

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 656

Introduced by Wayne, 13.

Read first time January 23, 2019

Committee:

1 A BILL FOR AN ACT relating to school funding; to amend sections 43-2515,
2 70-651.04, 77-913, 77-1736.06, 77-3442, 77-3444, 77-3446, 77-5007,
3 79-213, 79-236, 79-240, 79-246, 79-266.01, 79-2,127, 79-2,134,
4 79-498, 79-769, 79-855, 79-856, 79-1007.05, 79-1007.10, 79-1007.15,
5 79-1007.16, 79-1007.21, 79-1009.01, 79-1021, 79-1025, 79-1031,
6 79-1103, 79-1125.01, 79-1142, 79-1241.01, 79-2102, 79-2103, and
7 79-2404, Reissue Revised Statutes of Nebraska, and sections 9-812,
8 13-508, 48-818.01, 79-101, 79-215, 79-234, 79-235, 79-235.01,
9 79-237, 79-241, 79-458, 79-479, 79-499, 79-4,123, 79-528, 79-605,
10 79-611, 79-8,137, 79-8,137.04, 79-8,142, 79-1001, 79-1003,
11 79-1003.01, 79-1005, 79-1005.01, 79-1007.11, 79-1007.18, 79-1008.01,
12 79-1009, 79-1015.01, 79-1016, 79-1017.01, 79-1022, 79-1023, 79-1027,
13 79-1028.01, 79-1030, 79-1031.01, 79-1065, 79-1065.01, 79-1089,
14 79-1090, 79-10,143, 79-1108.02, 79-1140, 79-1241.03, 79-1337,
15 79-2104, and 79-2110, Revised Statutes Cumulative Supplement, 2018;
16 to adopt the Nebraska Education Formula; to change levy limitations
17 for school districts; to change the base limitation rate for school
18 districts; to change procedures to override levy limitations for
19 school districts; to limit the applicability of and terminate the
20 enrollment option program; to limit the applicability of and
21 terminate the Tax Equity and Educational Opportunities Support Act;
22 to harmonize provisions; to provide operative dates; to provide
23 severability; to repeal the original sections; and to outright

1 repeal sections 43-2513, 79-977, 79-1083.01, and 79-2110.01, Reissue
2 Revised Statutes of Nebraska, and sections 79-245, 79-529, 79-1041,
3 79-1065.02, 79-1073, 79-10,126.01, and 79-10,145, Revised Statutes
4 Cumulative Supplement, 2018.

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

1 Section 1. Sections 1 to 12 of this act shall be known and may be
2 cited as the Nebraska Education Formula.

3 Sec. 2. It is the intent, purpose, and goal of the Legislature to
4 create a system of financing the public school system that will:

5 (1) Provide state support for forty-eight percent of aggregate
6 general fund operating expenditures of districts;

7 (2) Reduce reliance on property taxes for the support of schools;

8 (3) Assure greater equity of educational opportunities for students
9 and property tax rates for the support of schools; and

10 (4) Ensure compliance with requirements for school district
11 accreditation.

12 Sec. 3. For purposes of the Nebraska Education Formula, unless the
13 context otherwise requires:

14 (1) Department means the State Department of Education;

15 (2) District means any school district or unified system as defined
16 in section 79-4,108;

17 (3) Ensuing school fiscal year means the school fiscal year
18 following the current school fiscal year;

19 (4) General fund budget of expenditures means the total budget of
20 disbursements and transfers for general fund purposes as certified in the
21 budget statement adopted pursuant to the Nebraska Budget Act; and

22 (5) State aid means the amount of assistance paid to a district
23 pursuant to the Nebraska Education Finance Formula.

24 Sec. 4. (1) For school fiscal year 2020-21 and each school fiscal
25 year thereafter, except as otherwise provided in subsection (2), (3), or
26 (4) of this section or section 5 of this act, each district shall receive
27 state aid based on data from the immediately preceding school fiscal year
28 for such district equal to the sum of:

29 (a) Four thousand seven hundred fifty dollars multiplied by the fall
30 membership for each school within the school district;

31 (b) For any school district that is classified as a sparse school

1 district or a very sparse school district, five hundred dollars
2 multiplied by the fall membership for each school within the school
3 district;

4 (c) One thousand six hundred dollars multiplied by the number of
5 free lunch students for each school within the school district;

6 (d) For any school for which the free lunch students equal at least
7 fifty percent of the fall membership, an additional eight hundred dollars
8 multiplied by the fall membership for such school; and

9 (e) One thousand six hundred dollars multiplied by the limited
10 English proficiency students for each school within the school district.

11 (2) For any district for which the state aid received pursuant to
12 the Tax Equity and Educational Opportunities Support Act for school
13 fiscal year 2019-20 exceeds the state aid calculated pursuant to
14 subsection (1) of this section for school fiscal year 2020-21, such
15 school district shall, except as otherwise provided in subsection (4) of
16 this section or section 5 of this act, receive state aid for school
17 fiscal year 2020-21 equal to the sum of:

18 (a) The state aid calculated pursuant to subsection (1) of this
19 section for such school fiscal year; and

20 (b) Two-thirds of the amount by which the state aid received
21 pursuant to the Tax Equity and Educational Opportunities Support Act for
22 school fiscal year 2019-20 exceeds the state aid calculated pursuant to
23 subsection (1) of this section for school fiscal year 2020-21.

24 (3) For any district for which the state aid received pursuant to
25 the Tax Equity and Educational Opportunities Support Act for school
26 fiscal year 2019-20 exceeds the state aid calculated pursuant to
27 subsection (1) of this section for school fiscal year 2021-22, such
28 school district shall, except as otherwise provided in subsection (4) of
29 this section or section 5 of this act, receive state aid for school
30 fiscal year 2021-22 equal to the sum of:

31 (a) The state aid calculated pursuant to subsection (1) of this

1 section for such school fiscal year; and

2 (b) One-third of the amount by which the state aid received pursuant
3 to the Tax Equity and Educational Opportunities Support Act for school
4 fiscal year exceeds the state aid calculated pursuant to subsection (1)
5 of this section for school fiscal year 2020-21.

