section 79-2111 as such
19 section existed prior to July 1, 2019, a school district receiving such
20 funding uses the facility purchased, constructed, or remodeled with such
21 funding for purposes other than those stated to qualify for the funds,
22 the school district shall repay such funds to any other participating
23 school districts with property that was taxed for such purpose with
24 interest at the rate prescribed in section 45-104.02 accruing from the
25 date the funds were transferred to the building fund as of the last date
26 the facility was used for such purpose or the date that it is determined
27 that the facility will not be used for such purpose or that such facility
28 will not be purchased, constructed, or remodeled for such purpose.
29 Interest shall continue to accrue on outstanding balances until the
30 repayment has been completed. The remaining terms of repayment shall be
31 determined by the participating school districts. The participating

1 school districts may waive such repayment if the facility is used for a
2 different focus school or program for a period of time that will result
3 in the use of the facility for qualifying purposes for a total of at
4 least ten years.

5 Sec. 5. Section 11-119, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 11-119 The following named officers shall execute a bond with
8 penalties of the following amounts:

9 (1) The Governor, one hundred thousand dollars;

10 (2) The Lieutenant Governor, one hundred thousand dollars;

11 (3) The Auditor of Public Accounts, one hundred thousand dollars;

12 (4) The Secretary of State, one hundred thousand dollars;

13 (5) The Attorney General, one hundred thousand dollars;

14 (6) The State Treasurer, not less than one million dollars and not
15 more than double the amount of money that may come into his or her hands,
16 to be fixed by the Governor;

17 (7) Each county attorney, a sum not less than one thousand dollars
18 to be fixed by the county board;

19 (8) Each clerk of the district court, not less than five thousand
20 dollars or more than one hundred thousand dollars to be determined by the
21 county board;

22 (9) Each county clerk, not less than one thousand dollars or more
23 than one hundred thousand dollars to be determined by the county board,
24 except that when a county clerk also has the duties of other county
25 offices the minimum bond shall be two thousand dollars;

26 (10) Each county treasurer, not less than ten thousand dollars and
27 not more than the amount of money that may come into his or her hands, to
28 be determined by the county board;

29 (11) Each sheriff, in counties of not more than twenty thousand
30 inhabitants, five thousand dollars, and in counties over twenty thousand
31 inhabitants, ten thousand dollars;

1 (12) Each district superintendent of public instruction, one
2 thousand dollars;

3 (13) Each county surveyor, five hundred dollars;

4 (14) Each county commissioner or supervisor, in counties of not more
5 than twenty thousand inhabitants, one thousand dollars, in counties over
6 twenty thousand and not more than thirty thousand inhabitants, two
7 thousand dollars, in counties over thirty thousand and not more than
8 fifty thousand inhabitants, three thousand dollars, and in counties over
9 fifty thousand inhabitants, five thousand dollars;

10 (15) Each register of deeds in counties having a population of more
11 than sixteen thousand five hundred inhabitants, not less than two
12 thousand dollars or more than one hundred thousand dollars to be
13 determined by the county board;

14 (16) Each township clerk, two hundred fifty dollars;

15 (17) Each township treasurer, two thousand dollars;

16 (18) Each county assessor, not more than five thousand dollars and
17 not less than two thousand dollars;

18 (19) Each school district treasurer, not less than five hundred
19 dollars or more than double the amount of money that may come into his or
20 her hands, the amount to be fixed by the president and secretary of the
21 district;

22 (20) Each road overseer, two hundred fifty dollars;

23 (21) Each member of a county weed district board and the manager
24 thereof, such amount as may be determined by the county board of
25 commissioners or supervisors of each county with the same amount to apply
26 to each member of any particular board; and

27 (22) In any county, in lieu of the individual bonds required to be
28 furnished by county officers, a schedule, position, or blanket bond or
29 undertaking may be given by county officers, or a single corporate surety
30 fidelity, schedule, position, or blanket bond or undertaking covering all
31 the officers, including officers required by law to furnish an individual

1 bond or undertaking, may be furnished. The county may pay the premium for
2 the bond. The bond shall be, at a minimum, an aggregate of the amounts
3 fixed by law or by the person or board authorized by law to fix the
4 amounts, and with such terms and conditions as may be required by
5 sections 11-101 to 11-130, ~~;~~ and

6 ~~(23) Each learning community coordinating council treasurer, not~~
7 ~~less than five hundred dollars or more than double the amount of money~~
8 ~~that may come into his or her hands, the amount to be fixed by the~~
9 ~~learning community coordinating council.~~

10 All other state officers, department heads, and employees shall be
11 bonded or insured as required by section 11-201.

12 Sec. 6. Section 13-503, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 13-503 For purposes of the Nebraska Budget Act, unless the context
15 otherwise requires:

16 (1) Governing body means the governing body of any county
17 agricultural society, elected county fair board, joint airport authority
18 formed under the Joint Airport Authorities Act, city or county airport
19 authority, bridge commission created pursuant to section 39-868, cemetery
20 district, city, village, municipal county, community college, community
21 redevelopment authority, county, drainage or levee district, educational
22 service unit, rural or suburban fire protection district, historical
23 society, hospital district, irrigation district, ~~learning community,~~
24 natural resources district, nonprofit county historical association or
25 society for which a tax is levied under subsection (1) of section
26 23-355.01, public building commission, railroad transportation safety
27 district, reclamation district, road improvement district, rural water
28 district, school district, sanitary and improvement district, township,
29 offstreet parking district, transit authority, metropolitan utilities
30 district, Educational Service Unit Coordinating Council, and political
31 subdivision with the authority to have a property tax request, with the

1 authority to levy a toll, or that receives state aid;

2 (2) Levying board means any governing body which has the power or
3 duty to levy a tax;

4 (3) Fiscal year means the twelve-month period used by each governing
5 body in determining and carrying on its financial and taxing affairs;

6 (4) Tax means any general or special tax levied against persons,
7 property, or business for public purposes as provided by law but shall
8 not include any special assessment;

9 (5) Auditor means the Auditor of Public Accounts;

10 (6) Cash reserve means funds required for the period before revenue
11 would become available for expenditure but shall not include funds held
12 in any special reserve fund;

13 (7) Public funds means all money, including nontax money, used in
14 the operation and functions of governing bodies. For purposes of a
15 county, city, or village which has a lottery established under the
16 Nebraska County and City Lottery Act, only those net proceeds which are
17 actually received by the county, city, or village from a licensed lottery
18 operator shall be considered public funds, and public funds shall not
19 include amounts awarded as prizes;

20 (8) Adopted budget statement means a proposed budget statement which
21 has been adopted or amended and adopted as provided in section 13-506.
22 Such term shall include additions, if any, to an adopted budget statement
23 made by a revised budget which has been adopted as provided in section
24 13-511;

25 (9) Special reserve fund means any special fund set aside by the
26 governing body for a particular purpose and not available for expenditure
27 for any other purpose. Funds created for (a) the retirement of bonded
28 indebtedness, (b) the funding of employee pension plans, (c) the purposes
29 of the Political Subdivisions Self-Funding Benefits Act, (d) the purposes
30 of the Local Option Municipal Economic Development Act, (e) voter-
31 approved sinking funds, or (f) statutorily authorized sinking funds shall

1 be considered special reserve funds;

2 (10) Biennial period means the two fiscal years comprising a
3 biennium commencing in odd-numbered or even-numbered years used by a
4 city, village, or natural resources district in determining and carrying
5 on its financial and taxing affairs; and

6 (11) Biennial budget means (a) a budget by a city of the primary or
7 metropolitan class that adopts a charter provision providing for a
8 biennial period to determine and carry on the city's financial and taxing
9 affairs, (b) a budget by a city of the first or second class or village
10 that provides for a biennial period to determine and carry on the city's
11 or village's financial and taxing affairs, or (c) a budget by a natural
12 resources district that provides for a biennial period to determine and
13 carry on the natural resources district's financial and taxing affairs.

14 Sec. 7. Section 13-508, Revised Statutes Supplement, 2017, is
15 amended to read:

16 13-508 (1) After publication and hearing thereon and within the time
17 prescribed by law, each governing body, except as provided in subsection
18 (3) of this section, shall file with and certify to the levying board or
19 boards on or before September 20 of each year or September 20 of the
20 final year of a biennial period and file with the auditor a copy of the
21 adopted budget statement which complies with sections 13-518 to 13-522 or
22 79-1023 to 79-1030, together with the amount of the tax required to fund
23 the adopted budget, setting out separately (a) the amount to be levied
24 for the payment of principal or interest on bonds issued by the governing
25 body and (b) the amount to be levied for all other purposes. Proof of
26 publication shall be attached to the statements. ~~For fiscal years prior~~
27 ~~to fiscal year 2017-18, learning communities shall also file a copy of~~
28 ~~such adopted budget statement with member school districts on or before~~
29 ~~September 1 of each year.~~ If the prime rate published by the Federal
30 Reserve Board is ten percent or more at the time of the filing and
31 certification required under this subsection, the governing body, in

1 certifying the amount required, may make allowance for delinquent taxes
2 not exceeding five percent of the amount required plus the actual
3 percentage of delinquent taxes for the preceding tax year or biennial
4 period and for the amount of estimated tax loss from any pending or
5 anticipated litigation which involves taxation and in which tax
6 collections have been or can be withheld or escrowed by court order. For
7 purposes of this section, anticipated litigation shall be limited to the
8 anticipation of an action being filed by a taxpayer who or which filed a
9 similar action for the preceding year or biennial period which is still
10 pending. Except for such allowances, a governing body shall not certify
11 an amount of tax more than one percent greater or lesser than the amount
12 determined under section 13-505.

13 (2) Each governing body shall use the certified taxable values as
14 provided by the county assessor pursuant to section 13-509 for the
15 current year in setting or certifying the levy. Each governing body may
16 designate one of its members to perform any duty or responsibility
17 required of such body by this section.

18 (3)(a) A Class I school district shall do the filing and
19 certification required by subsection (1) of this section on or before
20 August 1 of each year.

21 (b) For fiscal years prior to fiscal year 2017-18, learning
22 communities shall do such filing and certification on or before September
23 1 of each year.

24 Sec. 8. Section 13-511, Revised Statutes Supplement, 2017, is
25 amended to read:

26 13-511 (1) Unless otherwise provided by law, whenever during the
27 current fiscal year or biennial period it becomes apparent to a governing
28 body that (a) there are circumstances which could not reasonably have
29 been anticipated at the time the budget for the current year or biennial
30 period was adopted, (b) the budget adopted violated sections 13-518 to
31 13-522, such that the revenue of the current fiscal year or biennial

1 period for any fund thereof will be insufficient, additional expenses
2 will be necessarily incurred, or there is a need to reduce the budget
3 requirements to comply with sections 13-518 to 13-522, or (c) the
4 governing body has been notified by the auditor of a mathematical or
5 accounting error or noncompliance with the Nebraska Budget Act, such
6 governing body may propose to revise the previously adopted budget
7 statement and shall conduct a public hearing on such proposal. The public
8 hearing requirement shall not apply to emergency expenditures pursuant to
9 section 81-829.51.

10 (2) Notice of the time and place of the hearing shall be published
11 at least four calendar days prior to the date set for hearing in a
12 newspaper of general circulation within the governing body's
13 jurisdiction. For purposes of such notice, the four calendar days shall
14 include the day of publication but not the day of hearing. Such published
15 notice shall set forth (a) the time and place of the hearing, (b) the
16 amount in dollars of additional or reduced money required and for what
17 purpose, (c) a statement setting forth the nature of the unanticipated
18 circumstances and, if the budget requirements are to be increased, the
19 reasons why the previously adopted budget of expenditures cannot be
20 reduced during the remainder of the current year or biennial period to
21 meet the need for additional money in that manner, (d) a copy of the
22 summary of the originally adopted budget previously published, and (e) a
23 copy of the summary of the proposed revised budget.

24 (3) At such hearing any taxpayer may appear or file a written
25 statement protesting any application for additional money. A written
26 record shall be kept of all such hearings.

27 (4) Upon conclusion of the public hearing on the proposed revised
28 budget and approval of the proposed revised budget by the governing body,
29 the governing body shall file with the county clerk of the county or
30 counties in which such governing body is located, ~~with the learning~~
31 ~~community coordinating council for fiscal years prior to fiscal year~~

1 ~~2017-18 for school districts that are members of learning communities,~~
2 and with the auditor, a copy of the revised budget, as adopted. The
3 governing body may then issue warrants in payment for expenditures
4 authorized by the adopted revised budget. Such warrants shall be referred
5 to as registered warrants and shall be repaid during the next fiscal year
6 or biennial period from funds derived from taxes levied therefor.

7 (5) Within thirty calendar days after the adoption of the budget
8 under section 13-506, a governing body may, or within thirty calendar
9 days after notification of an error by the auditor, a governing body
10 shall, correct an adopted budget which contains a clerical, mathematical,
11 or accounting error which does not affect the total amount budgeted by
12 more than one percent or increase the amount required from property
13 taxes. No public hearing shall be required for such a correction. After
14 correction, the governing body shall file a copy of the corrected budget
15 with the county clerk of the county or counties in which such governing
16 body is located and with the auditor. The governing body may then issue
17 warrants in payment for expenditures authorized by the budget.

18 Sec. 9. Section 13-903, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 13-903 For purposes of the Political Subdivisions Tort Claims Act
21 and sections 16-727, 16-728, 23-175, 39-809, and 79-610, unless the
22 context otherwise requires:

23 (1) Political subdivision shall include villages, cities of all
24 classes, counties, school districts, ~~learning communities,~~ public power
25 districts, and all other units of local government, including entities
26 created pursuant to the Interlocal Cooperation Act or Joint Public Agency
27 Act. Political subdivision shall not be construed to include any
28 contractor with a political subdivision;

29 (2) Governing body shall mean the village board of a village, the
30 city council of a city, the board of commissioners or board of
31 supervisors of a county, the board of directors of a public power

1 district, the governing board or other governing body of an entity
2 created pursuant to the Interlocal Cooperation Act or Joint Public Agency
3 Act, and any duly elected or appointed body holding the power and
4 authority to determine the appropriations and expenditures of any other
5 unit of local government;

6 (3) Employee of a political subdivision shall mean any one or more
7 officers or employees of the political subdivision or any agency of the
8 subdivision and shall include members of the governing body, duly
9 appointed members of boards or commissions when they are acting in their
10 official capacity, volunteer firefighters, and volunteer rescue squad
11 personnel. Employee shall not be construed to include any contractor with
12 a political subdivision; and

13 (4) Tort claim shall mean any claim against a political subdivision
14 for money only on account of damage to or loss of property or on account
15 of personal injury or death, caused by the negligent or wrongful act or
16 omission of any employee of the political subdivision, while acting
17 within the scope of his or her office or employment, under circumstances
18 in which the political subdivision, if a private person, would be liable
19 to the claimant for such damage, loss, injury, or death but shall not
20 include any claim accruing before January 1, 1970.

21 Sec. 10. Section 13-2202, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 13-2202 For purposes of the Local Government Miscellaneous
24 Expenditure Act:

25 (1) Elected and appointed officials and employees shall mean the
26 elected and appointed officials and employees of any local government;

27 (2) Governing body shall mean, in the case of a city of any class,
28 the council; in the case of a village, cemetery district, community
29 hospital for two or more adjoining counties, county hospital, road
30 improvement district, sanitary drainage district, or sanitary and
31 improvement district, the board of trustees; in the case of a county, the

1 county board; in the case of a municipal county, the council; in the case
2 of a township, the town board; in the case of a school district, the
3 school board; in the case of a rural or suburban fire protection
4 district, reclamation district, natural resources district, or hospital
5 district, the board of directors; in the case of a health district, the
6 board of health; in the case of an educational service unit, the board;
7 in the case of a community college, the Community College Board of
8 Governors for the area the board serves; in the case of an airport
9 authority, the airport authority board; in the case of a weed control
10 authority, the board; and in the case of a county agricultural society,
11 the board of governors; ~~and in the case of a learning community, the~~
12 ~~learning community coordinating council;~~

13 (3) Local government shall mean cities of any class, villages,
14 cemetery districts, community hospitals for two or more adjoining
15 counties, county hospitals, road improvement districts, counties,
16 townships, sanitary drainage districts, sanitary and improvement
17 districts, school districts, rural or suburban fire protection districts,
18 reclamation districts, natural resources districts, hospital districts,
19 health districts, educational service units, community colleges, airport
20 authorities, weed control authorities, and county agricultural societies,
21 ~~and learning communities;~~

22 (4) Public funds shall mean such public funds as defined in section
23 13-503 as are under the direct control of governing bodies of local
24 governments;

25 (5) Public meeting shall mean all regular, special, or called
26 meetings, formal or informal, of any governing body for the purposes of
27 briefing, discussion of public business, formation of tentative policy,
28 or the taking of any action of the governing body; and

29 (6) Volunteer shall mean a person who is not an elected or appointed
30 official or an employee of a local government and who, at the request or
31 with the permission of the local government, engages in activities

1 related to the purposes or functions of the local government or for its
2 general benefit.

3 Sec. 11. Section 32-546.01, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 32-546.01 (1) Each learning community shall be governed by a
6 learning community coordinating council. Through June 30, 2019, January
7 ~~4, 2017~~, each council shall consist of eighteen voting members, with
8 twelve members elected on a nonpartisan ballot from six numbered
9 subcouncil districts created pursuant to section 32-555.01 and with six
10 members appointed from such subcouncil districts pursuant to this
11 section. Beginning January 5, 2017, each learning community coordinating
12 council shall consist of twelve members elected prior to the operative
13 date of this section on a nonpartisan ballot from six numbered subcouncil
14 districts created pursuant to section 32-555.01. Members elected at the
15 general election in 2014 shall continue to serve until the terms for
16 which they were elected expire, and such members may run for reelection.
17 Each voter shall be allowed to cast votes for one candidate at both the
18 primary and general elections to represent the subcouncil district in
19 which the voter resides. The four candidates receiving the most votes at
20 the primary election shall advance to the general election. The two
21 candidates receiving the most votes at the general election shall be
22 elected. A candidate shall reside in the subcouncil district for which he
23 or she is a candidate. Coordinating council members shall be elected on
24 the nonpartisan ballot.

25 (2) The initial elected members shall be nominated at the statewide
26 primary election and elected at the statewide general election
27 immediately following the certification of the establishment of the
28 learning community, and subsequent members shall be nominated at
29 subsequent statewide primary elections and elected at subsequent
30 statewide general elections. Except as provided in this section, such
31 elections shall be conducted pursuant to the Election Act.

1 ~~(2) (3)~~ Vacancies in office for ~~elected~~ members shall occur as set
2 forth in section 32-560. Whenever any such vacancy occurs, the remaining
3 ~~elected~~ members of such council shall appoint an individual residing
4 within the geographical boundaries of the subcouncil district for the
5 balance of the unexpired term.

6 (3) Except as provided in section 32-560 and subsection (2) of this
7 section for vacancies in office, members in office on the operative date
8 of this section shall remain in office through June 30, 2019, at which
9 time the term of office for all such members shall expire.

10 ~~(4) Members elected to represent odd-numbered districts in the first~~
11 ~~election for the learning community coordinating council shall be elected~~
12 ~~for two-year terms. Members elected to represent even-numbered districts~~
13 ~~in the first election for the learning community coordinating council~~
14 ~~shall be elected for four-year terms. Members elected in subsequent~~
15 ~~elections shall be elected for four-year terms and until their successors~~
16 ~~are elected and qualified.~~

17 ~~(5) The appointed members shall be appointed in November of each~~
18 ~~even-numbered year through 2014 after the general election. Appointed~~
19 ~~members shall be school board members of school districts in the learning~~
20 ~~community either elected to take office the following January or~~
21 ~~continuing their current term of office for the following two years. For~~
22 ~~learning communities to be established prior to July 21, 2016, pursuant~~
23 ~~to orders issued pursuant to section 79-2102, the Secretary of State~~
24 ~~shall hold a meeting of the school board members of the school districts~~
25 ~~in such learning community to appoint one member from such school boards~~
26 ~~to represent each of the subcouncil districts on the coordinating council~~
27 ~~of such learning community. For subsequent appointments, the current~~
28 ~~appointed members of the coordinating council shall hold a meeting of the~~
29 ~~school board members of such school districts to appoint one member from~~
30 ~~such school boards to represent each of the subcouncil districts on the~~
31 ~~coordinating council of the learning community. The appointed members~~

1 shall be selected by the school board members of the school districts in
2 the learning community who reside in the subcouncil district to be
3 represented pursuant to a secret ballot, shall reside in the subcouncil
4 district to be represented, and shall be appointed for two-year terms and
5 until their successors are appointed and qualified.

6 (6) Vacancies in office for appointed members shall occur upon the
7 resignation, death, or disqualification from office of an appointed
8 member. Disqualification from office shall include ceasing membership on
9 the school board for which membership qualified the member for the
10 appointment to the learning community coordinating council or ceasing to
11 reside in the subcouncil district represented by such member of the
12 learning community coordinating council. Whenever such vacancy occurs,
13 the remaining appointed members shall hold a meeting of the school board
14 members of the school districts in such learning community to appoint a
15 member from such school boards who lives in the subcouncil district to be
16 represented to serve for the balance of the unexpired term.

17 (7) Through January 4, 2017, each learning community coordinating
18 council shall also have a nonvoting member from each member school
19 district which does not have either an elected or an appointed member who
20 resides in the school district on the council. Such nonvoting members
21 shall be appointed by the school board of the school district to be
22 represented to serve for two-year terms, and notice of the nonvoting
23 member selected shall be submitted to the Secretary of State by such
24 board prior to December 31 of each even-numbered year through 2014. Each
25 such nonvoting member shall be a resident of the appointing school
26 district and shall not be a school administrator employed by such school
27 district. Whenever a vacancy occurs, the school board of such school
28 district shall appoint a new nonvoting member and submit notice to the
29 Secretary of State and to the learning community coordinating council.

30 (4) (8) Members of a learning community coordinating council shall
31 take office on the first Thursday after the first Tuesday in January

1 ~~following their election, except that members~~ appointed to fill vacancies
2 shall take office immediately following administration of the oath of
3 office. Each ~~voting~~ member shall be eligible for reimbursement of
4 reasonable expenses related to service on the learning community
5 coordinating council. ~~Each nonvoting member shall be eligible for~~
6 ~~reimbursement of reasonable expenses related to service on the learning~~
7 ~~community coordinating council.~~

8 (5) This section terminates on July 1, 2019.

9 Sec. 12. Section 32-567, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 32-567 Vacancies in office shall be filled as follows:

12 (1) In state and judicial district offices and in the membership of
13 any board or commission created by the state when no other method is
14 provided, by the Governor;

15 (2) In county offices, by the county board;

16 (3) In the membership of the county board, by the county clerk,
17 county attorney, and county treasurer;

18 (4) In the membership of the city council, according to section
19 32-568 or 32-569, as applicable;

20 (5) In township offices, by the township board or, if there are two
21 or more vacancies on the township board, by the county board;

22 (6) In offices in public power and irrigation districts, according
23 to section 70-615;

24 (7) In offices in natural resources districts, according to section
25 2-3215;

26 (8) In offices in community college areas, according to section
27 85-1514;

28 (9) In offices in educational service units, according to section
29 79-1217;

30 (10) In offices in hospital districts, according to section 23-3534;

31 (11) In offices in metropolitan utilities districts, according to

1 section 14-2104;

2 (12) In membership on airport authority boards, according to section
3 3-502, 3-611, or 3-703, as applicable;

4 (13) In membership on the board of trustees of a road improvement
5 district, according to section 39-1607; and

6 (14) In membership on the council of a municipal county, by the
7 council. ~~;~~ ~~and~~

8 ~~(15) For learning community coordinating councils, according to~~
9 ~~section 32-546.01.~~

10 Sec. 13. Section 32-604, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 32-604 (1) Except as provided in subsection (2) or (4) of this
13 section, no person shall be precluded from being elected or appointed to
14 or holding an elective office for the reason that he or she has been
15 elected or appointed to or holds another elective office.

16 (2) No person serving as a member of the Legislature or in an
17 elective office described in Article IV, section 1 or 20, or Article VII,
18 section 3 or 10, of the Constitution of Nebraska shall simultaneously
19 serve in any other elective office, except that such a person may
20 simultaneously serve in another elective office which is filled at an
21 election held in conjunction with the annual meeting of a public body.

22 (3) Whenever an incumbent serving as a member of the Legislature or
23 in an elective office described in Article IV, section 1 or 20, or
24 Article VII, section 3 or 10, of the Constitution of Nebraska assumes
25 another elective office, except an elective office filled at an election
26 held in conjunction with the annual meeting of a public body, the office
27 first held by the incumbent shall be deemed vacant.

28 (4) No person serving in a high elective office shall simultaneously
29 serve in any other high elective office, except that a county attorney
30 may serve as the county attorney for more than one county if appointed
31 under subsection (2) of section 23-1201.01.

1 (5) Notwithstanding subsection (4) of this section, any person
2 holding more than one high elective office upon July 15, 2010, shall be
3 entitled to serve the remainder of all terms for which he or she was
4 elected or appointed.

5 (6) For purposes of this section, (a) elective office has the
6 meaning found in section 32-109 and includes an office which is filled at
7 an election held in conjunction with the annual meeting of a public body
8 created by an act of the Legislature ~~but does not include a member of a~~
9 ~~learning community coordinating council appointed pursuant to subsection~~
10 ~~(5) or (7) of section 32-546.01 prior to January 5, 2017,~~ and (b) high
11 elective office means a member of the Legislature, an elective office
12 described in Article IV, section 1 or 20, or Article VII, section 3 or
13 10, of the Constitution of Nebraska, or a county, city, community college
14 area, ~~learning community,~~ or school district elective office.

15 Sec. 14. Section 32-1203, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 32-1203 (1) Each city, village, school district, public power
18 district, sanitary and improvement district, metropolitan utilities
19 district, fire district, natural resources district, community college
20 area, ~~learning community coordinating council,~~ educational service unit,
21 hospital district, reclamation district, and library board shall pay for
22 the costs of nominating and electing its officers as provided in
23 subsection (2), (3), or (4) of this section. If a special issue is placed
24 on the ballot at the time of the statewide primary or general election by
25 any political subdivision, the political subdivision shall pay for the
26 costs of the election as provided in subsection (2), (3), or (4) of this
27 section. The districts listed in this subsection shall furnish to the
28 Secretary of State and election commissioner or county clerk any maps and
29 additional information which the election commissioner or county clerk
30 may require in the proper performance of their duties in the conduct of
31 elections and certification of results.

1 (2) The charge for each primary and general election shall be
2 determined by (a) ascertaining the total cost of all chargeable costs as
3 described in section 32-1202, (b) dividing the total cost by the number
4 of precincts participating in the election to fix the cost per precinct,
5 (c) prorating the cost per precinct by the inked ballot inch in each
6 precinct for each political subdivision, and (d) totaling the cost for
7 each precinct for each political subdivision, except that the minimum
8 charge for each primary and general election for each political
9 subdivision shall be one hundred dollars.

10 (3) In lieu of the charge determined pursuant to subsection (2) of
11 this section, the election commissioner or county clerk may charge public
12 power districts the fee for election costs set by section 70-610.

13 (4) In lieu of the charge determined pursuant to subsection (2) of
14 this section, the election commissioner or county clerk may bill school
15 districts directly for the costs of an election held under section
16 10-703.01.

17 Sec. 15. Section 68-907, Revised Statutes Cumulative Supplement,
18 2016, is amended to read:

19 68-907 For purposes of the Medical Assistance Act:

20 (1) Committee means the Health and Human Services Committee of the
21 Legislature;

22 (2) Department means the Department of Health and Human Services;

23 (3) Medicaid Reform Plan means the Medicaid Reform Plan submitted on
24 December 1, 2005, pursuant to the Medicaid Reform Act enacted pursuant to
25 Laws 2005, LB 709;

26 (4) Medicaid state plan means the comprehensive written document,
27 developed and amended by the department and approved by the federal
28 Centers for Medicare and Medicaid Services, which describes the nature
29 and scope of the medical assistance program and provides assurances that
30 the department will administer the program in compliance with federal
31 requirements;

1 (5) Provider means a person providing health care or related
2 services under the medical assistance program;

3 (6) School-based health center means a health center that:

4 (a) Is located in or is adjacent to a school facility;

5 (b) Is organized through school, school district, ~~learning~~
6 ~~community~~, community, and provider relationships;

7 (c) Is administered by a sponsoring facility;

8 (d) Provides school-based health services onsite during school hours
9 to children and adolescents by health care professionals in accordance
10 with state and local laws, rules, and regulations, established standards,
11 and community practice;

12 (e) Does not perform abortion services or refer or counsel for
13 abortion services and does not dispense, prescribe, or counsel for
14 contraceptive drugs or devices; and

15 (f) Does not serve as a child's or an adolescent's medical or dental
16 home but augments and supports services provided by the medical or dental
17 home;

18 (7) School-based health services may include any combination of the
19 following as determined in partnership with a sponsoring facility, the
20 school district, and the community:

21 (a) Medical health;

22 (b) Behavioral and mental health;

23 (c) Preventive health; and

24 (d) Oral health;

25 (8) Sponsoring facility means:

26 (a) A hospital;

27 (b) A public health department as defined in section 71-1626;

28 (c) A federally qualified health center as defined in section
29 1905(l)(2)(B) of the federal Social Security Act, 42 U.S.C. 1396d(l)(2)
30 (B), as such act and section existed on January 1, 2010;

31 (d) A nonprofit health care entity whose mission is to provide

1 access to comprehensive primary health care services;

2 (e) A school or school district; or

3 (f) A program administered by the Indian Health Service or the
4 federal Bureau of Indian Affairs or operated by an Indian tribe or tribal
5 organization under the federal Indian Self-Determination and Education
6 Assistance Act, or an urban Indian program under Title V of the federal
7 Indian Health Care Improvement Act, as such acts existed on January 1,
8 2010; and

9 (9) Waiver means the waiver of applicability to the state of one or
10 more provisions of federal law relating to the medical assistance program
11 based on an application by the department and approval of such
12 application by the federal Centers for Medicare and Medicaid Services.

13 Sec. 16. Section 70-651.04, Revised Statutes Cumulative Supplement,
14 2016, is amended to read:

15 70-651.04 All payments which are based on retail revenue from each
16 incorporated city or village shall be divided and distributed by the
17 county treasurer to that city or village, to the school districts located
18 in that city or village, ~~to any learning community located in that city~~
19 ~~or village for payments distributed prior to September 1, 2017,~~ and to
20 the county in which may be located any such incorporated city or village
21 in the proportion that their respective property tax levies in the
22 preceding year bore to the total of such levies, ~~except that the only~~
23 ~~learning community levies to be included are the common levies for which~~
24 ~~the proceeds are distributed to member school districts pursuant to~~
25 ~~section 79-1073.~~

26 Sec. 17. Section 77-1601.02, Reissue Revised Statutes of Nebraska,
27 is amended to read:

28 77-1601.02 (1) The property tax request for the prior year shall be
29 the property tax request for the current year for purposes of the levy
30 set by the county board of equalization in section 77-1601 unless the
31 governing body of the county, municipality, school district, learning

1 ~~community~~, sanitary and improvement district, natural resources district,
2 educational service unit, or community college passes by a majority vote
3 a resolution or ordinance setting the tax request at a different amount.
4 Such resolution or ordinance shall only be passed after a special public
5 hearing called for such purpose is held and after notice is published in
6 a newspaper of general circulation in the area of the political
7 subdivision at least five days prior to the hearing. The hearing notice
8 shall contain the following information: The dollar amount of the prior
9 year's tax request and the property tax rate that was necessary to fund
10 that tax request; the property tax rate that would be necessary to fund
11 last year's tax request if applied to the current year's valuation; and
12 the proposed dollar amount of the tax request for the current year and
13 the property tax rate that will be necessary to fund that tax request.
14 Any resolution setting a tax request under this section shall be
15 certified and forwarded to the county clerk on or before October 13 of
16 the year for which the tax request is to apply.

17 (2) Any levy which is not in compliance with this section and
18 section 77-1601 shall be construed as an unauthorized levy under section
19 77-1606.

20 Sec. 18. Section 77-1614, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 77-1614 All taxes which are uniform, throughout any precinct,
23 township, school district, ~~learning community~~, village, city, county, or
24 other taxing subdivision of a county, shall be formed into a single tax,
25 be entered upon the tax list in a double column, and be denominated a
26 consolidated tax.

27 Sec. 19. Section 77-1624, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 77-1624 It shall be the duty of the county treasurer for each and
30 every county, when collecting personal and real estate taxes being
31 delinquent five years or more, to receipt for such taxes on a receipt for

1 the fifth delinquent year. Such taxes so collected shall be prorated in
2 proportion to the levies applicable for the year levied. All state taxes
3 when collected shall be remitted to the State Treasurer and by him or her
4 credited to the fund or funds for which the levy or levies were made, and
5 all county funds when collected shall be placed to the credit of the
6 county general fund; all municipal, school district, ~~learning community,~~
7 township, precinct, and special funds shall be entered in separate
8 columns. All taxes so consolidated shall be paid in order of priority of
9 delinquency.

