

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 647

Introduced by Wayne, 13.

Read first time January 23, 2019

Committee:

- 1 A BILL FOR AN ACT relating to schools; to amend sections 79-528 and
- 2 79-1003, Revised Statutes Cumulative Supplement, 2018; to change
- 3 reporting requirements; to define and redefine terms; to include
- 4 virtual school students in the calculation of aid under the Tax
- 5 Equity and Educational Opportunities Support Act; to harmonize
- 6 provisions; and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-528, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 79-528 (1)(a) On or before July 20 in all school districts, the
4 superintendent shall file with the State Department of Education a report
5 showing the number of children from five through eighteen years of age
6 belonging to the school district according to the census taken as
7 provided in sections 79-524 and 79-578.

8 (b) The board of any district neglecting to take and report the
9 enumeration shall be liable to the school district for all school money
10 which such district may lose by such neglect.

11 (2) On or before June 30 the superintendent of each school district
12 shall file with the Commissioner of Education a report described as an
13 end-of-the-school-year annual statistical summary showing (a) the number
14 of children attending school during the year under five years of age, (b)
15 the length of time the school has been taught during the year by a
16 qualified teacher, (c) the length of time taught by each substitute
17 teacher, (d) the number of classes a student is required to enroll in for
18 full-time enrollment in the district at each grade level for the school
19 year, (e) the definition of a class used by the district for the purpose
20 of determining full-time and part-time enrollment at each grade level for
21 the school year, (f) the number of classes completed by each virtual
22 school student as defined in section 79-1003 for the school year, and (g)
23 ~~(d)~~ such other information as the Commissioner of Education directs.

24 (3) On or before November 1 the superintendent of each school
25 district shall submit to the Commissioner of Education a report described
26 as the annual financial report showing (i) the amount of money received
27 from all sources during the year and the amount of money expended by the
28 school district during the year, (ii) the amount of bonded indebtedness,
29 (iii) such other information as shall be necessary to fulfill the
30 requirements of the Tax Equity and Educational Opportunities Support Act
31 and section 79-1114, and (iv) such other information as the Commissioner

1 of Education directs.

2 (4)(a) On or before October 15 of each year, the superintendent of
3 each school district shall file with the commissioner the fall school
4 district membership report, which report shall include the number of
5 children from birth through twenty years of age enrolled in the district
6 on October 1 of a given school year. The report shall also include
7 ~~enumerate~~ (i) students by grade level, (ii) school district levies and
8 total assessed valuation for the current fiscal year, (iii) students
9 enrolled in the district as option students, (iv) resident students
10 enrolled in another district as option students, (v) students enrolled in
11 the district as open enrollment students, (vi) and resident students
12 enrolled in another district as open enrollment students, (vii) the
13 number of classes a student is required to enroll in for full-time
14 enrollment in the district at each grade level for such school year,
15 (viii) the definition of a class used by the district for the purpose of
16 determining full-time and part-time enrollment at each grade level for
17 such school year, (ix) the number of classes in which each virtual school
18 student as defined in section 79-1003 is enrolled on October 1 of such
19 school year, and (x) and (iv) such other information as the Commissioner
20 of Education directs.

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

26 (b) (e) When any school district fails to submit its fall membership
27 report by November 1, the commissioner shall, after notice to the
28 district and an opportunity to be heard, direct that any state aid
29 granted pursuant to the Tax Equity and Educational Opportunities Support
30 Act be withheld until such time as the report is received by the
31 department. In addition, the commissioner shall direct the county

1 treasurer to withhold all school money belonging to the school district
2 until such time as the commissioner notifies the county treasurer of
3 receipt of such report. The county treasurer shall withhold such money.

4 Sec. 2. Section 79-1003, Revised Statutes Cumulative Supplement,
5 2018, is amended to read:

6 79-1003 For purposes of the Tax Equity and Educational Opportunities
7 Support Act:

8 (1) Adjusted general fund operating expenditures means (a) for
9 school fiscal years 2013-14 through 2015-16, the difference of the
10 general fund operating expenditures as calculated pursuant to subdivision
11 (23) of this section increased by the cost growth factor calculated
12 pursuant to section 79-1007.10, minus the transportation allowance,
13 special receipts allowance, poverty allowance, limited English
14 proficiency allowance, distance education and telecommunications
15 allowance, elementary site allowance, summer school allowance,
16 instructional time allowance, teacher education allowance, and focus
17 school and program allowance, (b) for school fiscal years 2016-17 through
18 2018-19, the difference of the general fund operating expenditures as
19 calculated pursuant to subdivision (23) of this section increased by the
20 cost growth factor calculated pursuant to section 79-1007.10, minus the
21 transportation allowance, special receipts allowance, poverty allowance,
22 limited English proficiency allowance, distance education and
23 telecommunications allowance, elementary site allowance, summer school
24 allowance, and focus school and program allowance, and (c) for school
25 fiscal year 2019-20 and each school fiscal year thereafter, the
26 difference of the general fund operating expenditures as calculated
27 pursuant to subdivision (23) of this section increased by the cost growth
28 factor calculated pursuant to section 79-1007.10, minus the
29 transportation allowance, special receipts allowance, poverty allowance,
30 limited English proficiency allowance, distance education and
31 telecommunications allowance, elementary site allowance, summer school

1 allowance, community achievement plan allowance, and focus school and
2 program allowance;

3 (2) Adjusted valuation means the assessed valuation of taxable
4 property of each local system in the state, adjusted pursuant to the
5 adjustment factors described in section 79-1016. Adjusted valuation means
6 the adjusted valuation for the property tax year ending during the school
7 fiscal year immediately preceding the school fiscal year in which the aid
8 based upon that value is to be paid. For purposes of determining the
9 local effort rate yield pursuant to section 79-1015.01, adjusted
10 valuation does not include the value of any property which a court, by a
11 final judgment from which no appeal is taken, has declared to be
12 nontaxable or exempt from taxation;

13 (3) Allocated income tax funds means the amount of assistance paid
14 to a local system pursuant to section 79-1005.01 as adjusted, for school
15 fiscal years prior to school fiscal year 2017-18, by the minimum levy
16 adjustment pursuant to section 79-1008.02;

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

23 (5) Base fiscal year means the first school fiscal year following
24 the school fiscal year in which the reorganization or unification
25 occurred;

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

27 (7) Categorical funds means funds limited to a specific purpose by
28 federal or state law, including, but not limited to, Title I funds, Title
29 VI funds, federal vocational education funds, federal school lunch funds,
30 Indian education funds, Head Start funds, and funds from the Education
31 Innovation Fund;

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

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

12 (10) Converted contract option student means a student who will be
13 an option student pursuant to the enrollment option program established
14 in section 79-234 for the school fiscal year for which aid is being
15 calculated and who would have been covered by a converted contract if the
16 contract were still in effect and such school fiscal year is the first
17 school fiscal year for which such contract is not in effect;

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

19 (12) District means any school district or unified system as defined
20 in section 79-4,108;

21 (13) Ensuing school fiscal year means the school fiscal year
22 following the current school fiscal year;

23 (14) Equalization aid means the amount of assistance calculated to
24 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
25 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

26 (15) Fall membership means, ~~the total membership in kindergarten~~
27 ~~through grade twelve attributable to the local system~~ as reported on the
28 fall school district membership reports for each district pursuant to
29 section 79-528, the total membership in kindergarten through grade twelve
30 attributable to the local system, including the proportionate share of
31 students enrolled in a public school instructional program on less than a

1 full-time basis;

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

4 (17) Formula students means:

5 (a) For state aid certified pursuant to section 79-1022, the sum of
6 the product of fall membership from the school fiscal year immediately
7 preceding the school fiscal year in which the aid is to be paid
8 multiplied by the average ratio of average daily membership to fall
9 membership for the second school fiscal year immediately preceding the
10 school fiscal year in which the aid is to be paid and the prior two
11 school fiscal years plus sixty percent of the qualified early childhood
12 education fall membership plus tuitioned students from the school fiscal
13 year immediately preceding the school fiscal year in which aid is to be
14 paid minus the product of the number of students enrolled in kindergarten
15 that is not full-day kindergarten from the fall membership multiplied by
16 0.5; and

17 (b) For the final calculation of state aid pursuant to section
18 79-1065, the sum of average daily membership plus sixty percent of the
19 qualified early childhood education average daily membership plus
20 tuitioned students minus the product of the number of students enrolled
21 in kindergarten that is not full-day kindergarten from the average daily
22 membership multiplied by 0.5 from the school fiscal year immediately
23 preceding the school fiscal year in which aid was paid;

24 (18) Free lunch and free milk calculated students means, using the
25 most recent data available on November 1 of the school fiscal year
26 immediately preceding the school fiscal year in which aid is to be paid,
27 (a) for schools that did not provide free meals to all students pursuant
28 to the community eligibility provision, students who individually
29 qualified for free lunches or free milk pursuant to the federal Richard
30 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
31 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts

1 and sections existed on January 1, 2015, and rules and regulations
2 adopted thereunder, plus (b) for schools that provided free meals to all
3 students pursuant to the community eligibility provision, (i) for school
4 fiscal year 2016-17, the product of the students who attended such school
5 multiplied by the identified student percentage calculated pursuant to
6 such federal provision or (ii) for school fiscal year 2017-18 and each
7 school fiscal year thereafter, the greater of the number of students in
8 such school who individually qualified for free lunch or free milk using
9 the most recent school fiscal year for which the school did not provide
10 free meals to all students pursuant to the community eligibility
11 provision or one hundred ten percent of the product of the students who
12 qualified for free meals at such school pursuant to the community
13 eligibility provision multiplied by the identified student percentage
14 calculated pursuant to such federal provision, except that the free lunch
15 and free milk students calculated for any school pursuant to subdivision
16 (18)(b)(ii) of this section shall not exceed one hundred percent of the
17 students qualified for free meals at such school pursuant to the
18 community eligibility provision;

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

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

26 (21) General fund budget of expenditures means the total budget of
27 disbursements and transfers for general fund purposes as certified in the
28 budget statement adopted pursuant to the Nebraska Budget Act, except that
29 for purposes of the limitation imposed in section 79-1023, the general
30 fund budget of expenditures does not include any special grant funds,
31 exclusive of local matching funds, received by a district;

1 (22) General fund expenditures means all expenditures from the
2 general fund;

3 (23) General fund operating expenditures means for state aid
4 calculated for school fiscal years 2012-13 and each school fiscal year
5 thereafter, as reported on the annual financial report for the second
6 school fiscal year immediately preceding the school fiscal year in which
7 aid is to be paid, the total general fund expenditures minus (a) the
8 amount of all receipts to the general fund, to the extent that such
9 receipts are not included in local system formula resources, from early
10 childhood education tuition, summer school tuition, educational entities
11 as defined in section 79-1201.01 for providing distance education courses
12 through the Educational Service Unit Coordinating Council to such
13 educational entities, private foundations, individuals, associations,
14 charitable organizations, the textbook loan program authorized by section
15 79-734, federal impact aid, and levy override elections pursuant to
16 section 77-3444, (b) the amount of expenditures for categorical funds,
17 tuition paid, transportation fees paid to other districts, adult
18 education, community services, redemption of the principal portion of
19 general fund debt service, retirement incentive plans authorized by
20 section 79-855, and staff development assistance authorized by section
21 79-856, (c) the amount of any transfers from the general fund to any bond
22 fund and transfers from other funds into the general fund, (d) any legal
23 expenses in excess of fifteen-hundredths of one percent of the formula
24 need for the school fiscal year in which the expenses occurred, (e)(i)
25 for state aid calculated for school fiscal years prior to school fiscal
26 year 2018-19, expenditures to pay for sums agreed to be paid by a school
27 district to certificated employees in exchange for a voluntary
28 termination occurring prior to July 1, 2009, occurring on or after the
29 last day of the 2010-11 school year and prior to the first day of the
30 2013-14 school year, or, to the extent that a district has demonstrated
31 to the State Board of Education pursuant to section 79-1028.01 that the

1 agreement will result in a net savings in salary and benefit costs to the
2 school district over a five-year period, occurring on or after the first
3 day of the 2013-14 school year or (ii) for state aid calculated for
4 school fiscal year 2018-19 and each school fiscal year thereafter,
5 expenditures to pay for incentives agreed to be paid by a school district
6 to certificated employees in exchange for a voluntary termination of
7 employment for which the State Board of Education approved an exclusion
8 pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01,
9 (f)(i) expenditures to pay for employer contributions pursuant to
10 subsection (2) of section 79-958 to the School Employees Retirement
11 System of the State of Nebraska to the extent that such expenditures
12 exceed the employer contributions under such subsection that would have
13 been made at a contribution rate of seven and thirty-five hundredths
14 percent or (ii) expenditures to pay for school district contributions
15 pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
16 retirement system established pursuant to the Class V School Employees
17 Retirement Act to the extent that such expenditures exceed the school
18 district contributions under such subdivision that would have been made
19 at a contribution rate of seven and thirty-seven hundredths percent, and
20 (g) any amounts paid by the district for lobbyist fees and expenses
21 reported to the Clerk of the Legislature pursuant to section 49-1483.