6 (4) If a superintendent of a school district fails to file the fall
7 school district membership report on or before the date required by
8 subdivision (4)(d) of section 79-528, such school district shall not
9 receive state aid pursuant to the Nebraska Education Formula for the
10 ensuing school fiscal year.

11 Sec. 5. To receive state aid pursuant to the Nebraska Education
12 Formula, a district shall limit class sizes to no more than:

13 (1) Twenty students in each classroom for students in early
14 childhood education programs, kindergarten, and grades one through three
15 with a paraeducator assisting in the classroom during the full school day
16 for any classroom with sixteen to twenty students;

17 (2) Twenty-two students in each classroom for students in grades
18 four through eight with a paraeducator assisting in the classroom during
19 the full school day for any classroom with eighteen to twenty-two
20 students; and

21 (3) Twenty-five students in each classroom for students in grades
22 nine through twelve with a paraeducator assisting in the classroom during
23 the full school day for any classroom with twenty to twenty-five
24 students.

25 Sec. 6. (1) On or before March 1, 2020, and on or before March 1 of
26 each year thereafter, the department shall determine the amounts to be
27 distributed to each district for the ensuing school fiscal year pursuant
28 to the Nebraska Education Formula and shall certify the amounts to the
29 Director of Administrative Services, the Auditor of Public Accounts, and
30 each district.

31 (2) On or before March 1, 2020, and on or before March 1 of each

1 year thereafter, the department shall report the necessary funding level
2 for the ensuing school fiscal year to the Governor, the Appropriations
3 Committee of the Legislature, and the Education Committee of the
4 Legislature. The report submitted to the committees of the Legislature
5 shall be submitted electronically. Certified state aid amounts, including
6 adjustments pursuant to section 79-1065.02, shall be shown as budgeted
7 non-property-tax receipts and deducted prior to calculating the property
8 tax request in the district's general fund budget statement as provided
9 to the Auditor of Public Accounts pursuant to section 10 of this act.

10 (3) Except as otherwise provided in this subsection, the amounts
11 certified pursuant to subsection (1) of this section shall be distributed
12 in ten as nearly as possible equal payments on the last business day of
13 each month beginning in September of each ensuing school fiscal year and
14 ending in June of the following year, except that when a school district
15 is to receive a monthly payment of less than one thousand dollars, such
16 payment shall be one lump-sum payment on the last business day of
17 December during the ensuing school fiscal year.

18 Sec. 7. On or before March 1, 2020, and on or before March 1 of each
19 year thereafter, the department shall determine and certify to each
20 school district budget authority for the general fund budget of
21 expenditures for the ensuing school fiscal year, which shall equal the
22 general fund budget of expenditures for the immediately preceding school
23 fiscal year grown by the base limitation pursuant to section 77-3446. The
24 special education budget of expenditures shall not be subject to the
25 limitations pursuant to this section and shall be excluded from the
26 school district budget authority and general fund budget of expenditures
27 for purposes of this section.

28 Sec. 8. No district shall adopt a budget, which includes total
29 requirements of depreciation funds, necessary employee benefit fund cash
30 reserves, and necessary general fund cash reserves, exceeding the
31 applicable allowable reserve percentages of total general fund budget of

1 expenditures as specified in the schedule set forth in this section.

2	<u>Average daily</u>	<u>Allowable</u>
3	<u>membership of</u>	<u>reserve</u>
4	<u>district</u>	<u>percentage</u>
5	<u>0 - 471</u>	<u>45</u>
6	<u>471.01 - 3,044</u>	<u>35</u>
7	<u>3,044.01 - 10,000</u>	<u>25</u>
8	<u>10,000.01 and over</u>	<u>20</u>

9 On or before March 1, 2020, and on or before March 1 each year
10 thereafter, the department shall determine and certify each district's
11 applicable allowable reserve percentage for the ensuing school fiscal
12 year.

13 Each district with combined necessary general fund cash reserves,
14 total requirements of depreciation funds, and necessary employee benefit
15 fund cash reserves less than the applicable allowable reserve percentage
16 specified in this section may, notwithstanding the district's applicable
17 allowable growth rate, increase its necessary general fund cash reserves
18 such that the total necessary general fund cash reserves, total
19 requirements of depreciation funds, and necessary employee benefit fund
20 cash reserves do not exceed such applicable allowable reserve percentage.

21 Sec. 9. A district may exceed the budget authority for the general
22 fund budget of expenditures prescribed pursuant to the Nebraska Education
23 Formula by an amount approved by a two-thirds majority of legal voters
24 voting on the issue at a primary, general, or special election called for
25 such purpose upon the recommendation of the board or upon the receipt by
26 the county clerk or election commissioner of a petition requesting an
27 election, signed by at least five percent of the legal voters of the
28 district. The recommendation of the board or the petition of the legal
29 voters shall include the amount by which the board would increase its
30 general fund budget of expenditures for the ensuing school year over and
31 above the budget authority for the general fund budget of expenditures

1 prescribed in section 7 of this act. The county clerk or election
2 commissioner shall place the question on the primary or general election
3 ballot or call for a special election on the issue after the receipt of
4 such board recommendation or legal voter petition. The election shall be
5 held pursuant to the Election Act or section 77-3444, and all costs for a
6 special election shall be paid by the district. A vote to exceed the
7 budget authority for the general fund budget of expenditures may be
8 approved on the same question as a vote to exceed the levy limits
9 provided in section 77-3444.

10 Sec. 10. (1) The department may require each district to submit to
11 the department a duplicate copy of such portions of the district's budget
12 statement as the Commissioner of Education directs. The department may
13 verify any data used to meet the requirements of the Nebraska Education
14 Formula. The Auditor of Public Accounts shall review each district's
15 budget statement for statutory compliance, make necessary changes in the
16 budget documents for districts to effectuate the budget limitations
17 imposed pursuant to the Nebraska Education Formula, and notify the
18 Commissioner of Education of any district failing to submit to the
19 auditor the budget documents required pursuant to this subsection by the
20 date established in subsection (1) of section 13-508 or failing to make
21 any corrections of errors in the documents pursuant to section 13-504 or
22 13-511.