10 Sec. 20. Section 77-1702, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-1702 State warrants are receivable for the amount payable into
13 the state treasury on account of tax levied for general state purposes.
14 County warrants are receivable for the amount payable into the county
15 treasury for general purposes. City warrants shall be received for the
16 city general tax, village warrants for the village general tax, and town
17 warrants for the town general tax. State, city, village, or township
18 taxes, levied for other special purposes, may be paid by warrants drawn
19 and payable out of the particular fund on account of which they are
20 tendered. Lawful money of the United States, checks, drafts, credit
21 cards, charge cards, debit cards, money orders, electronic funds
22 transfers, or other bills of exchange may be accepted in payment of any
23 state, county, village, township, school district, ~~learning community,~~ or
24 other governmental subdivision tax, levy, excise, duty, custom, toll,
25 penalty, fine, license, fee, or assessment of whatever kind or nature,
26 whether general or special.

27 Sec. 21. Section 77-1704.01, Revised Statutes Cumulative Supplement,
28 2016, is amended to read:

29 77-1704.01 (1) The county treasurer shall include with each tax
30 notice to every taxpayer and with each receipt provided to a taxpayer the
31 following information:

1 (a) The total amount of aid from state sources appropriated to the
2 county and each city, village, and school district in the county;

3 (b) The net amount of property taxes to be levied by the county and
4 each city, village, and school district, ~~and learning community~~ in the
5 county; and

6 (c) For real property, the amount of taxes reflected on the
7 statement that are levied by the county, city, village, school district,
8 ~~learning community,~~ and other subdivisions for the tax year and for the
9 immediately past year on the same parcel. ~~;~~ and

10 ~~(d) For taxes levied for fiscal year 2017-18 on real property within
11 a learning community, statements explaining that the school district
12 levies for learning community member districts are increasing, in part,
13 as a result of the expiration of the learning community common levies,
14 the proceeds of which were distributed directly to school districts, and
15 that the remaining learning community levies fund activities of the
16 learning community.~~

17 (2) The necessary form for furnishing the information required by
18 subdivisions (1)(a), and (b), ~~and~~ (d) of this section shall be prescribed
19 by the Department of Revenue. The necessary information required by
20 subdivision (1)(a) of this section shall be furnished to the county
21 treasurer by the Department of Revenue prior to October 1 of each year.
22 The form prescribed by the Department of Revenue shall contain the
23 following statement:

24 THE AMOUNT OF STATE FUNDS SHOWN ABOVE WOULD HAVE BEEN ADDITIONAL
25 PROPERTY TAXES IF NOT ALLOCATED TO THE COUNTY, CITY, VILLAGE, AND SCHOOL
26 DISTRICT BY THE LEGISLATURE.

27 Sec. 22. Section 77-1708, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 77-1708 The county treasurer is required to keep a cash book in
30 which he or she shall enter an account of all money received, specifying
31 in proper columns provided for that purpose the date of payment, the

1 number of the receipt issued therefor, and on account of what fund or
2 funds the same was paid, whether state, county, school, ~~learning~~
3 ~~community~~, road, sinking fund or otherwise, each in separate columns, and
4 the total amount for which the receipt was given in another column. The
5 treasurer shall keep the account of money received for and on account of
6 taxes separate and distinct from money received on any other account. He
7 or she shall also keep the account of money received for and on account
8 of taxes levied and assessed for any one year separate and distinct from
9 those levied and assessed for any other year. All entries in the cash
10 book of money received for taxes shall be in the numerical order of the
11 receipts issued therefor.

12 Sec. 23. Section 77-1736.06, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 77-1736.06 The following procedure shall apply when making a
15 property tax refund:

16 (1) Within thirty days of the entry of a final nonappealable order,
17 an unprotested determination of a county assessor, an unappealed decision
18 of a county board of equalization, or other final action requiring a
19 refund of real or personal property taxes paid or, for property valued by
20 the state, within thirty days of a recertification of value by the
21 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
22 county assessor shall determine the amount of refund due the person
23 entitled to the refund, certify that amount to the county treasurer, and
24 send a copy of such certification to the person entitled to the refund.
25 Within thirty days from the date the county assessor certifies the amount
26 of the refund, the county treasurer shall notify each political
27 subdivision, including any school district receiving a distribution
28 pursuant to section 79-1073 and any land bank receiving real property
29 taxes pursuant to subdivision (3)(a) of section 19-5211, of its
30 respective share of the refund, except that for any political subdivision
31 whose share of the refund is two hundred dollars or less, the county

1 board may waive this notice requirement. Notification shall be by first-
2 class mail, postage prepaid, to the last-known address of record of the
3 political subdivision. The county treasurer shall pay the refund from
4 funds in his or her possession belonging to any political subdivision,
5 including any ~~school district receiving a distribution pursuant to~~
6 ~~section 79-1073 and any~~ land bank receiving real property taxes pursuant
7 to subdivision (3)(a) of section 19-5211, which received any part of the
8 tax or penalty being refunded. If sufficient funds are not available or
9 the political subdivision, within thirty days of the mailing of the
10 notice by the county treasurer if applicable, certifies to the county
11 treasurer that a hardship would result and create a serious interference
12 with its governmental functions if the refund of the tax or penalty is
13 paid, the county treasurer shall register the refund or portion thereof
14 which remains unpaid as a claim against such political subdivision and
15 shall issue the person entitled to the refund a receipt for the
16 registration of the claim. The certification by a political subdivision
17 declaring a hardship shall be binding upon the county treasurer;

18 (2) The refund of a tax or penalty or the receipt for the
19 registration of a claim made or issued pursuant to this section shall be
20 satisfied in full as soon as practicable and in no event later than five
21 years from the date the final order or other action approving a refund is
22 entered. The governing body of the political subdivision shall make
23 provisions in its budget for the amount of any refund or claim to be
24 satisfied pursuant to this section. If a receipt for the registration of
25 a claim is given:

26 (a) Such receipt shall be applied to satisfy any tax levied or
27 assessed by that political subdivision next falling due from the person
28 holding the receipt after the sixth next succeeding levy is made on
29 behalf of the political subdivision following the final order or other
30 action approving the refund; and

31 (b) To the extent the amount of such receipt exceeds the amount of

1 such tax liability, the unsatisfied balance of the receipt shall be paid
2 and satisfied within the five-year period prescribed in this subdivision
3 from a combination of a credit against taxes anticipated to be due to the
4 political subdivision during such period and cash payment from any funds
5 expected to accrue to the political subdivision pursuant to a written
6 plan to be filed by the political subdivision with the county treasurer
7 no later than thirty days after the claim against the political
8 subdivision is first reduced by operation of a credit against taxes due
9 to such political subdivision.

10 If a political subdivision fails to fully satisfy the refund or
11 claim prior to the sixth next succeeding levy following the entry of a
12 final nonappealable order or other action approving a refund, interest
13 shall accrue on the unpaid balance commencing on the sixth next
14 succeeding levy following such entry or action at the rate set forth in
15 section 45-103;

16 (3) The county treasurer shall mail the refund or the receipt by
17 first-class mail, postage prepaid, to the last-known address of the
18 person entitled thereto. Multiple refunds to the same person may be
19 combined into one refund or credit. If a refund is not claimed by June 1
20 of the year following the year of mailing, the refund shall be canceled
21 and the resultant amount credited to the various funds originally
22 charged;

23 (4) When the refund involves property valued by the state, the Tax
24 Commissioner shall be authorized to negotiate a settlement of the amount
25 of the refund or claim due pursuant to this section on behalf of the
26 political subdivision from which such refund or claim is due. Any
27 political subdivision which does not agree with the settlement terms as
28 negotiated may reject such terms, and the refund or claim due from the
29 political subdivision then shall be satisfied as set forth in this
30 section as if no such negotiation had occurred;

31 (5) In the event that the Legislature appropriates state funds to be

1 disbursed for the purposes of satisfying all or any portion of any refund
2 or claim, the Tax Commissioner shall order the county treasurer to
3 disburse such refund amounts directly to the persons entitled to the
4 refund in partial or total satisfaction of such persons' claims. The
5 county treasurer shall disburse such amounts within forty-five days after
6 receipt thereof; and

7 (6) If all or any portion of the refund is reduced by way of
8 settlement or forgiveness by the person entitled to the refund, the
9 proportionate amount of the refund that was paid by an appropriation of
10 state funds shall be reimbursed by the county treasurer to the State
11 Treasurer within forty-five days after receipt of the settlement
12 agreement or receipt of the forgiven refund. The amount so reimbursed
13 shall be credited to the General Fund.

14 Sec. 24. Section 77-1772, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-1772 Interest collected upon delinquent county, city, village,
17 school district, or learning community taxes shall be credited on the
18 books and distributed among the various governmental subdivisions and
19 municipal corporations in the same proportion as the principal of the
20 taxes is credited and distributed. In the case of interest on delinquent
21 learning community taxes if such learning community is no longer in
22 existence, such interest shall be credited on the books and distributed
23 proportionately between former member school districts based on the
24 taxable valuation of such school districts at the time such taxes were
25 levied.

26 Sec. 25. Section 77-2201, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 77-2201 All warrants upon the State Treasurer or the treasurer of
29 any county, city, school district, ~~learning community~~, or other municipal
30 corporation shall be paid in the order of their presentation therefor.

31 Sec. 26. Section 77-2202, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-2202 The State Treasurer and the treasurer of every county, city,
3 school district, ~~learning community~~, or other municipal corporation shall
4 keep a warrant register, which register shall show in columns arranged
5 for that purpose the number, the date, and the amount of each warrant
6 presented and registered, the particular fund upon which the same is
7 drawn, the date of presentation, the name and address of the person in
8 whose name the warrant is registered, the date of payment, the amount of
9 interest, and the total amount paid thereon, with the date when notice to
10 the person in whose name such warrant is registered is mailed.

11 Sec. 27. Section 77-2704.15, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 77-2704.15 (1)(a) Sales and use taxes shall not be imposed on the
14 gross receipts from the sale, lease, or rental of and the storage, use,
15 or other consumption in this state of purchases by the state, including
16 public educational institutions recognized or established under the
17 provisions of Chapter 85, or by any county, township, city, village,
18 rural or suburban fire protection district, city airport authority,
19 county airport authority, joint airport authority, drainage district
20 organized under sections 31-401 to 31-450, sanitary drainage district
21 organized under sections 31-501 to 31-553, land bank created under the
22 Nebraska Municipal Land Bank Act, natural resources district, county
23 agricultural society, elected county fair board, housing agency as
24 defined in section 71-1575 except for purchases for any commercial
25 operation that does not exclusively benefit the residents of an
26 affordable housing project, cemetery created under section 12-101, or
27 joint entity or agency formed by any combination of two or more counties,
28 townships, cities, villages, or other exempt governmental units pursuant
29 to the Interlocal Cooperation Act, the Integrated Solid Waste Management
30 Act, or the Joint Public Agency Act, except for purchases for use in the
31 business of furnishing gas, water, electricity, or heat, or by any

1 irrigation or reclamation district, the irrigation division of any public
2 power and irrigation district, or public schools ~~or learning communities~~
3 established under Chapter 79.

4 (b) For purposes of this subsection, purchases by the state or by a
5 governmental unit listed in subdivision (a) of this subsection include
6 purchases by a nonprofit corporation under a lease-purchase agreement,
7 financing lease, or other instrument which provides for transfer of title
8 to the property to the state or governmental unit upon payment of all
9 amounts due thereunder. If a nonprofit corporation will be making
10 purchases under a lease-purchase agreement, financing lease, or other
11 instrument as part of a project with a total estimated cost that exceeds
12 the threshold amount, then such purchases shall qualify for an exemption
13 under this section only if the question of proceeding with such project
14 has been submitted at a primary, general, or special election held within
15 the governmental unit that will be a party to the lease-purchase
16 agreement, financing lease, or other instrument and has been approved by
17 the voters of such governmental unit. For purposes of this subdivision,
18 (i) project means the acquisition of real property or the construction of
19 a public building and (ii) threshold amount means the greater of fifty
20 thousand dollars or six-tenths of one percent of the total actual value
21 of real and personal property of the governmental unit that will be a
22 party to the lease-purchase agreement, financing lease, or other
23 instrument as of the end of the governmental unit's prior fiscal year.

24 (2) The appointment of purchasing agents shall be recognized for the
25 purpose of altering the status of the construction contractor as the
26 ultimate consumer of building materials which are physically annexed to
27 the structure and which subsequently belong to the state or the
28 governmental unit. The appointment of purchasing agents shall be in
29 writing and occur prior to having any building materials annexed to real
30 estate in the construction, improvement, or repair. The contractor who
31 has been appointed as a purchasing agent may apply for a refund of or use

1 as a credit against a future use tax liability the tax paid on inventory
2 items annexed to real estate in the construction, improvement, or repair
3 of a project for the state or a governmental unit.

4 (3) Any governmental unit listed in subsection (1) of this section,
5 except the state, which enters into a contract of construction,
6 improvement, or repair upon property annexed to real estate without first
7 issuing a purchasing agent authorization to a contractor or repairperson
8 prior to the building materials being annexed to real estate in the
9 project may apply to the Tax Commissioner for a refund of any sales and
10 use tax paid by the contractor or repairperson on the building materials
11 physically annexed to real estate in the construction, improvement, or
12 repair.

13 Sec. 28. Section 77-3442, Revised Statutes Supplement, 2017, is
14 amended to read:

15 77-3442 (1) Property tax levies for the support of local governments
16 for fiscal years beginning on or after July 1, 1998, shall be limited to
17 the amounts set forth in this section except as provided in section
18 77-3444.

19 (2)(a) Except as provided in subdivision (2)(c) ~~subdivisions (2)(b)~~
20 ~~and (2)(e)~~ of this section, school districts and multiple-district school
21 systems may levy a maximum levy of one dollar and five cents per one
22 hundred dollars of taxable valuation of property subject to the levy.

23 ~~(b) For each fiscal year prior to fiscal year 2017-18, learning~~
24 ~~communities may levy a maximum levy for the general fund budgets of~~
25 ~~member school districts of ninety-five cents per one hundred dollars of~~
26 ~~taxable valuation of property subject to the levy. The proceeds from the~~
27 ~~levy pursuant to this subdivision shall be distributed pursuant to~~
28 ~~section 79-1073.~~

29 ~~(c) Except as provided in subdivision (2)(e) of this section, for~~
30 ~~each fiscal year prior to fiscal year 2017-18, school districts that are~~
31 ~~members of learning communities may levy for purposes of such districts'~~

1 ~~general fund budget and special building funds a maximum combined levy of~~
2 ~~the difference of one dollar and five cents on each one hundred dollars~~
3 ~~of taxable property subject to the levy minus the learning community levy~~
4 ~~pursuant to subdivision (2)(b) of this section for such learning~~
5 ~~community.~~

6 (b) ~~(d)~~ Excluded from the limitations in subdivision ~~subdivisions~~
7 ~~(2)(a) and (2)(c)~~ of this section are (i) amounts levied to pay for
8 current and future sums agreed to be paid by a school district to
9 certificated employees in exchange for a voluntary termination of
10 employment occurring prior to September 1, 2017, (ii) amounts levied by a
11 school district otherwise at the maximum levy pursuant to subdivision (2)
12 (a) of this section to pay for current and future qualified voluntary
13 termination incentives for certificated teachers pursuant to subsection
14 (3) of section 79-8,142 that are not otherwise included in an exclusion
15 pursuant to subdivision ~~(2)(b)~~ ~~(2)(d)~~ of this section, (iii) amounts
16 levied by a school district otherwise at the maximum levy pursuant to
17 subdivision (2)(a) of this section to pay for seventy-five percent of the
18 current and future sums agreed to be paid to certificated employees in
19 exchange for a voluntary termination of employment occurring between
20 September 1, 2017, and August 31, 2018, as a result of a collective-
21 bargaining agreement in force and effect on September 1, 2017, that are
22 not otherwise included in an exclusion pursuant to subdivision ~~(2)(b)~~ ~~(2)~~
23 ~~(d)~~ of this section, (iv) amounts levied by a school district otherwise
24 at the maximum levy pursuant to subdivision (2)(a) of this section to pay
25 for fifty percent of the current and future sums agreed to be paid to
26 certificated employees in exchange for a voluntary termination of
27 employment occurring between September 1, 2018, and August 31, 2019, as a
28 result of a collective-bargaining agreement in force and effect on
29 September 1, 2017, that are not otherwise included in an exclusion
30 pursuant to subdivision ~~(2)(b)~~ ~~(2)(d)~~ of this section, (v) amounts levied
31 by a school district otherwise at the maximum levy pursuant to

1 subdivision (2)(a) of this section to pay for twenty-five percent of the
2 current and future sums agreed to be paid to certificated employees in
3 exchange for a voluntary termination of employment occurring between
4 September 1, 2019, and August 31, 2020, as a result of a collective-
5 bargaining agreement in force and effect on September 1, 2017, that are
6 not otherwise included in an exclusion pursuant to subdivision ~~(2)(b)~~ ~~(2)~~
7 ~~(d)~~ of this section, (vi) amounts levied in compliance with sections
8 79-10,110 and 79-10,110.02, and (vii) amounts levied to pay for special
9 building funds and sinking funds established for projects commenced prior
10 to April 1, 1996, for construction, expansion, or alteration of school
11 district buildings. For purposes of this subsection, commenced means any
12 action taken by the school board on the record which commits the board to
13 expend district funds in planning, constructing, or carrying out the
14 project.

15 ~~(c)~~ ~~(e)~~ Federal aid school districts may exceed the maximum levy
16 prescribed by subdivision (2)(a) ~~or~~ ~~(2)(e)~~ of this section only to the
17 extent necessary to qualify to receive federal aid pursuant to Title VIII
18 of Public Law 103-382, as such title existed on September 1, 2001. For
19 purposes of this subdivision, federal aid school district means any
20 school district which receives ten percent or more of the revenue for its
21 general fund budget from federal government sources pursuant to Title
22 VIII of Public Law 103-382, as such title existed on September 1, 2001.

23 ~~(d)~~ ~~(f)~~ For each fiscal year, a school district participating in a
24 joint entity operating one or more elementary learning centers pursuant
25 to section 3 of this act or one or more focus schools or programs
26 pursuant to section 79-769 learning communities may levy a maximum levy
27 of one-half cent on each one hundred dollars of taxable property subject
28 to the levy for elementary learning center facility leases, for
29 remodeling of leased elementary learning center facilities, and for up to
30 fifty percent of the estimated cost for focus school or program capital
31 projects, except that the total combined levy pursuant to this

1 subdivision for any school district shall not exceed such maximum levy
2 approved by the learning community coordinating council pursuant to
3 section 79-2111.

4 (e) ~~(g)~~ For each fiscal year, a school district participating in a
5 joint entity operating one or more elementary learning centers pursuant
6 to section 3 of this act or one or more early childhood education
7 programs or services for children in poverty pursuant to section 2 of
8 this act ~~learning communities~~ may levy a maximum levy of one and one-half
9 cents on each one hundred dollars of taxable property subject to the levy
10 for early childhood education programs for children in poverty, for
11 elementary learning center employees, for contracts with other entities
12 or individuals who are not employees of such school district or joint
13 entity, and the learning community for elementary learning center
14 programs and services, ~~and for pilot projects,~~ except that no more than
15 ten percent of such levy may be used for elementary learning center
16 employees and the total combined levy pursuant to this subdivision for
17 any school district shall not exceed such maximum levy.

18 (3) For each fiscal year, community college areas may levy the
19 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
20 accordance with the provisions of such subdivisions. A community college
21 area may exceed the levy provided in subdivision (2)(b) of section
22 85-1517 by the amount necessary to retire general obligation bonds
23 assumed by the community college area or issued pursuant to section
24 85-1515 according to the terms of such bonds or for any obligation
25 pursuant to section 85-1535 entered into prior to January 1, 1997.

26 (4)(a) Natural resources districts may levy a maximum levy of four
27 and one-half cents per one hundred dollars of taxable valuation of
28 property subject to the levy.

29 (b) Natural resources districts shall also have the power and
30 authority to levy a tax equal to the dollar amount by which their
31 restricted funds budgeted to administer and implement ground water

1 management activities and integrated management activities under the
2 Nebraska Ground Water Management and Protection Act exceed their
3 restricted funds budgeted to administer and implement ground water
4 management activities and integrated management activities for FY2003-04,
5 not to exceed one cent on each one hundred dollars of taxable valuation
6 annually on all of the taxable property within the district.

7 (c) In addition, natural resources districts located in a river
8 basin, subbasin, or reach that has been determined to be fully
9 appropriated pursuant to section 46-714 or designated as overappropriated
10 pursuant to section 46-713 by the Department of Natural Resources shall
11 also have the power and authority to levy a tax equal to the dollar
12 amount by which their restricted funds budgeted to administer and
13 implement ground water management activities and integrated management
14 activities under the Nebraska Ground Water Management and Protection Act
15 exceed their restricted funds budgeted to administer and implement ground
16 water management activities and integrated management activities for
17 FY2005-06, not to exceed three cents on each one hundred dollars of
18 taxable valuation on all of the taxable property within the district for
19 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
20 2017-18.

21 (5) Any educational service unit authorized to levy a property tax
22 pursuant to section 79-1225 may levy a maximum levy of one and one-half
23 cents per one hundred dollars of taxable valuation of property subject to
24 the levy.

25 (6)(a) Incorporated cities and villages which are not within the
26 boundaries of a municipal county may levy a maximum levy of forty-five
27 cents per one hundred dollars of taxable valuation of property subject to
28 the levy plus an additional five cents per one hundred dollars of taxable
29 valuation to provide financing for the municipality's share of revenue
30 required under an agreement or agreements executed pursuant to the
31 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum

1 levy shall include amounts levied to pay for sums to support a library
2 pursuant to section 51-201, museum pursuant to section 51-501, visiting
3 community nurse, home health nurse, or home health agency pursuant to
4 section 71-1637, or statue, memorial, or monument pursuant to section
5 80-202.

6 (b) Incorporated cities and villages which are within the boundaries
7 of a municipal county may levy a maximum levy of ninety cents per one
8 hundred dollars of taxable valuation of property subject to the levy. The
9 maximum levy shall include amounts paid to a municipal county for county
10 services, amounts levied to pay for sums to support a library pursuant to
11 section 51-201, a museum pursuant to section 51-501, a visiting community
12 nurse, home health nurse, or home health agency pursuant to section
13 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

14 (7) Sanitary and improvement districts which have been in existence
15 for more than five years may levy a maximum levy of forty cents per one
16 hundred dollars of taxable valuation of property subject to the levy, and
17 sanitary and improvement districts which have been in existence for five
18 years or less shall not have a maximum levy. Unconsolidated sanitary and
19 improvement districts which have been in existence for more than five
20 years and are located in a municipal county may levy a maximum of eighty-
21 five cents per hundred dollars of taxable valuation of property subject
22 to the levy.

23 (8) Counties may levy or authorize a maximum levy of fifty cents per
24 one hundred dollars of taxable valuation of property subject to the levy,
25 except that five cents per one hundred dollars of taxable valuation of
26 property subject to the levy may only be levied to provide financing for
27 the county's share of revenue required under an agreement or agreements
28 executed pursuant to the Interlocal Cooperation Act or the Joint Public
29 Agency Act. The maximum levy shall include amounts levied to pay for sums
30 to support a library pursuant to section 51-201 or museum pursuant to
31 section 51-501. The county may allocate up to fifteen cents of its

1 authority to other political subdivisions subject to allocation of
2 property tax authority under subsection (1) of section 77-3443 and not
3 specifically covered in this section to levy taxes as authorized by law
4 which do not collectively exceed fifteen cents per one hundred dollars of
5 taxable valuation on any parcel or item of taxable property. The county
6 may allocate to one or more other political subdivisions subject to
7 allocation of property tax authority by the county under subsection (1)
8 of section 77-3443 some or all of the county's five cents per one hundred
9 dollars of valuation authorized for support of an agreement or agreements
10 to be levied by the political subdivision for the purpose of supporting
11 that political subdivision's share of revenue required under an agreement
12 or agreements executed pursuant to the Interlocal Cooperation Act or the
13 Joint Public Agency Act. If an allocation by a county would cause another
14 county to exceed its levy authority under this section, the second county
15 may exceed the levy authority in order to levy the amount allocated.

16 (9) Municipal counties may levy or authorize a maximum levy of one
17 dollar per one hundred dollars of taxable valuation of property subject
18 to the levy. The municipal county may allocate levy authority to any
19 political subdivision or entity subject to allocation under section
20 77-3443.

21 (10) Beginning July 1, 2016, rural and suburban fire protection
22 districts may levy a maximum levy of ten and one-half cents per one
23 hundred dollars of taxable valuation of property subject to the levy if
24 (a) such district is located in a county that had a levy pursuant to
25 subsection (8) of this section in the previous year of at least forty
26 cents per one hundred dollars of taxable valuation of property subject to
27 the levy or (b) for any rural or suburban fire protection district that
28 had a levy request pursuant to section 77-3443 in the previous year, the
29 county board of the county in which the greatest portion of the valuation
30 of such district is located did not authorize any levy authority to such
31 district in the previous year.

1 (11) Property tax levies (a) for judgments, except judgments or
2 orders from the Commission of Industrial Relations, obtained against a
3 political subdivision which require or obligate a political subdivision
4 to pay such judgment, to the extent such judgment is not paid by
5 liability insurance coverage of a political subdivision, (b) for
6 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
7 for bonds as defined in section 10-134 approved according to law and
8 secured by a levy on property except as provided in section 44-4317 for
9 bonded indebtedness issued by educational service units and school
10 districts, and (d) for payments by a public airport to retire interest-
11 free loans from the Division of Aeronautics of the Department of
12 Transportation in lieu of bonded indebtedness at a lower cost to the
13 public airport are not included in the levy limits established by this
14 section.

15 (12) The limitations on tax levies provided in this section are to
16 include all other general or special levies provided by law.
17 Notwithstanding other provisions of law, the only exceptions to the
18 limits in this section are those provided by or authorized by sections
19 77-3442 to 77-3444.

20 (13) Tax levies in excess of the limitations in this section shall
21 be considered unauthorized levies under section 77-1606 unless approved
22 under section 77-3444.

23 (14) For purposes of sections 77-3442 to 77-3444, political
24 subdivision means a political subdivision of this state and a county
25 agricultural society.

26 (15) For school districts that file a binding resolution on or
27 before May 9, 2008, with the county assessors, county clerks, and county
28 treasurers for all counties in which the school district has territory
29 pursuant to subsection (7) of section 79-458, if the combined levies,
30 except levies for bonded indebtedness approved by the voters of the
31 school district and levies for the refinancing of such bonded

1 indebtedness, are in excess of the greater of (a) one dollar and twenty
2 cents per one hundred dollars of taxable valuation of property subject to
3 the levy or (b) the maximum levy authorized by a vote pursuant to section
4 77-3444, all school district levies, except levies for bonded
5 indebtedness approved by the voters of the school district and levies for
6 the refinancing of such bonded indebtedness, shall be considered
7 unauthorized levies under section 77-1606.

8 Sec. 29. Section 79-102, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 79-102 School districts in this state are classified as follows:

11 (1) Class I includes any school district that maintains only
12 elementary grades under the direction of a single school board;

13 (2) Class II includes any school district embracing territory having
14 a population of one thousand inhabitants or less that maintains both
15 elementary and high school grades under the direction of a single school
16 board;

17 (3) Class III includes any school district embracing territory
18 having a population of more than one thousand and less than one hundred
19 fifty thousand inhabitants that maintains both elementary and high school
20 grades under the direction of a single school board;

21 (4) Class IV includes any school district embracing territory having
22 a population of one hundred thousand or more inhabitants with a city of
23 the primary class within the territory of the district that maintains
24 both elementary and high school grades under the direction of a single
25 school board;

26 (5) Class V includes any school district whose employees participate
27 in a retirement system established pursuant to the Class V School
28 Employees Retirement Act and which embraces territory having a city of
29 the metropolitan class within the territory of the district that
30 maintains both elementary grades and high school grades under the
31 direction of a single school board ~~and any school district with territory~~

1 ~~in a city of the metropolitan class created pursuant to the Learning~~
2 ~~Community Reorganization Act and designated as a Class V school district~~
3 ~~in the reorganization plan; and~~

4 (6) Class VI includes any school district in this state that
5 maintains only a high school, or a high school and grades seven and eight
6 or six through eight as provided in section 79-411, under the direction
7 of a single school board.

8 Sec. 30. Section 79-201, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 79-201 (1) For purposes of this section, a child is of mandatory
11 attendance age if the child (a) will reach six years of age prior to
12 January 1 of the then-current school year and (b) has not reached
13 eighteen years of age.

14 (2) Except as provided in subsection (3) of this section, every
15 person residing in a school district within the State of Nebraska who has
16 legal or actual charge or control of any child who is of mandatory
17 attendance age or is enrolled in a public school shall cause such child
18 to enroll in, if such child is not enrolled, and attend regularly a
19 public, private, denominational, or parochial day school which meets the
20 requirements for legal operation prescribed in Chapter 79, or a school
21 which elects pursuant to section 79-1601 not to meet accreditation or
22 approval requirements, each day that such school is open and in session,
23 except when excused by school authorities or when illness or severe
24 weather conditions make attendance impossible or impracticable.

25 (3) Subsection (2) of this section does not apply in the case of any
26 child who:

27 (a) Has obtained a high school diploma by meeting the graduation
28 requirements established in section 79-729;

29 (b) Has completed the program of instruction offered by a school
30 which elects pursuant to section 79-1601 not to meet accreditation or
31 approval requirements;

1 (c) Has reached sixteen years of age and has been withdrawn from
2 school pursuant to section 79-202;

3 (d)(i) Will reach six years of age prior to January 1 of the then-
4 current school year, but will not reach seven years of age prior to
5 January 1 of such school year, (ii) such child's parent or guardian has
6 signed an affidavit stating that the child is participating in an
7 education program that the parent or guardian believes will prepare the
8 child to enter grade one for the following school year, and (iii) such
9 affidavit has been filed by the parent or guardian with the school
10 district in which the child resides;

11 (e)(i) Will reach six years of age prior to January 1 of the then-
12 current school year but has not reached seven years of age, (ii) such
13 child's parent or guardian has signed an affidavit stating that the
14 parent or guardian intends for the child to participate in a school which
15 has elected or will elect pursuant to section 79-1601 not to meet
16 accreditation or approval requirements and the parent or guardian intends
17 to provide the Commissioner of Education with a statement pursuant to
18 subsection (3) of section 79-1601 on or before the child's seventh
19 birthday, and (iii) such affidavit has been filed by the parent or
20 guardian with the school district in which the child resides; or

21 (f) Will not reach six years of age prior to January 1 of the then-
22 current school year and such child was enrolled in a public school and
23 has discontinued the enrollment according to the policy of the school
24 board adopted pursuant to subsection (4) of this section.

25 (4) The board shall adopt policies allowing discontinuation of the
26 enrollment of students who will not reach six years of age prior to
27 January 1 of the then-current school year and specifying the procedures
28 therefor.

29 ~~(5) Each school district that is a member of a learning community~~
30 ~~shall report to the learning community coordinating council on or before~~
31 ~~September 1 of each year for the immediately preceding school year the~~

1 following information:

2 ~~(a) All reports of violations of this section made to the attendance~~
3 ~~officer of any school in the district pursuant to section 79-209;~~

4 ~~(b) The results of all investigations conducted pursuant to section~~
5 ~~79-209, including the attendance record that is the subject of the~~
6 ~~investigation and a list of services rendered in the case;~~

7 ~~(c) The district's policy on excessive absenteeism; and~~

8 ~~(d) Records of all notices served and reports filed pursuant to~~
9 ~~section 79-209 and the district's policy on habitual truancy.~~

10 Sec. 31. Section 79-215, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 79-215 (1) Except as otherwise provided in this section, a student
13 is a resident of the school district where he or she resides and shall be
14 admitted to any such school district upon request without charge.

15 (2) A school board shall admit a student upon request without charge
16 if at least one of the student's parents resides in the school district.

17 (3) A school board shall admit any homeless student upon request
18 without charge if the district is the district in which the student (a)
19 is currently located, (b) attended when permanently housed, or (c) was
20 last enrolled.

21 (4) A school board may allow a student whose residency in the
22 district ceases during a school year to continue attending school in such
23 district for the remainder of that school year.

24 (5) A school board may admit nonresident students to the school
25 district pursuant to a contract with the district where the student is a
26 resident and shall collect tuition pursuant to the contract.

27 (6) A school board may admit nonresident students to the school
28 district pursuant to the enrollment option program as authorized by
29 sections 79-232 to 79-246, and such admission shall be without charge.

30 ~~(7) For school years prior to school year 2017-18, a school board of~~
31 ~~any school district that is a member of a learning community shall admit~~

1 ~~nonresident students to the school district pursuant to the open~~
2 ~~enrollment provisions of a diversity plan in a learning community as~~
3 ~~authorized by section 79-2110, and such admission shall be without~~
4 ~~charge.~~

5 (7) (8) A school board may admit a student who is a resident of
6 another state to the school district and collect tuition in advance at a
7 rate determined by the school board.