22 For purposes of this subdivision (23) of this section, receipts from
23 levy override elections shall equal ninety-nine percent of the difference
24 of the total general fund levy minus a levy of one dollar and five cents
25 per one hundred dollars of taxable valuation multiplied by the assessed
26 valuation for school districts that have voted pursuant to section
27 77-3444 to override the maximum levy provided pursuant to section
28 77-3442;

29 (24) Income tax liability means the amount of the reported income
30 tax liability for resident individuals pursuant to the Nebraska Revenue
31 Act of 1967 less all nonrefundable credits earned and refunds made;

1 (25) Income tax receipts means the amount of income tax collected
2 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
3 credits earned and refunds made;

4 (26) Limited English proficiency students means the number of
5 students with limited English proficiency in a district from the most
6 recent data available on November 1 of the school fiscal year preceding
7 the school fiscal year in which aid is to be paid plus the difference of
8 such students with limited English proficiency minus the average number
9 of limited English proficiency students for such district, prior to such
10 addition, for the three immediately preceding school fiscal years if such
11 difference is greater than zero;

12 (27) Local system means a unified system or a school district;

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

1 the school fiscal year immediately preceding the school fiscal year for
2 which aid is being calculated;

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

7 (30) Most recently available complete data year means the most
8 recent single school fiscal year for which the annual financial report,
9 fall school district membership report, annual statistical summary,
10 Nebraska income tax liability by school district for the calendar year in
11 which the majority of the school fiscal year falls, and adjusted
12 valuation data are available;

13 (31) Poverty students means (a) for school fiscal years prior to
14 2016-17, the number of low-income students or the number of students who
15 are free lunch and free milk students in a district plus the difference
16 of the number of low-income students or the number of students who are
17 free lunch and free milk students in a district, whichever is greater,
18 minus the average number of poverty students for such district, prior to
19 such addition, for the three immediately preceding school fiscal years if
20 such difference is greater than zero and (b) for school fiscal year
21 2016-17 and each school fiscal year thereafter, the unadjusted poverty
22 students plus the difference of such unadjusted poverty students minus
23 the average number of poverty students for such district, prior to such
24 addition, for the three immediately preceding school fiscal years if such
25 difference is greater than zero;

26 (32) Proportionate share of students enrolled in a public school
27 instructional program on less than a full-time basis means, for both
28 virtual school students and students who are not virtual school students
29 who are enrolled in a public school instructional program on less than a
30 full-time basis, (a) for the purposes of fall membership, the number of
31 classes for which such students are enrolled in a public school

1 instructional program in the school district on October 1 divided by the
2 number of classes such students would be required to enroll in for full-
3 time enrollment in the district and (b) for the purposes of average daily
4 membership, the number of classes in a public school instructional
5 program in the school district completed by such students during the
6 school year divided by the number of classes such students would have
7 been required to enroll in for full-time enrollment in the district;

8 ~~(33)~~ ~~(32)~~ Qualified early childhood education average daily
9 membership means the product of the average daily membership for school
10 fiscal year 2006-07 and each school fiscal year thereafter of students
11 who will be eligible to attend kindergarten the following school year and
12 are enrolled in an early childhood education program approved by the
13 department pursuant to section 79-1103 for such school district for such
14 school year multiplied by the ratio of the actual instructional hours of
15 the program divided by one thousand thirty-two if: (a) The program is
16 receiving a grant pursuant to such section for the third year; (b) the
17 program has already received grants pursuant to such section for three
18 years; or (c) the program has been approved pursuant to subsection (5) of
19 section 79-1103 for such school year and the two preceding school years,
20 including any such students in portions of any of such programs receiving
21 an expansion grant;

22 ~~(34)~~ ~~(33)~~ Qualified early childhood education fall membership means
23 the product of membership on October 1 of each school year of students
24 who will be eligible to attend kindergarten the following school year and
25 are enrolled in an early childhood education program approved by the
26 department pursuant to section 79-1103 for such school district for such
27 school year multiplied by the ratio of the planned instructional hours of
28 the program divided by one thousand thirty-two if: (a) The program is
29 receiving a grant pursuant to such section for the third year; (b) the
30 program has already received grants pursuant to such section for three
31 years; or (c) the program has been approved pursuant to subsection (5) of

1 section 79-1103 for such school year and the two preceding school years,
2 including any such students in portions of any of such programs receiving
3 an expansion grant;

4 (35) ~~(34)~~ Regular route transportation means the transportation of
5 students on regularly scheduled daily routes to and from the attendance
6 center;

7 (36) ~~(35)~~ Reorganized district means any district involved in a
8 consolidation and currently educating students following consolidation;

9 (37) ~~(36)~~ School year or school fiscal year means the fiscal year of
10 a school district as defined in section 79-1091;