23 (2) If a school district fails to submit to the department or the
24 auditor the budget documents required pursuant to subsection (1) of this
25 section by the date established in subsection (1) of section 13-508 or
26 fails to make any corrections of errors in the documents pursuant to
27 section 13-504 or 13-511, the commissioner, upon notification from the
28 auditor or upon his or her own knowledge that the required budget
29 documents and any required corrections of errors from any school district
30 have not been properly filed in accordance with the Nebraska Budget Act
31 and after notice to the district and an opportunity to be heard, shall

1 direct that any state aid granted pursuant to the Nebraska Education
2 Formula be withheld until such time as the required budget documents or
3 corrections of errors are received by the auditor and the department. In
4 addition, the commissioner shall direct the county treasurer to withhold
5 all school money belonging to the school district until such time as the
6 commissioner notifies the county treasurer of receipt of the required
7 budget documents or corrections of errors. If the school district does
8 not comply with this section prior to the end of the state's biennium
9 following the biennium which included the fiscal year for which state aid
10 was calculated, the state aid funds shall revert to the General Fund. The
11 amount of any reverted funds shall be included in data reported by the
12 department pursuant to subsection (2) of section 6 of this act. The board
13 of any district failing to submit to the department or the auditor the
14 budget documents required pursuant to this section by the date
15 established in subsection (1) of section 13-508 or failing to make any
16 corrections of errors in the documents pursuant to section 13-504 or
17 13-511 shall be liable to the school district for all school money which
18 such district may lose by such failing.

19 Sec. 11. The department, with assistance from the Property Tax
20 Administrator, the Legislative Fiscal Analyst, and the budget division of
21 the Department of Administrative Services, shall annually, on or before
22 November 15, 2019, and on or before November 15 of each year thereafter,
23 provide an estimate of the necessary funding level for the next school
24 fiscal year under the Nebraska Education Formula to the Governor, the
25 Appropriations Committee of the Legislature, and the Education Committee
26 of the Legislature.

27 Sec. 12. The Appropriations Committee of the Legislature shall
28 annually include the amount necessary to fund the state aid that will be
29 certified to school districts on or before March 1, 2020, and on or
30 before March 1 of each year thereafter for each ensuing school fiscal
31 year in its recommendations to the Legislature to carry out the

1 requirements of the Nebraska Education Formula.

2 Sec. 13. Section 9-812, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 9-812 (1) All money received from the operation of lottery games
5 conducted pursuant to the State Lottery Act in Nebraska shall be credited
6 to the State Lottery Operation Trust Fund, which fund is hereby created.
7 All payments of the costs of establishing and maintaining the lottery
8 games shall be made from the State Lottery Operation Cash Fund. In
9 accordance with legislative appropriations, money for payments for
10 expenses of the division shall be transferred from the State Lottery
11 Operation Trust Fund to the State Lottery Operation Cash Fund, which fund
12 is hereby created. All money necessary for the payment of lottery prizes
13 shall be transferred from the State Lottery Operation Trust Fund to the
14 State Lottery Prize Trust Fund, which fund is hereby created. The amount
15 used for the payment of lottery prizes shall not be less than forty
16 percent of the dollar amount of the lottery tickets which have been sold.

17 (2) A portion of the dollar amount of the lottery tickets which have
18 been sold on an annualized basis shall be transferred from the State
19 Lottery Operation Trust Fund to the Education Innovation Fund, the
20 Nebraska Opportunity Grant Fund, the Nebraska Education Improvement Fund,
21 the Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and
22 the Compulsive Gamblers Assistance Fund as provided in subsection (3) of
23 this section. The dollar amount transferred pursuant to this subsection
24 shall equal the greater of (a) the dollar amount transferred to the funds
25 in fiscal year 2002-03 or (b) any amount which constitutes at least
26 twenty-two percent and no more than twenty-five percent of the dollar
27 amount of the lottery tickets which have been sold on an annualized
28 basis. To the extent that funds are available, the Tax Commissioner and
29 director may authorize a transfer exceeding twenty-five percent of the
30 dollar amount of the lottery tickets sold on an annualized basis.

31 (3) Of the money available to be transferred to the Education

1 Innovation Fund, the Nebraska Opportunity Grant Fund, the Nebraska
2 Education Improvement Fund, the Nebraska Environmental Trust Fund, the
3 Nebraska State Fair Board, and the Compulsive Gamblers Assistance Fund:

4 (a) The first five hundred thousand dollars shall be transferred to
5 the Compulsive Gamblers Assistance Fund to be used as provided in section
6 9-1006;

7 (b) Beginning July 1, 2016, forty-four and one-half percent of the
8 money remaining after the payment of prizes and operating expenses and
9 the initial transfer to the Compulsive Gamblers Assistance Fund shall be
10 transferred to the Nebraska Education Improvement Fund;

11 (c) Forty-four and one-half percent of the money remaining after the
12 payment of prizes and operating expenses and the initial transfer to the
13 Compulsive Gamblers Assistance Fund shall be transferred to the Nebraska
14 Environmental Trust Fund to be used as provided in the Nebraska
15 Environmental Trust Act;

16 (d) Ten percent of the money remaining after the payment of prizes
17 and operating expenses and the initial transfer to the Compulsive
18 Gamblers Assistance Fund shall be transferred to the Nebraska State Fair
19 Board if the most populous city within the county in which the fair is
20 located provides matching funds equivalent to ten percent of the funds
21 available for transfer. Such matching funds may be obtained from the city
22 and any other private or public entity, except that no portion of such
23 matching funds shall be provided by the state. If the Nebraska State Fair
24 ceases operations, ten percent of the money remaining after the payment
25 of prizes and operating expenses and the initial transfer to the
26 Compulsive Gamblers Assistance Fund shall be transferred to the General
27 Fund; and

28 (e) One percent of the money remaining after the payment of prizes
29 and operating expenses and the initial transfer to the Compulsive
30 Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers
31 Assistance Fund to be used as provided in section 9-1006.