8 (8) (9) When a student as a ward of the state or as a ward of any
9 court (a) has been placed in a school district other than the district in
10 which he or she resided at the time he or she became a ward and such ward
11 does not reside in a foster family home licensed or approved by the
12 Department of Health and Human Services or a foster home maintained or
13 used pursuant to section 83-108.04 or (b) has been placed in any
14 institution which maintains a special education program which has been
15 approved by the State Department of Education and such institution is not
16 owned or operated by the district in which he or she resided at the time
17 he or she became a ward, the cost of his or her education and the
18 required transportation costs associated with the student's education
19 shall be paid by the state, but not in advance, to the receiving school
20 district or approved institution under rules and regulations prescribed
21 by the Department of Health and Human Services and the student shall
22 remain a resident of the district in which he or she resided at the time
23 he or she became a ward. Any student who is a ward of the state or a ward
24 of any court who resides in a foster family home licensed or approved by
25 the Department of Health and Human Services or a foster home maintained
26 or used pursuant to section 83-108.04 shall be deemed a resident of the
27 district in which he or she resided at the time he or she became a foster
28 child, unless it is determined under section 43-1311 or 43-1312 that he
29 or she will not attend such district in which case he or she shall be
30 deemed a resident of the district in which the foster family home or
31 foster home is located.

1 (9)(a) ~~(10)(a)~~ When a student is not a ward of the state or a ward
2 of any court and is residing in a residential setting located in Nebraska
3 for reasons other than to receive an education and the residential
4 setting is operated by a service provider which is certified or licensed
5 by the Department of Health and Human Services or is enrolled in the
6 medical assistance program established pursuant to the Medical Assistance
7 Act and Title XIX or XXI of the federal Social Security Act, as amended,
8 the student shall remain a resident of the district in which he or she
9 resided immediately prior to residing in such residential setting. The
10 resident district for a student who is not a ward of the state or a ward
11 of any court does not change when the student moves from one residential
12 setting to another.

13 (b) If a student is residing in a residential setting as described
14 in subdivision (9)(a) ~~(10)(a)~~ of this section and such residential
15 setting does not maintain an interim-program school as defined in section
16 79-1119.01 or an approved or accredited school, the resident school
17 district shall contract with the district in which such residential
18 setting is located for the provision of all educational services,
19 including all special education services and support services as defined
20 in section 79-1125.01, unless a parent or guardian and the resident
21 school district agree that an appropriate education will be provided by
22 the resident school district while the student is residing in such
23 residential setting. If the resident school district is required to
24 contract, the district in which such residential setting is located shall
25 contract with the resident district and provide all educational services,
26 including all special education services, to the student. If the two
27 districts cannot agree on the amount of the contract, the State
28 Department of Education shall determine the amount to be paid by the
29 resident district to the district in which such residential setting is
30 located based on the needs of the student, approved special education
31 rates, the department's general experience with special education

1 budgets, and the cost per student in the district in which such
2 residential setting is located. Once the contract has been entered into,
3 all legal responsibility for special education and related services shall
4 be transferred to the school district in which the residential setting is
5 located.

6 (c) If a student is residing in a residential setting as described
7 in subdivision (9)(a) ~~(10)(a)~~ of this section and such residential
8 setting maintains an interim-program school as defined in section
9 79-1119.01 or an approved or accredited school, the department shall
10 reimburse such residential setting for the provision of all educational
11 services, including all special education services and support services,
12 with the amount of payment for all educational services determined
13 pursuant to the average per pupil cost of the service agency as defined
14 in section 79-1116. The resident school district shall retain
15 responsibility for such student's individualized education plan, if any.
16 The educational services may be provided through (i) such interim-program
17 school or approved or accredited school, (ii) a contract between the
18 residential setting and the school district in which such residential
19 setting is located, (iii) a contract between the residential setting and
20 another service agency as defined in section 79-1124, or (iv) a
21 combination of such educational service providers.

22 (d) If a school district pays a school district in which a
23 residential setting is located for educational services provided pursuant
24 to subdivision (9)(b) ~~(10)(b)~~ of this section and it is later determined
25 that a different school district was the resident school district for
26 such student at the time such educational services were provided, the
27 school district that was later determined to be the resident school
28 district shall reimburse the school district that initially paid for the
29 educational services one hundred ten percent of the amount paid.

30 (e) A student residing in a residential setting described in this
31 subsection shall be defined as a student with a handicap pursuant to

1 Article VII, section 11, of the Constitution of Nebraska, and as such the
2 state and any political subdivision may contract with institutions not
3 wholly owned or controlled by the state or any political subdivision to
4 provide the educational services to the student if such educational
5 services are nonsectarian in nature.

6 (10) ~~(11)~~ In the case of any individual eighteen years of age or
7 younger who is a ward of the state or any court and who is placed in a
8 county detention home established under section 43-2,110, the cost of his
9 or her education shall be paid by the state, regardless of the district
10 in which he or she resided at the time he or she became a ward, to the
11 agency or institution which: (a) Is selected by the county board with
12 jurisdiction over such detention home; (b) has agreed or contracted with
13 such county board to provide educational services; and (c) has been
14 approved by the State Department of Education pursuant to rules and
15 regulations prescribed by the State Board of Education.

16 (11) ~~(12)~~ No tuition shall be charged for students who may be by law
17 allowed to attend the school without charge.

18 (12) ~~(13)~~ On a form prescribed by the State Department of Education,
19 an adult with legal or actual charge or control of a student shall
20 provide the name of the student, the name of the adult with legal or
21 actual charge or control of the student, the address where the student is
22 residing, and the telephone number and address where the adult may
23 generally be reached during the school day. If the student is homeless or
24 if the adult does not have a telephone number and address where he or she
25 may generally be reached during the school day, those parts of the form
26 may be left blank and a box may be marked acknowledging that these are
27 the reasons these parts of the form were left blank. The adult with legal
28 or actual charge or control of the student shall also sign the form.

29 (13) ~~(14)~~ The department may adopt and promulgate rules and
30 regulations to carry out the department's responsibilities under this
31 section.

1 Sec. 32. Section 79-233, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-233 For purposes of sections 79-232 to 79-246:

4 (1) Enrollment option program means the program established in
5 section 79-234;

6 (2) Option school district means the public school district that an
7 option student chooses to attend instead of his or her resident school
8 district;

9 (3) Option student means a student that has chosen to attend an
10 option school district, including an open enrollment option student ~~or a~~
11 ~~student who resides in a learning community and began attendance as an~~
12 ~~option student in an option school district in such learning community~~
13 ~~prior to the end of the first full school year for which the option~~
14 ~~school district will be a member of such learning community, but, for~~
15 ~~school years prior to school year 2017-18, not including a student who~~
16 ~~resides in a learning community and who attends pursuant to section~~
17 ~~79-2110 another school district in such learning community;~~

18 (4) Open enrollment option student means a student who attends
19 ~~resides in a school district that is a member of a learning community,~~
20 ~~attended a school building in a another school district other than the~~
21 school district where such student resides ~~in such learning community as~~
22 ~~an open enrollment student pursuant to section 79-2110, and attends such~~
23 ~~school building as an open enrollment option student pursuant to section~~
24 79-235.01;

25 (5) Resident school district means the ~~public~~ school district in
26 which a student resides or the school district in which the student is
27 admitted as a resident of the school district pursuant to section 79-215;
28 and

29 (6) Siblings means all children residing in the same household on a
30 permanent basis who have the same mother or father or who are stepbrother
31 or stepsister to each other.

1 Sec. 33. Section 79-235, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-235 For purposes of all duties, entitlements, and rights
4 established by law, including special education as provided in section
5 79-1127, except as provided in section 79-241 and, for open enrollment
6 option students, except as provided in section 79-235.01, option students
7 shall be treated as resident students of the option school district. The
8 option student may request a particular school building, but the building
9 assignment of the option student shall be determined by the option school
10 district except as provided in section 79-235.01 for open enrollment
11 option students and in ~~subsection (3) of section 79-769 79-2110~~ for
12 students attending a focus school, focus program, or magnet school. In
13 determining eligibility for extracurricular activities as defined in
14 section 79-2,126, the option student shall be treated similarly to other
15 students who transfer into the school from another public, private,
16 denominational, or parochial school.

17 Sec. 34. Section 79-235.01, Revised Statutes Cumulative Supplement,
18 2016, is amended to read:

19 79-235.01 Each student attending a school building outside of the
20 resident school district as an open enrollment student ~~pursuant to~~
21 ~~section 79-2110 for any part of school year 2016-17 shall be~~
22 ~~automatically approved as an open enrollment option student pursuant to~~
23 this section, as it existed immediately prior to the operative date of
24 this section, for beginning with school year 2017-18 shall be and allowed
25 to continue attending such school building as an open enrollment option
26 student without submitting an additional application unless the student
27 has completed the grades offered in such school building or has been
28 expelled and is disqualified pursuant to section 79-266.01. Except as
29 provided in ~~subsection (3) of section 79-769 79-2110~~ for students
30 attending a focus school, focus program, or magnet school, approval as an
31 open enrollment option student pursuant to this section does not permit

1 the student to attend another school building within the option school
2 district unless an application meeting the requirements prescribed in
3 section 79-237 is approved by the school board of the option school
4 district. Upon approval of an application meeting the requirements
5 prescribed in section 79-237, a student previously enrolled as an open
6 enrollment student in the option school district shall be treated as an
7 option student of the option school district without regard to his or her
8 former status as an open enrollment option student. Except as otherwise
9 provided in this section and sections 79-234, 79-235, 79-237, ~~and 79-238,~~
10 ~~and 79-769 and subsection (3) of section 79-2110,~~ open enrollment option
11 students shall be treated as option students of the option school
12 district.

13 Sec. 35. Section 79-237, Revised Statutes Supplement, 2017, is
14 amended to read:

15 79-237 (1) For a student to begin attendance as an option student in
16 an option school district in which the student resides, the student's
17 parent or legal guardian shall submit an application to the school board
18 of the option school district between September 1 and March 15 for
19 attendance during the following and subsequent school years. Except as
20 provided in subsection (2) of this section, applications submitted after
21 March 15 shall contain a release approval from the resident school
22 district on the application form prescribed and furnished by the State
23 Department of Education pursuant to subsection (7) ~~(8)~~ of this section. A
24 district may not accept or approve any applications submitted after such
25 date without such a release approval. The option school district shall
26 provide the resident school district with the name of the applicant on or
27 before April 1 or, in the case of an application submitted after March
28 15, within sixty days after submission. The option school district shall
29 notify, in writing, the parent or legal guardian of the student and the
30 resident school district whether the application is accepted or rejected
31 on or before April 1 or, in the case of an application submitted after

1 March 15, within sixty days after submission. ~~An option school district~~
2 ~~that is a member of a learning community may not approve an application~~
3 ~~pursuant to this section for a student who resides in such learning~~
4 ~~community to attend prior to school year 2017-18.~~

5 (2) A student who relocates to a different resident school district
6 after February 1 or whose option school district merges with another
7 district effective after February 1 may submit an application to the
8 school board of an option school district for attendance during the
9 current or immediately following and subsequent school years ~~unless the~~
10 ~~applicant is a resident of a learning community and the application is~~
11 ~~for attendance to begin prior to school year 2017-18 in an option school~~
12 ~~district that is also a member of such learning community.~~ Such
13 application does not require the release approval of the resident school
14 district. The option school district shall accept or reject such
15 application within forty-five days.

16 ~~(3) A parent or guardian may provide information on the application~~
17 ~~for an option school district that is a member of a learning community~~
18 ~~regarding the applicant's potential qualification for free or reduced-~~
19 ~~price lunches. Any such information provided shall be subject to~~
20 ~~verification and shall only be used for the purposes of subsection (4) of~~
21 ~~section 79-238. Nothing in this subsection requires a parent or guardian~~
22 ~~to provide such information. Determinations about an applicant's~~
23 ~~qualification for free or reduced price lunches for purposes of~~
24 ~~subsection (4) of section 79-238 shall be based on any verified~~
25 ~~information provided on the application. If no such information is~~
26 ~~provided, the student shall be presumed not to qualify for free or~~
27 ~~reduced-price lunches for the purposes of subsection (4) of section~~
28 ~~79-238.~~

29 ~~(3)~~ (4) Applications for students who do not actually attend the
30 option school district may be withdrawn in good standing upon mutual
31 agreement by both the resident and option school districts.

1 ~~(4) (5)~~ No option student shall attend an option school district for
2 less than one school year unless the student relocates to a different
3 resident school district, completes requirements for graduation prior to
4 the end of his or her senior year, transfers to a private or parochial
5 school, or upon mutual agreement of the resident and option school
6 districts cancels the enrollment option and returns to the resident
7 school district.

8 ~~(5) (6)~~ Except as provided in subsection ~~(4) (5)~~ of this section or,
9 for open enrollment option students, in section 79-235.01, the option
10 student shall attend the option school district until graduation unless
11 the student relocates in a different resident school district, transfers
12 to a private or parochial school, or chooses to return to the resident
13 school district.

14 ~~(6) (7)~~ In each case of cancellation pursuant to subsections ~~(4) (5)~~
15 and ~~(5) (6)~~ of this section, the student's parent or legal guardian shall
16 provide written notification to the school board of the option school
17 district and the resident school district on forms prescribed and
18 furnished by the department under subsection ~~(7) (8)~~ of this section in
19 advance of such cancellation.

20 ~~(7) (8)~~ The application and cancellation forms shall be prescribed
21 and furnished by the State Department of Education.

22 ~~(8) (9)~~ An option student who subsequently chooses to attend a
23 private or parochial school and who is not an open enrollment option
24 student shall be automatically accepted to return to either the resident
25 school district or option school district upon the completion of the
26 grade levels offered at the private or parochial school. If such student
27 chooses to return to the option school district, the student's parent or
28 legal guardian shall submit another application to the school board of
29 the option school district which shall be automatically accepted, and the
30 deadlines prescribed in this section shall be waived.

31 Sec. 36. Section 79-238, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 79-238 (1) Except as provided in this section and sections 79-235.01
3 and 79-240, the school board of the option school district shall adopt by
4 resolution specific standards for acceptance and rejection of
5 applications and for providing transportation for option students.
6 Standards may include the capacity of a program, class, grade level, or
7 school building or the availability of appropriate special education
8 programs operated by the option school district. Capacity ~~For a school~~
9 ~~district that is not a member of a learning community, capacity~~ shall be
10 determined by setting a maximum number of option students that a district
11 will accept in any program, class, grade level, or school building, based
12 upon available staff, facilities, projected enrollment of resident
13 students, projected number of students with which the option school
14 district will contract based on existing contractual arrangements, and
15 availability of appropriate special education programs. ~~To facilitate~~
16 ~~option enrollment within a learning community, member school districts~~
17 ~~shall annually (a) establish and report a maximum capacity for each~~
18 ~~school building under such district's control pursuant to procedures,~~
19 ~~criteria, and deadlines established by the learning community~~
20 ~~coordinating council and (b) provide a copy of the standards for~~
21 ~~acceptance and rejection of applications and transportation policies for~~
22 ~~option students to the learning community coordinating council.~~ Except as
23 otherwise provided in this section, the school board of the option school
24 district may by resolution declare a program, a class, or a school
25 unavailable to option students due to lack of capacity. Standards shall
26 not include previous academic achievement, athletic or other
27 extracurricular ability, disabilities, proficiency in the English
28 language, or previous disciplinary proceedings except as provided in
29 section 79-266.01. False or substantively misleading information
30 submitted by a parent or guardian on an application to an option school
31 district may be cause for the option school district to reject a

1 previously accepted application if the rejection occurs prior to the
2 student's attendance as an option student.

3 (2) The school board of every school district shall also adopt
4 specific standards and conditions for acceptance or rejection of a
5 request for release of a resident or option student submitting an
6 application to an option school district after March 15 under subsection
7 (1) of section 79-237. Standards shall not include that a request
8 occurred after the deadline set forth in this subsection.

9 (3) Any option school district ~~that is not a member of a learning~~
10 ~~community~~ shall give first priority for enrollment to siblings of option
11 students, except that the option school district shall not be required to
12 accept the sibling of an option student if the district is at capacity
13 except as provided in subsection (1) of section 79-240.

14 ~~(4) Any option school district that is in a learning community shall~~
15 ~~give first priority for enrollment to siblings of option students~~
16 ~~enrolled in the option school district, second priority for enrollment to~~
17 ~~students who have previously been enrolled in the option school district~~
18 ~~as an open enrollment student, third priority for enrollment to students~~
19 ~~who reside in the learning community and who contribute to the~~
20 ~~socioeconomic diversity of enrollment at the school building to which the~~
21 ~~student will be assigned pursuant to section 79-235, and final priority~~
22 ~~for enrollment to other students who reside in the learning community.~~
23 ~~The option school district shall not be required to accept a student~~
24 ~~meeting the priority criteria in this section if the district is at~~
25 ~~capacity as determined pursuant to subsection (1) of this section except~~
26 ~~as provided in section 79-235.01 or 79-240. For purposes of the~~
27 ~~enrollment option program, a student who contributes to the socioeconomic~~
28 ~~diversity of enrollment at a school building within a learning community~~
29 ~~means (a) a student who does not qualify for free or reduced price~~
30 ~~lunches when, based upon the certification pursuant to section 79-2120,~~
31 ~~the school building the student will be assigned to attend either has~~

~~1 more students qualifying for free or reduced-price lunches than the
2 average percentage of such students in all school buildings in the
3 learning community or provides free meals to all students pursuant to the
4 community eligibility provision or (b) a student who qualifies for free
5 or reduced-price lunches based on information collected voluntarily from
6 parents and guardians pursuant to section 79-237 when, based upon the
7 certification pursuant to section 79-2120, the school building the
8 student will be assigned to attend has fewer students qualifying for free
9 or reduced-price lunches than the average percentage of such students in
10 all school buildings in the learning community and does not provide free
11 meals to all students pursuant to the community eligibility provision.~~

12 Sec. 37. Section 79-241, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 79-241 (1) Except as otherwise provided in this section, section
15 79-611 does not apply to the transportation of an option student. The
16 parent or legal guardian of the option student shall be responsible for
17 required transportation. A school district may, upon mutual agreement
18 with the parent or legal guardian of an option student, provide
19 transportation to the option student on the same basis as provided for
20 resident students. The school district may charge the parents of each
21 option student transported a fee sufficient to recover the additional
22 costs of such transportation.

23 (2) Option students who qualify for free lunches shall be eligible
24 for either free transportation or transportation reimbursement as
25 described in section 79-611 from the option school district pursuant to
26 policies established by the school district in compliance with this
27 section, except that they shall be reimbursed at the rate of one hundred
28 forty-two and one-half percent of the mandatorily established mileage
29 rate provided in section 81-1176 for each mile actually and necessarily
30 traveled on each day of attendance by which the distance traveled one way
31 from the residence of such student to the schoolhouse exceeds three

1 miles.

2 (3) For open enrollment option students who received free
3 transportation for school year 2016-17 pursuant to subsection (2) of
4 section 79-611 as such section existed on July 1, 2016, the school board
5 of the option school district shall continue to provide free
6 transportation for the duration of the student's status as an open
7 enrollment option student or for the duration of the student's enrollment
8 in a pathway pursuant to ~~subsection (3) of section 79-769 79-2110~~ unless
9 the student relocates to a school district that would have prevented the
10 student from qualifying for free transportation for the 2016-17 school
11 year pursuant to subsection (2) of section 79-611 as such section existed
12 on July 1, 2016.

13 (4) For option students verified as having a disability as defined
14 in section 79-1118.01, the transportation services set forth in section
15 79-1129 shall be provided by the resident school district. The State
16 Department of Education shall reimburse the resident school district for
17 the cost of transportation in accordance with section 79-1144.

18 Sec. 38. Section 79-2,104, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 79-2,104 (1) Any student in any public school or his or her parents,
21 guardians, teachers, counselors, or school administrators shall have
22 access to the school's files or records maintained concerning such
23 student, including the right to inspect, review, and obtain copies of
24 such files or records. No other person shall have access to such files or
25 records except (a) when a parent, guardian, or student of majority age
26 provides written consent or (b) as provided in subsection (3) of this
27 section. The contents of such files or records shall not be divulged in
28 any manner to any unauthorized person. All such files or records shall be
29 maintained so as to separate academic and disciplinary matters, and all
30 disciplinary material shall be removed and destroyed after a student's
31 continuous absence from the school for a period of three years.

1 (2) Each public school may establish a schedule of fees representing
2 a reasonable cost of reproduction for copies of a student's files or
3 records for the parents or guardians of such student, except that the
4 imposition of a fee shall not prevent parents of students from exercising
5 their right to inspect and review the students' files or records and no
6 fee shall be charged to search for or retrieve any student's files or
7 records.

8 (3)(a) This section does not preclude authorized representatives of
9 (i) auditing officials of the United States, (ii) auditing officials of
10 this state, or (iii) state educational authorities from having access to
11 student or other records which are necessary in connection with the audit
12 and evaluation of federally supported or state-supported education
13 programs or in connection with the enforcement of legal requirements
14 which relate to such programs, except that, when collection of personally
15 identifiable data is specifically authorized by law, any data collected
16 by such officials with respect to individual students shall be protected
17 in a manner which shall not permit the personal identification of
18 students and their parents by other than the officials listed in this
19 subsection. Personally identifiable data shall be destroyed when no
20 longer needed for such audit, evaluation, or enforcement of legal
21 requirements.

22 (b) This section does not preclude or prohibit the disclosure of
23 student records to any other person or entity which may be allowed to
24 have access pursuant to the federal Family Educational Rights and Privacy
25 Act of 1974, 20 U.S.C. 1232g, as such act existed on February 1, 2013,
26 and regulations adopted thereunder.

27 (4) The Legislature finds and declares that the sharing of student
28 data, records, and information among school districts, educational
29 service units, ~~learning communities,~~ and the State Department of
30 Education, to the fullest extent practicable and permitted by law, is
31 vital to advancing education in this state. Whenever applicable law

1 permits the sharing of such student data, records, and information, each
2 school district, and educational service unit, ~~and learning community~~
3 shall comply unless otherwise prohibited by law. The State Board of
4 Education shall adopt and promulgate rules and regulations providing for
5 and requiring the uniform sharing of student data, records, and
6 information among school districts, educational service units, ~~learning~~
7 ~~communities~~, and the department.

8 Sec. 39. Section 79-407, Revised Statutes Supplement, 2017, is
9 amended to read:

10 79-407 The territory within the corporate limits of each
11 incorporated municipality in the State of Nebraska ~~that is not in part~~
12 ~~within the boundaries of a learning community~~, together with such
13 additional territory and additions to such municipality as may be added
14 thereto, as declared by ordinances to be boundaries of such municipality,
15 having a population of more than one thousand and less than one hundred
16 fifty thousand inhabitants as determined by the most recent federal
17 decennial census or the most recent revised certified count by the United
18 States Bureau of the Census, including such adjacent territory as now is
19 or hereafter may be attached for school purposes, shall constitute a
20 Class III school district, except that nothing in this section shall be
21 construed to change the boundaries of any school district that is subject
22 to the Metropolitan Area Reorganization Act ~~a member of a learning~~
23 ~~community~~. The school district shall be a body corporate and possess all
24 the usual powers of a corporation for public purposes and may sue and be
25 sued, purchase, hold, and sell such personal and real property, and
26 control such obligations as are authorized by law.

27 Sec. 40. Section 79-408, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 79-408 The territory now or hereafter embraced within each
30 incorporated city of the primary class in the State of Nebraska ~~that is~~
31 ~~not in part within the boundaries of a learning community~~, such adjacent

1 territory as now or hereafter may be included therewith for school
2 purposes, and such territory not adjacent thereto as may have been added
3 thereto by law shall constitute a Class IV school district, except that
4 nothing in this section shall be construed to change the boundaries of
5 any school district that is subject to the Metropolitan Area
6 Reorganization Act ~~a member of a learning community~~. A Class IV school
7 district shall be a body corporate and possess all the usual powers of a
8 corporation for public purposes, may sue and be sued, and may purchase,
9 hold, and sell such personal and real estate and contract such
10 obligations as are authorized by law. The powers of a Class IV district
11 include, but are not limited to, the power to adopt, administer, and
12 amend from time to time such retirement, annuity, insurance, and other
13 benefit plans for its present and future employees after their
14 retirement, or any reasonable classification thereof, as may be deemed
15 proper by the board of education. The board of education shall not
16 establish a retirement system for new employees supplemental to the
17 School Employees Retirement System of the State of Nebraska.

18 The title to all real or personal property owned by such school
19 district shall, upon the organization of the school district, vest
20 immediately in the school district so created. The board of education
21 shall have exclusive control of all property belonging to the school
22 district.

23 In the discretion of the board of education, funds accumulated in
24 connection with a retirement plan may be transferred to and administered
25 by a trustee or trustees to be selected by the board of education, or if
26 the retirement plan is in the form of annuity or insurance contracts,
27 such funds, or any part thereof, may be paid to a duly licensed insurance
28 carrier or carriers selected by the board of education. Funds accumulated
29 in connection with any such retirement plan, and any other funds of the
30 school district which are not immediately required for current needs or
31 expenses, may be invested and reinvested by the board of education or by

1 its authority in securities of a type permissible either for the
2 investment of funds of a domestic legal reserve life insurance company or
3 for the investment of trust funds, according to the laws of the State of
4 Nebraska.

5 Sec. 41. Section 79-413, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 79-413 (1) The State Committee for the Reorganization of School
8 Districts created under section 79-435 may create a new school district
9 from other districts, change the boundaries of any district that is not
10 subject to the Metropolitan Area Reorganization Act ~~a member of a~~
11 ~~learning community~~, or affiliate a Class I district or portion thereof
12 with one or more existing Class II, III, IV, or V districts upon receipt
13 of petitions signed by sixty percent of the legal voters of each district
14 affected. If the petitions contain signatures of at least sixty-five
15 percent of the legal voters of each district affected, the state
16 committee shall approve the petitions. When area is added to a Class VI
17 district or when a Class I district which is entirely or partially within
18 a Class VI district is taken from the Class VI district, the Class VI
19 district shall be deemed to be an affected district.

20 Any petition of the legal voters of a Class I district in which no
21 city or village is situated which is commenced after January 1, 1996, and
22 proposes the dissolution of the Class I district and the attachment of a
23 portion of it to two or more districts shall require signatures of more
24 than fifty percent of the legal voters of such Class I district. If the
25 state committee determines that such petition contains valid signatures
26 of more than fifty percent of the legal voters of such Class I district,
27 the state committee shall grant the petition.

28 (2)(a) Petitions proposing to change the boundaries of existing
29 school districts that are not subject to the Metropolitan Area
30 Reorganization Act ~~members of a learning community~~ through the transfer
31 of a parcel of land, not to exceed six hundred forty acres, shall be

1 approved by the state committee when the petitions involve the transfer
2 of land between Class I, II, III, or IV school districts or when there
3 would be an exchange of parcels of land between Class I, II, III, or IV
4 school districts and the petitions have the approval of at least sixty-
5 five percent of the school board of each affected district. If the
6 transfer of the parcel of land is from a Class I school district to one
7 or more Class II, III, IV, V, or VI school districts of which the parcel
8 is not a part or with which the parcel is not affiliated, any Class II,
9 III, IV, V, or VI school district of which the parcel is not a part or
10 with which the parcel is affiliated shall be deemed an affected district.

11 (b) The state committee shall not approve a change of boundaries
12 pursuant to this section relating to affiliation of school districts if
13 twenty percent or more of any tract of land under common ownership which
14 is proposing to affiliate is not contiguous to the high school district
15 with which affiliation is proposed unless (i) one or more resident
16 students of the tract of land under common ownership has attended the
17 high school program of the high school district within the immediately
18 preceding ten-year period or (ii) approval of the petition or plan would
19 allow siblings of such resident students to attend the same school as the
20 resident students attended.

21 (3)(a) Petitions proposing to create a new school district, to
22 change the boundary lines of existing school districts that are not
23 subject to the Metropolitan Area Reorganization Act ~~members of a learning~~
24 ~~community~~, to create an affiliated school system, or to affiliate a Class
25 I district in part and to join such district in part with a Class VI
26 district, any of which involves the transfer of more than six hundred
27 forty acres, shall, when signed by at least sixty percent of the legal
28 voters in each district affected, be submitted to the state committee. In
29 the case of a petition for affiliation or a petition to affiliate in part
30 and in part to join a Class VI district, the state committee shall review
31 the proposed affiliation subject to sections 79-425 and 79-426. The state

1 committee shall, within forty days after receipt of the petition, hold
2 one or more public hearings and review and approve or disapprove such
3 proposal.

4 (b) If there is a bond election to be held in conjunction with the
5 petition, the state committee shall hold the petition until the bond
6 election has been held, during which time names may be added to or
7 withdrawn from the petitions. The results of the bond election shall be
8 certified to the state committee.

9 (c) If the bond election held in conjunction with the petition is
10 unsuccessful, no further action on the petition is required. If the bond
11 election is successful, within fifteen days after receipt of the
12 certification of the bond election results, the state committee shall
13 approve the petition and notify the county clerk to effect the changes in
14 district boundary lines as set forth in the petitions.

15 (4) Any person adversely affected by the changes made by the state
16 committee may appeal to the district court of any county in which the
17 real estate or any part thereof involved in the dispute is located. If
18 the real estate is located in more than one county, the court in which an
19 appeal is first perfected shall obtain jurisdiction to the exclusion of
20 any subsequent appeal.

21 (5) A signing petitioner may withdraw his or her name from a
22 petition and a legal voter may add his or her name to a petition at any
23 time prior to the end of the period when the petition is held by the
24 state committee. Additions and withdrawals of signatures shall be by
25 notarized affidavit filed with the state committee.

26 Sec. 42. Section 79-415, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 79-415 (1) In addition to the petitions of legal voters pursuant to
29 section 79-413, changes in boundaries and the creation of a new school
30 district from other districts may be initiated and accepted by the school
31 board or board of education of any district that is not subject to the

1 ~~Metropolitan Area Reorganization Act a member of a learning community.~~

2 (2) In addition to the petitions of legal voters pursuant to section
3 79-413, the affiliation of a Class I district or portion thereof with one
4 or more Class II, III, IV, or V districts may be initiated and accepted
5 by:

6 (a) The board of education of any Class II, III, IV, or V district;
7 and

8 (b) The school board of any Class I district in which is located a
9 city or incorporated village.

10 Sec. 43. Section 79-416, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 79-416 When the legal voters of a Class I or Class II school
13 district that is not subject to the Metropolitan Area Reorganization Act
14 ~~a member of a learning community~~ and in which no city or village is
15 located petition to merge in whole or in part with a Class I or Class II
16 district, the merger may be accepted by petition of the school board of
17 the accepting district. When the legal voters of a Class I district
18 petition to affiliate in whole or in part with one or more Class II, III,
19 IV, or V districts, such affiliation may be accepted or rejected by
20 petition of the school board or board of education of any such district,
21 but in either case the petition to affiliate shall be accepted or
22 rejected within sixty days after the date of receipt of the petition by
23 the school board or board of education of such district.

24 Sec. 44. Section 79-433, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-433 For purposes of the Reorganization of School Districts Act,
27 unless the context otherwise requires:

28 (1) Reorganization of school districts means the formation of new
29 school districts, the alteration of boundaries of established school
30 districts that are not subject to the Metropolitan Area Reorganization
31 Act ~~members of a learning community~~, the affiliation of school districts,

1 and the dissolution or disorganization of established school districts
2 through or by means of any one or combination of the methods set out in
3 section 79-434; and

4 (2) State committee means the State Committee for the Reorganization
5 of School Districts created by section 79-435.

6 Sec. 45. Section 79-452, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-452 A proposal to dissolve a Class I or II school district,
9 except a Class I school district which is partly or wholly within a Class
10 VI school district, and attach it to one or more existing Class II, III,
11 or IV school districts ~~that are not members of a learning community~~ may
12 be initiated by filing with the State Committee for the Reorganization of
13 School Districts a petition or petitions signed by at least twenty-five
14 percent of the legal voters of the district, together with an affidavit
15 from the county clerk or election commissioner listing all legal voters
16 of the district and a determination by the county clerk or election
17 commissioner that the signatures are sufficient. The petition shall
18 contain a plan of the proposed reorganization, an effective date, and a
19 statement whether any existing bonded indebtedness shall remain on the
20 property of the district which incurred it or be assumed by the enlarged
21 district. The petition may also contain provisions for the holding of
22 school within existing buildings in the proposed reorganized district,
23 and when so provided, the holding of school within such buildings shall
24 be maintained from the date of reorganization unless either the legal
25 voters served by the school or the school board of the reorganized
26 district votes by a majority vote for discontinuance of the school. In
27 case of conflicting votes between the legal voters and the school board
28 on such issue, the decision of the legal voters shall prevail. A signing
29 petitioner shall not be permitted to withdraw his or her name from the
30 petition after the petition has been filed. The school board of each
31 Class II, III, or IV district to which the merger is proposed shall also

1 submit to the state committee a statement to the effect that a majority
2 of the board members approve the proposal contained in the petition.