11 (38) ~~(37)~~ Sparse local system means a local system that is not a
12 very sparse local system but which meets the following criteria:

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

18 (b)(i) Less than one and one-half formula students per square mile
19 in the local system and (ii) more than fifteen miles between each high
20 school attendance center and the next closest high school attendance
21 center on paved roads;

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

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

29 (39) ~~(38)~~ Special education means specially designed kindergarten
30 through grade twelve instruction pursuant to section 79-1125, and
31 includes special education transportation;

1 ~~(40)~~ ~~(39)~~ Special grant funds means the budgeted receipts for
2 grants, including, but not limited to, categorical funds, reimbursements
3 for wards of the court, short-term borrowings including, but not limited
4 to, registered warrants and tax anticipation notes, interfund loans,
5 insurance settlements, and reimbursements to county government for
6 previous overpayment. The state board shall approve a listing of grants
7 that qualify as special grant funds;

8 ~~(41)~~ ~~(40)~~ State aid means the amount of assistance paid to a
9 district pursuant to the Tax Equity and Educational Opportunities Support
10 Act;

11 ~~(42)~~ ~~(41)~~ State board means the State Board of Education;

12 ~~(43)~~ ~~(42)~~ State support means all funds provided to districts by the
13 State of Nebraska for the general fund support of elementary and
14 secondary education;

15 ~~(44)~~ ~~(43)~~ Statewide average basic funding per formula student means
16 the statewide total basic funding for all districts divided by the
17 statewide total formula students for all districts;

18 ~~(45)~~ ~~(44)~~ Statewide average general fund operating expenditures per
19 formula student means the statewide total general fund operating
20 expenditures for all districts divided by the statewide total formula
21 students for all districts;

22 ~~(46)~~ ~~(45)~~ Teacher has the definition found in section 79-101;

23 ~~(47)~~ ~~(46)~~ Temporary aid adjustment factor means (a) for school
24 fiscal years before school fiscal year 2007-08, one and one-fourth
25 percent of the sum of the local system's transportation allowance, the
26 local system's special receipts allowance, and the product of the local
27 system's adjusted formula students multiplied by the average formula cost
28 per student in the local system's cost grouping and (b) for school fiscal
29 year 2007-08, one and one-fourth percent of the sum of the local system's
30 transportation allowance, special receipts allowance, and distance
31 education and telecommunications allowance and the product of the local

1 system's adjusted formula students multiplied by the average formula cost
2 per student in the local system's cost grouping;

3 (48) ~~(47)~~ Tuition receipts from converted contracts means tuition
4 receipts received by a district from another district in the most
5 recently available complete data year pursuant to a converted contract
6 prior to the expiration of the contract;

7 (49) ~~(48)~~ Tuitioned students means students in kindergarten through
8 grade twelve of the district whose tuition is paid by the district to
9 some other district or education agency;

10 (50) ~~(49)~~ Unadjusted poverty students means, for school fiscal year
11 2016-17 and each school fiscal year thereafter, the greater of the number
12 of low-income students or the free lunch and free milk calculated
13 students in a district; ~~and~~

14 (51) ~~(50)~~ Very sparse local system means a local system that has:

15 (a)(i) Less than one-half student per square mile in each county in
16 which each high school attendance center is located based on the school
17 district census, (ii) less than one formula student per square mile in
18 the local system, and (iii) more than fifteen miles between the high
19 school attendance center and the next closest high school attendance
20 center on paved roads; or

21 (b)(i) More than four hundred fifty square miles in the local
22 system, (ii) less than one-half student per square mile in the local
23 system, and (iii) more than fifteen miles between each high school
24 attendance center and the next closest high school attendance center on
25 paved roads; ~~or~~

26 (52) Virtual school means any school or educational program that:

27 (a) Is operated by a school district;

28 (b) Offers courses for credit;

29 (c) Uses predominately Internet-based methods to deliver
30 instruction;

31 (d) Involves instruction that occurs asynchronously with the teacher

1 and student in separate locations;

2 (e) Requires the student to make academic progress toward the next
3 grade level or high school graduation;

4 (f) Requires the student to demonstrate subject matter competence
5 for each course or subject in which the student is enrolled as part of
6 the virtual school; and

7 (g) Requires the student, when age-appropriate, to complete state
8 assessments; and

9 (53) Virtual school student means a student who is a resident of
10 Nebraska enrolled in and attending a virtual school on at least a part-
11 time basis.

12 Sec. 3. Original sections 79-528 and 79-1003, Revised Statutes
13 Cumulative Supplement, 2018, are repealed.