1 (4) The Nebraska Education Improvement Fund is created. The fund
2 shall consist of money transferred pursuant to subsection (3) of this
3 section, money transferred pursuant to section 85-1920, and any other
4 funds appropriated by the Legislature. The fund shall be allocated, after
5 actual and necessary administrative expenses, as provided in this section
6 for fiscal years 2016-17 through 2020-21. A portion of each allocation
7 may be retained by the agency to which the allocation is made or the
8 agency administering the fund to which the allocation is made for actual
9 and necessary expenses incurred by such agency for administration,
10 evaluation, and technical assistance related to the purposes of the
11 allocation, except that no amount of the allocation to the Nebraska
12 Opportunity Grant Fund may be used for such purposes. On or before
13 December 31, 2019, the Education Committee of the Legislature shall
14 electronically submit recommendations to the Clerk of the Legislature
15 regarding how the fund should be allocated to best advance the
16 educational priorities of the state for the five-year period beginning
17 with fiscal year 2021-22. For fiscal year 2016-17, an amount equal to ten
18 percent of the revenue allocated to the Education Innovation Fund and to
19 the Nebraska Opportunity Grant Fund for fiscal year 2015-16 shall be
20 retained in the Nebraska Education Improvement Fund. For fiscal years
21 2017-18 through 2020-21, an amount equal to ten percent of the revenue
22 received by the Nebraska Education Improvement Fund in the prior fiscal
23 year shall be retained in the fund. For fiscal years 2016-17 through
24 2020-21, the remainder of the fund, ~~after payment of any learning~~
25 ~~community transition aid pursuant to section 79-10,145,~~ shall be
26 allocated as follows:

27 (a) One percent of the allocated funds to the Expanded Learning
28 Opportunity Grant Fund to carry out the Expanded Learning Opportunity
29 Grant Program Act;

30 (b) Seventeen percent of the allocated funds to the Department of
31 Education Innovative Grant Fund to be used (i) for competitive innovation

1 grants pursuant to section 79-1054 and (ii) to carry out the purposes of
2 section 79-759;

3 (c) Nine percent of the allocated funds to the Community College Gap
4 Assistance Program Fund to carry out the community college gap assistance
5 program;

6 (d) Eight percent of the allocated funds to the Excellence in
7 Teaching Cash Fund to carry out the Excellence in Teaching Act;

8 (e) Sixty-two percent of the allocated funds to the Nebraska
9 Opportunity Grant Fund to carry out the Nebraska Opportunity Grant Act in
10 conjunction with appropriations from the General Fund; and

11 (f) Three percent of the allocated funds to fund distance education
12 incentives pursuant to section 79-1337.

13 (5) Any money in the State Lottery Operation Trust Fund, the State
14 Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, the
15 Nebraska Education Improvement Fund, or the Education Innovation Fund
16 available for investment shall be invested by the state investment
17 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
18 State Funds Investment Act.

19 (6) Unclaimed prize money on a winning lottery ticket shall be
20 retained for a period of time prescribed by rules and regulations. If no
21 claim is made within such period, the prize money shall be used at the
22 discretion of the Tax Commissioner for any of the purposes prescribed in
23 this section.

24 Sec. 14. Section 13-508, Revised Statutes Cumulative Supplement,
25 2018, is amended to read:

26 13-508 (1) After publication and hearing thereon and within the time
27 prescribed by law, each governing body shall file with and certify to the
28 levying board or boards on or before September 20 of each year or
29 September 20 of the final year of a biennial period and file with the
30 auditor a copy of the adopted budget statement which complies with
31 sections 13-518 to 13-522 ~~or 79-1023 to 79-1030~~, together with the amount

1 of the tax required to fund the adopted budget, setting out separately
2 (a) the amount to be levied for the payment of principal or interest on
3 bonds issued by the governing body and (b) the amount to be levied for
4 all other purposes. Proof of publication shall be attached to the
5 statements. ~~For fiscal years prior to fiscal year 2017-18, learning~~
6 ~~communities shall also file a copy of such adopted budget statement with~~
7 ~~member school districts on or before September 1 of each year.~~ If the
8 prime rate published by the Federal Reserve Board is ten percent or more
9 at the time of the filing and certification required under this
10 subsection, the governing body, in certifying the amount required, may
11 make allowance for delinquent taxes not exceeding five percent of the
12 amount required plus the actual percentage of delinquent taxes for the
13 preceding tax year or biennial period and for the amount of estimated tax
14 loss from any pending or anticipated litigation which involves taxation
15 and in which tax collections have been or can be withheld or escrowed by
16 court order. For purposes of this section, anticipated litigation shall
17 be limited to the anticipation of an action being filed by a taxpayer who
18 or which filed a similar action for the preceding year or biennial period
19 which is still pending. Except for such allowances, a governing body
20 shall not certify an amount of tax more than one percent greater or
21 lesser than the amount determined under section 13-505.

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

27 Sec. 15. Section 43-2515, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 43-2515 ~~For years 1993 through 2015, on or before October 1, the~~
30 ~~Department of Health and Human Services and the State Department of~~
31 ~~Education shall jointly certify to the budget administrator of the budget~~

1 ~~division of the Department of Administrative Services the amount of~~
2 ~~federal medicaid funds paid to school districts pursuant to the Early~~
3 ~~Intervention Act for special education services for children five years~~
4 ~~of age and older for the immediately preceding fiscal year. The General~~
5 ~~Fund appropriation to the State Department of Education for state special~~
6 ~~education aid for the then-current fiscal year shall be decreased by an~~
7 ~~amount equal to the amount that would have been reimbursed with state~~
8 ~~general funds to the school districts through the special education~~
9 ~~reimbursement process for special education services for children five~~
10 ~~years of age and older that was paid to school districts or approved~~
11 ~~cooperatives with federal medicaid funds.~~

12 ~~For fiscal years through fiscal year 2015-16, it is the intent of~~
13 ~~the Legislature that an amount equal to the amount that would have been~~
14 ~~reimbursed with state general funds to the school districts, certified to~~
15 ~~the budget administrator, be appropriated from the General Fund to aid in~~
16 ~~carrying out the provisions of the Early Intervention Act and other~~
17 ~~related early intervention services.~~