3 Sec. 46. Section 79-458, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 79-458 (1) Any freeholder or freeholders, person in possession or
6 constructive possession as vendee pursuant to a contract of sale of the
7 fee, holder of a school land lease under section 72-232, or entrant upon
8 government land who has not yet received a patent therefor may file a
9 petition on or before June 1 for all other years with a board consisting
10 of the county assessor, county clerk, and county treasurer, asking to
11 have any tract or tracts of land described in the petition set off from
12 an existing school district in which the land is situated and attached to
13 a different school district which is contiguous to such tract or tracts
14 of land if:

15 (a)(i) The school district in which the land is situated is a Class
16 II or III school district which has had an average daily membership in
17 grades nine through twelve of less than sixty for the two consecutive
18 school fiscal years immediately preceding the filing of the petition;

19 (ii) Such Class II or III school district has voted pursuant to
20 section 77-3444 to exceed the maximum levy established pursuant to
21 subdivision (2)(a) of section 77-3442, which vote is effective for the
22 school fiscal year in which the petition is filed or for the following
23 school fiscal year; and

24 (iii) The high school in such Class II or III school district is
25 within fifteen miles on a maintained public highway or maintained public
26 road of another public high school; and

27 (iv) Neither school district is subject to the Metropolitan Area
28 Reorganization Act ~~a member of a learning community~~; or

29 (b) Except as provided in subsection (7) of this section, the school
30 district in which the land is situated, regardless of the class of school
31 district, has approved a budget for the school fiscal year in which the

1 petition is filed that will cause the combined levies for such school
2 fiscal year, except levies for bonded indebtedness approved by the voters
3 of such school district and levies for the refinancing of such bonded
4 indebtedness, to exceed the greater of (i) one dollar and twenty cents
5 per one hundred dollars of taxable valuation of property subject to the
6 levy or (ii) the maximum levy authorized by a vote pursuant to section
7 77-3444.

8 For purposes of determining whether a tract of land is contiguous,
9 all petitions currently being considered by the board shall be considered
10 together as a whole.

11 (2) The petition shall state the reasons for the proposed change and
12 shall show with reference to the land of each petitioner: (a) That (i)
13 the land described in the petition is either owned by the petitioner or
14 petitioners or that he, she, or they hold a school land lease under
15 section 72-232, are in possession or constructive possession as vendee
16 under a contract of sale of the fee simple interest, or have made an
17 entry on government land but have not yet received a patent therefor and
18 (ii) such tract of land includes all such contiguous land owned or
19 controlled by each petitioner; (b) that the conditions of subdivision (1)
20 (a) or (1)(b) of this section have been met; and (c) that such petition
21 is approved by a majority of the members of the school board of the
22 district to which such land is sought to be attached.

23 (3) The petition shall be verified by the oath of each petitioner.
24 Notice of the filing of the petition and of the hearing on such petition
25 before the board constituted as prescribed in subsection (1) or (4) of
26 this section shall be given at least ten days prior to the date of such
27 hearing by one publication in a legal newspaper of general circulation in
28 each district and by posting a notice on the outer door of the
29 schoolhouse in each district affected thereby, and such notice shall
30 designate the territory to be transferred. Following the filing of a
31 petition pursuant to this section, such board shall hold a public hearing

1 on the petition and shall approve or disapprove the petition on or before
2 July 15 following the filing of the petition based on a determination of
3 whether the petitioner has complied with all requirements of this
4 section. If such board approves the petition, such board shall change the
5 boundaries of the school districts so as to set off the land described in
6 the petition and attach it to such district pursuant to the petition with
7 an effective date of August 15 following the filing of the petition,
8 which actions shall cause such transfer to be in effect for levies set
9 for the year in which such transfer takes effect.

10 (4) Petitions requesting transfers of property across county lines
11 shall be addressed jointly to the county clerks of the counties
12 concerned, and the petitions shall be acted upon by the county assessors,
13 county clerks, and county treasurers of the counties involved as one
14 board, with the county clerk of the county from which the land is sought
15 to be transferred acting as chairperson of the board.

16 (5) Appeals may be taken from the action of such board or, when such
17 board fails to act on the petition, on or before August 1 following the
18 filing of the petition, to the district court of the county in which the
19 land is located on or before August 10 following the filing of the
20 petition, in the same manner as appeals are now taken from the action of
21 the county board in the allowance or disallowance of claims against the
22 county. If an appeal is taken from the action of the board approving the
23 petition or failing to act on the petition, the transfer shall occur
24 effective August 15 following the filing of the petition, which actions
25 shall cause such transfer to be in effect for levies set for the year in
26 which such transfer takes effect, unless action by the district court
27 prevents such transfer.

28 (6) This section does not apply to any school district located on an
29 Indian reservation and substantially or totally financed by the federal
30 government.

31 (7) For school districts that have approved a budget for school

1 fiscal year 2007-08 that will cause the combined levies, except levies
2 for bonded indebtedness approved by the voters of the school district and
3 levies for the refinancing of such bonded indebtedness, to exceed the
4 greater of (a) one dollar and twenty cents per one hundred dollars of
5 taxable valuation of property subject to the levy or (b) the maximum levy
6 authorized by a vote pursuant to section 77-3444, the school boards of
7 such school districts may adopt a binding resolution stating that the
8 combined levies, except levies for bonded indebtedness approved by the
9 voters of the school district and levies for the refinancing of such
10 bonded indebtedness, for school fiscal year 2008-09 shall not exceed the
11 greater of (i) one dollar and twenty cents per one hundred dollars of
12 taxable valuation of property subject to the levy or (ii) the maximum
13 levy authorized by a vote pursuant to section 77-3444. On or before May
14 9, 2008, such binding resolutions shall be filed with the Auditor of
15 Public Accounts and the county assessors, county clerks, and county
16 treasurers for all counties in which the school district has territory.
17 If such binding resolution is filed on or before May 9, 2008, land shall
18 not be set off and attached to another district pursuant to subdivision
19 (2)(b) of this section in 2008.

20 (8) Nothing in this section shall be construed to detach obligations
21 for voter-approved bonds from any tract of land.

22 Sec. 47. Section 79-458.01, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 79-458.01 Any landowner or group of landowners whose property is a
25 part of a school district and is encapsulated by another school district
26 may, upon filing a notarized affidavit with the county assessor, have
27 such property become a part of the school district by which it is
28 encapsulated if neither school district is subject to the Metropolitan
29 Area Reorganization Act ~~a member of a learning community~~. The transfer
30 shall take place on January 1 next following the filing of the affidavit.
31 Any student resident of such property shall be counted as a resident of

1 the district from which the property was transferred until the close of
2 the school year in which the transfer becomes effective.

3 For purposes of this section, encapsulated by means entirely within.

4 Sec. 48. Section 79-467, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-467 Whenever (1) a school district that is not subject to the
7 Metropolitan Area Reorganization Act ~~a member of a learning community~~
8 suffers a reduction in the taxable valuation of the real property within
9 the district by reason of the purchase or appropriation by the United
10 States or any instrumentality of the United States of land in the
11 district for any defense, flood control, irrigation, or war project, (2)
12 the number of children who are five through twenty years of age residing
13 in the district increases by reason of the use by the United States of
14 the land so purchased or appropriated for such purposes, and (3) such
15 increase in the number of pupils who will be eligible to attend school in
16 the district does or will require a levy of taxes for general school
17 purposes in excess of the average levy for general school purposes of
18 school districts of the same class in the county, the State Committee for
19 the Reorganization of School Districts shall change the boundaries of the
20 existing district to exclude all land purchased and appropriated by the
21 United States and all land which by reason of its use or ownership is
22 exempt from state taxation under the United States Constitution and the
23 statutes of the United States. When the United States, by the appropriate
24 officer, does not accept or has not accepted exclusive jurisdiction over
25 land so excluded, the state committee shall form a new school district
26 embracing land thus excluded.

27 Sec. 49. Section 79-468, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 79-468 (1) Whenever a city of the second class, a village, or a ward
30 of a city of the second class or village is consolidated according to law
31 with a city of the primary class, the territory so consolidated shall

1 become annexed to and merged into the school district of such city of the
2 primary class if such territory is in a school district that is not
3 subject to the Metropolitan Area Reorganization Act ~~a member of a~~
4 ~~learning community~~ and the school district of such city of the primary
5 class is not subject to the Metropolitan Area Reorganization Act ~~a member~~
6 ~~of a learning community~~. All laws, rules, and regulations governing the
7 school district and schools of such city of the primary class shall apply
8 to the district and schools within the territory annexed to it. The
9 school district into which the others in whole or in part are merged
10 shall succeed to all the property, contracts, and obligations of each and
11 all of the school districts so merged into it, in whole or in part, and
12 shall assume all of their valid contracts and obligations.

13 (2) If one or more wards, but less than all wards, of a city of the
14 second class or of a village become consolidated with such city of the
15 primary class, the school district into which such territory is merged
16 shall assume such portion of all valid contracts and obligations of the
17 school district of which such territory before the consolidation was a
18 part as the taxable valuation of all the property of the territory thus
19 merged with the school district of such city of the primary class bears
20 to the total taxable valuation of all the property within the school
21 district from which such territory has been detached.

22 Sec. 50. Section 79-473, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 79-473 (1) If the territory annexed by a change of boundaries of a
25 city or village which lies within a Class III school district as provided
26 in section 79-407 has been part of a Class IV or Class V school district
27 prior to such annexation, a merger of the annexed territory with the
28 Class III school district shall become effective only if the merger is
29 approved by a majority of the members of the school board of the Class IV
30 or V school district and a majority of the members of the school board of
31 the Class III school district within ninety days after the effective date

1 of the annexation ordinance, except that a merger shall not become
2 effective pursuant to this section if such merger involves a school
3 district that is subject to the Metropolitan Area Reorganization Act a
4 ~~member of a learning community.~~

5 (2) Notwithstanding subsection (1) of this section, when territory
6 which lies within a Class III school district, Class VI school district,
7 or Class I school district which is attached to a Class VI school
8 district or which does not lie within a Class IV or V school district is
9 annexed by a city or village pursuant to section 79-407, the affected
10 school board of the city or village school district and the affected
11 school board or boards serving the territory subject to the annexation
12 ordinance shall meet within thirty days after the effective date of the
13 annexation ordinance if neither school district is subject to the
14 Metropolitan Area Reorganization Act ~~a member of a learning community~~ and
15 negotiate in good faith as to which school district shall serve the
16 annexed territory and the effective date of any transfer. During the
17 process of negotiation, the affected boards shall consider the following
18 criteria:

19 (a) The educational needs of the students in the affected school
20 districts;

21 (b) The economic impact upon the affected school districts;

22 (c) Any common interests between the annexed or platted area and the
23 affected school districts and the community which has zoning jurisdiction
24 over the area; and

25 (d) Community educational planning.

26 If no agreement has been reached within ninety days after the
27 effective date of the annexation ordinance, the territory shall transfer
28 to the school district of the annexing city or village ten days after the
29 expiration of such ninety-day period unless an affected school district
30 petitions the district court within the ten-day period and obtains an
31 order enjoining the transfer and requiring the boards of the affected

1 school districts to continue negotiation. The court shall issue the order
2 upon a finding that the affected board or boards have not negotiated in
3 good faith based on one or more of the criteria listed in this
4 subsection. The district court shall require no bond or other surety as a
5 condition for any preliminary injunctive relief. If no agreement is
6 reached after such order by the district court and additional
7 negotiations, the annexed territory shall become a part of the school
8 district of the annexing city or village.

9 (3) If, within the boundaries of the annexed territory, there exists
10 a Class VI school, the school building, facilities, and land owned by the
11 school district shall remain a part of the Class VI school district. If
12 the Class VI school district from which territory is being annexed wishes
13 to dispose of such school building, facilities, or land to any individual
14 or political subdivision, including a Class I school district, the
15 question of such disposition shall be placed on the ballot for the next
16 primary or general election. All legal voters of such Class VI school
17 district shall then vote on the question at such election. A simple
18 majority of the votes cast shall resolve the issue.

19 (4) Whenever an application for approval of a final plat or replat
20 is filed for territory which lies within the zoning jurisdiction of a
21 city of the first or second class and does not lie within the boundaries
22 of a Class IV or V school district, the boundaries of a school district
23 that is subject to the Metropolitan Area Reorganization Act ~~a member of a~~
24 ~~learning community~~, the boundaries of any county in which a city of the
25 metropolitan class is located, or the boundaries of any county that has a
26 contiguous border with a city of the metropolitan class, the affected
27 school board of the school district within the city of the first or
28 second class or its representative and the affected board or boards
29 serving the territory subject to the final plat or replat or their
30 representative shall meet within thirty days after such application and
31 negotiate in good faith as to which school district shall serve the

1 platted or replatted territory and the effective date of any transfer
2 based upon the criteria prescribed in subsection (2) of this section.

3 If no agreement has been reached prior to the approval of the final
4 plat or replat, the territory shall transfer to the school district of
5 the city of the first or second class upon the filing of the final plat
6 unless an affected school district petitions the district court within
7 ten days after approval of the final plat or replat and obtains an order
8 enjoining the transfer and requiring the affected boards to continue
9 negotiation. The court shall issue the order upon a finding that the
10 affected board or boards have not negotiated in good faith based on one
11 or more of the criteria listed in subsection (2) of this section. The
12 district court shall require no bond or other surety as a condition for
13 any preliminary injunctive relief. If no agreement is reached after such
14 order by the district court and additional negotiations, the platted or
15 replatted territory shall become a part of the school district of the
16 city of the first or second class.

17 For purposes of this subsection, plat and replat apply only to (a)
18 vacant land, (b) land under cultivation, or (c) any plat or replat of
19 land involving a substantive change in the size or configuration of any
20 lot or lots.

21 (5) Notwithstanding any other provisions of this section, all
22 negotiated agreements relative to boundaries or to real or personal
23 property of school districts reached by the affected school boards shall
24 be valid and binding, except that such agreements shall not be binding on
25 reorganization plans pursuant to the Metropolitan Area Reorganization
26 Learning Community Reorganization Act.

27 Sec. 51. Section 79-4,117, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 79-4,117 Sections 79-4,117 to 79-4,129 shall be known and may be
30 cited as the Metropolitan Area Reorganization Learning Community
31 Reorganization Act.

1 Sec. 52. Section 79-4,118, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-4,118 For purposes of the Metropolitan Area Reorganization
4 ~~Learning Community Reorganization~~ Act:

5 ~~(1) Learning community has the definition found in section 79-2101;~~

6 (1) (2) Reorganization of school districts means the formation of
7 new school districts that will become school districts subject to the act
8 ~~members of a learning community,~~ the alteration of boundaries of
9 established school districts that are school districts subject to the act
10 ~~members of a learning community,~~ the dissolution or disorganization of
11 established school districts that are school districts subject to the act
12 ~~members of a learning community~~ through or by means of any one or
13 combination of the methods set out in section 79-4,120, and any other
14 alteration of school district boundaries involving a school district that
15 is a school district subject to the act ~~member of a learning community;~~
16 and

17 (2) School district subject to the act means any school district for
18 which the principal office of the school district is located in a county
19 where a city of the metropolitan class is located or for which the
20 principal office of the school district is located in a county that has a
21 contiguous border of at least five miles in the aggregate with a city of
22 the metropolitan class; and

23 (3) State committee means the State Committee for the Reorganization
24 of School Districts created by section 79-435.

25 Sec. 53. Section 79-4,119, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 79-4,119 Any reorganization of school districts that affects a
28 school district subject to the act ~~that is a member of a learning~~
29 ~~community,~~ except dissolutions pursuant to section 79-470, 79-498,
30 79-499, or 79-598, shall only be accomplished pursuant to the
31 Metropolitan Area Reorganization ~~Learning Community Reorganization~~ Act.

1 Sec. 54. Section 79-4,120, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-4,120 Reorganization of school districts pursuant to the
4 Metropolitan Area Reorganization Learning Community Reorganization Act
5 may be accomplished through or by means of any one or more of the
6 following methods: (1) The creation of new districts; (2) the uniting of
7 one or more established districts; (3) the subdivision of one or more
8 established districts; (4) the transfer and attachment to an established
9 district of a part of the territory of one or more districts; and (5) the
10 dissolution or disorganization of an established district for any of the
11 reasons specified by law.

12 Sec. 55. Section 79-4,121, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 79-4,121 In the review of a plan for the reorganization of school
15 districts pursuant to the Metropolitan Area Reorganization Learning
16 Community Reorganization Act, the state committee shall give due
17 consideration to (1) the educational needs of pupils ~~in the learning~~
18 ~~community~~, (2) economies in administration costs, (3) the future use of
19 existing satisfactory school buildings, sites, and play fields, (4) the
20 convenience and welfare of pupils, (5) transportation requirements, (6)
21 the equalization of the educational opportunity of pupils, (7) the amount
22 of outstanding indebtedness of each district and proposed disposition
23 thereof, (8) the equitable adjustment of all property, debts, and
24 liabilities among the districts involved, (9) any additional statutory
25 requirements ~~for learning community organization~~, and (10) any other
26 matters which, in its judgment, are of importance.

27 Sec. 56. Section 79-4,122, Revised Statutes Cumulative Supplement,
28 2016, is amended to read:

29 79-4,122 Before any plan of reorganization is approved by the state
30 committee pursuant to the Metropolitan Area Reorganization Learning
31 Community Reorganization Act, the state committee shall hold one or more

1 public hearings. At such hearings, the state committee shall hear any and
2 all persons interested with respect to the areas of consideration listed
3 in section 79-4,121. The state committee shall keep a record of all
4 hearings in the formulation or approval of plans for the reorganization
5 of school districts. Notice of such public hearings of the state
6 committee shall be given by publication in a legal newspaper of general
7 circulation in the county or counties in which the affected districts are
8 located at least ten days prior to such hearing.

9 Sec. 57. Section 79-4,123, Revised Statutes Cumulative Supplement,
10 2016, is amended to read:

11 79-4,123 After one or more public hearings have been held, the state
12 committee may approve a plan or plans of reorganization pursuant to the
13 Metropolitan Area Reorganization ~~Learning Community Reorganization~~ Act.
14 Such plan shall contain:

15 (1) A description of the proposed boundaries of the reorganized
16 districts and a designation of the class for each district;

17 (2) A summary of the reasons for each proposed change, realignment,
18 or adjustment of the boundaries which shall include, but not be limited
19 to, an explanation of how the plan complies with any statutory
20 requirements ~~for learning community organization~~ and an assurance that
21 the plan does not increase the geographic size of any school district
22 that has more than twenty-five thousand formula students for the most
23 recent certification of state aid pursuant to section 79-1022;

24 (3) A summary of the terms on which reorganization is to be made
25 between the reorganized districts. Such terms shall include a provision
26 for initial school board districts or wards within the proposed district,
27 which proposed initial school board districts or wards shall be
28 determined by the state committee taking into consideration population
29 and valuation, a determination of the number of members to be appointed
30 to the initial school board for Class II and III school districts, and a
31 determination of the terms of the board members first appointed to

1 membership on the board of the newly reorganized district;

2 (4) A statement of the findings with respect to the location of
3 schools, the utilization of existing buildings, the construction of new
4 buildings, and the transportation requirements under the proposed plan of
5 reorganization;

6 (5) A map showing the boundaries of established school districts and
7 the boundaries proposed under any plan or plans of reorganization; and

8 (6) Such other matters as the state committee determines proper to
9 be included.

10 Sec. 58. Section 79-4,125, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 79-4,125 If the state committee disapproves the plan pursuant to the
13 Metropolitan Area Reorganization Learning Community Reorganization Act,
14 it shall be considered a disapproved plan and returned to the affected
15 school districts as a disapproved plan.

16 Sec. 59. Section 79-4,126, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

18 79-4,126 (1) The school board of any school district subject to the
19 act in a learning community may propose a plan of reorganization. When at
20 least sixty percent of the members of the school board of each affected
21 school district vote to approve the plan, such plan may be submitted to
22 the state committee. When any area is added or removed from any school
23 district subject to the act in a learning community as part of a plan,
24 such school district shall be deemed an affected school district.

25 (2) When a plan of reorganization or any part thereof has been
26 approved by the state committee pursuant to the Metropolitan Area
27 Reorganization Learning Community Reorganization Act, it shall be
28 designated as the final approved plan and shall be submitted to the
29 county clerk pursuant to section 79-4,128 and to school boards of the
30 affected school districts.

31 Sec. 60. Section 79-4,127, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 79-4,127 Whenever two or more school districts are involved in a
3 reorganization plan pursuant to the Metropolitan Area Reorganization
4 ~~Learning Community Reorganization~~ Act, the old districts shall continue
5 to be responsible for any indebtedness incurred before the reorganization
6 takes place unless a different arrangement is included in the plan.

7 Sec. 61. Section 79-4,128, Revised Statutes Cumulative Supplement,
8 2016, is amended to read:

9 79-4,128 If the plan of reorganization is approved by the state
10 committee pursuant to the Metropolitan Area Reorganization ~~Learning~~
11 ~~Community Reorganization~~ Act, the county clerk shall proceed to cause the
12 changes, realignment, and adjustment of districts to be carried out as
13 provided in the plan. The county clerk shall classify the school
14 districts according to the plan of reorganization. He or she shall also
15 file certificates with the county assessor, county treasurer, learning
16 community coordinating council, and state committee showing the
17 boundaries of the various districts under the approved plan of
18 reorganization.

19 Sec. 62. Section 79-527, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-527 (1) The superintendent or head administrator of a public
22 school district or a nonpublic school system shall annually report to the
23 Commissioner of Education in such detail and on such date as required by
24 the commissioner the number of students who have dropped out of school.
25 ~~School districts that are members of learning communities shall also~~
26 ~~provide the learning community coordinating council with a copy of such~~
27 ~~report on or before the date the report is due to the commissioner.~~

28 (2) The superintendent of a public school district shall report on a
29 quarterly basis to the Commissioner of Education as directed by the
30 commissioner regarding individual student information on attendance.

31 Sec. 63. Section 79-528, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 79-528 (1)(a) On or before July 20 in all school districts, the
3 superintendent shall file with the State Department of Education a report
4 showing the number of children from five through eighteen years of age
5 belonging to the school district according to the census taken as
6 provided in sections 79-524 and 79-578. ~~On or before August 31, the~~
7 ~~department shall issue to each learning community coordinating council a~~
8 ~~report showing the number of children from five through eighteen years of~~
9 ~~age belonging to the learning community based on the member school~~
10 ~~districts according to the school district reports filed with the~~
11 ~~department.~~

12 (b) Each Class I school district which is part of a Class VI school
13 district offering instruction (i) in grades kindergarten through five
14 shall report children from five through ten years of age, (ii) in grades
15 kindergarten through six shall report children from five through eleven
16 years of age, and (iii) in grades kindergarten through eight shall report
17 children from five through thirteen years of age.

18 (c) Each Class VI school district offering instruction (i) in grades
19 six through twelve shall report children who are eleven through eighteen
20 years of age, (ii) in grades seven through twelve shall report children
21 who are twelve through eighteen years of age, and (iii) in grades nine
22 through twelve shall report children who are fourteen through eighteen
23 years of age.

24 (d) Each Class I district which has affiliated in whole or in part
25 shall report children from five through thirteen years of age.

26 (e) Each Class II, III, IV, or V district shall report children who
27 are fourteen through eighteen years of age residing in Class I districts
28 or portions thereof which have affiliated with such district.

29 (f) The board of any district neglecting to take and report the
30 enumeration shall be liable to the school district for all school money
31 which such district may lose by such neglect.

1 (2) On or before June 30 the superintendent of each school district
2 shall file with the Commissioner of Education a report described as an
3 end-of-the-school-year annual statistical summary showing (a) the number
4 of children attending school during the year under five years of age, (b)
5 the length of time the school has been taught during the year by a
6 qualified teacher, (c) the length of time taught by each substitute
7 teacher, and (d) such other information as the Commissioner of Education
8 directs. ~~On or before July 31, the commissioner shall issue to each~~
9 ~~learning community coordinating council an end-of-the-school-year annual~~
10 ~~statistical summary for the learning community based on the member school~~
11 ~~districts according to the school district reports filed with the~~
12 ~~commissioner.~~

13 (3) ~~(3)(a)~~ On or before November 1 the superintendent of each school
14 district shall submit to the Commissioner of Education a report described
15 as the annual financial report showing (i) the amount of money received
16 from all sources during the year and the amount of money expended by the
17 school district during the year, (ii) the amount of bonded indebtedness,
18 (iii) such other information as shall be necessary to fulfill the
19 requirements of the Tax Equity and Educational Opportunities Support Act
20 and section 79-1114, and (iv) such other information as the Commissioner
21 of Education directs.

22 ~~(b) On or before December 15, the commissioner shall issue to each~~
23 ~~learning community coordinating council an annual financial report for~~
24 ~~the learning community based on the member school districts according to~~
25 ~~the annual financial reports filed with the commissioner, showing (i) the~~
26 ~~aggregate amount of money received from all sources during the year for~~
27 ~~all member school districts and the aggregate amount of money expended by~~
28 ~~member school districts during the year, (ii) the aggregate amount of~~
29 ~~bonded indebtedness for all member school districts, (iii) such other~~
30 ~~aggregate information as shall be necessary to fulfill the requirements~~
31 ~~of the Tax Equity and Educational Opportunities Support Act and section~~

1 ~~79-1114 for all member school districts, and (iv) such other aggregate~~
2 ~~information as the Commissioner of Education directs for all member~~
3 ~~school districts.~~

4 (4)(a) On or before October 15 of each year, the superintendent of
5 each school district shall file with the commissioner the fall school
6 district membership report, which report shall include the number of
7 children from birth through twenty years of age enrolled in the district
8 on the last Friday in September of a given school year. The report shall
9 enumerate (i) students by grade level, (ii) school district levies and
10 total assessed valuation for the current fiscal year, (iii) students
11 enrolled in the district as option students, resident students enrolled
12 in another district as option students, students enrolled in the district
13 as open enrollment students, and resident students enrolled in another
14 district as open enrollment students, and (iv) such other information as
15 the Commissioner of Education directs.

16 ~~(b) On or before October 15 of each year prior to 2017, each~~
17 ~~learning community coordinating council shall issue to the department a~~
18 ~~report which enumerates the learning community levies pursuant to~~
19 ~~subdivision (2)(b) of section 77-3442 and total assessed valuation for~~
20 ~~the current fiscal year.~~

21 ~~(c) On or before November 15 of each year, the department shall~~
22 ~~issue to each learning community coordinating council the fall learning~~
23 ~~community membership report, which report shall include the aggregate~~
24 ~~number of children from birth through twenty years of age enrolled in the~~
25 ~~member school districts on the last Friday in September of a given school~~
26 ~~year for all member school districts. The report shall enumerate (i) the~~
27 ~~aggregate students by grade level for all member school districts, (ii)~~
28 ~~school district levies and total assessed valuation for the current~~
29 ~~fiscal year, (iii) students enrolled in the district as option students,~~
30 ~~resident students enrolled in another district as option students,~~
31 ~~students enrolled in the district as open enrollment students, and~~

1 ~~resident students enrolled in another district as open enrollment~~
2 ~~students, and (iv) such other information as the Commissioner of~~
3 ~~Education directs for all member school districts.~~

4 (b) (d) When any school district fails to submit its fall membership
5 report by November 1, the commissioner shall, after notice to the
6 district and an opportunity to be heard, direct that any state aid
7 granted pursuant to the Tax Equity and Educational Opportunities Support
8 Act be withheld until such time as the report is received by the
9 department. In addition, the commissioner shall direct the county
10 treasurer to withhold all school money belonging to the school district
11 until such time as the commissioner notifies the county treasurer of
12 receipt of such report. The county treasurer shall withhold such money.

13 Sec. 64. Section 79-529, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 79-529 (1) When the superintendent of a school district fails to
16 file the annual financial report on or before the date required by
17 subdivision (3) (3)(a) of section 79-528, the State Department of
18 Education shall use the annual financial report from the immediately
19 preceding fiscal year for purposes of the Tax Equity and Educational
20 Opportunities Support Act.

21 (2) For purposes of the final calculation of state aid pursuant to
22 section 79-1065, the annual financial report for the most recently
23 available complete data year shall be used.

24 Sec. 65. Section 79-549, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-549 (1) The school board of any Class III school district that is
27 subject to the Metropolitan Area Reorganization Act ~~a member of a~~
28 ~~learning community~~ may place before the legal voters of the school
29 district the issue of whether to begin to have a caucus for nominations
30 by adopting a resolution to place the issue before the legal voters and
31 certifying the issue to the election commissioner or county clerk prior

1 to September 1 for placement on the ballot at the next statewide general
2 election. The legal voters of the school district may also have the issue
3 placed on the ballot at the statewide general election by circulating a
4 petition and gathering the signatures of the legal voters residing within
5 the school district at least equal to seven percent of the number of
6 persons registered to vote in the school district at the last statewide
7 primary election. The petitions shall be filed with the election
8 commissioner or county clerk for signature verification on or before
9 August 15 prior to a statewide general election. If the election
10 commissioner or county clerk determines that the appropriate number of
11 legal voters signed the petition, he or she shall place the issue on the
12 ballot for the next statewide general election. The issue shall not be
13 placed on the ballot again within four years after voting on the issue at
14 a statewide general election.

15 (2) Any Class III school district that nominated school board
16 members by caucus pursuant to this section as it existed immediately
17 before July 14, 2006, shall continue such procedure until the legal
18 voters of the district vote not to continue to have a caucus for
19 nominations pursuant to subsection (3) of this section. A caucus shall be
20 held pursuant to subsection (5) of this section not less than seventy
21 days prior to the holding of the election to nominate two or more
22 candidates for each vacancy to be voted upon at the election to be held
23 in conjunction with the statewide primary election pursuant to subsection
24 (1) of section 32-543. No candidate nominated shall have his or her name
25 placed upon the ballot for the general election unless, not more than ten
26 days after his or her nomination, he or she files with the secretary of
27 the school board a written statement accepting the nomination. The
28 secretary of the school board shall certify the names of the candidates
29 to the election commissioner or county clerk who shall prepare the
30 official ballot listing the names as certified and without any area
31 designation. All legal voters residing within the school district shall

1 be permitted to vote at such election.

2 (3) The school board may place before the legal voters of the school
3 district the issue of whether to continue to have a caucus for
4 nominations by adopting a resolution to place the issue before the legal
5 voters and certifying the issue to the election commissioner or county
6 clerk prior to September 1 for placement on the ballot at the next
7 statewide general election. The legal voters of the school district may
8 also have the issue placed on the ballot at the statewide general
9 election by circulating a petition and gathering the signatures of the
10 legal voters residing within the school district at least equal to seven
11 percent of the number of persons registered to vote in the school
12 district at the last statewide primary election. The petitions shall be
13 filed with the election commissioner or county clerk for signature
14 verification on or before August 15 prior to a statewide general
15 election. If the election commissioner or county clerk determines that
16 the appropriate number of legal voters signed the petition, he or she
17 shall place the issue on the ballot for the next statewide general
18 election. The issue shall not be placed on the ballot again within four
19 years after voting on the issue at a statewide general election.

20 (4) If the legal voters vote not to continue to have a caucus, the
21 school board shall determine the number of members to be nominated and
22 elected as provided in subsection (2) of section 32-543. The terms of the
23 members in office at the time of the vote shall be extended to the first
24 Thursday after the first Tuesday in January after the expiration of their
25 terms. At the first general election following the vote, a number of
26 members receiving the greatest number of votes shall be elected for a
27 term of four years and a number of members receiving the next greatest
28 number of votes shall be elected for a term of two years so that
29 approximately one-half of the school board members are elected every two
30 years.

31 (5) A school district which uses a caucus for nominations shall

1 develop rules and procedures for conducting the caucus which will ensure:

2 (a) Publication of the rules and procedures by multiple sources if
3 necessary so that every resident of the school district has access to
4 information on the process for placing a name in nomination and voting at
5 the caucus;

6 (b) Facilities for voting at the caucus which comply with the
7 federal Americans with Disabilities Act of 1990 and which will
8 accommodate a reasonably anticipated number of legal voters;

9 (c) Election security which will provide for a fair and impartial
10 election, including the secrecy of the ballot, one vote per legal voter,
11 and only legal voters of the school district being allowed to vote;

12 (d) Equal access to all legal voters of the school district,
13 including the presence of an interpreter at the caucus at the expense of
14 the school district and ballots for the blind and visually impaired to
15 provide access to the process by all legal voters of the school district;

16 (e) Adequate time and opportunity for legal voters of the school
17 district to exercise their right to vote; and

18 (f) Notification of nomination to the candidates and to the
19 secretary of the school board.

20 The rules and regulations shall be approved by the election
21 commissioner or county clerk prior to use for a caucus.

22 Sec. 66. Section 79-611, Revised Statutes Cumulative Supplement,
23 2016, is amended to read:

24 79-611 (1) The school board of any school district shall provide
25 free transportation, partially provide free transportation, or pay an
26 allowance for transportation in lieu of free transportation as follows:

27 (a) When a student attends an elementary school in his or her own
28 district and lives more than four miles from the public schoolhouse in
29 such district as measured by the shortest route that must actually and
30 necessarily be traveled by motor vehicle to reach the student's
31 residence;

1 (b) When a student is required to attend an elementary school
2 outside of his or her own district and lives more than four miles from
3 such elementary school as measured by the shortest route that must
4 actually and necessarily be traveled by motor vehicle to reach the
5 student's residence;

6 (c) When a student attends a secondary school in his or her own
7 Class II or Class III school district and lives more than four miles from
8 the public schoolhouse as measured by the shortest route that must
9 actually and necessarily be traveled by motor vehicle to reach the
10 student's residence. This subdivision does not apply when one or more
11 Class I school districts merge with a Class VI school district to form a
12 new Class II or III school district on or after January 1, 1997; and

13 (d) When a student, other than a student in grades ten through
14 twelve in a Class V district, attends an elementary or junior high school
15 in his or her own Class V district and lives more than four miles from
16 the public schoolhouse in such district as measured by the shortest route
17 that must actually and necessarily be traveled by motor vehicle to reach
18 the student's residence.

19 ~~(2)(a) For school years prior to school year 2017-18 and as required~~
20 ~~pursuant to subsection (3) of section 79-241, the school board of any~~
21 ~~school district that is a member of a learning community shall provide~~
22 ~~free transportation for a student who resides in such learning community~~
23 ~~and attends school in such school district if (i) the student is~~
24 ~~transferring pursuant to the open enrollment provisions of section~~
25 ~~79-2110, qualifies for free or reduced-price lunches, lives more than one~~
26 ~~mile from the school to which he or she transfers, and is not otherwise~~
27 ~~disqualified under subdivision (2)(c) of this section, (ii) the student~~
28 ~~is transferring pursuant to the open enrollment provisions of section~~
29 ~~79-2110, is a student who contributes to the socioeconomic diversity of~~
30 ~~enrollment at the school building he or she attends, lives more than one~~
31 ~~mile from the school to which he or she transfers, and is not otherwise~~

1 ~~disqualified under subdivision (2)(c) of this section, (iii) the student~~
2 ~~is attending a focus school or program and lives more than one mile from~~
3 ~~the school building housing the focus school or program, or (iv) the~~
4 ~~student is attending a magnet school or program and lives more than one~~
5 ~~mile from the magnet school or the school housing the magnet program.~~

6 ~~(b) For purposes of this subsection, student who contributes to the~~
7 ~~socioeconomic diversity of enrollment at the school building he or she~~
8 ~~attends has the definition found in section 79-2110. This subsection does~~
9 ~~not prohibit a school district that is a member of a learning community~~
10 ~~from providing transportation to any intradistrict student.~~

11 ~~(c) For any student who resides within a learning community and~~
12 ~~transfers to another school building pursuant to the open enrollment~~
13 ~~provisions of section 79-2110 and who had not been accepted for open~~
14 ~~enrollment into any school building within such district prior to~~
15 ~~September 6, 2013, the school board is exempt from the requirement of~~
16 ~~subdivision (2)(a) of this section if (i) the student is transferring to~~
17 ~~another school building within his or her home school district or (ii)~~
18 ~~the student is transferring to a school building in a school district~~
19 ~~that does not share a common border with his or her home school district.~~

20 ~~(2) (3) The transportation allowance which may be paid to the~~
21 ~~parent, custodial parent, or guardian of students qualifying for free~~
22 ~~transportation pursuant to subsection (1) or (2) of this section shall~~
23 ~~equal two hundred eighty-five percent of the mileage rate provided in~~
24 ~~section 81-1176, multiplied by each mile actually and necessarily~~
25 ~~traveled, on each day of attendance, beyond which the one-way distance~~
26 ~~from the residence of the student to the schoolhouse exceeds three miles.~~
27 ~~Such transportation allowance does not apply to students residing in a~~
28 ~~learning community who qualify for free or reduced-price lunches.~~

29 ~~(3) (4) Whenever students from more than one family travel to school~~
30 ~~in the same vehicle, the transportation allowance prescribed in~~
31 ~~subsection (2) (3) of this section shall be payable as follows:~~

1 (a) To the parent, custodial parent, or guardian providing
2 transportation for students from other families, one hundred percent of
3 the amount prescribed in subsection (3) of this section for the
4 transportation of students of such parent's, custodial parent's, or
5 guardian's own family and an additional five percent for students of each
6 other family not to exceed a maximum of one hundred twenty-five percent
7 of the amount determined pursuant to subsection (2) ~~(3)~~ of this section;
8 and

9 (b) To the parent, custodial parent, or guardian not providing
10 transportation for students of other families, two hundred eighty-five
11 percent of the mileage rate provided in section 81-1176 multiplied by
12 each mile actually and necessarily traveled, on each day of attendance,
13 from the residence of the student to the pick-up point at which students
14 transfer to the vehicle of a parent, custodial parent, or guardian
15 described in subdivision (a) of this subsection.

16 (4) ~~(5)~~ When a student who qualifies under the mileage requirements
17 of subsection (1) of this section lives more than three miles from the
18 location where the student must be picked up and dropped off in order to
19 access school-provided free transportation, as measured by the shortest
20 route that must actually and necessarily be traveled by motor vehicle
21 between his or her residence and such location, such school-provided
22 transportation shall be deemed partially provided free transportation.
23 School districts partially providing free transportation shall pay an
24 allowance to the student's parent or guardian equal to two hundred
25 eighty-five percent of the mileage rate provided in section 81-1176
26 multiplied by each mile actually and necessarily traveled, on each day of
27 attendance, beyond which the one-way distance from the residence of the
28 student to the location where the student must be picked up and dropped
29 off exceeds three miles.

30 (5) ~~(6)~~ The board may authorize school-provided transportation to
31 any student who does not qualify under the mileage requirements of

1 subsection (1) of this section and may charge a fee to the parent or
2 guardian of the student for such service. An affiliated high school
3 district may provide free transportation or pay the allowance described
4 in this section for high school students residing in an affiliated Class
5 I district. No transportation payments shall be made to a family for
6 mileage not actually traveled by such family. The number of days the
7 student has attended school shall be reported monthly by the teacher to
8 the board of such public school district.

9 (6) ~~(7)~~ No more than one allowance shall be made to a family
10 irrespective of the number of students in a family being transported to
11 school. If a family resides in a Class I district which is part of a
12 Class VI district and has students enrolled in any of the grades offered
13 by the Class I district and in any of the non-high-school grades offered
14 by the Class VI district, such family shall receive not more than one
15 allowance for the distance actually traveled when both districts are on
16 the same direct travel route with one district being located a greater
17 distance from the residence than the other. In such cases, the travel
18 allowance shall be prorated among the school districts involved.

19 (7) ~~(8)~~ No student shall be exempt from school attendance on account
20 of distance from the public schoolhouse.

21 Sec. 67. Section 79-703, Revised Statutes Cumulative Supplement,
22 2016, is amended to read:

23 79-703 (1) To ensure both equality of opportunity and quality of
24 programs offered, all public schools in the state shall be required to
25 meet quality and performance-based approval or accreditation standards as
26 prescribed by the State Board of Education. The board shall establish a
27 core curriculum standard, which shall include multicultural education and
28 vocational education courses, for all public schools in the state.
29 Accreditation and approval standards shall be designed to assure
30 effective schooling and quality of instructional programs regardless of
31 school size, wealth, or geographic location. ~~Accreditation standards for~~

1 ~~school districts that are members of a learning community shall include~~
2 ~~participation in the community achievement plan for the learning~~
3 ~~community as approved by the board.~~ The board shall recognize and
4 encourage the maximum use of cooperative programs and may provide for
5 approval or accreditation of programs on a cooperative basis, including
6 the sharing of administrative and instructional staff, between school
7 districts for the purpose of meeting the approval and accreditation
8 requirements established pursuant to this section and section 79-318.

9 (2) The Commissioner of Education shall appoint an accreditation
10 committee which shall be representative of the educational institutions
11 and agencies of the state and shall include as a member the director of
12 admissions of the University of Nebraska.

13 (3) The accreditation committee shall be responsible for: (a)
14 Recommending appropriate standards and policies with respect to the
15 accreditation and classification of schools; and (b) making
16 recommendations annually to the commissioner relative to the
17 accreditation and classification of individual schools. No school shall
18 be considered for accreditation status which has not first fulfilled all
19 requirements for an approved school.

20 (4) By school year 1993-94 all public schools in the state shall be
21 accredited.

22 (5) It is the intent of the Legislature that all public school
23 students shall have access to all educational services required of
24 accredited schools. Such services may be provided through cooperative
25 programs or alternative methods of delivery.

26 Sec. 68. Section 79-760.02, Revised Statutes Cumulative Supplement,
27 2016, is amended to read:

28 79-760.02 In accordance with timelines that are adopted by the State
29 Board of Education, but in no event later than one year following the
30 adoption or modification of state standards, each school district shall
31 adopt measurable quality academic content standards in the subject areas

1 of reading, writing, mathematics, science, and social studies. The
2 standards may be the same as, or may be equal to or exceed in rigor, the
3 measurable academic content standards adopted by the state board and
4 shall cover at least the same grade levels. School districts may work
5 collaboratively with educational service units, ~~with learning~~
6 ~~communities~~, or through interlocal agreements to develop such standards.

7 Sec. 69. Section 79-760.03, Revised Statutes Cumulative Supplement,
8 2016, is amended to read:

9 79-760.03 (1) For school year 2009-10 and each school year
10 thereafter, the State Board of Education shall implement a statewide
11 system for the assessment of student learning and for reporting the
12 performance of school districts ~~and learning communities~~ pursuant to this
13 section. The assessment and reporting system shall measure student
14 knowledge of subject matter materials covered by measurable academic
15 content standards selected by the state board.

16 (2) The state board shall adopt a plan for an assessment and
17 reporting system and implement and maintain the assessment and reporting
18 system according to such plan. The plan shall be submitted annually to
19 the State Department of Education, the Governor, the chairperson of the
20 Education Committee of the Legislature, and the Clerk of the Legislature.
21 The plan submitted to the committee and the Clerk of the Legislature
22 shall be submitted electronically. The state board shall select grade
23 levels for assessment and reporting required pursuant to subsections (4)
24 through (7) of this section. The purposes of the system are to:

25 (a) Determine how well public schools are performing in terms of
26 achievement of public school students related to the state academic
27 content standards;

28 (b) Report the performance of public schools based upon the results
29 of state assessment instruments and national assessment instruments;

30 (c) Provide information for the public and policymakers on the
31 performance of public schools; and

1 (d) Provide for the comparison among Nebraska public schools and the
2 comparison of Nebraska public schools to public schools elsewhere.

3 (3) The Governor shall appoint a technical advisory committee to
4 review (a) the statewide assessment plan, (b) state assessment
5 instruments, and (c) the accountability system developed under the
6 Quality Education Accountability Act. The technical advisory committee
7 shall consist of three nationally recognized experts in educational
8 assessment and measurement, one administrator from a school in Nebraska,
9 and one teacher from a school in Nebraska. The members shall serve terms
10 of three years, except that two of the members shall be appointed for
11 initial terms of two years. Any vacancy shall be filled by the Governor
12 for the remainder of the term. One of the members shall be designated as
13 chairperson by the Governor. Members shall be reimbursed for their actual
14 and necessary expenses as provided in sections 81-1174 to 81-1177. The
15 committee shall advise the Governor, the state board, and the State
16 Department of Education on the development of statewide assessment
17 instruments and the statewide assessment plan. The appointments to the
18 committee shall be confirmed by the Legislature.

19 (4) Through school year 2016-17, the state board shall prescribe a
20 statewide assessment of writing that relies on writing samples in each of
21 three grades selected by the state board. Each year at least one of the
22 three selected grades shall participate in the statewide writing
23 assessment with each selected grade level participating at least once
24 every three years.

25 (5) For school year 2009-10 and for each school year thereafter, the
26 state board shall prescribe a statewide assessment of reading. The
27 statewide assessment of reading shall include assessment instruments for
28 each of the grade levels three through eight and for one grade in high
29 school and standards adopted by the state board pursuant to section
30 79-760.01. For school year 2017-18 and each school year thereafter, the
31 statewide assessment of reading shall include a component of writing as

1 determined by the state board.

2 (6) For no later than school year 2010-11 and for each school year
3 thereafter, the state board shall prescribe a statewide assessment of
4 mathematics. The statewide assessment of mathematics shall include
5 assessment instruments for each of the grade levels three through eight
6 and for one grade in high school and standards adopted by the state board
7 pursuant to section 79-760.01.

8 (7) For no later than school year 2011-12 and each school year
9 thereafter, the state board shall prescribe a statewide assessment of
10 science. The statewide assessment of science shall include assessment
11 instruments for each of the grade levels selected by the state board and
12 standards adopted by the state board pursuant to section 79-760.01. The
13 grade levels shall include at least one grade in elementary school, one
14 grade in middle school or junior high school, and one grade in high
15 school.

16 (8) The department shall conduct studies to verify the technical
17 quality of assessment instruments and demonstrate the comparability of
18 assessment instrument results required by the act. The department shall
19 annually report such findings to the Governor, the Legislature, and the
20 state board. The report submitted to the Legislature shall be submitted
21 electronically.

22 (9) The state board shall recommend national assessment instruments
23 for the purpose of national comparison. Beginning with school year
24 2017-18, the state board shall select a national assessment instrument
25 that is also used as a standard college admission test which shall be
26 administered to students in the eleventh grade in every public high
27 school in each school district. Each school district shall report
28 individual student data for scores and sub-scores according to procedures
29 established by the state board and the department pursuant to section
30 79-760.05.

31 (10) The aggregate results of assessment instruments and national

1 assessment instruments shall be reported by the district on a building
2 basis to the public in that district, ~~to the learning community~~
3 ~~coordinating council if such district is a member of a learning~~
4 ~~community,~~ and to the department. ~~Each learning community shall also~~
5 ~~report the aggregate results of any assessment instruments and national~~
6 ~~assessment instruments to the public in that learning community and to~~
7 ~~the department.~~ The department shall report the aggregate results of any
8 assessment instruments and national assessment instruments on a learning
9 ~~community,~~ district, and building basis as part of the statewide
10 assessment and reporting system.

11 (11)(a) The assessment and reporting plan shall:

12 (i) Provide for the confidentiality of the results of individual
13 students; and

14 (ii) Include all public schools and all public school students.

15 (b) The state board shall adopt criteria for the inclusion of
16 students with disabilities, students entering the school for the first
17 time, and students with limited English proficiency.

18 The department may determine appropriate accommodations for the
19 assessment of students with disabilities or any student receiving special
20 education programs and services pursuant to section 79-1139. Alternate
21 academic achievement standards in reading, mathematics, and science and
22 alternate assessment instruments aligned with the standards may be among
23 the accommodations for students with severe cognitive disabilities.

24 (12) The state board may select additional grade levels, subject
25 areas, or assessment instruments for statewide assessment consistent with
26 federal requirements.

27 (13) The state board shall not require school districts to
28 administer assessments or assessment instruments which are not consistent
29 with the act.

30 (14) The state board may appoint committees of teachers, from each
31 appropriate subject area, and administrators to assist in the development

1 of statewide assessment instruments required by the act.

2 Sec. 70. Section 79-760.05, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-760.05 (1) The State Board of Education shall implement a
5 statewide system for tracking individual student achievement, using the
6 student identifier system of the State Department of Education, that can
7 be aggregated to track student progress by demographic characteristics,
8 including, but not limited to, race, poverty, high mobility, attendance,
9 and limited English proficiency, on available measures of student
10 achievement which include, but need not be limited to, national
11 assessment instruments, state assessment instruments, and the indicators
12 used in the accountability system required pursuant to section 79-760.06.
13 Such a system shall be designed so as to aggregate student data by
14 available educational input characteristics, which may include class
15 size, teacher education, teacher experience, special education, early
16 childhood programs, federal programs, and other targeted education
17 programs. School districts shall provide the department with individual
18 student achievement data from assessment instruments required pursuant to
19 section 79-760.03 in order to implement the statewide system.

20 (2) The department shall annually analyze and report on student
21 achievement for the state, each school district, and each public school,
22 ~~and each learning community~~ aggregated by the demographic characteristics
23 described in subsection (1) of this section. The department shall report
24 the findings to the Governor, the Legislature, school districts, and
25 educational service units, ~~and each learning community~~. The report
26 submitted to the Legislature shall be submitted electronically. Such
27 analysis shall include aggregated data that would indicate differences in
28 achievement due to available educational input characteristics described
29 in subsection (1) of this section. Such analysis shall include indicators
30 of progress toward state achievement goals for students in poverty,
31 limited English proficient students, and highly mobile students.

1 Sec. 71. Section 79-769, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-769 (1) Any joint entity formed pursuant to subsection (3) of
4 this section one or more member school districts of a learning community
5 may establish one or more focus programs, focus schools, or magnet
6 schools. ~~A If included as part of the diversity plan of a learning~~
7 ~~community,~~ the focus school or focus program shall be eligible for a
8 focus school and program allowance pursuant to section 79-1007.05.

9 (2) Focus schools, focus programs, and magnet schools may be
10 included in pathways across member school districts. ~~A student who will~~
11 ~~complete the grades offered at a focus program, focus school, or magnet~~
12 ~~school that is part of a pathway shall be allowed to attend the focus~~
13 ~~program, focus school, or magnet school offering the next grade level as~~
14 ~~part of the pathway as a continuing student. A student who completes the~~
15 ~~grades offered at a focus program, focus school, or magnet school shall~~
16 ~~be allowed to attend a school offering the next grade level in the school~~
17 ~~district responsible for the focus program, focus school, or magnet~~
18 ~~school as a continuing student. A student who attended a program or~~
19 ~~school in the school year immediately preceding the first school year for~~
20 ~~which the program or school will operate as a focus program or focus~~
21 ~~school meeting the requirements of this section and who has not completed~~
22 ~~the grades offered at the focus program or focus school shall be a~~
23 ~~continuing student in the focus program or focus school pursuant to the~~
24 ~~diversity plan developed by the learning community coordinating council~~
25 ~~pursuant to section 79-2104.~~

26 (3) Two or more school districts for which the principal office of
27 the school district is located in a county where a city of the
28 metropolitan class is located or for which the principal office of the
29 school district is located in a county that has a contiguous border of at
30 least five miles in the aggregate with a city of the metropolitan class
31 ~~may If multiple member school districts collaborate on a focus program,~~

1 ~~focus school, or magnet school, the school districts shall~~ form a joint
2 entity pursuant to the Interlocal Cooperation Act for the purpose of
3 creating, implementing, and operating such focus program, focus school,
4 or magnet school. The agreement creating such joint entity shall address
5 legal, financial, and academic responsibilities and the assignment to
6 participating school districts of students enrolled in such focus
7 program, focus school, or magnet school who reside in nonparticipating
8 school districts.

9 (4) For purposes of this section:

10 (a) Focus program means a program that does not have an attendance
11 area, whose enrollment is designed so that the socioeconomic diversity of
12 the students attending the focus program reflects as nearly as possible
13 the socioeconomic diversity of the student body of the joint entity
14 establishing the focus program learning community, which has a unique
15 curriculum with specific learning goals or teaching techniques different
16 from the standard curriculum, which may be housed in a building with
17 other public school programs, and which may consist of either the
18 complete education program for participating students or part of the
19 education program for participating students;

20 (b) Focus school means a school that does not have an attendance
21 area, whose enrollment is designed so that the socioeconomic diversity of
22 the students attending the focus school reflects as nearly as possible
23 the socioeconomic diversity of the student body of the joint entity
24 establishing the focus school learning community, which has a unique
25 curriculum with specific learning goals or teaching techniques different
26 from the standard curriculum, and which is housed in a building that does
27 not contain another public school program;

28 (c) Magnet school means a school having a home attendance area but
29 which reserves a portion of its capacity specifically for students from
30 outside the attendance area who will contribute to the socioeconomic
31 diversity of the student body of such school and which has a unique

1 curriculum with specific learning goals or teaching techniques different
2 from the standard curriculum; and

3 (d) Pathway means elementary, middle, and high school focus
4 programs, focus schools, and magnet schools with coordinated curricula
5 based on specific learning goals or teaching techniques.

6 Sec. 72. Section 79-777, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-777 (1) Any school district, with the approval of the State
9 Department of Education, may establish and operate a career academy. The
10 purpose of a career academy is to provide students with a career-based
11 educational curriculum. A school district may partner with another school
12 district, an educational service unit, ~~a learning community,~~ a
13 postsecondary educational institution, or a private entity in the
14 establishment and operation of a career academy.

15 (2) A career academy established pursuant to subsection (1) of this
16 section shall:

17 (a) Recruit students who seek a career-based curriculum, which
18 curriculum shall be based on criteria determined by the department;

19 (b) Recruit and hire instructors based on their expertise in career-
20 based education; and

21 (c) Provide a rigorous academic curriculum with a transition
22 component to prepare students for the workforce, including, but not
23 limited to, internships, job training, and skills training.

24 (3) In addition to funding from the establishing school district or
25 any of the district's partners, a career academy may also receive private
26 donations for operating expenses.

27 (4) The department shall define standards and criteria for (a) the
28 establishment, evaluation, and continuing approval of career academies,
29 (b) career-based curriculum utilized by career academies, (c) the
30 necessary data elements and collection of data pertaining to career
31 academies, including, but not limited to, the number of students enrolled

1 in a career academy and their grade levels, and (d) the establishment of
2 advisory boards consisting of business and education representatives to
3 provide guidance and direction for the operation of career academies.

4 (5) The State Board of Education may adopt and promulgate rules and
5 regulations to carry out this section.

6 Sec. 73. Section 79-850, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-850 For purposes of sections 79-850 to 79-858:

9 (1) Reorganized school district means: (a) Any expanded or altered
10 school district, organized or altered by any of the means provided by
11 Nebraska law including, but not limited to, the methods provided by the
12 Reorganization of School Districts Act, the Metropolitan Area
13 Reorganization Learning Community Reorganization Act, section 79-407,
14 79-413, or 79-473, or sections 79-415 to 79-417 or 79-452 to 79-455; or
15 (b) any school district to be formed in the future if the petition or
16 plan for such reorganized school district has been approved pursuant to
17 any of the methods set forth in subdivision (1)(a) of this section when
18 the effective date of such reorganization is prospective. For purposes of
19 this subdivision, a petition or plan shall be deemed approved when the
20 last legal action has been taken, as prescribed in section 79-413,
21 79-450, or 79-455, necessary to effect the changes in boundaries as set
22 forth in the petition or plan; and

23 (2) Unified system means a unified system as defined in section
24 79-4,108 recognized by the State Department of Education pursuant to
25 subsection (3) of such section, which employs certificated staff.

26 Sec. 74. Section 79-979, Revised Statutes Cumulative Supplement,
27 2016, is amended to read:

28 79-979 (1) Prior to September 13, 1997, in each Class V school
29 district in the State of Nebraska there is hereby established a separate
30 retirement system for all regular employees of such school district. Such
31 system shall be for the purpose of providing retirement benefits for all

1 regular employees of the school district as provided in the Class V
2 School Employees Retirement Act. The system shall be known as School
3 Employees' Retirement System of (corporate name of the school district as
4 described in section 79-405). All of its business shall be transacted,
5 all of its funds shall be invested, and all of its cash and securities
6 and other property shall be held in trust on behalf of the retirement
7 system for the purposes set forth in the act. Such funds shall be kept
8 separate from all other funds of the school district and shall be used
9 for no other purpose.

10 (2) Except as provided in subsection (3) of this section, if any new
11 Class V school districts are formed after September 13, 1997, such new
12 Class V school district shall elect to become or remain a part of the
13 retirement system established pursuant to the School Employees Retirement
14 Act.

15 (3) Any new Class V school districts formed pursuant to the
16 Metropolitan Area Reorganization Learning Community Reorganization Act
17 shall continue to participate in the retirement system established
18 pursuant to the Class V School Employees Retirement Act if such new Class
19 V school district was formed at least in part by territory that had been
20 in a Class V school district that participated in the retirement system
21 established pursuant to the Class V School Employees Retirement Act.

22 Sec. 75. Section 79-1003, Revised Statutes Supplement, 2017, is
23 amended to read:

24 79-1003 For purposes of the Tax Equity and Educational Opportunities
25 Support Act:

26 (1) Adjusted general fund operating expenditures means (a) for
27 school fiscal years 2013-14 through 2015-16, the difference of the
28 general fund operating expenditures as calculated pursuant to subdivision
29 (23) of this section increased by the cost growth factor calculated
30 pursuant to section 79-1007.10, minus the transportation allowance,
31 special receipts allowance, poverty allowance, limited English

1 proficiency allowance, distance education and telecommunications
2 allowance, elementary site allowance, summer school allowance,
3 instructional time allowance, teacher education allowance, and focus
4 school and program allowance, (b) for school fiscal years 2016-17 through
5 2018-19, the difference of the general fund operating expenditures as
6 calculated pursuant to subdivision (23) of this section increased by the
7 cost growth factor calculated pursuant to section 79-1007.10, minus the
8 transportation allowance, special receipts allowance, poverty allowance,
9 limited English proficiency allowance, distance education and
10 telecommunications allowance, elementary site allowance, summer school
11 allowance, and focus school and program allowance, and (c) for school
12 fiscal year 2019-20 and each school fiscal year thereafter, the
13 difference of the general fund operating expenditures as calculated
14 pursuant to subdivision (23) of this section increased by the cost growth
15 factor calculated pursuant to section 79-1007.10, minus the
16 transportation allowance, special receipts allowance, poverty allowance,
17 limited English proficiency allowance, distance education and
18 telecommunications allowance, elementary site allowance, summer school
19 allowance, community achievement plan allowance, and focus school and
20 program allowance;

21 (2) Adjusted valuation means the assessed valuation of taxable
22 property of each local system in the state, adjusted pursuant to the
23 adjustment factors described in section 79-1016. Adjusted valuation means
24 the adjusted valuation for the property tax year ending during the school
25 fiscal year immediately preceding the school fiscal year in which the aid
26 based upon that value is to be paid. For purposes of determining the
27 local effort rate yield pursuant to section 79-1015.01, adjusted
28 valuation does not include the value of any property which a court, by a
29 final judgment from which no appeal is taken, has declared to be
30 nontaxable or exempt from taxation;

31 (3) Allocated income tax funds means the amount of assistance paid

1 to a local system pursuant to section 79-1005.01 ~~as adjusted, for school~~
2 ~~fiscal years prior to school fiscal year 2017-18, by the minimum levy~~
3 ~~adjustment pursuant to section 79-1008.02;~~

4 (4) Average daily membership means the average daily membership for
5 grades kindergarten through twelve attributable to the local system, as
6 provided in each district's annual statistical summary, and includes the
7 proportionate share of students enrolled in a public school instructional
8 program on less than a full-time basis;

9 (5) Base fiscal year means the first school fiscal year following
10 the school fiscal year in which the reorganization or unification
11 occurred;

12 (6) Board means the school board of each school district;

13 (7) Categorical funds means funds limited to a specific purpose by
14 federal or state law, including, but not limited to, Title I funds, Title
15 VI funds, federal vocational education funds, federal school lunch funds,
16 Indian education funds, Head Start funds, and funds from the Education
17 Innovation Fund;

18 (8) Consolidate means to voluntarily reduce the number of school
19 districts providing education to a grade group and does not include
20 dissolution pursuant to section 79-498;

21 (9) Converted contract means an expired contract that was in effect
22 for at least fifteen school years beginning prior to school year 2012-13
23 for the education of students in a nonresident district in exchange for
24 tuition from the resident district when the expiration of such contract
25 results in the nonresident district educating students, who would have
26 been covered by the contract if the contract were still in effect, as
27 option students pursuant to the enrollment option program established in
28 section 79-234;

29 (10) Converted contract option student means a student who will be
30 an option student pursuant to the enrollment option program established
31 in section 79-234 for the school fiscal year for which aid is being

1 calculated and who would have been covered by a converted contract if the
2 contract were still in effect and such school fiscal year is the first
3 school fiscal year for which such contract is not in effect;

4 (11) Department means the State Department of Education;

5 (12) District means any Class I, II, III, IV, V, or VI school
6 district or unified system as defined in section 79-4,108;

7 (13) Ensuing school fiscal year means the school fiscal year
8 following the current school fiscal year;

9 (14) Equalization aid means the amount of assistance calculated to
10 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
11 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

12 (15) Fall membership means the total membership in kindergarten
13 through grade twelve attributable to the local system as reported on the
14 fall school district membership reports for each district pursuant to
15 section 79-528;

16 (16) Fiscal year means the state fiscal year which is the period
17 from July 1 to the following June 30;

18 (17) Formula students means:

19 (a) For state aid certified pursuant to section 79-1022, the sum of
20 the product of fall membership from the school fiscal year immediately
21 preceding the school fiscal year in which the aid is to be paid
22 multiplied by the average ratio of average daily membership to fall
23 membership for the second school fiscal year immediately preceding the
24 school fiscal year in which the aid is to be paid and the prior two
25 school fiscal years plus sixty percent of the qualified early childhood
26 education fall membership plus tuitioned students from the school fiscal
27 year immediately preceding the school fiscal year in which aid is to be
28 paid minus the product of the number of students enrolled in kindergarten
29 that is not full-day kindergarten from the fall membership multiplied by
30 0.5; and

31 (b) For the final calculation of state aid pursuant to section

1 79-1065, the sum of average daily membership plus sixty percent of the
2 qualified early childhood education average daily membership plus
3 tuitioned students minus the product of the number of students enrolled
4 in kindergarten that is not full-day kindergarten from the average daily
5 membership multiplied by 0.5 from the school fiscal year immediately
6 preceding the school fiscal year in which aid was paid;

7 (18) Free lunch and free milk calculated students means, using the
8 most recent data available on November 1 of the school fiscal year
9 immediately preceding the school fiscal year in which aid is to be paid,
10 (a) for schools that did not provide free meals to all students pursuant
11 to the community eligibility provision, students who individually
12 qualified for free lunches or free milk pursuant to the federal Richard
13 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
14 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
15 and sections existed on January 1, 2015, and rules and regulations
16 adopted thereunder, plus (b) for schools that provided free meals to all
17 students pursuant to the community eligibility provision, (i) for school
18 fiscal year 2016-17, the product of the students who attended such school
19 multiplied by the identified student percentage calculated pursuant to
20 such federal provision or (ii) for school fiscal year 2017-18 and each
21 school fiscal year thereafter, the greater of the number of students in
22 such school who individually qualified for free lunch or free milk using
23 the most recent school fiscal year for which the school did not provide
24 free meals to all students pursuant to the community eligibility
25 provision or one hundred ten percent of the product of the students who
26 qualified for free meals at such school pursuant to the community
27 eligibility provision multiplied by the identified student percentage
28 calculated pursuant to such federal provision, except that the free lunch
29 and free milk students calculated for any school pursuant to subdivision
30 (18)(b)(ii) of this section shall not exceed one hundred percent of the
31 students qualified for free meals at such school pursuant to the

1 community eligibility provision;

2 (19) Free lunch and free milk student means, for school fiscal years
3 prior to school fiscal year 2016-17, a student who qualified for free
4 lunches or free milk from the most recent data available on November 1 of
5 the school fiscal year immediately preceding the school fiscal year in
6 which aid is to be paid;

7 (20) Full-day kindergarten means kindergarten offered by a district
8 for at least one thousand thirty-two instructional hours;

9 (21) General fund budget of expenditures means the total budget of
10 disbursements and transfers for general fund purposes as certified in the
11 budget statement adopted pursuant to the Nebraska Budget Act, except that
12 for purposes of the limitation imposed in section 79-1023 and the
13 calculation pursuant to subdivision (2) of section 79-1027.01, the
14 general fund budget of expenditures does not include any special grant
15 funds, exclusive of local matching funds, received by a district;

16 (22) General fund expenditures means all expenditures from the
17 general fund;

18 (23) General fund operating expenditures means for state aid
19 calculated for school fiscal years 2012-13 and each school fiscal year
20 thereafter, as reported on the annual financial report for the second
21 school fiscal year immediately preceding the school fiscal year in which
22 aid is to be paid, the total general fund expenditures minus (a) the
23 amount of all receipts to the general fund, to the extent that such
24 receipts are not included in local system formula resources, from early
25 childhood education tuition, summer school tuition, educational entities
26 as defined in section 79-1201.01 for providing distance education courses
27 through the Educational Service Unit Coordinating Council to such
28 educational entities, private foundations, individuals, associations,
29 charitable organizations, the textbook loan program authorized by section
30 79-734, federal impact aid, and levy override elections pursuant to
31 section 77-3444, (b) the amount of expenditures for categorical funds,

1 tuition paid, transportation fees paid to other districts, adult
2 education, community services, redemption of the principal portion of
3 general fund debt service, retirement incentive plans authorized by
4 section 79-855, and staff development assistance authorized by section
5 79-856, (c) the amount of any transfers from the general fund to any bond
6 fund and transfers from other funds into the general fund, (d) any legal
7 expenses in excess of fifteen-hundredths of one percent of the formula
8 need for the school fiscal year in which the expenses occurred, (e)(i)
9 for state aid calculated for school fiscal years prior to school fiscal
10 year 2018-19, expenditures to pay for sums agreed to be paid by a school
11 district to certificated employees in exchange for a voluntary
12 termination occurring prior to July 1, 2009, occurring on or after the
13 last day of the 2010-11 school year and prior to the first day of the
14 2013-14 school year, or, to the extent that a district has demonstrated
15 to the State Board of Education pursuant to section 79-1028.01 that the
16 agreement will result in a net savings in salary and benefit costs to the
17 school district over a five-year period, occurring on or after the first
18 day of the 2013-14 school year or (ii) for state aid calculated for
19 school fiscal year 2018-19 and each school fiscal year thereafter,
20 expenditures to pay for incentives agreed to be paid by a school district
21 to certificated employees in exchange for a voluntary termination of
22 employment for which the State Board of Education approved an exclusion
23 pursuant to subdivision ~~subdivisions~~ (1)(h), (i), (j), or (k) of section
24 79-1028.01, (f)(i) expenditures to pay for employer contributions
25 pursuant to subsection (2) of section 79-958 to the School Employees
26 Retirement System of the State of Nebraska to the extent that such
27 expenditures exceed the employer contributions under such subsection that
28 would have been made at a contribution rate of seven and thirty-five
29 hundredths percent or (ii) expenditures to pay for school district
30 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to
31 the retirement system established pursuant to the Class V School

1 Employees Retirement Act to the extent that such expenditures exceed the
2 school district contributions under such subdivision that would have been
3 made at a contribution rate of seven and thirty-seven hundredths percent,
4 and (g) any amounts paid by the district for lobbyist fees and expenses
5 reported to the Clerk of the Legislature pursuant to section 49-1483.