18 ~~On For 2015 and each year thereafter, on or before December 1 of~~
19 ~~each year, the Department of Health and Human Services and the State~~
20 ~~Department of Education shall jointly certify to the budget administrator~~
21 ~~of the budget division of the Department of Administrative Services the~~
22 ~~aggregate amounts paid during the preceding school fiscal year to all~~
23 ~~school districts under the federal Medicare Catastrophic Coverage Act of~~
24 ~~1988, as such act existed on January 1, 2019, as authorized pursuant to~~
25 ~~sections 43-2510 and 43-2511 for services to school-age children,~~
26 ~~excluding amounts designated as reimbursement for costs associated with~~
27 ~~the implementation and administration of the billing system pursuant to~~
28 ~~section 43-2511 amount to be included in the local system formula~~
29 ~~resources pursuant to subdivision (15) of section 79-1018.01 for all~~
30 ~~local systems for aid to be calculated pursuant to the Tax Equity and~~
31 ~~Educational Opportunities Support Act for the next school fiscal year.~~

1 ~~It For fiscal year 2016-17 and each fiscal year thereafter,~~ it is
2 the intent of the Legislature that, in addition to other state and
3 federal funds used to carry out the Early Intervention Act, funds equal
4 to the lesser of the amount certified to the budget administrator or the
5 amount appropriated or transferred for such purposes pursuant to this
6 section for the immediately preceding fiscal year increased by five
7 percent be appropriated from the General Fund to aid in carrying out the
8 provisions of the Early Intervention Act and other related early
9 intervention services.

10 Sec. 16. Section 48-818.01, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 48-818.01 (1) The Legislature finds that it is in the public's
13 interest that collective bargaining involving school districts,
14 educational service units, and community colleges and their certificated
15 and instructional employees commence and conclude in a timely fashion
16 consistent with school district budgeting and financing requirements. To
17 that end, the timelines in this section shall apply when the public
18 employer is a school district, educational service unit, or community
19 college.

20 (2) On or before September 1 of the year preceding the contract year
21 in question, the certificated and instructional employees' collective-
22 bargaining agent shall request recognition as bargaining agent. The
23 governing board shall respond to such request not later than the
24 following October 1. A request for recognition need not be filed if the
25 certificated and instructional employees' bargaining agent has been
26 certified by the commission as the exclusive collective-bargaining agent.
27 On or before November 1 of the year preceding the contract year in
28 question, negotiations shall begin. There shall be no fewer than four
29 negotiations meetings between the certificated and instructional
30 employees' collective-bargaining agent and the governing board's
31 bargaining agent. Either party may seek a bargaining order pursuant to

1 subsection (1) of section 48-816 at any stage in the negotiations. If an
2 agreement is not reached on or before the following February 8, the
3 parties shall submit to mandatory mediation or factfinding as ordered by
4 the commission pursuant to sections 48-811 and 48-816 unless the parties
5 mutually agree in writing to forgo mandatory mediation or factfinding.

6 (3)(a) The mediator or factfinder as ordered by the commission under
7 subsection (2) of this section shall be a resolution officer. The
8 commission shall provide the parties with the names of five individuals
9 qualified to serve as the resolution officer. If the parties cannot agree
10 on an individual, each party shall alternately strike names. The
11 remaining individual shall serve as the resolution officer.

12 (b) The resolution officer may:

13 (i) Determine whether the issues are ready for adjudication;

14 (ii) Identify for resolution terms and conditions of employment that
15 are in dispute and which were negotiated in good faith but upon which no
16 agreement was reached;

17 (iii) Accept stipulations;

18 (iv) Schedule hearings;

19 (v) Prescribe rules of conduct for conferences;

20 (vi) Order additional mediation if necessary;

21 (vii) Take any other action which may aid in resolution of the
22 industrial dispute; and

23 (viii) Consult with a party ex parte only with the concurrence of
24 all parties.

25 (c) The resolution officer shall choose the most reasonable final
26 offer on each issue in dispute. In making such choice, he or she shall
27 consider factors relevant to collective bargaining between public
28 employers and public employees, including comparable rates of pay and
29 conditions of employment as described in subsection (1) of section
30 48-818. The resolution officer shall not apply strict rules of evidence.
31 Persons who are not attorneys may present cases to the resolution

1 officer.

2 (d) If either party to a resolution officer proceeding is
3 dissatisfied with the resolution officer's decision, such party shall
4 have the right to file an action with the commission seeking a
5 determination of terms and conditions of employment pursuant to
6 subsection (1) of section 48-818. Such action shall not constitute an
7 appeal of the resolution officer's decision, but rather shall be heard by
8 the commission as an action brought pursuant to subsection (1) of section
9 48-818. The commission shall resolve, pursuant to the mandates of such
10 section, all of the issues identified by either party and which were
11 recognized by the resolution officer as an industrial dispute. If parties
12 have not filed with the commission pursuant to subsection (6) of this
13 section, the decision of the resolution officer shall be deemed final and
14 binding.

15 (4) For purposes of this section, issue means broad subjects of
16 negotiation which are presented to the resolution officer pursuant to
17 this section. All aspects of wages are a single issue, all aspects of
18 insurance are a single issue, and all other subjects of negotiations
19 classified in broad categories are single issues.

20 (5) ~~On or before March 25 of the year preceding the contract year in~~
21 ~~question or within twenty-five days after the certification of the~~
22 ~~amounts to be distributed to each local system and each school district~~
23 ~~pursuant to the Tax Equity and Educational Opportunities Support Act as~~
24 ~~provided in section 79-1022 for the contract year in question, whichever~~
25 ~~occurs last in time,~~ negotiations, mediation, and factfinding shall end.

26 (6) If an agreement for the contract year in question has not been
27 achieved on or before the date for negotiation, mediation, or factfinding
28 to end in subsection (5) of this section, either party may, within
29 fourteen days after such date, file a petition with the commission
30 pursuant to section 48-811 and subsection (1) of section 48-818 to
31 resolve the industrial dispute for the contract year in question. The

1 commission shall render a decision on such industrial dispute on or
2 before September 15 of the contract year in question.