6 For purposes of this subdivision (23) of this section, receipts from
7 levy override elections shall equal ninety-nine percent of the difference
8 of the total general fund levy minus a levy of one dollar and five cents
9 per one hundred dollars of taxable valuation multiplied by the assessed
10 valuation for school districts that have voted pursuant to section
11 77-3444 to override the maximum levy provided pursuant to section
12 77-3442;

13 (24) High school district means a school district providing
14 instruction in at least grades nine through twelve;

15 (25) Income tax liability means the amount of the reported income
16 tax liability for resident individuals pursuant to the Nebraska Revenue
17 Act of 1967 less all nonrefundable credits earned and refunds made;

18 (26) Income tax receipts means the amount of income tax collected
19 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
20 credits earned and refunds made;

21 (27) Limited English proficiency students means the number of
22 students with limited English proficiency in a district from the most
23 recent data available on November 1 of the school fiscal year preceding
24 the school fiscal year in which aid is to be paid plus the difference of
25 such students with limited English proficiency minus the average number
26 of limited English proficiency students for such district, prior to such
27 addition, for the three immediately preceding school fiscal years if such
28 difference is greater than zero;

29 (28) Local system means a ~~learning community for purposes of~~
30 ~~calculation of state aid for each school fiscal year prior to school~~
31 ~~fiscal year 2017-18,~~ a unified system, a Class VI district and the

1 associated Class I districts, or a Class II, III, IV, or V district and
2 any affiliated Class I districts or portions of Class I districts. The
3 membership, expenditures, and resources of Class I districts that are
4 affiliated with multiple high school districts will be attributed to
5 local systems based on the percent of the Class I valuation that is
6 affiliated with each high school district;

7 (29) Low-income child means (a) for school fiscal years prior to
8 2016-17, a child under nineteen years of age living in a household having
9 an annual adjusted gross income for the second calendar year preceding
10 the beginning of the school fiscal year for which aid is being calculated
11 equal to or less than the maximum household income that would allow a
12 student from a family of four people to be a free lunch and free milk
13 student during the school fiscal year immediately preceding the school
14 fiscal year for which aid is being calculated and (b) for school fiscal
15 year 2016-17 and each school fiscal year thereafter, a child under
16 nineteen years of age living in a household having an annual adjusted
17 gross income for the second calendar year preceding the beginning of the
18 school fiscal year for which aid is being calculated equal to or less
19 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
20 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
21 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
22 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
23 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
24 existed on January 1, 2015, for a household of that size that would have
25 allowed the child to meet the income qualifications for free meals during
26 the school fiscal year immediately preceding the school fiscal year for
27 which aid is being calculated;

28 (30) Low-income students means the number of low-income children
29 within the district multiplied by the ratio of the formula students in
30 the district divided by the total children under nineteen years of age
31 residing in the district as derived from income tax information;

1 (31) Most recently available complete data year means the most
2 recent single school fiscal year for which the annual financial report,
3 fall school district membership report, annual statistical summary,
4 Nebraska income tax liability by school district for the calendar year in
5 which the majority of the school fiscal year falls, and adjusted
6 valuation data are available;

7 (32) Poverty students means (a) for school fiscal years prior to
8 2016-17, the number of low-income students or the number of students who
9 are free lunch and free milk students in a district plus the difference
10 of the number of low-income students or the number of students who are
11 free lunch and free milk students in a district, whichever is greater,
12 minus the average number of poverty students for such district, prior to
13 such addition, for the three immediately preceding school fiscal years if
14 such difference is greater than zero and (b) for school fiscal year
15 2016-17 and each school fiscal year thereafter, the unadjusted poverty
16 students plus the difference of such unadjusted poverty students minus
17 the average number of poverty students for such district, prior to such
18 addition, for the three immediately preceding school fiscal years if such
19 difference is greater than zero;

20 (33) Qualified early childhood education average daily membership
21 means the product of the average daily membership for school fiscal year
22 2006-07 and each school fiscal year thereafter of students who will be
23 eligible to attend kindergarten the following school year and are
24 enrolled in an early childhood education program approved by the
25 department pursuant to section 79-1103 for such school district for such
26 school year multiplied by the ratio of the actual instructional hours of
27 the program divided by one thousand thirty-two if: (a) The program is
28 receiving a grant pursuant to such section for the third year; (b) the
29 program has already received grants pursuant to such section for three
30 years; or (c) the program has been approved pursuant to subsection (5) of
31 section 79-1103 for such school year and the two preceding school years,

1 including any such students in portions of any of such programs receiving
2 an expansion grant;

3 (34) Qualified early childhood education fall membership means the
4 product of membership on the last Friday in September 2006 and each year
5 thereafter of students who will be eligible to attend kindergarten the
6 following school year and are enrolled in an early childhood education
7 program approved by the department pursuant to section 79-1103 for such
8 school district for such school year multiplied by the ratio of the
9 planned instructional hours of the program divided by one thousand
10 thirty-two if: (a) The program is receiving a grant pursuant to such
11 section for the third year; (b) the program has already received grants
12 pursuant to such section for three years; or (c) the program has been
13 approved pursuant to subsection (5) of section 79-1103 for such school
14 year and the two preceding school years, including any such students in
15 portions of any of such programs receiving an expansion grant;

16 (35) Regular route transportation means the transportation of
17 students on regularly scheduled daily routes to and from the attendance
18 center;

19 (36) Reorganized district means any district involved in a
20 consolidation and currently educating students following consolidation;

21 (37) School year or school fiscal year means the fiscal year of a
22 school district as defined in section 79-1091;

23 (38) Sparse local system means a local system that is not a very
24 sparse local system but which meets the following criteria:

25 (a)(i) Less than two students per square mile in the county in which
26 each high school is located, based on the school district census, (ii)
27 less than one formula student per square mile in the local system, and
28 (iii) more than ten miles between each high school attendance center and
29 the next closest high school attendance center on paved roads;

30 (b)(i) Less than one and one-half formula students per square mile
31 in the local system and (ii) more than fifteen miles between each high

1 school attendance center and the next closest high school attendance
2 center on paved roads;

3 (c)(i) Less than one and one-half formula students per square mile
4 in the local system and (ii) more than two hundred seventy-five square
5 miles in the local system; or

6 (d)(i) Less than two formula students per square mile in the local
7 system and (ii) the local system includes an area equal to ninety-five
8 percent or more of the square miles in the largest county in which a high
9 school attendance center is located in the local system;

10 (39) Special education means specially designed kindergarten through
11 grade twelve instruction pursuant to section 79-1125, and includes
12 special education transportation;

13 (40) Special grant funds means the budgeted receipts for grants,
14 including, but not limited to, categorical funds, reimbursements for
15 wards of the court, short-term borrowings including, but not limited to,
16 registered warrants and tax anticipation notes, interfund loans,
17 insurance settlements, and reimbursements to county government for
18 previous overpayment. The state board shall approve a listing of grants
19 that qualify as special grant funds;

20 (41) State aid means the amount of assistance paid to a district
21 pursuant to the Tax Equity and Educational Opportunities Support Act;

22 (42) State board means the State Board of Education;

23 (43) State support means all funds provided to districts by the
24 State of Nebraska for the general fund support of elementary and
25 secondary education;

26 (44) Statewide average basic funding per formula student means the
27 statewide total basic funding for all districts divided by the statewide
28 total formula students for all districts;

29 (45) Statewide average general fund operating expenditures per
30 formula student means the statewide total general fund operating
31 expenditures for all districts divided by the statewide total formula

1 students for all districts;

2 (46) Teacher has the definition found in section 79-101;

3 (47) Temporary aid adjustment factor means (a) for school fiscal
4 years before school fiscal year 2007-08, one and one-fourth percent of
5 the sum of the local system's transportation allowance, the local
6 system's special receipts allowance, and the product of the local
7 system's adjusted formula students multiplied by the average formula cost
8 per student in the local system's cost grouping and (b) for school fiscal
9 year 2007-08, one and one-fourth percent of the sum of the local system's
10 transportation allowance, special receipts allowance, and distance
11 education and telecommunications allowance and the product of the local
12 system's adjusted formula students multiplied by the average formula cost
13 per student in the local system's cost grouping;

14 (48) Tuition receipts from converted contracts means tuition
15 receipts received by a district from another district in the most
16 recently available complete data year pursuant to a converted contract
17 prior to the expiration of the contract;

18 (49) Tuitioned students means students in kindergarten through grade
19 twelve of the district whose tuition is paid by the district to some
20 other district or education agency;

21 (50) Unadjusted poverty students means, for school fiscal year
22 2016-17 and each school fiscal year thereafter, the greater of the number
23 of low-income students or the free lunch and free milk calculated
24 students in a district; and

25 (51) Very sparse local system means a local system that has:

26 (a)(i) Less than one-half student per square mile in each county in
27 which each high school attendance center is located based on the school
28 district census, (ii) less than one formula student per square mile in
29 the local system, and (iii) more than fifteen miles between the high
30 school attendance center and the next closest high school attendance
31 center on paved roads; or

1 (b)(i) More than four hundred fifty square miles in the local
2 system, (ii) less than one-half student per square mile in the local
3 system, and (iii) more than fifteen miles between each high school
4 attendance center and the next closest high school attendance center on
5 paved roads.

6 Sec. 76. Section 79-1005, Revised Statutes Cumulative Supplement,
7 2016, is amended to read:

8 79-1005 (1) For ~~school fiscal year 2017-18 and each school fiscal~~
9 ~~year thereafter~~, the department shall determine the community achievement
10 plan aid to be paid to each school district that will participate in a
11 community achievement plan approved by the State Board of Education
12 pursuant to section 79-2122 for such school fiscal year. For the first
13 two school fiscal years a school district will participate in such plan,
14 a new community achievement plan adjustment equal to the community
15 achievement aid shall be included in the calculation of formula need for
16 such school district. For all other school fiscal years, a community
17 achievement plan allowance equal to the community achievement aid shall
18 be included in the calculation of formula need for school districts
19 qualifying for community achievement plan aid. Community achievement plan
20 aid shall be included as a formula resource pursuant to section
21 79-1017.01.

22 (2) Community achievement plan aid shall equal 0.4643 percent of the
23 product of the statewide average general fund operating expenditures per
24 formula student multiplied by the total formula students for all of the
25 ~~member school districts that will participate in such community~~
26 ~~achievement plan in such learning community~~. The community achievement
27 plan aid for each community achievement plan learning community shall be
28 divided proportionally among such ~~the member~~ school districts based on
29 the sum of two percent of the poverty allowance calculated pursuant to
30 section 79-1007.06, two percent of the limited English proficiency
31 allowance calculated pursuant to section 79-1007.08, and, for school

1 districts with poverty students greater than forty percent of the formula
2 students, ~~except as otherwise provided in this section,~~ three percent of
3 the product of the statewide average general fund operating expenditures
4 per formula student multiplied by the difference of the poverty students
5 minus forty percent of the formula students for such school district.

6 ~~(3) For school fiscal year 2017-18, community achievement plan aid~~
7 ~~and a new community achievement plan adjustment shall be calculated for~~
8 ~~school districts that are members of a learning community and shall be~~
9 ~~included in formula resources pursuant to section 79-1017.01 in such~~
10 ~~amount regardless of the status of the approval of a community~~
11 ~~achievement plan, but community achievement plan aid shall not be paid to~~
12 ~~such school districts until a community achievement plan for such~~
13 ~~learning community is approved by the state board. If a community~~
14 ~~achievement plan is not approved for such learning community prior to~~
15 ~~September 1, 2017, the adjustment and aid calculated pursuant to this~~
16 ~~section shall be removed for the final calculation of state aid pursuant~~
17 ~~to section 79-1065 for school fiscal year 2017-18 and such amount shall~~
18 ~~be subtracted from the state aid appropriated by the Legislature for the~~
19 ~~determination of the local effort rate pursuant to section 79-1015.01 for~~
20 ~~the final calculation of state aid for school fiscal year 2017-18.~~

21 Sec. 77. Section 79-1005.01, Revised Statutes Cumulative Supplement,
22 2016, is amended to read:

23 79-1005.01 (1) Not later than November 15 of each year, the Tax
24 Commissioner shall certify to the department for the preceding tax year
25 the income tax liability of resident individuals for each local system.

26 ~~(2) For school fiscal years prior to 2017-18, one hundred two~~
27 ~~million two hundred eighty-nine thousand eight hundred seventeen dollars~~
28 ~~which is equal to the amount appropriated to the School District Income~~
29 ~~Tax Fund for distribution in school fiscal year 1992-93 shall be~~
30 ~~disbursed as option payments as determined under section 79-1009 and as~~
31 ~~allocated income tax funds as determined in this section and sections~~

1 ~~79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, except as provided in~~
2 ~~section 79-1008.02 for school fiscal years prior to school fiscal year~~
3 ~~2017-18. For school fiscal years prior to school fiscal year 2017-18,~~
4 ~~funds not distributed as allocated income tax funds due to minimum levy~~
5 ~~adjustments shall not increase the amount available to local systems for~~
6 ~~distribution as allocated income tax funds.~~

7 ~~(3) Using the data certified by the Tax Commissioner pursuant to~~
8 ~~subsection (1) of this section, the department shall calculate the~~
9 ~~allocation percentage and each local system's allocated income tax funds.~~
10 ~~The allocation percentage shall be the amount stated in subsection (2) of~~
11 ~~this section minus the total amount paid for option students pursuant to~~
12 ~~section 79-1009, with the difference divided by the aggregate statewide~~
13 ~~income tax liability of all resident individuals certified pursuant to~~
14 ~~subsection (1) of this section. Each local system's allocated income tax~~
15 ~~funds shall be calculated by multiplying the allocation percentage times~~
16 ~~the local system's income tax liability certified pursuant to subsection~~
17 ~~(1) of this section.~~

18 ~~(2) (4)~~ For school fiscal year 2017-18 and each school fiscal year
19 thereafter, each local system's allocated income tax funds shall be
20 calculated by multiplying the local system's income tax liability
21 certified pursuant to subsection (1) of this section by two and twenty-
22 three hundredths percent.

23 Sec. 78. Section 79-1007.05, Reissue Revised Statutes of Nebraska,
24 is amended to read:

25 79-1007.05 ~~(1)~~ For school fiscal year ~~2008-09~~ and each school
26 fiscal year thereafter, the department shall determine the focus school
27 and program allowance for each school district participating in a joint
28 entity pursuant to section 79-769 in a learning community which submits
29 the information required for the calculation on a form prescribed by the
30 department on or before October 15 of the school fiscal year preceding
31 the school fiscal year for which aid is being calculated. Such form may

1 ~~require confirmation from a learning community official that the focus~~
2 ~~school or program has been approved by the learning community~~
3 ~~coordinating council for the school fiscal year for which the allowance~~
4 ~~is being calculated.~~ The focus school and program allowance for each
5 school district participating in a joint entity pursuant to section
6 79-769 in a learning community shall equal the sum of the allowances
7 calculated pursuant to this section for each focus school and focus
8 program operated by the school district for the school fiscal year for
9 which aid is being calculated.

10 (2) For the school fiscal year containing the majority of the first
11 school year that a school or program will be in operation as a focus
12 school or program approved by the joint entity learning community and
13 meeting the requirements of section 79-769, the focus school and program
14 allowance for such focus school or program shall equal the statewide
15 average general fund operating expenditures per formula student
16 multiplied by 0.10 then multiplied by the estimated number of students
17 who will be participating in the focus school or program as reported on
18 the form required pursuant to this section.

19 (3) For the school fiscal year containing the majority of the second
20 school year that a school or program will be in operation as a focus
21 school or program approved by the learning community and meeting the
22 requirements of section 79-769, the focus school and program allowance
23 for such focus school or program shall equal the statewide average
24 general fund operating expenditures per formula student multiplied by
25 0.10 then multiplied by (a) (1) for state aid certified pursuant to
26 section 79-1022, the difference of the product of two multiplied by the
27 number of students participating in the focus school or program as
28 reported on the fall membership report from the school fiscal year
29 immediately preceding the school fiscal year in which the aid is to be
30 paid minus the estimated number of students used in the certification of
31 state aid pursuant to section 79-1022 for the school fiscal year

1 immediately preceding the school fiscal year in which the aid is to be
2 paid and (b) ~~(2)~~ for the final calculation of state aid pursuant to
3 section 79-1065, the difference of the product of two multiplied by the
4 number of students participating in the focus school or program as
5 reported on the annual statistical summary report from the school fiscal
6 year immediately preceding the school fiscal year in which the aid was
7 paid minus the estimated number of students used in the final calculation
8 of state aid pursuant to section 79-1065 for the school fiscal year
9 immediately preceding the school fiscal year in which the aid is to be
10 paid.

11 (4) For the school fiscal year containing the majority of the third
12 school year that a school or program will be in operation as a focus
13 school or program approved by the learning community and meeting the
14 requirements of section 79-769 and each school fiscal year thereafter,
15 the focus school and program allowance for such focus school or program
16 shall equal the statewide average general fund operating expenditures per
17 formula student multiplied by 0.10 then multiplied by the number of
18 students participating in the focus school or program as reported on the
19 fall membership report from the school fiscal year immediately preceding
20 the school fiscal year in which the aid is to be paid for state aid
21 certified pursuant to section 79-1022 and as reported on the annual
22 statistical summary report from the school fiscal year immediately
23 preceding the school fiscal year in which the aid was paid for the final
24 calculation of state aid pursuant to section 79-1065.

25 Sec. 79. Section 79-1007.11, Revised Statutes Supplement, 2017, is
26 amended to read:

27 79-1007.11 ~~(1) Except as otherwise provided in this section, for~~
28 ~~school fiscal years 2013-14 through 2015-16, each school district's~~
29 ~~formula need shall equal the difference of the sum of the school~~
30 ~~district's basic funding, poverty allowance, limited English proficiency~~
31 ~~allowance, focus school and program allowance, summer school allowance,~~

1 ~~special receipts allowance, transportation allowance, elementary site~~
2 ~~allowance, instructional time allowance, teacher education allowance,~~
3 ~~distance education and telecommunications allowance, averaging~~
4 ~~adjustment, new learning community transportation adjustment, student~~
5 ~~growth adjustment, any positive student growth adjustment correction, and~~
6 ~~new school adjustment, minus the sum of the limited English proficiency~~
7 ~~allowance correction, poverty allowance correction, and any negative~~
8 ~~student growth adjustment correction.~~

9 ~~(2) Except as otherwise provided in this section, for school fiscal~~
10 ~~year 2016-17, each school district's formula need shall equal the~~
11 ~~difference of the sum of the school district's basic funding, poverty~~
12 ~~allowance, limited English proficiency allowance, focus school and~~
13 ~~program allowance, summer school allowance, special receipts allowance,~~
14 ~~transportation allowance, elementary site allowance, distance education~~
15 ~~and telecommunications allowance, averaging adjustment, new learning~~
16 ~~community transportation adjustment, student growth adjustment, any~~
17 ~~positive student growth adjustment correction, and new school adjustment,~~
18 ~~minus the sum of the limited English proficiency allowance correction,~~
19 ~~poverty allowance correction, and any negative student growth adjustment~~
20 ~~correction.~~

21 ~~(1) (3)~~ Except as otherwise provided in this section, for school
22 fiscal years 2017-18 and 2018-19, each school district's formula need
23 shall equal the difference of the sum of the school district's basic
24 funding, poverty allowance, poverty allowance adjustment, limited English
25 proficiency allowance, focus school and program allowance, summer school
26 allowance, special receipts allowance, transportation allowance,
27 elementary site allowance, distance education and telecommunications
28 allowance, averaging adjustment, new community achievement plan
29 adjustment, student growth adjustment, any positive student growth
30 adjustment correction, and new school adjustment minus the sum of the
31 limited English proficiency allowance correction, poverty allowance

1 correction, and any negative student growth adjustment correction.

2 (2) ~~(4)~~ Except as otherwise provided in this section, for school
3 fiscal year 2019-20 and each school fiscal year thereafter, each school
4 district's formula need shall equal the difference of the sum of the
5 school district's basic funding, poverty allowance, limited English
6 proficiency allowance, focus school and program allowance, summer school
7 allowance, special receipts allowance, transportation allowance,
8 elementary site allowance, distance education and telecommunications
9 allowance, community achievement plan allowance, averaging adjustment,
10 new community achievement plan adjustment, student growth adjustment, any
11 positive student growth adjustment correction, and new school adjustment
12 minus the sum of the limited English proficiency allowance correction,
13 poverty allowance correction, and any negative student growth adjustment
14 correction.

15 (3) ~~(5)~~ If the formula need calculated for a school district
16 pursuant to subsections (1) and (2) ~~through (4)~~ of this section is less
17 than one hundred percent of the formula need for such district for the
18 school fiscal year immediately preceding the school fiscal year for which
19 aid is being calculated, the formula need for such district shall equal
20 one hundred percent of the formula need for such district for the school
21 fiscal year immediately preceding the school fiscal year for which aid is
22 being calculated.

23 (4) ~~(6)~~ If the formula need calculated for a school district
24 pursuant to subsections (1) and (2) ~~through (4)~~ of this section is more
25 than one hundred twelve percent of the formula need for such district for
26 the school fiscal year immediately preceding the school fiscal year for
27 which aid is being calculated, the formula need for such district shall
28 equal one hundred twelve percent of the formula need for such district
29 for the school fiscal year immediately preceding the school fiscal year
30 for which aid is being calculated, except that the formula need shall not
31 be reduced pursuant to this subsection for any district receiving a

1 student growth adjustment for the school fiscal year for which aid is
2 being calculated.

3 ~~(5) (7)~~ For purposes of subsections ~~(3) (5)~~ and ~~(4) (6)~~ of this
4 section, the formula need for the school fiscal year immediately
5 preceding the school fiscal year for which aid is being calculated shall
6 be the formula need used in the final calculation of aid pursuant to
7 section 79-1065 and for districts that were affected by a reorganization
8 with an effective date in the calendar year preceding the calendar year
9 in which aid is certified for the school fiscal year for which aid is
10 being calculated, the formula need for the school fiscal year immediately
11 preceding the school fiscal year for which aid is being calculated shall
12 be attributed to the affected school districts based on information
13 provided to the department by the school districts or proportionally
14 based on the adjusted valuation transferred if sufficient information has
15 not been provided to the department.

16 Sec. 80. Section 79-1007.18, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

18 79-1007.18 ~~(1) For school fiscal years prior to school fiscal year~~
19 ~~2017-18:~~

20 ~~(a) The department shall calculate an averaging adjustment for~~
21 ~~districts if the basic funding per formula student is less than the~~
22 ~~averaging adjustment threshold and the general fund levy for the school~~
23 ~~fiscal year immediately preceding the school fiscal year for which aid is~~
24 ~~being calculated was at least one dollar per one hundred dollars of~~
25 ~~taxable valuation. For the calculation of aid for school fiscal years~~
26 ~~prior to school fiscal year 2018-19, the general fund levy for school~~
27 ~~districts that are members of a learning community for purposes of this~~
28 ~~section includes both the common general fund levy and the school~~
29 ~~district general fund levy authorized pursuant to subdivisions (2)(b) and~~
30 ~~(2)(c) of section 77-3442. The averaging adjustment shall equal the~~
31 ~~district's formula students multiplied by the percentage specified in~~

1 ~~this subsection for such district of the difference between the averaging~~
2 ~~adjustment threshold minus such district's basic funding per formula~~
3 ~~student;~~

4 ~~(b) The averaging adjustment threshold shall equal the aggregate~~
5 ~~basic funding for all districts with nine hundred or more formula~~
6 ~~students divided by the aggregate formula students for all districts with~~
7 ~~nine hundred or more formula students for the school fiscal year for~~
8 ~~which aid is being calculated; and~~

9 ~~(c) The percentage to be used in the calculation of an averaging~~
10 ~~adjustment shall be based on the general fund levy for the school fiscal~~
11 ~~year immediately preceding the school fiscal year for which aid is being~~
12 ~~calculated and shall be as follows:~~

13 ~~(i) If such levy was at least one dollar per one hundred dollars of~~
14 ~~taxable valuation but less than one dollar and one cent per one hundred~~
15 ~~dollars of taxable valuation, the percentage shall be fifty percent;~~

16 ~~(ii) If such levy was at least one dollar and one cent per one~~
17 ~~hundred dollars of taxable valuation but less than one dollar and two~~
18 ~~cents per one hundred dollars of taxable valuation, the percentage shall~~
19 ~~be sixty percent;~~

20 ~~(iii) If such levy was at least one dollar and two cents per one~~
21 ~~hundred dollars of taxable valuation but less than one dollar and three~~
22 ~~cents per one hundred dollars of taxable valuation, the percentage shall~~
23 ~~be seventy percent;~~

24 ~~(iv) If such levy was at least one dollar and three cents per one~~
25 ~~hundred dollars of taxable valuation but less than one dollar and four~~
26 ~~cents per one hundred dollars of taxable valuation, the percentage shall~~
27 ~~be eighty percent; and~~

28 ~~(v) If such levy was at least one dollar and four cents per one~~
29 ~~hundred dollars of taxable valuation, the percentage shall be ninety~~
30 ~~percent.~~

31 ~~(2) For school fiscal year 2017-18 and each school fiscal year~~

1 thereafter, the department shall calculate an averaging adjustment for
2 districts with at least nine hundred formula students if the basic
3 funding per formula student is less than the averaging adjustment
4 threshold. The averaging adjustment shall equal the district's formula
5 students multiplied by ninety percent of the difference of the averaging
6 adjustment threshold minus such district's basic funding per formula
7 student. The averaging adjustment threshold shall equal the aggregate
8 basic funding for all districts with nine hundred or more formula
9 students divided by the aggregate formula students for all districts with
10 nine hundred or more formula students for the school fiscal year for
11 which aid is being calculated.

12 Sec. 81. Section 79-1008.01, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 79-1008.01 Except as provided in ~~section 79-1008.02 for school~~
15 ~~fiscal years prior to school fiscal year 2017-18 and~~ section 79-1009,
16 each local system shall receive equalization aid in the amount that the
17 total formula need of each local system, as determined pursuant to
18 sections 79-1007.04 to 79-1007.23 and 79-1007.25, exceeds its total
19 formula resources as determined pursuant to sections 79-1015.01 to
20 79-1018.01.

21 Sec. 82. Section 79-1009, Revised Statutes Supplement, 2017, is
22 amended to read:

23 79-1009 (1)(a) A district shall receive net option funding if (i)
24 option students as defined in section 79-233 were actually enrolled in
25 the school year immediately preceding the school year in which the aid is
26 to be paid, or (ii) option students as defined in such section will be
27 enrolled in the school year in which the aid is to be paid as converted
28 contract option students, ~~or (iii) for the calculation of aid for school~~
29 ~~fiscal year 2017-18 for school districts that are members of a learning~~
30 ~~community, open enrollment students were actually enrolled for school~~
31 ~~year 2016-17 pursuant to section 79-2110.~~

1 (b) The determination of the net number of option students shall be
2 based on (i) the number of students enrolled in the district as option
3 students and the number of students residing in the district but enrolled
4 in another district as option students as of the day of the fall
5 membership count pursuant to section 79-528, for the school fiscal year
6 immediately preceding the school fiscal year in which aid is to be paid,
7 and (ii) the number of option students that will be enrolled in the
8 district or enrolled in another district as converted contract option
9 students for the fiscal year in which the aid is to be paid, ~~and (iii)~~
10 ~~for the calculation of aid for school fiscal year 2017-18 for school~~
11 ~~districts that are members of a learning community, the number of~~
12 ~~students enrolled in the district as open enrollment students and the~~
13 ~~number of students residing in the district but enrolled in another~~
14 ~~district as open enrollment students as of the day of the fall membership~~
15 ~~count pursuant to section 79-528 for school fiscal year 2016-17.~~

16 (c) Except as otherwise provided in this subsection, net number of
17 option students means the difference of the number of option students
18 enrolled in the district minus the number of students residing in the
19 district but enrolled in another district as option students. ~~For~~
20 ~~purposes of the calculation of aid for school fiscal year 2017-18 for~~
21 ~~school districts that are members of a learning community, net number of~~
22 ~~option students means the difference of the number of students residing~~
23 ~~in another school district who are option students or open enrollment~~
24 ~~students enrolled in the district minus the number of students residing~~
25 ~~in the district but enrolled in another district as option students or~~
26 ~~open enrollment students.~~

27 (2)(a) For all school fiscal years except school fiscal years
28 2017-18 and 2018-19, net option funding shall be the product of the net
29 number of option students multiplied by the statewide average basic
30 funding per formula student.

31 (b) For school fiscal years 2017-18 and 2018-19, net option funding

1 shall be the product of the net number of option students multiplied by
2 ninety-five and five-tenths percent of the statewide average basic
3 funding per formula student.

4 (3) A district's net option funding shall be zero if the calculation
5 produces a negative result.

6 Payments made under this section for school fiscal years prior to
7 school fiscal year 2017-18 shall be made from the funds to be disbursed
8 under section 79-1005.01.

9 Such payments shall go directly to the option school district but
10 shall count as a formula resource for the local system.

11 Sec. 83. Section 79-1013, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 79-1013 (1) On or before October 15 of each year, each school
14 district designating a maximum poverty allowance greater than zero
15 dollars shall submit a poverty plan for the next school fiscal year to
16 the department ~~and to the learning community coordinating council of any~~
17 ~~learning community of which the school district is a member.~~ On or before
18 the immediately following December 1, ~~(a) the department shall approve or~~
19 ~~disapprove such plan for school districts that are not members of a~~
20 ~~learning community based on the inclusion of the elements required~~
21 ~~pursuant to this section and (b) the learning community coordinating~~
22 ~~council and, as to the applicable portions thereof, each achievement~~
23 ~~subcouncil, shall approve or disapprove such plan for school districts~~
24 ~~that are members of such learning community based on the inclusion of~~
25 ~~such elements. On or before the immediately following December 5, each~~
26 ~~learning community coordinating council shall certify to the department~~
27 ~~the approval or disapproval of the poverty plan for each member school~~
28 ~~district.~~

29 (2) In order to be approved pursuant to this section, a poverty plan
30 shall include an explanation of how the school district will address the
31 following issues for such school fiscal year:

1 (a) Attendance, including absence followup and transportation for
2 students qualifying for free or reduced-price lunches, regardless of the
3 method of qualification, who reside more than one mile from the
4 attendance center;

5 (b) Student mobility, including transportation to allow a student to
6 continue attendance at the same school if the student moves to another
7 attendance area within the same school district ~~or within the same~~
8 ~~learning community~~;

9 (c) Parental involvement at the school-building level with a focus
10 on the involvement of parents in poverty and from other diverse
11 backgrounds;

12 (d) Parental involvement at the school-district level with a focus
13 on the involvement of parents in poverty and from other diverse
14 backgrounds;

15 (e) Class size reduction or maintenance of small class sizes in
16 elementary grades;

17 (f) Scheduled teaching time on a weekly basis that will be free from
18 interruptions;

19 (g) Access to early childhood education programs for children in
20 poverty;

21 (h) Student access to social workers;

22 (i) Access to summer school, extended-school-day programs, or
23 extended-school-year programs;

24 (j) Mentoring for new and newly reassigned teachers;

25 (k) Professional development for teachers and administrators,
26 focused on addressing the educational needs of students in poverty and
27 students from other diverse backgrounds; and

28 ~~(l) Coordination with elementary learning centers if the school~~
29 ~~district is a member of a learning community; and~~

30 (l) ~~(m)~~ An evaluation to determine the effectiveness of the elements
31 of the poverty plan.