3 (7) Any existing collective-bargaining agreement will continue in
4 full force and effect until superseded by further agreement of the
5 parties or by an order of the commission. The parties may continue to
6 negotiate unresolved issues by mutual agreement while the matter is
7 pending with the commission.

8 (8) All collective-bargaining agreements shall be written and
9 executed by representatives of the governing board and representatives of
10 the certificated and instructional employees' bargaining unit. The
11 agreement shall contain at a minimum the following:

12 (a) A salary schedule or objective method of determining salaries;

13 (b) A description of benefits being provided or agreed upon
14 including a specific level of coverage provided in any group insurance
15 plan, a dollar amount, or percentage of premiums to be paid, and by whom;
16 and

17 (c) A provision that the existing agreement will continue until
18 replaced by a successor agreement or as amended by a final order of the
19 commission.

20 Sec. 17. Section 70-651.04, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 70-651.04 All payments which are based on retail revenue from each
23 incorporated city or village shall be divided and distributed by the
24 county treasurer to that city or village, to the school districts located
25 in that city or village, ~~to any learning community located in that city~~
26 ~~or village for payments distributed prior to September 1, 2017,~~ and to
27 the county in which may be located any such incorporated city or village
28 in the proportion that their respective property tax levies in the
29 preceding year bore to the total of such levies, ~~except that the only~~
30 ~~learning community levies to be included are the common levies for which~~
31 ~~the proceeds are distributed to member school districts pursuant to~~

1 ~~section 79-1073.~~

2 Sec. 18. Section 77-913, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 77-913 The Insurance Tax Fund is created. The State Treasurer shall
5 receive the funds paid pursuant to Chapter 77, article 9, and except as
6 provided in sections 77-912 and 77-918 shall keep all money received in
7 the Insurance Tax Fund. Any money in the fund available for investment
8 shall be invested by the state investment officer pursuant to the
9 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
10 Act.

11 Prior to June 1 of each year, the State Treasurer shall disburse or
12 allocate all of the funds in the Insurance Tax Fund on May 1 of each year
13 as follows:

14 (1) Ten percent of the total shall be allocated to the counties
15 proportionately in the proportion that the population of each county
16 bears to the entire state, as shown by the last federal decennial census;

17 (2) Thirty percent of the total shall be allocated to the Municipal
18 Equalization Fund;~~and~~

19 (3) For distributions prior to January 1, 2020, sixty ~~Sixty~~ percent
20 of the total shall be allocated to the State Department of Education for
21 distribution to school districts as equalization aid pursuant to the Tax
22 Equity and Educational Opportunities Support Act as follows: The
23 Commissioner of Education shall (a) include the amount certified by the
24 State Treasurer pursuant to this section with the amount appropriated to
25 the Tax Equity and Educational Opportunities Fund for distribution in the
26 ensuing school fiscal year, (b) include such amounts in the state aid
27 certified to each school district pursuant to section 79-1022, and (c)
28 distribute such funds as equalization aid under the provisions of the act
29 during the ensuing fiscal year; and -

30 (4) For distributions on or after January 1, 2020, sixty percent of
31 the total shall be allocated to the State Department of Education for

1 distribution to school districts pursuant to the Nebraska Education
2 Formula.

3 Sec. 19. Section 77-1736.06, Reissue Revised Statutes of Nebraska,
4 is amended to read:

5 77-1736.06 The following procedure shall apply when making a
6 property tax refund:

7 (1) Within thirty days of the entry of a final nonappealable order,
8 an unprotested determination of a county assessor, an unappealed decision
9 of a county board of equalization, or other final action requiring a
10 refund of real or personal property taxes paid or, for property valued by
11 the state, within thirty days of a recertification of value by the
12 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
13 county assessor shall determine the amount of refund due the person
14 entitled to the refund, certify that amount to the county treasurer, and
15 send a copy of such certification to the person entitled to the refund.
16 Within thirty days from the date the county assessor certifies the amount
17 of the refund, the county treasurer shall notify each political
18 subdivision, including ~~any school district receiving a distribution~~
19 ~~pursuant to section 79-1073~~ and any land bank receiving real property
20 taxes pursuant to subdivision (3)(a) of section 19-5211, of its
21 respective share of the refund, except that for any political subdivision
22 whose share of the refund is two hundred dollars or less, the county
23 board may waive this notice requirement. Notification shall be by first-
24 class mail, postage prepaid, to the last-known address of record of the
25 political subdivision. The county treasurer shall pay the refund from
26 funds in his or her possession belonging to any political subdivision,
27 including ~~any school district receiving a distribution pursuant to~~
28 ~~section 79-1073~~ and any land bank receiving real property taxes pursuant
29 to subdivision (3)(a) of section 19-5211, which received any part of the
30 tax or penalty being refunded. If sufficient funds are not available or
31 the political subdivision, within thirty days of the mailing of the

1 notice by the county treasurer if applicable, certifies to the county
2 treasurer that a hardship would result and create a serious interference
3 with its governmental functions if the refund of the tax or penalty is
4 paid, the county treasurer shall register the refund or portion thereof
5 which remains unpaid as a claim against such political subdivision and
6 shall issue the person entitled to the refund a receipt for the
7 registration of the claim. The certification by a political subdivision
8 declaring a hardship shall be binding upon the county treasurer;

9 (2) The refund of a tax or penalty or the receipt for the
10 registration of a claim made or issued pursuant to this section shall be
11 satisfied in full as soon as practicable and in no event later than five
12 years from the date the final order or other action approving a refund is
13 entered. The governing body of the political subdivision shall make
14 provisions in its budget for the amount of any refund or claim to be
15 satisfied pursuant to this section. If a receipt for the registration of
16 a claim is given:

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

22 (b) To the extent the amount of such receipt exceeds the amount of
23 such tax liability, the unsatisfied balance of the receipt shall be paid
24 and satisfied within the five-year period prescribed in this subdivision
25 from a combination of a credit against taxes anticipated to be due to the
26 political subdivision during such period and cash payment from any funds
27 expected to accrue to the political subdivision pursuant to a written
28 plan to be filed by the political subdivision with the county treasurer
29 no later than thirty days after the claim against the political
30 subdivision is first reduced by operation of a credit against taxes due
31 to such political subdivision.