1 (3) The state board shall establish a procedure for appeal of
2 decisions of the department ~~and of learning community coordinating~~
3 ~~councils~~ to the state board for a final determination.

4 Sec. 84. Section 79-1014, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-1014 (1) On or before October 15 of each year, each school
7 district designating a maximum limited English proficiency allowance
8 greater than zero dollars shall submit a limited English proficiency plan
9 for the next school fiscal year to the department ~~and to the learning~~
10 ~~community coordinating council of any learning community of which the~~
11 ~~school district is a member.~~ On or before the immediately following
12 December 1, ~~(a) the department shall approve or disapprove such plans for~~
13 ~~school districts that are not members of a learning community,~~ based on
14 the inclusion of the elements required pursuant to this section ~~and (b)~~
15 ~~the learning community coordinating council, and, as to the applicable~~
16 ~~portions thereof, each achievement subcouncil, shall approve or~~
17 ~~disapprove such plan for school districts that are members of such~~
18 ~~learning community, based on the inclusion of such elements.~~ On or before
19 the immediately following December 5, ~~each learning community~~
20 ~~coordinating council shall certify to the department the approval or~~
21 ~~disapproval of the limited English proficiency plan for each member~~
22 ~~school district.~~

23 (2) In order to be approved pursuant to this section, a limited
24 English proficiency plan must include an explanation of how the school
25 district will address the following issues for such school fiscal year:

- 26 (a) Identification of students with limited English proficiency;
27 (b) Instructional approaches;
28 (c) Assessment of such students' progress toward mastering the
29 English language; and
30 (d) An evaluation to determine the effectiveness of the elements of
31 the limited English proficiency plan.

1 (3) The state board shall establish a procedure for appeal of
2 decisions of the department and ~~of learning community coordinating~~
3 ~~councils~~ to the state board for a final determination.

4 Sec. 85. Section 79-1017.01, Revised Statutes Supplement, 2017, is
5 amended to read:

6 79-1017.01 ~~(1) For state aid calculated for school fiscal years~~
7 ~~2014-15 and 2015-16, local system formula resources includes other actual~~
8 ~~receipts determined pursuant to section 79-1018.01, net option funding~~
9 ~~determined pursuant to section 79-1009, teacher education aid determined~~
10 ~~pursuant to section 79-1007.25, instructional time aid determined~~
11 ~~pursuant to subsection (2) of section 79-1007.23, allocated income tax~~
12 ~~funds determined pursuant to section 79-1005.01, and minimum levy~~
13 ~~adjustments determined pursuant to section 79-1008.02 and is reduced by~~
14 ~~amounts paid by the district in the most recently available complete data~~
15 ~~year as property tax refunds pursuant to or in the manner prescribed by~~
16 ~~section 77-1736.06.~~

17 ~~(2) For state aid calculated for school fiscal year 2016-17 and each~~
18 ~~school fiscal year thereafter, local system formula resources includes~~
19 ~~other actual receipts determined pursuant to section 79-1018.01, net~~
20 ~~option funding determined pursuant to section 79-1009, allocated income~~
21 ~~tax funds determined pursuant to section 79-1005.01, and community~~
22 ~~achievement plan aid determined pursuant to section 79-1005, and minimum~~
23 ~~levy adjustments determined pursuant to section 79-1008.02 for school~~
24 ~~fiscal years prior to school fiscal year 2017-18, and is reduced by~~
25 ~~amounts paid by the district in the most recently available complete data~~
26 ~~year as property tax refunds pursuant to or in the manner prescribed by~~
27 ~~section 77-1736.06.~~

28 Sec. 86. Section 79-1022, Revised Statutes Supplement, 2017, is
29 amended to read:

30 79-1022 (1) On or before June 1, 2017, and on or before March 1 of
31 each year thereafter, for each ensuing fiscal year, the department shall

1 determine the amounts to be distributed to each local system and each
2 district for the ensuing school fiscal year pursuant to the Tax Equity
3 and Educational Opportunities Support Act and shall certify the amounts
4 to the Director of Administrative Services, the Auditor of Public
5 Accounts, ~~each learning community for school fiscal years prior to school~~
6 ~~fiscal year 2017-18,~~ and each district. Except as otherwise provided in
7 this section, the amount to be distributed to each district from the
8 amount certified for a local system shall be proportional based on the
9 formula students attributed to each district in the local system. ~~For~~
10 ~~school fiscal years prior to school fiscal year 2017-18, the amount to be~~
11 ~~distributed to each district that is a member of a learning community~~
12 ~~from the amount certified for the local system shall be proportional~~
13 ~~based on the formula needs calculated for each district in the local~~
14 ~~system.~~ On or before June 1, 2017, and on or before March 1 of each year
15 thereafter, for each ensuing fiscal year, the department shall report the
16 necessary funding level for the ensuing school fiscal year to the
17 Governor, the Appropriations Committee of the Legislature, and the
18 Education Committee of the Legislature. The report submitted to the
19 committees of the Legislature shall be submitted electronically. Except
20 as otherwise provided in this subsection, certified state aid amounts,
21 including adjustments pursuant to section 79-1065.02, shall be shown as
22 budgeted non-property-tax receipts and deducted prior to calculating the
23 property tax request in the district's general fund budget statement as
24 provided to the Auditor of Public Accounts pursuant to section 79-1024.

25 (2) Except as provided in this subsection, subsection (8) of section
26 79-1016, and sections ~~79-1005,~~ 79-1033, and 79-1065.02, the amounts
27 certified pursuant to subsection (1) of this section shall be distributed
28 in ten as nearly as possible equal payments on the last business day of
29 each month beginning in September of each ensuing school fiscal year and
30 ending in June of the following year, except that when a school district
31 is to receive a monthly payment of less than one thousand dollars, such

1 payment shall be one lump-sum payment on the last business day of
2 December during the ensuing school fiscal year.

3 Sec. 87. Section 79-1024, Revised Statutes Cumulative Supplement,
4 2016, is amended to read:

5 79-1024 (1) The department may require each district to submit to
6 the department a duplicate copy of such portions of the district's budget
7 statement as the Commissioner of Education directs. The department may
8 verify any data used to meet the requirements of the Tax Equity and
9 Educational Opportunities Support Act. The Auditor of Public Accounts
10 shall review each district's budget statement for statutory compliance,
11 make necessary changes in the budget documents for districts to
12 effectuate the budget limitations imposed pursuant to sections 79-1023 to
13 79-1030, and notify the Commissioner of Education of any district failing
14 to submit to the auditor the budget documents required pursuant to this
15 subsection by the date established in subsection (1) of section 13-508 or
16 failing to make any corrections of errors in the documents pursuant to
17 section 13-504 or 13-511.

18 (2) If a school district fails to submit to the department or the
19 auditor the budget documents required pursuant to subsection (1) of this
20 section by the date established in subsection (1) of section 13-508 or
21 fails to make any corrections of errors in the documents pursuant to
22 section 13-504 or 13-511, the commissioner, upon notification from the
23 auditor or upon his or her own knowledge that the required budget
24 documents and any required corrections of errors from any school district
25 have not been properly filed in accordance with the Nebraska Budget Act
26 and after notice to the district and an opportunity to be heard, shall
27 direct that any state aid granted pursuant to the Tax Equity and
28 Educational Opportunities Support Act be withheld until such time as the
29 required budget documents or corrections of errors are received by the
30 auditor and the department. In addition, the commissioner shall direct
31 the county treasurer to withhold all school money belonging to the school

1 district until such time as the commissioner notifies the county
2 treasurer of receipt of the required budget documents or corrections of
3 errors. The county treasurer shall withhold such money. ~~For school~~
4 ~~districts that are members of learning communities, a determination of~~
5 ~~school money belonging to the district shall be based on the~~
6 ~~proportionate share of property tax receipts allocated to the school~~
7 ~~district by the learning community coordinating council for school fiscal~~
8 ~~years prior to school fiscal year 2017-18, and the county treasurer shall~~
9 ~~withhold any such school money in the possession of the county treasurer~~
10 ~~from the school district.~~ If the school district does not comply with
11 this section prior to the end of the state's biennium following the
12 biennium which included the fiscal year for which state aid was
13 calculated, the state aid funds shall revert to the General Fund. The
14 amount of any reverted funds shall be included in data provided to the
15 Governor in accordance with section 79-1031. The board of any district
16 failing to submit to the department or the auditor the budget documents
17 required pursuant to this section by the date established in subsection
18 (1) of section 13-508 or failing to make any corrections of errors in the
19 documents pursuant to section 13-504 or 13-511 shall be liable to the
20 school district for all school money which such district may lose by such
21 failing.

22 Sec. 88. Section 79-1033, Revised Statutes Cumulative Supplement,
23 2016, is amended to read:

24 79-1033 (1) Except as otherwise provided in the Tax Equity and
25 Educational Opportunities Support Act, state aid payable pursuant to the
26 act for each school fiscal year shall be based upon data found in
27 applicable reports for the most recently available complete data year.
28 The annual financial reports and the annual statistical summary of all
29 school districts shall be submitted to the Commissioner of Education
30 pursuant to the dates prescribed in section 79-528. If a school district
31 fails to timely submit its reports, the commissioner, after notice to the

1 district and an opportunity to be heard, shall direct that any state aid
2 granted pursuant to the act be withheld until such time as the reports
3 are received by the department. In addition, the commissioner shall
4 direct the county treasurer to withhold all school money belonging to the
5 school district until such time as the commissioner notifies the county
6 treasurer of receipt of such reports. The county treasurer shall withhold
7 such money. ~~For school districts that are members of learning~~
8 ~~communities, a determination of school money belonging to the district~~
9 ~~shall be based on the proportionate share of state aid and property tax~~
10 ~~receipts allocated to the school district by the learning community~~
11 ~~coordinating council for school fiscal years prior to school fiscal year~~
12 ~~2017-18, and the county treasurer shall withhold any such school money in~~
13 ~~the possession of the county treasurer from the school district. If the~~
14 school district does not comply with this section prior to the end of the
15 state's biennium following the biennium which included the school fiscal
16 year for which state aid was calculated, the state aid funds shall revert
17 to the General Fund. The amount of any reverted funds shall be included
18 in data provided to the Governor in accordance with section 79-1031.

19 (2) A district which receives, or has received in the most recently
20 available complete data year or in either of the two school fiscal years
21 preceding the most recently available complete data year, federal funds
22 in excess of twenty-five percent of its general fund budget of
23 expenditures may apply for early payment of state aid paid pursuant to
24 the act when such federal funds are not received in a timely manner. Such
25 application may be made at any time by a district suffering such
26 financial hardship and may be for any amount up to fifty percent of the
27 remaining amount to which the district is entitled during the current
28 school fiscal year. The state board may grant the entire amount applied
29 for or any portion of such amount if the state board finds that a
30 financial hardship exists in the district. The state board shall notify
31 the Director of Administrative Services of the amount of funds to be paid

1 in lump sum and the reduced amount of the monthly payments. The Director
2 of Administrative Services shall, at the time of the next state aid
3 payment made pursuant to section 79-1022, draw a warrant for the lump-sum
4 amount from appropriated funds and forward such warrant to the district.
5 For purposes of this subsection, financial hardship means a situation in
6 which income to a district is exceeded by liabilities to such a degree
7 that if early payment is not received it will be necessary for the
8 district to discontinue vital services or functions.

9 Sec. 89. Section 79-1036, Revised Statutes Cumulative Supplement,
10 2016, is amended to read:

11 79-1036 (1) In making the apportionment under section 79-1035, the
12 Commissioner of Education shall distribute from the school fund for
13 school purposes to ~~(a) for school fiscal years prior to school fiscal~~
14 ~~year 2017-18, any and all learning communities and school districts which~~
15 ~~are not members of a learning community, and (b) for school fiscal year~~
16 ~~2017-18 and each school fiscal year thereafter,~~ all school districts in
17 which there are situated school lands which have not been sold and
18 transferred by deed or saline lands owned by the state, which lands are
19 being used for a public purpose, an amount in lieu of tax money that
20 would be raised by school district levies if such lands were taxable, to
21 be ascertained in accordance with subsection (2) of this section, except
22 that:

23 (i) For Class I districts or portions thereof which are affiliated
24 and in which there are situated school or saline lands, 38.6207 percent
25 of the in lieu of land tax money calculated pursuant to subsection (2) of
26 this section, based on the affiliated school system tax levy computed
27 pursuant to section 79-1077, shall be distributed to the affiliated high
28 school district and the remainder shall be distributed to the Class I
29 district;

30 (ii) For Class I districts or portions thereof which are part of a
31 Class VI district which offers instruction in grades nine through twelve

1 and in which there are situated school or saline lands, 38.6207 percent
2 of the in lieu of land tax money calculated pursuant to subsection (2) of
3 this section, based on the Class VI school system levy computed pursuant
4 to section 79-1078, shall be distributed to the Class VI district and the
5 remainder shall be distributed to the Class I district;

6 (iii) For Class I districts or portions thereof which are part of a
7 Class VI district which offers instruction in grades seven through twelve
8 and in which there are situated school or saline lands, 55.1724 percent
9 of the in lieu of land tax money calculated pursuant to subsection (2) of
10 this section, based on the Class VI school system levy computed pursuant
11 to section 79-1078, shall be distributed to the Class VI district and the
12 remainder shall be distributed to the Class I district; and

13 (iv) For Class I districts or portions thereof which are part of a
14 Class VI district which offers instruction in grades six through twelve
15 and in which there are situated school or saline lands, 62.0690 percent
16 of the in lieu of land tax money calculated pursuant to subsection (2) of
17 this section, based on the Class VI school system levy computed pursuant
18 to section 79-1078, shall be distributed to the Class VI district and the
19 remainder shall be distributed to the Class I district.

20 (2) The county assessor shall certify to the Commissioner of
21 Education the tax levies of each school district and, ~~for levies~~
22 ~~certified prior to January 1, 2017, learning community~~ in which school
23 land or saline land is located and the last appraised value of such
24 school land, which value shall be the same percentage of the appraised
25 value as the percentage of the assessed value is of market value in
26 subsection (2) of section 77-201 for the purpose of applying the
27 applicable tax levies for each district and, ~~for levies certified prior~~
28 ~~to January 1, 2017, learning community~~ in determining the distribution to
29 the districts of such amounts. The school board of any school district
30 and, ~~for levies certified prior to January 1, 2017, the learning~~
31 ~~community coordinating council of any learning community~~ in which there

1 is located any leased or undeeded school land or saline land subject to
2 this section may appeal to the Board of Educational Lands and Funds for a
3 reappraisalment of such school land if such school board ~~or learning~~
4 ~~community coordinating council~~ deems the land not appraised in proportion
5 to the value of adjoining land of the same or similar value. The Board of
6 Educational Lands and Funds shall proceed to investigate the facts
7 involved in such appeal and, if the contention of the school board ~~or~~
8 ~~learning community coordinating council~~ is correct, make the proper
9 reappraisalment. The value calculation in this subsection shall be used by
10 the Commissioner of Education for making distributions in each school
11 fiscal year.

12 Sec. 90. Section 79-1041, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 79-1041 ~~Each county treasurer of a county with territory in a~~
15 ~~learning community shall distribute any funds collected by such county~~
16 ~~treasurer from the common general fund levy of such learning community to~~
17 ~~each member school district pursuant to section 79-1073 at least once~~
18 ~~each month.~~

19 Each county treasurer shall, upon request of a majority of the
20 members of the school board or board of education in any school district,
21 at least once each month distribute to the district any funds collected
22 by such county treasurer for school purposes.

23 Sec. 91. Section 79-1074, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 79-1074 (1) The county clerk of any county in which a part of a
26 joint school district ~~or learning community~~ is located shall, on or
27 before the date prescribed in section 13-509, certify the taxable
28 valuation of all taxable property of such part of the joint district ~~or~~
29 ~~learning community~~ to the clerk of the headquarters county in which the
30 schoolhouse or the administrative office of the school district ~~or~~
31 ~~learning community~~ is located.

1 (2) The county clerk of any county in which a part of a joint
2 affiliated school system ~~or learning community~~ is located shall, on or
3 before the date prescribed in section 13-509, certify the taxable
4 valuation of all taxable property of such part of the joint affiliated
5 school system ~~or learning community~~ to the clerk of the headquarters
6 county in which the schoolhouse or the administrative office of the high
7 school district ~~or learning community~~ is located.

8 Sec. 92. Section 79-1075, Revised Statutes Cumulative Supplement,
9 2016, is amended to read:

10 79-1075 (1) The county board of the county in which is located the
11 schoolhouse or the administrative office of any joint school district ~~or,~~
12 ~~for years prior to 2017, learning community~~ shall make a levy for the
13 school district ~~or, for years prior to 2017, learning community,~~ as may
14 be necessary, and the county clerk of that headquarters county shall
15 certify the levy, on or before the date prescribed in section 77-1601, to
16 the county clerk of each county in which is situated any portion of the
17 joint school district ~~or learning community~~. This section shall apply to
18 all taxes levied on behalf of school districts, including, but not
19 limited to, taxes authorized by sections 10-304, 10-711, 10-716.01,
20 77-1601, 79-747, 79-1077, 79-1084, 79-1085, 79-1086, 79-10,100,
21 79-10,110, 79-10,110.02, 79-10,118, 79-10,120, 79-10,122, and 79-10,126.

22 (2) The county board of the county in which is located the
23 schoolhouse or the administrative office of the high school district of a
24 joint affiliated school system shall make a levy for the joint affiliated
25 school system, as may be necessary, and the county clerk of that
26 headquarters county shall certify the levy, on or before the date
27 prescribed in section 77-1601, to the county clerk of each county in
28 which is situated any portion of the joint affiliated school system. This
29 section shall apply to all taxes levied on behalf of affiliated school
30 systems, including, but not limited to, taxes authorized by sections
31 10-716.01, 79-1077, 79-10,110, and 79-10,110.02.

1 Sec. 93. Section 79-1083, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-1083 At the time the budget statement is certified to the levying
4 board, each school board shall deliver to the county clerk of the
5 headquarters county a copy of its adopted budget statement. ~~If the school
6 district is a member of a learning community, the school board shall also
7 deliver to the learning community coordinating council a copy of the
8 adopted budget statement for school fiscal years prior to school fiscal
9 year 2017-18.~~

10 Sec. 94. Section 79-1084, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 79-1084 The school board of a Class III school district shall
13 annually, on or before September 20, report in writing to the county
14 board and, ~~for years prior to 2017, the learning community coordinating
15 council if the school district is a member of a learning community~~ the
16 entire revenue raised by taxation and all other sources and received by
17 the school board for the previous school fiscal year and a budget for the
18 ensuing school fiscal year broken down generally as follows: (1) The
19 amount of funds required for the support of the schools during the
20 ensuing school fiscal year; (2) the amount of funds required for the
21 purchase of school sites; (3) the amount of funds required for the
22 erection of school buildings; (4) the amount of funds required for the
23 payment of interest upon all bonds issued for school purposes; and (5)
24 the amount of funds required for the creation of a sinking fund for the
25 payment of such indebtedness. The secretary shall publish, within ten
26 days after the filing of such budget, a copy of the fund summary pages of
27 the budget one time at the legal rate prescribed for the publication of
28 legal notices in a legal newspaper published in and of general
29 circulation in such city or village or, if none is published in such city
30 or village, in a legal newspaper of general circulation in the city or
31 village. The secretary of the school board failing or neglecting to

1 comply with this section shall be deemed guilty of a Class V misdemeanor
2 and, in the discretion of the court, the judgment of conviction may
3 provide for the removal from office of such secretary for such failure or
4 neglect. ~~The For Class III school districts that are not members of a~~
5 ~~learning community,~~ the county board shall levy and collect such taxes as
6 are necessary to provide the amount of revenue from property taxes as
7 indicated by all the data contained in the budget and the certificate
8 prescribed by this section, at the time and in the manner provided in
9 section 77-1601.

10 Sec. 95. Section 79-1086, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 79-1086 ~~(1)~~—The board of education of a Class V school district
13 ~~that is not a member of a learning community~~ shall annually during the
14 month of July estimate the amount of resources likely to be received for
15 school purposes, including the amounts available from fines, licenses,
16 and other sources. Before the county board of equalization makes its levy
17 each year, the board of education shall report to the county clerk the
18 rate of tax deemed necessary to be levied upon the taxable value of all
19 the taxable property of the district subject to taxation during the
20 fiscal year next ensuing for (a) the support of the schools, (b) the
21 purchase of school sites, (c) the erection, alteration, equipping, and
22 furnishing of school buildings and additions to school buildings, (d) the
23 payment of interest upon all bonds issued for school purposes, and (e)
24 the creation of a sinking fund for the payment of such indebtedness. The
25 county board of equalization shall levy the rate of tax so reported and
26 demanded by the board of education and collect the tax in the same manner
27 as other taxes are levied and collected.

28 ~~(2) The school board of a Class V school district that is a member~~
29 ~~of a learning community shall annually, on or before September 20 of each~~
30 ~~year prior to 2017, report in writing to the county board and the~~
31 ~~learning community coordinating council the entire revenue raised by~~

1 ~~taxation and all other sources and received by the school board for the~~
2 ~~previous school fiscal year and a budget for the ensuing school fiscal~~
3 ~~year broken down generally as follows: (a) The amount of funds required~~
4 ~~for the support of the schools during the ensuing school fiscal year; (b)~~
5 ~~the amount of funds required for the purchase of school sites; (c) the~~
6 ~~amount of funds required for the erection of school buildings; (d) the~~
7 ~~amount of funds required for the payment of interest upon all bonds~~
8 ~~issued for school purposes; and (e) the amount of funds required for the~~
9 ~~creation of a sinking fund for the payment of such indebtedness. The~~
10 ~~secretary shall publish, within ten days after the filing of such budget,~~
11 ~~a copy of the fund summary pages of the budget one time at the legal rate~~
12 ~~prescribed for the publication of legal notices in a legal newspaper~~
13 ~~published in and of general circulation in such city or village or, if~~
14 ~~none is published in such city or village, in a legal newspaper of~~
15 ~~general circulation in the city or village. The secretary of the school~~
16 ~~board failing or neglecting to comply with this section shall be deemed~~
17 ~~guilty of a Class V misdemeanor and, in the discretion of the court, the~~
18 ~~judgment of conviction may provide for the removal from office of such~~
19 ~~secretary for such failure or neglect.~~

20 Sec. 96. Section 79-10,143, Revised Statutes Cumulative Supplement,
21 2016, is amended to read:

22 79-10,143 A parent or guardian of any student enrolled in, or in the
23 process of enrolling in, any school district in the state may voluntarily
24 provide information on any application submitted pursuant to Nebraska
25 law, rules, and regulations regarding the applicant's potential to meet
26 the qualifications for free or reduced-price lunches solely for
27 determining eligibility pursuant to ~~subsection (4) of section 79-238,~~
28 subsection (2) of section 79-241, section 79-2,131, section 79-2,133,
29 ~~subsection (2) of section 79-611, subdivision (1)(c) and subsection (3)~~
30 ~~of section 79-769 ~~79-2110~~, or section 85-2104. Each school district shall~~
31 process information provided pursuant to this section in the same manner

1 as the district would to determine the qualification status of the
2 student for free or reduced-price meals. Each school district shall
3 comply with the federal Family Educational Rights and Privacy Act of
4 1974, 20 U.S.C. 1232g, as such act and section existed on January 1,
5 2015, and regulations adopted thereunder with regard to any information
6 collected pursuant to this section. If no such information is provided
7 pursuant to this section or on an application for free or reduced-price
8 meals, the student shall be presumed not to qualify for free or reduced-
9 price lunches.

10 Sec. 97. Section 79-10,145, Revised Statutes Supplement, 2017, is
11 amended to read:

12 79-10,145 (1) For school fiscal year 2017-18, the department shall,
13 based on data for school fiscal year 2016-17, calculate the amount of
14 learning community transition aid, if any, to be paid from the Nebraska
15 Education Improvement Fund to each school district that is a member of a
16 learning community which levied a common levy for member school districts
17 prior to school fiscal year 2017-18. Learning community transition aid
18 for each such district shall be calculated by:

19 (a) Recalculating the 2016-17 state aid for each member school
20 district as if the district were not a member of the learning community
21 using the same data that was used in the certification pursuant to
22 section 79-1022 to determine the calculated 2016-17 individual state aid
23 for each member school district;

24 (b) Multiplying the aggregate taxable valuation for all member
25 school districts for the 2016 tax year by the ratio of ninety-five cents
26 per one hundred dollars of taxable valuation and multiplying the result
27 by ninety-nine percent to determine the calculated 2016-17 common levy
28 receipts;

29 (c) Dividing the calculated 2016-17 common levy receipts among
30 member school districts proportionally based on the difference of the
31 formula need calculated pursuant to section 79-1007.11 minus the sum of

1 the state aid certified pursuant to section 79-1022 and the other actual
2 receipts included in local system formula resources pursuant to section
3 79-1018.01 for the 2016-17 school fiscal year to determine the district
4 share of the calculated 2016-17 common levy receipts for each member
5 district;

6 (d) Adding the district share of the calculated 2016-17 common levy
7 receipts to the state aid certified pursuant to section 79-1022 for the
8 2016-17 school fiscal year to determine the calculated 2016-17 common
9 levy resources total for each member school district;

10 (e) Multiplying the taxable valuation for each member school
11 district for the 2016 tax year by the ratio of ninety-five cents per one
12 hundred dollars of taxable valuation and multiplying the result by
13 ninety-nine percent to determine the calculated 2016-17 individual levy
14 receipts for each member school district;

15 (f) Adding the calculated 2016-17 individual levy receipts to the
16 calculated 2016-17 individual state aid to determine the calculated
17 2016-17 individual district resources total for each member school
18 district; and

19 (g) Multiplying the difference of the calculated 2016-17 common levy
20 resources total minus both the calculated 2016-17 individual district
21 resources total and the community achievement plan aid calculated for
22 school fiscal year 2017-18 pursuant to section 79-1005 for each member
23 school district by fifty percent to equal the 2017-18 learning community
24 transition aid for each member school district for which the calculated
25 common levy resources total is greater than such sum of the calculated
26 individual district resources total plus the community achievement plan
27 aid.

28 (2) For school fiscal year 2018-19, the department shall, based on
29 data for school fiscal year 2017-18, calculate the amount of learning
30 community transition aid, if any, to be paid from the Nebraska Education
31 Improvement Fund to each school district that, at the beginning of such

1 school fiscal year, is a member of a learning community which levied a
2 common levy for member school districts prior to school fiscal year
3 2017-18. Learning community transition aid for each such district shall
4 be calculated by:

5 (a) Recalculating the 2017-18 state aid for each member school
6 district as if the district continued to be subject to a learning
7 community general fund common levy and without any poverty allowance
8 adjustment pursuant to section 79-1007.06 or community achievement aid
9 pursuant to section 79-1005 using the same data that was used in the
10 certification pursuant to section 79-1022 to determine the calculated
11 2017-18 common levy formula need and calculated 2017-18 common levy state
12 aid for each member school district;

13 (b) Multiplying the aggregate taxable valuation for all member
14 school districts for the 2017 tax year by the ratio of ninety-five cents
15 per one hundred dollars of taxable valuation and multiplying the result
16 by ninety-nine percent to determine the calculated 2017-18 common levy
17 receipts;

18 (c) Dividing the calculated 2017-18 common levy receipts among
19 member school districts proportionally based on the difference of the
20 calculated common levy formula need minus the sum of the calculated
21 2017-18 common levy state aid and the other actual receipts included in
22 local system formula resources pursuant to section 79-1018.01 for the
23 2017-18 school fiscal year to determine the district share of the
24 calculated 2017-18 common levy receipts for each member district;

25 (d) Adding the district share of the calculated 2017-18 common levy
26 receipts to the calculated 2017-18 common levy state aid to determine the
27 calculated 2017-18 common levy resources total for each member school
28 district;

29 (e) Multiplying the taxable valuation for each member school
30 district for the 2017 tax year by the ratio of ninety-five cents per one
31 hundred dollars of taxable valuation and multiplying the result by

1 ninety-nine percent to determine the calculated 2017-18 individual levy
2 receipts for each member school district;

3 (f) Adding the calculated 2017-18 individual levy receipts to the
4 state aid certified pursuant to section 79-1022 for school fiscal year
5 2017-18 to determine the calculated 2017-18 individual district resources
6 total for each member school district; and

7 (g) Multiplying the difference between the calculated 2017-18 common
8 levy resources total minus the calculated 2017-18 individual district
9 resources total for each member school district by twenty-five percent to
10 equal the 2018-19 learning community transition aid for each member
11 school district for which the calculated common levy resources total is
12 greater than the calculated individual district resources total.

13 (3) Learning community transition aid shall not be considered in the
14 calculation of formula resources pursuant to section 79-1017.01.

15 (4) This section terminates on July 1, 2020.

16 Sec. 98. Section 79-1125.01, Reissue Revised Statutes of Nebraska,
17 is amended to read:

18 79-1125.01 Support services means preventive services for those
19 children from birth to age twenty-one years and, if the child's twenty-
20 first birthday occurs during the school year, until the end of that
21 school year, not identified or verified as children with disabilities
22 pursuant to sections 79-1118.01, 79-1138, and 79-1139 but demonstrating a
23 need for specially designed assistance in order to benefit from the
24 school district's general education curriculum and to avoid the need for
25 potentially expensive special education placement and services. Support
26 services include the educational services provided to a child pursuant to
27 subdivision (9)(c) ~~(10)(c)~~ of section 79-215 by an interim-program school
28 or an approved or accredited school maintained by a residential setting
29 if such child has not been identified or verified as a child with a
30 disability pursuant to sections 79-1118.01 and 79-1138 but demonstrates a
31 need for specially designed assistance by residing in a residential

1 setting described in subdivision (9)(a) ~~(10)(a)~~ of section 79-215.

2 Sec. 99. Section 79-1142, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-1142 (1) Level I services refers to services provided to children
5 with disabilities who require an aggregate of not more than three hours
6 per week of special education services and support services and includes
7 all administrative, diagnostic, consultative, and vocational-adjustment
8 counselor services.

9 (2) The total allowable reimbursable cost for support services shall
10 not exceed a percentage, established by the State Board of Education, of
11 the school district's or approved cooperative's total allowable
12 reimbursable cost for all special education programs and support
13 services. The percentage established by the State Board of Education for
14 support services shall not exceed the difference of ten percent minus the
15 percentage of the appropriations for special education approved by the
16 Legislature set aside for reimbursements for support services pursuant to
17 subsection (5) of this section.

18 (3) For special education and support services provided in each
19 school fiscal year, the State Department of Education shall reimburse
20 each school district in the following school fiscal year a pro rata
21 amount determined by the department. The reimbursement percentage shall
22 be the ratio of the difference of the appropriations for special
23 education approved by the Legislature minus the amounts set aside
24 pursuant to subsection (5) of this section divided by the total allowable
25 excess costs for all special education programs and support services.

26 (4) Cooperatives of school districts or educational service units
27 shall also be eligible for reimbursement for cooperative programs
28 pursuant to this section if such cooperatives or educational service
29 units have complied with the reporting and approval requirements of
30 section 79-1155 for cooperative programs which were offered the preceding
31 year. The payments shall be made by the department to the school district

1 of residence, cooperative of school districts, or educational service
2 unit each year in a minimum of seven payments between the fifth and
3 twentieth day of each month beginning in December. Additional payments
4 may be made based upon additional valid claims submitted. The State
5 Treasurer shall, between the fifth and twentieth day of each month,
6 notify the Director of Administrative Services of the amount of funds
7 available in the General Fund for payment purposes. The director shall,
8 upon receiving such certification, draw warrants against funds
9 appropriated.

10 (5) On and after August 1, 2010, residential settings described in
11 subdivision (9)(c) ~~(10)(e)~~ of section 79-215 shall be reimbursed for the
12 educational services, including special education services and support
13 services, provided pursuant to such subdivision on or after August 1,
14 2010, in an amount determined pursuant to the average per pupil cost of
15 the service agency. Reimbursements pursuant to this section shall be made
16 from funds set aside for such purpose within sixty days after receipt of
17 a reimbursement request submitted in the manner required by the
18 department and including any documentation required by the department for
19 educational services that have been provided, except that if there are
20 not any funds available for the remainder of the state fiscal year for
21 such reimbursements, the reimbursement shall occur within thirty days
22 after the beginning of the immediately following state fiscal year. The
23 department may audit any required documentation and subtract any payments
24 made in error from future reimbursements. The State Board of Education
25 shall set aside separate amounts from the appropriations for special
26 education approved by the Legislature for reimbursements pursuant to this
27 subsection for students receiving special education services and for
28 students receiving support services for each state fiscal year. The
29 amounts set aside for each purpose shall be based on estimates of the
30 reimbursements to be requested during the state fiscal year and shall not
31 be less than the total amount of reimbursements requested in the prior

1 state fiscal year plus any unpaid requests from the prior state fiscal
2 year.

3 Sec. 100. Section 79-11,155, Revised Statutes Cumulative Supplement,
4 2016, is amended to read:

5 79-11,155 The Commissioner of Education shall appoint a student
6 achievement coordinator, subject to confirmation by a majority vote of
7 the members of the State Board of Education. The coordinator shall have a
8 background and training in addressing the unique educational needs of
9 low-achieving students, including students in poverty, limited English
10 proficient students, and highly mobile students.

11 The coordinator shall evaluate and coordinate existing resources for
12 effective programs to increase achievement for such students across the
13 state and shall review poverty plans submitted to the State Department of
14 Education pursuant to section 79-1013 and limited English proficiency
15 plans submitted to the department pursuant to section 79-1014 to
16 ascertain successful practices being used by school districts in Nebraska
17 and to assist school districts in improving their poverty and limited
18 English proficiency plans, including the evaluation components. The
19 coordinator need not review the poverty and limited English proficiency
20 plans of each school district on an annual basis but shall develop a
21 review schedule which assures that plans are reviewed periodically.

22 The coordinator or other department staff designated by the
23 Commissioner of Education shall also consult with ~~learning communities,~~
24 educational service units, and school districts on the development,
25 implementation, and evaluation of community achievement plans. In
26 addition, the coordinator or other department staff designated by the
27 commissioner shall conduct an initial review of submitted community
28 achievement plans and return the plans with any suggestions or comments
29 prior to the final submission of the plan for approval by the State Board
30 of Education.

31 Sec. 101. Section 79-1210, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 79-1210 The State Board of Education shall grant or deny any
3 petition to change educational service unit boundaries based upon the
4 following criteria:

5 (1) The educational needs of students in the affected school
6 districts and the affected educational service units;

7 (2) The economic viability of the proposal as it relates to affected
8 established educational service units or affected proposed educational
9 service units;

10 (3) Any community of interest among affected school districts and
11 affected educational service units;

12 (4) Geographic proximity as such would affect the ability of
13 affected educational service units to deliver service in a cost-effective
14 manner;

15 (5) Compliance with the requirements of the Educational Service
16 Units Act; and

17 (6) In the dissolution of one or more entire educational service
18 units, evidence of consent from each educational service unit board and
19 two-thirds of the school boards or boards of education of member school
20 districts representing a majority of students in each affected
21 educational service unit.

22 For petitions that change educational service unit boundaries by
23 transferring a school district subject to the Metropolitan Area
24 Reorganization Act ~~learning community member district~~ from one
25 educational service unit to another educational service unit ~~with~~
26 ~~existing territory in such learning community~~, the requirements of
27 subdivisions (1), (2), (3), and (4) of this section shall be deemed to
28 have been met if the affected educational service units will each have at
29 least two member school districts after such transfer.

30 Sec. 102. Section 79-1241.03, Revised Statutes Cumulative
31 Supplement, 2016, is amended to read:

1 79-1241.03 (1) Two percent of the funds appropriated for core
2 services and technology infrastructure shall be transferred to the
3 Educational Service Unit Coordinating Council. The remainder of such
4 funds shall be distributed pursuant to subsections (2) through (5) of
5 this section.

6 (2)(a) The distance education and telecommunications allowance for
7 each educational service unit shall equal eighty-five percent of the
8 difference of the costs for telecommunications services, for access to
9 data transmission networks that transmit data to and from the educational
10 service unit, and for the transmission of data on such networks paid by
11 the educational service unit as reported on the annual financial report
12 for the most recently available complete data year minus the receipts
13 from the federal Universal Service Fund pursuant to 47 U.S.C. 254, as
14 such section existed on January 1, 2007, for the educational service unit
15 as reported on the annual financial report for the most recently
16 available complete data year and minus any receipts from school districts
17 or other educational entities for payment of such costs as reported on
18 the annual financial report of the educational service unit.

19 (b) The base allocation of each educational service unit shall equal
20 two and one-half percent of the funds appropriated for distribution
21 pursuant to this section.

22 (c) The satellite office allocation for each educational service
23 unit shall equal one percent of the funds appropriated for distribution
24 pursuant to this section for each office of the educational service unit,
25 except the educational service unit headquarters, up to the maximum
26 number of satellite offices. The maximum number of satellite offices used
27 for the calculation of the satellite office allocation for any
28 educational service unit shall equal the difference of the ratio of the
29 number of square miles within the boundaries of the educational service
30 unit divided by four thousand minus one with the result rounded to the
31 closest whole number.

1 (d) The statewide adjusted valuation shall equal the total adjusted
2 valuation for all member districts of educational service units pursuant
3 to section 79-1016 used for the calculation of state aid for school
4 districts pursuant to the Tax Equity and Educational Opportunities
5 Support Act for the school fiscal year for which the distribution is
6 being calculated pursuant to this section.

7 (e) The adjusted valuation for each educational service unit shall
8 equal the total adjusted valuation of the member school districts
9 pursuant to section 79-1016 used for the calculation of state aid for
10 school districts pursuant to the act for the school fiscal year for which
11 the distribution is being calculated pursuant to this section, ~~except~~
12 ~~that such adjusted valuation for member school districts that are also~~
13 ~~member districts of a learning community shall be reduced by ten percent.~~
14 ~~The adjusted valuation for each learning community shall equal ten~~
15 ~~percent of the total adjusted valuation of the member school districts~~
16 ~~pursuant to section 79-1016 used for the calculation of state aid for~~
17 ~~school districts pursuant to the act for the school fiscal year for which~~
18 ~~the distribution is being calculated pursuant to this section.~~

19 (f) The local effort rate shall equal \$0.0135 per one hundred
20 dollars of adjusted valuation.

21 (g) The statewide student allocation shall equal the difference of
22 the sum of the amount appropriated for distribution pursuant to this
23 section plus the product of the statewide adjusted valuation multiplied
24 by the local effort rate minus the distance education and
25 telecommunications allowance, base allocation, and satellite office
26 allocation for all educational service units and minus any adjustments
27 required by subsection (4) of this section.

28 (h) The sparsity adjustment for each educational service unit ~~and~~
29 ~~learning community~~ shall equal the sum of one plus one-tenth of the ratio
30 of the square miles within the boundaries of the educational service unit
31 divided by the fall membership of the member school districts for the

1 school fiscal year immediately preceding the school fiscal year for which
2 the distribution is being calculated pursuant to this section.

3 (i) The adjusted students for each multidistrict educational service
4 unit shall equal the fall membership for the school fiscal year
5 immediately preceding the school fiscal year for which aid is being
6 calculated of the member school districts ~~that will not be members of a~~
7 ~~learning community and ninety percent of the fall membership for such~~
8 ~~school fiscal year of the member school districts that will be members of~~
9 ~~a learning community pursuant to this section~~ multiplied by the sparsity
10 adjustment for the educational service unit. The adjusted students for
11 each single-district educational service unit shall equal ninety-five
12 percent of the fall membership for the school fiscal year immediately
13 preceding the school fiscal year for which aid is being calculated ~~if the~~
14 ~~member school district will not be a member of a learning community and~~
15 ~~eighty-five percent of the fall membership for such school fiscal year if~~
16 ~~the member school district will be a member of a learning community~~
17 ~~pursuant to this section,~~ multiplied by the sparsity adjustment for the
18 educational service unit. ~~The adjusted students for each learning~~
19 ~~community shall equal ten percent of the fall membership for such school~~
20 ~~fiscal year of the member school districts multiplied by the sparsity~~
21 ~~adjustment for the learning community.~~

22 (j) The per student allocation shall equal the statewide student
23 allocation divided by the total adjusted students for all educational
24 service units and learning communities.

25 (k) The student allocation for each educational service unit ~~and~~
26 ~~learning community~~ shall equal the per student allocation multiplied by
27 the adjusted students for the educational service unit ~~or learning~~
28 ~~community.~~

29 (l) The needs for each educational service unit shall equal the sum
30 of the distance education and telecommunications allowance, base
31 allocation, satellite office allocation, and student allocation for the

1 ~~educational service unit and the needs for each learning community shall~~
2 ~~equal the student allocation for the learning community.~~

3 (m) The distribution of core services and technology infrastructure
4 funds for each educational service unit ~~and learning community~~ shall
5 equal the needs for each educational service unit ~~or learning community~~
6 minus the product of the adjusted valuation for the educational service
7 unit ~~or learning community~~ multiplied by the local effort rate.

8 (3) If an educational service unit is the result of a merger or
9 received new member school districts from another educational service
10 unit, the educational service unit shall be considered a new educational
11 service unit for purposes of this section. For each new educational
12 service unit, the needs minus the distance education and
13 telecommunications allowance for such new educational service unit shall,
14 for each of the three fiscal years following the fiscal year in which the
15 merger takes place or the new member school districts are received, equal
16 an amount not less than the needs minus the distance education and
17 telecommunications allowance for the portions of the educational service
18 units transferred to the new educational service unit for the fiscal year
19 immediately preceding the merger or receipt of new member school
20 districts, except that if the total amount available to be distributed
21 pursuant to subsections (2) through (5) of this section for the year for
22 which needs are being calculated is less than the total amount
23 distributed pursuant to such subsections for the fiscal year immediately
24 preceding the merger or receipt of new member school districts, the
25 minimum needs minus the distance education and telecommunications
26 allowance for each educational service unit pursuant to this subsection
27 shall be reduced by a percentage equal to the ratio of such difference
28 divided by the total amount distributed pursuant to subsections (2)
29 through (5) of this section for the fiscal year immediately preceding the
30 merger or receipt of new member school districts. The needs minus the
31 distance education and telecommunications allowance for the portions of

1 educational service units transferred to the new educational service unit
2 for the fiscal year immediately preceding a merger or receipt of new
3 member school districts shall equal the needs minus the distance
4 education and telecommunications allowance calculated for such fiscal
5 year pursuant to subsections (2) through (5) of this section for any
6 educational service unit affected by the merger or the transfer of school
7 districts multiplied by a ratio equal to the valuation that was
8 transferred to the new educational service unit for which the minimum is
9 being calculated divided by the total valuation of the educational
10 service unit transferring the territory.

11 (4) If the minimum needs minus the distance education and
12 telecommunications allowance pursuant to subsection (3) of this section
13 for any educational service unit exceeds the amount that would otherwise
14 be calculated for such educational service unit pursuant to subsection
15 (2) of this section, the statewide student allocation shall be reduced
16 such that the total amount to be distributed pursuant to this section
17 equals the appropriation for core services and technology infrastructure
18 funds and no educational service unit has needs minus the distance
19 education and telecommunications allowance less than the greater of any
20 minimum amounts calculated for such educational service unit pursuant to
21 subsection (3) of this section.

22 (5) The State Department of Education shall certify the distribution
23 of core services and technology infrastructure funds pursuant to
24 subsections (2) through (5) of this section to each educational service
25 unit ~~and learning community~~ on or before July 1 of each year for the
26 following school fiscal year. Except as otherwise provided in this
27 subsection, any funds appropriated for distribution pursuant to this
28 section shall be distributed in ten as nearly as possible equal payments
29 on the first business day of each month beginning in September of each
30 school fiscal year and ending in June. Funds distributed to educational
31 service units pursuant to this section shall be used for core services

1 and technology infrastructure with the approval of representatives of
2 two-thirds of the member school districts of the educational service
3 unit, representing a majority of the adjusted students in the member
4 school districts used in calculations pursuant to this section for such
5 funds. The valuation of individual school districts shall not be
6 considered in the utilization of such core services or technology
7 infrastructure funds by member school districts for funds received after
8 July 1, 2010. ~~Funds distributed to learning communities shall be used for~~
9 ~~evaluation and research pursuant to section 79-2104.02 with the approval~~
10 ~~of the learning community coordinating council.~~

11 (6) For purposes of this section, the determination of whether or
12 not a school district will be a member of an educational service unit ~~or~~
13 ~~a learning community~~ shall be based on the information available May 1
14 for the following school fiscal year.

15 (7) Each educational service unit with one or more member school
16 districts for which the principal office of the school district is
17 located in a county where a city of the metropolitan class is located or
18 for which the principal office of the school district is located in a
19 county that has a contiguous border of at least five miles in the
20 aggregate with a city of the metropolitan class shall reserve a minimum
21 of ten percent of core services and technology infrastructure funding
22 certified pursuant to this section to be used for the purposes of any
23 joint entity in which the educational service unit participates pursuant
24 to sections 2 and 3 of this act and section 79-2122. Such funds shall be
25 used only for such purposes, except that if any such funds are not used,
26 or irrevocably committed to be used, for such purposes during the fiscal
27 year for which such funds were received, such leftover funds shall be
28 used to reduce the educational service unit levy for the immediately
29 following fiscal year.

30 (8) ~~(7)~~ It is the intent of the Legislature that:

31 (a) Funding for core services and technology infrastructure for each

1 educational service unit consist of both amounts received pursuant to
2 this section and an amount greater than or equal to the product of the
3 adjusted valuation for the educational service unit multiplied by the
4 local effort rate; and

5 (b) Each multidistrict educational service unit use an amount equal
6 to at least five percent of such funding for core services and technology
7 infrastructure for cooperative projects between member school districts
8 and that each such educational service unit use an amount equal to at
9 least five percent of such funding for core services and technology
10 infrastructure for statewide projects managed by the Educational Service
11 Unit Coordinating Council.

12 Sec. 103. Section 79-1245, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 79-1245 (1) The Educational Service Unit Coordinating Council is
15 created. The council shall be composed of one administrator from each
16 educational service unit ~~and beginning July 1, 2017, one nonvoting~~
17 ~~administrator from each learning community~~. The council shall be funded
18 from two percent of the core services and technology infrastructure
19 funding appropriated pursuant to section 79-1241.03, appropriations by
20 the Legislature for distance education, and fees established for services
21 provided to educational entities.

22 (2) The council is a political subdivision and a public body
23 corporate and politic of this state, exercising public powers separate
24 from the participating educational service units. The council shall have
25 the duties, privileges, immunities, rights, liabilities, and disabilities
26 of a political subdivision and a public body corporate and politic but
27 shall not have taxing power.

28 (3) The council shall have power (a) to sue and be sued, (b) to have
29 a seal and alter the same at will or to dispense with the necessity
30 thereof, (c) to make and execute contracts and other instruments, (d) to
31 receive, hold, and use money and real and personal property, (e) to hire

1 and compensate employees, including certificated employees, (f) to act as
2 a fiscal agent for statewide initiatives being implemented by employees
3 of one or more educational service units, and (g) from time to time, to
4 make, amend, and repeal bylaws, rules, and regulations not inconsistent
5 with sections 79-1245 to 79-1249. Such power shall only be used as
6 necessary or convenient to carry out and effectuate the powers and
7 purposes of the council.

8 Sec. 104. Sections 79-2101 to 79-2121 terminate on July 1, 2019.

9 Sec. 105. Section 79-2104, Revised Statutes Cumulative Supplement,
10 2016, is amended to read:

11 79-2104 Prior to July 1, 2019, a A learning community coordinating
12 council shall have the authority to:

13 (1) Transfer learning community assets to member school districts as
14 determined by such learning community coordinating council and perform
15 such other tasks as may be necessary to cease operations in an orderly
16 manner on June 30, 2019;

17 ~~(1) For fiscal years prior to fiscal year 2017-18, levy a common~~
18 ~~levy for the general funds of member school districts pursuant to~~
19 ~~sections 77-3442 and 79-1073;~~

20 (2) Levy for elementary learning center facility leases, for
21 remodeling of leased elementary learning center facilities, and for up to
22 fifty percent of the estimated cost for focus school or program capital
23 projects approved by the learning community coordinating council pursuant
24 to subdivision (2)(f) of section 77-3442 and section 79-2111, as such
25 sections existed before July 1, 2019;

26 (3) Levy for early childhood education programs for children in
27 poverty, for elementary learning center employees, for contracts with
28 other entities or individuals who are not employees of the learning
29 community for elementary learning center programs and services, and for
30 pilot projects pursuant to subdivision (2)(g) of section 77-3442, as such
31 section existed before July 1, 2019, except that not more than ten

1 percent of such levy may be used for elementary learning center
2 employees;

3 (4) Develop, submit, administer, and evaluate community achievement
4 plans in collaboration with the advisory committee, educational service
5 units serving member school districts, member school districts, and the
6 student achievement coordinator or other department staff designated by
7 the Commissioner of Education;

8 (5) Collect, analyze, and report data and information, including,
9 but not limited to, information provided by a school district pursuant to
10 subsection (5) of section 79-201, as such section existed before July 1,
11 2019;

12 (6) Approve focus schools and focus programs to be operated by
13 member school districts;

14 (7) Adopt, approve, and implement a diversity plan pursuant to
15 sections 79-2110 and 79-2118;

16 ~~(8) Through school year 2016-17, administer the open enrollment~~
17 ~~provisions in section 79-2110 for the learning community as part of a~~
18 ~~diversity plan developed by the council to provide educational~~
19 ~~opportunities which will result in increased diversity in schools across~~
20 ~~the learning community;~~

21 ~~(8)~~ (9) Annually conduct school fairs to provide students and
22 parents the opportunity to explore the educational opportunities
23 available at each school in the learning community and develop other
24 methods for encouraging access to such information and promotional
25 materials;

26 ~~(9)~~ ~~(10)~~ Develop procedures for determining best practices for
27 addressing student achievement barriers and for disseminating such
28 practices within the learning community and to other school districts;

29 ~~(10)~~ ~~(11)~~ Establish and administer elementary learning centers
30 through achievement subcouncils pursuant to sections 79-2112 to 79-2114;

31 ~~(11)~~ ~~(12)~~ Administer the learning community funds distributed to the

1 learning community pursuant to section 79-2111;

2 ~~(12) (13)~~ Approve or disapprove poverty plans and limited English
3 proficiency plans for member school districts through achievement
4 subcouncils established under section 79-2117;

5 ~~(13) (14)~~ Establish a procedure for receiving community input and
6 complaints regarding the learning community;

7 ~~(14) (15)~~ Establish a procedure to assist parents, citizens, and
8 member school districts in accessing an approved center pursuant to the
9 Dispute Resolution Act to resolve disputes involving member school
10 districts or the learning community. Such procedure may include payment
11 by the learning community for some mediation services;

12 ~~(15) (16)~~ Establish and administer pilot projects related to
13 enhancing the academic achievement of elementary students, particularly
14 students who face challenges in the educational environment due to
15 factors such as poverty, limited English skills, and mobility;

16 ~~(16) (17)~~ Provide funding to public or private entities engaged in
17 the juvenile justice system providing pre-filing and diversion programming
18 designed to reduce excessive absenteeism and unnecessary involvement with
19 the juvenile justice system; and

20 ~~(17) (18)~~ Hold public hearings at its discretion in response to
21 issues raised by residents regarding the learning community, a member
22 school district, and academic achievement.

23 Sec. 106. Section 79-2117, Revised Statutes Cumulative Supplement,
24 2016, is amended to read:

25 79-2117 Each learning community coordinating council shall have an
26 achievement subcouncil for each subcouncil district. ~~Each Through January~~
27 ~~4, 2017, each achievement subcouncil shall consist of the three voting~~
28 ~~coordinating council members representing the subcouncil district plus~~
29 ~~any nonvoting coordinating council members choosing to participate who~~
30 ~~represent a school district that has territory within the subcouncil~~
31 ~~district. The voting coordinating council members shall also be the~~

1 ~~voting members on the achievement subcouncil. On and after January 5,~~
2 ~~2017,~~ each achievement subcouncil shall consist of the two learning
3 community coordinating council members representing the subcouncil
4 district. Each achievement subcouncil shall meet as necessary but shall
5 meet and conduct a public hearing within its subcouncil district at least
6 once each school year. Each achievement subcouncil shall:

7 (1) Develop a diversity plan recommendation for the territory in its
8 subcouncil district that will provide educational opportunities which
9 will result in increased diversity in schools in the subcouncil district;

10 (2) Administer elementary learning centers in cooperation with the
11 elementary learning center executive director;

12 (3) Review the poverty plans and limited English proficiency plans
13 for the schools located in its subcouncil district and offer suggestions
14 to improve the plans and the coordination between such plans and the
15 community achievement plan;

16 (4) Receive community input and complaints regarding the learning
17 community and academic achievement in the subcouncil district; and

18 (5) Hold public hearings at its discretion in its subcouncil
19 district in response to issues raised by residents of the subcouncil
20 district regarding the learning community, a member school district, and
21 academic achievement in the subcouncil district.

22 Sec. 107. Section 79-2120, Revised Statutes Cumulative Supplement,
23 2016, is amended to read:

24 79-2120 On or before ~~March 1, 2009,~~ and February 1 of each year
25 through 2018 thereafter, for purposes of determining socioeconomic
26 diversity of enrollment as defined in section 79-2110, the State
27 Department of Education shall certify to each learning community and each
28 member school district the average percentage of students qualifying for
29 free or reduced-price lunches in each school building in each member
30 school district and in the aggregate for all school buildings in the
31 learning community based on the most current information available to the

1 department on the immediately preceding January 1. For purposes of this
2 section, the average percentage of students qualifying for free or
3 reduced-price lunches in school buildings that provide free meals to all
4 students pursuant to the community eligibility provision shall equal the
5 identified student percentage, multiplied by 1.6, calculated pursuant to
6 the community eligibility provision. The State Board of Education may
7 adopt and promulgate rules and regulations to carry out this section.

8 Sec. 108. Section 79-2122, Revised Statutes Cumulative Supplement,
9 2016, is amended to read:

10 79-2122 (1) Two or more school districts for which the principal
11 office of the school district is located in a county where a city of the
12 metropolitan class is located or for which the principal office of the
13 school district is located in a county that has a contiguous border of at
14 least five miles in the aggregate with a city of the metropolitan class
15 may form a joint entity pursuant to the Interlocal Cooperation Act for
16 the purpose of creating and implementing a community achievement plan.
17 Community achievement plans shall be submitted by learning community
18 coordinating councils to the State Board of Education for approval.

19 (2) Community achievement plans shall be developed, in consultation
20 with the student achievement coordinator or other department staff
21 designated by the Commissioner of Education, by the joint entity formed
22 pursuant to subsection (1) of this section ~~learning community submitting~~
23 ~~the plan, the learning community advisory committee, and the educational~~
24 ~~service units~~ of which such school districts are members ~~with member~~
25 ~~school districts that are members of the learning community.~~

26 (3) Community achievement plans and plan renewals shall be submitted
27 to the State Department of Education for an initial review by the student
28 achievement coordinator or other department staff designated by the
29 commissioner on or before January 1, 2017, ~~for community achievement~~
30 ~~plans to be implemented beginning with school year 2017-18 and on or~~
31 ~~before~~ January 1 immediately preceding the school year when the plan or

1 plan renewal will be implemented. The student achievement coordinator or
2 other department staff designated by the commissioner shall return the
3 plan or plan renewal with any suggestions or comments on or before the
4 immediately following February 15 to allow the plan to be revised prior
5 to submission on or before March 15 for final approval by the state board
6 at the state board's April meeting. If the state board rejects a plan or
7 plan renewal, the reasons for the rejection shall be included with the
8 notice of rejection and an opportunity shall be provided to revise the
9 plan or plan renewal and for participating collaborators to appear before
10 the board prior to a reconsideration of approval.

11 (4) The state board shall not approve or renew a community
12 achievement plan unless the plan:

13 (a) Receives the commitment of all participating member school
14 districts to participate in the plan for the three-year plan period;

15 (b) Clearly describes the plan responsibilities for each
16 participating school district, the joint entity submitting the plan, any
17 participating submitting learning community, the educational service
18 unit, and any other collaborating entities;

19 (c) Includes an evaluation of achievement equity and an
20 identification of achievement barriers across the participating school
21 districts;

22 (d) Relies on the collaboration of all participating districts to
23 address achievement equity and barriers to achievement across such school
24 districts using evidence-based methods;

25 (e) Aligns with plans used by participating districts for
26 accreditation, poverty, limited English proficiency, and federal funds;

27 (f) Evaluates the effectiveness of the efforts to address
28 achievement equity and barriers to achievement through the community
29 achievement plan and through other aligned plans in an effort to
30 determine, encourage, and promulgate best practices and the efficient use
31 of resources;

1 (g) Has a high likelihood, in the opinion of the state board based
2 on the evidence presented, of improving achievement equity and reducing
3 the impact of barriers to achievement; and

4 (h) For renewals, reflects changes in the plans and the actions of
5 the collaborators in response to evaluation results.

6 (5) An approved plan shall remain in effect for three years except
7 as revised with the approval of the state board. The joint entity
8 submitting the plan ~~learning community~~ shall submit a report on the
9 success of the plan, evaluation results, and proposed revisions by
10 December 1 immediately following the completion of the first two years of
11 implementation and every three years thereafter.

12 (6) The department shall adopt and promulgate rules and regulations
13 establishing procedures for plan approval and technical assistance that
14 allow for a preliminary review and recommendations from the department
15 prior to submission of the final plan for approval by the state board.
16 Such procedures shall also provide for an appeal process for plans that
17 have not been approved, which includes an opportunity to present evidence
18 to the state board.

19 Sec. 109. Section 79-2404, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-2404 If the school board of any school district or the board of
22 any educational service unit fails to timely file a copy of an approved
23 contract, or contract amendment, for superintendent services or
24 educational service unit administrator services with the State Department
25 of Education as required in section 79-2403, the Commissioner of
26 Education, after notice to the board president and either the
27 superintendent or educational service unit administrator and an
28 opportunity to be heard, shall direct that any state aid granted pursuant
29 to the Tax Equity and Educational Opportunities Support Act to the school
30 district or core services and technology infrastructure funds granted
31 pursuant to section 79-1241.03 to the educational service unit be

1 withheld until such time as the contract or amendment is received by the
2 department. In addition, the commissioner shall direct each county
3 treasurer of a county with territory in the school district or
4 educational service unit to withhold all money belonging to the school
5 district or educational service unit until such time as the commissioner
6 notifies such county treasurer of receipt of such contract or amendment.
7 Each such county treasurer shall withhold such money. ~~For school~~
8 ~~districts that are members of learning communities, a determination of~~
9 ~~school money belonging to the school district shall be based on the~~
10 ~~proportionate share of property tax receipts allocated to the school~~
11 ~~district pursuant to section 79-1073 in addition to the other property~~
12 ~~tax receipts belonging to the school district.~~ If the board does not
13 comply with this section prior to October 1 following the school fiscal
14 year for which the state aid or core services and technology
15 infrastructure funding was calculated, the funds shall revert to the
16 General Fund. The amount of any reverted funds shall be included in data
17 provided to the Governor, the Appropriations Committee of the
18 Legislature, and the Education Committee of the Legislature in accordance
19 with section 79-1031.

20 Sec. 110. Section 81-1203, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 81-1203 (1) A business applying for a job training grant, other than
23 a grant provided under subsection (3) of section 81-1201.21, shall submit
24 a business plan to the Department of Economic Development which includes,
25 but is not limited to:

26 (a) The number of jobs to be created or the number of existing
27 positions that will be retrained;

28 (b) The nature of the business and the type of jobs to be created or
29 positions to be retrained;

30 (c) The estimated wage levels of the jobs to be created or positions
31 to be retrained; and

1 (d) A program schedule for the job training project.

2 (2) A business applying for a job training grant, other than a grant
3 provided under subsection (3) of section 81-1201.21, must demonstrate
4 that the job training project to be conducted pursuant to the grant meets
5 the following criteria:

6 (a) The wage level of the jobs created will meet the local
7 prevailing average;

8 (b) The jobs created will diversify the local economy;

9 (c) The goods or services produced by the company will be export-
10 oriented;

11 (d) Seventy-five percent of the jobs created will be full-time jobs;
12 and

13 (e) The new jobs will be created within three calendar years.

14 (3) A business applying for a training grant under subsection (3) of
15 section 81-1201.21 may partner with a postsecondary educational
16 institution; a private, nonprofit organization holding a certificate of
17 exemption under section 501(c)(3) of the Internal Revenue Code; or a
18 ~~learning community coordinating council~~ or school district that has
19 partnered with a private, nonprofit organization. The application shall
20 specify the role of the partnering entity in identifying and training
21 potential job applicants for the applicant business.

22 (4) A business applying for a training grant under subsection (3) of
23 section 81-1201.21 may apply as a business that has established a program
24 under which residents of rural areas or high-poverty areas are trained
25 for employment or potential employment by documenting:

26 (a) That the business has established a program designed to fill a
27 minimum of four positions in rural areas and a minimum of eight positions
28 in high-poverty areas for such business;

29 (b) A program schedule for the training project;

30 (c) The nature of the business and the number of positions available
31 or to be created;

1 (d) That the wage level of the positions available or to be created
2 will meet the local prevailing average;

3 (e) The value of the positions available or to be created in
4 diversifying the local economy;

5 (f) That a minimum of seventy-five percent of the positions
6 available or to be created will be full-time jobs;

7 (g) That the business will accept funding on behalf of trainees and
8 will provide a match of a minimum of twenty-five percent of the value of
9 the grant, either monetarily or through in-kind services, as part of the
10 training for each trainee;

11 (h) That any new position created will be done within three calendar
12 years;

13 (i) That the number of trainees will not exceed one hundred twenty-
14 five percent of the number of positions that will be available at the
15 time of application; and

16 (j) That the goods or services produced by the business are
17 generally exportable in nature resulting in additional money to the
18 community or the state and the positions available or to be created are
19 not local retail positions.

20 (5) Each business participating in a training grant under subsection
21 (3) of section 81-1201.21 shall be subject to an audit by the Department
22 of Economic Development and shall annually report or provide to the
23 department the following information:

24 (a) The percentage of trainees who have successfully completed the
25 training;

26 (b) The percentage of trainees that such business hired;

27 (c) An itemized description of such business's match including
28 expenditures per trainee; and

29 (d) A copy of the training curriculum.

30 (6) For purposes of subsections (3) through (5) of this section:

31 (a) High-poverty area means an area consisting of one or more

1 contiguous census tracts, as determined by the most recent federal
2 decennial census, which contain a percentage of persons with incomes
3 below the poverty line of greater than thirty percent, and all census
4 tracts contiguous to such tract or tracts, as determined by the most
5 recent federal decennial census; and

6 (b) Private, nonprofit organization means an organization whose
7 purpose is providing basic job and life skills training to individuals in
8 need of such training in rural or high-poverty areas.

9 Sec. 111. Sections 102 and 112 of this act become operative on
10 January 1, 2019. Sections 5, 6, 9, 10, 12, 13, 14, 15, 17, 18, 19, 20,
11 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 33, 34, 35, 36, 37, 38, 39, 40,
12 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 62, 63, 64, 65, 66, 67, 68, 69,
13 70, 71, 72, 73, 74, 75, 76, 77, 82, 90, 91, 96, 100, 101, 103, 108, 109,
14 110, 113, and 115 of this act become operative on July 1, 2019. The other
15 sections of this act become operative on their effective date.

16 Sec. 112. Original section 79-1241.03, Revised Statutes Cumulative
17 Supplement, 2016, is repealed.

18 Sec. 113. Original sections 11-119, 13-903, 13-2202, 32-567,
19 32-604, 32-1203, 77-1601.02, 77-1614, 77-1624, 77-1702, 77-1708, 77-1772,
20 77-2201, 77-2202, 79-102, 79-201, 79-2,104, 79-408, 79-413, 79-415,
21 79-416, 79-433, 79-452, 79-458, 79-458.01, 79-467, 79-468, 79-473,
22 79-527, 79-529, 79-549, 79-760.05, 79-769, 79-777, 79-850, 79-1074,
23 79-1210, 79-2404, and 81-1203, Reissue Revised Statutes of Nebraska,
24 sections 13-503, 68-907, 77-1704.01, 77-1736.06, 77-2704.15, 79-235,
25 79-235.01, 79-238, 79-241, 79-528, 79-611, 79-703, 79-760.02, 79-760.03,
26 79-979, 79-1005, 79-1005.01, 79-1041, 79-10,143, 79-11,155, 79-1245, and
27 79-2122, Revised Statutes Cumulative Supplement, 2016, and sections
28 77-3442, 79-237, 79-407, 79-1003, and 79-1009, Revised Statutes
29 Supplement, 2017, are repealed.

30 Sec. 114. Original sections 32-546.01, 79-4,117, 79-4,118,
31 79-4,120, 79-4,127, 79-1007.05, 79-1014, 79-1125.01, and 79-1142, Reissue

1 Revised Statutes of Nebraska, sections 70-651.04, 79-215, 79-233,
2 79-4,119, 79-4,121, 79-4,122, 79-4,123, 79-4,125, 79-4,126, 79-4,128,
3 79-1007.18, 79-1008.01, 79-1013, 79-1024, 79-1033, 79-1036, 79-1075,
4 79-1083, 79-1084, 79-1086, 79-2104, 79-2117, and 79-2120, Revised
5 Statutes Cumulative Supplement, 2016, and sections 13-508, 13-511,
6 79-1007.11, 79-1017.01, 79-1022, and 79-10,145, Revised Statutes
7 Supplement, 2017, are repealed.

8 Sec. 115. The following section is outright repealed: Section
9 79-1073, Revised Statutes Cumulative Supplement, 2016.

10 Sec. 116. The following sections are outright repealed: Section
11 32-555.01, Reissue Revised Statutes of Nebraska, and sections 79-1008.02
12 and 79-10,126.01, Revised Statutes Cumulative Supplement, 2016.