1 If a political subdivision fails to fully satisfy the refund or
2 claim prior to the sixth next succeeding levy following the entry of a
3 final nonappealable order or other action approving a refund, interest
4 shall accrue on the unpaid balance commencing on the sixth next
5 succeeding levy following such entry or action at the rate set forth in
6 section 45-103;

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

14 (4) When the refund involves property valued by the state, the Tax
15 Commissioner shall be authorized to negotiate a settlement of the amount
16 of the refund or claim due pursuant to this section on behalf of the
17 political subdivision from which such refund or claim is due. Any
18 political subdivision which does not agree with the settlement terms as
19 negotiated may reject such terms, and the refund or claim due from the
20 political subdivision then shall be satisfied as set forth in this
21 section as if no such negotiation had occurred;

22 (5) In the event that the Legislature appropriates state funds to be
23 disbursed for the purposes of satisfying all or any portion of any refund
24 or claim, the Tax Commissioner shall order the county treasurer to
25 disburse such refund amounts directly to the persons entitled to the
26 refund in partial or total satisfaction of such persons' claims. The
27 county treasurer shall disburse such amounts within forty-five days after
28 receipt thereof; and

29 (6) If all or any portion of the refund is reduced by way of
30 settlement or forgiveness by the person entitled to the refund, the
31 proportionate amount of the refund that was paid by an appropriation of

1 state funds shall be reimbursed by the county treasurer to the State
2 Treasurer within forty-five days after receipt of the settlement
3 agreement or receipt of the forgiven refund. The amount so reimbursed
4 shall be credited to the General Fund.

5 Sec. 20. Section 77-3442, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 77-3442 (1) Property tax levies for the support of local governments
8 for fiscal years beginning on or after July 1, 1998, shall be limited to
9 the amounts set forth in this section except as provided in section
10 77-3444.

11 (2)(a) For school fiscal years prior to school fiscal year 2020-21,
12 except ~~Except~~ as provided in subdivision ~~subdivisions~~ ~~(2)(b)~~ and (2)(e)
13 of this section, school districts and multiple-district school systems
14 may levy a maximum levy of one dollar and five cents per one hundred
15 dollars of taxable valuation of property subject to the levy.

16 (b) For school fiscal year 2020-21, except as provided in
17 subdivision (2)(e) of this section, for school districts and multiple-
18 district school systems may levy the maximum levy calculated by
19 subtracting the levy that would be required to for a tax asking equal to
20 eighty-five percent of the state aid calculated pursuant to the Nebraska
21 Education Formula for the 2020-21 school fiscal year from a levy of one
22 dollar per hundred dollars of taxable valuation of property subject to
23 the levy.

24 (c) For school fiscal year 2021-22 and each school fiscal year
25 thereafter, except as provided in subdivision (2)(e) of this section,
26 school districts and multiple-district school systems may levy a maximum
27 levy equal to the maximum levy calculated for school fiscal year 2020-21.

28 ~~(b) For each fiscal year prior to fiscal year 2017-18, learning~~
29 ~~communities may levy a maximum levy for the general fund budgets of~~
30 ~~member school districts of ninety-five cents per one hundred dollars of~~
31 ~~taxable valuation of property subject to the levy. The proceeds from the~~

1 ~~levy pursuant to this subdivision shall be distributed pursuant to~~
2 ~~section 79-1073.~~

3 ~~(c) Except as provided in subdivision (2)(e) of this section, for~~
4 ~~each fiscal year prior to fiscal year 2017-18, school districts that are~~
5 ~~members of learning communities may levy for purposes of such districts'~~
6 ~~general fund budget and special building funds a maximum combined levy of~~
7 ~~the difference of one dollar and five cents on each one hundred dollars~~
8 ~~of taxable property subject to the levy minus the learning community levy~~
9 ~~pursuant to subdivision (2)(b) of this section for such learning~~
10 ~~community.~~

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

1 employees in exchange for a voluntary termination of employment occurring
2 between September 1, 2018, and August 31, 2019, as a result of a
3 collective-bargaining agreement in force and effect on September 1, 2017,
4 that are not otherwise included in an exclusion pursuant to subdivision
5 (2)(d) of this section, (v) amounts levied by a school district otherwise
6 at the maximum levy pursuant to ~~subdivisions~~ ~~subdivision~~ (2)(a) through
7 (2)(c) of this section to pay for twenty-five percent of the current and
8 future sums agreed to be paid to certificated employees in exchange for a
9 voluntary termination of employment occurring between September 1, 2019,
10 and August 31, 2020, as a result of a collective-bargaining agreement in
11 force and effect on September 1, 2017, that are not otherwise included in
12 an exclusion pursuant to subdivision (2)(d) of this section, (vi) amounts
13 levied in compliance with sections 79-10,110 and 79-10,110.02, and (vii)
14 amounts levied to pay for special building funds and sinking funds
15 established for projects commenced prior to April 1, 1996, for
16 construction, expansion, or alteration of school district buildings. For
17 purposes of this subsection, commenced means any action taken by the
18 school board on the record which commits the board to expend district
19 funds in planning, constructing, or carrying out the project.

20 (e) Federal aid school districts may exceed the maximum levy
21 prescribed by ~~subdivisions~~ ~~subdivision~~ (2)(a) through ~~or~~ (2)(c) of this
22 section only to the extent necessary to qualify to receive federal aid
23 pursuant to 20 U.S.C. 7701 et seq., as such sections existed on January
24 1, 2019 Title VIII of Public Law 103-382, as such title existed on
25 September 1, 2001. For purposes of this subdivision, federal aid school
26 district means any school district which receives ten percent or more of
27 the revenue for its general fund budget from federal government sources
28 pursuant to 20 U.S.C. 7701 et seq., as such sections existed on January
29 1, 2019 Title VIII of Public Law 103-382, as such title existed on
30 September 1, 2001.

31 (f) For each fiscal year, learning communities may levy a maximum

1 levy of one-half cent on each one hundred dollars of taxable property
2 subject to the levy for elementary learning center facility leases, for
3 remodeling of leased elementary learning center facilities, and for up to
4 fifty percent of the estimated cost for focus school or program capital
5 projects approved by the learning community coordinating council pursuant
6 to section 79-2111.

7 (g) For each fiscal year, learning communities may levy a maximum
8 levy of one and one-half cents on each one hundred dollars of taxable
9 property subject to the levy for early childhood education programs for
10 children in poverty, for elementary learning center employees, for
11 contracts with other entities or individuals who are not employees of the
12 learning community for elementary learning center programs and services,
13 and for pilot projects, except that no more than ten percent of such levy
14 may be used for elementary learning center employees.

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

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

26 (b) Natural resources districts shall also have the power and
27 authority to levy a tax equal to the dollar amount by which their
28 restricted funds budgeted to administer and implement ground water
29 management activities and integrated management activities under the
30 Nebraska Ground Water Management and Protection Act exceed their
31 restricted funds budgeted to administer and implement ground water

1 management activities and integrated management activities for FY2003-04,
2 not to exceed one cent on each one hundred dollars of taxable valuation
3 annually on all of the taxable property within the district.

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

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

22 (6)(a) Incorporated cities and villages which are not within the
23 boundaries of a municipal county may levy a maximum levy of forty-five
24 cents per one hundred dollars of taxable valuation of property subject to
25 the levy plus an additional five cents per one hundred dollars of taxable
26 valuation to provide financing for the municipality's share of revenue
27 required under an agreement or agreements executed pursuant to the
28 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
29 levy shall include amounts levied to pay for sums to support a library
30 pursuant to section 51-201, museum pursuant to section 51-501, visiting
31 community nurse, home health nurse, or home health agency pursuant to

1 section 71-1637, or statue, memorial, or monument pursuant to section
2 80-202.

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

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

20 (8) Counties may levy or authorize a maximum levy of fifty cents per
21 one hundred dollars of taxable valuation of property subject to the levy,
22 except that five cents per one hundred dollars of taxable valuation of
23 property subject to the levy may only be levied to provide financing for
24 the county's share of revenue required under an agreement or agreements
25 executed pursuant to the Interlocal Cooperation Act or the Joint Public
26 Agency Act. The maximum levy shall include amounts levied to pay for sums
27 to support a library pursuant to section 51-201 or museum pursuant to
28 section 51-501. The county may allocate up to fifteen cents of its
29 authority to other political subdivisions subject to allocation of
30 property tax authority under subsection (1) of section 77-3443 and not
31 specifically covered in this section to levy taxes as authorized by law

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

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

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

29 (11) Property tax levies (a) for judgments, except judgments or
30 orders from the Commission of Industrial Relations, obtained against a
31 political subdivision which require or obligate a political subdivision

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

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

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

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

23 (15) For school districts that file a binding resolution on or
24 before May 9, 2008, with the county assessors, county clerks, and county
25 treasurers for all counties in which the school district has territory
26 pursuant to subsection (7) of section 79-458, if the combined levies,
27 except levies for bonded indebtedness approved by the voters of the
28 school district and levies for the refinancing of such bonded
29 indebtedness, are in excess of the greater of (a) one dollar and twenty
30 cents per one hundred dollars of taxable valuation of property subject to
31 the levy or (b) the maximum levy authorized by a vote pursuant to section

1 77-3444, all school district levies, except levies for bonded
2 indebtedness approved by the voters of the school district and levies for
3 the refinancing of such bonded indebtedness, shall be considered
4 unauthorized levies under section 77-1606.

5 Sec. 21. Section 77-3444, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 77-3444 (1) A political subdivision may exceed the limits provided
8 in section 77-3442 or a final levy allocation determination as provided
9 in section 77-3443 by an amount not to exceed a maximum levy approved by
10 a two-thirds majority for school districts and a simple majority for all
11 other political subdivisions of registered voters voting on the issue in
12 a primary, general, or special election at which the issue is placed
13 before the registered voters. A vote to exceed the limits provided in
14 section 77-3442 or a final levy allocation as provided in section 77-3443
15 must be approved prior to October 10 of the fiscal year which is to be
16 the first to exceed the limits or final levy allocation. The governing
17 body of the political subdivision may call for the submission of the
18 issue to the voters (a) by passing a resolution calling for exceeding the
19 limits or final levy allocation by a vote of at least two-thirds of the
20 members of the governing body and delivering a copy of the resolution to
21 the county clerk or election commissioner of every county which contains
22 all or part of the political subdivision or (b) upon receipt of a
23 petition by the county clerk or election commissioner of every county
24 containing all or part of the political subdivision requesting an
25 election signed by at least five percent of the registered voters
26 residing in the political subdivision. The resolution or petition shall
27 include the amount of levy which would be imposed in excess of the limits
28 provided in section 77-3442 or the final levy allocation as provided in
29 section 77-3443 and the duration of the excess levy authority. The excess
30 levy authority shall not have a duration greater than five years. Any
31 resolution or petition calling for a special election shall be filed with

1 the county clerk or election commissioner no later than thirty days prior
2 to the date of the election, and the time of publication and providing a
3 copy of the notice of election required in section 32-802 shall be no
4 later than twenty days prior to the election. The county clerk or
5 election commissioner shall place the issue on the ballot at an election
6 as called for in the resolution or petition which is at least thirty days
7 after receipt of the resolution or petition. The election shall be held
8 pursuant to the Election Act. For petitions filed with the county clerk
9 or election commissioner on or after May 1, 1998, the petition shall be
10 in the form as provided in sections 32-628 to 32-631. Any excess levy
11 authority approved under this section shall terminate pursuant to its
12 terms, on a vote of the governing body of the political subdivision to
13 terminate the authority to levy more than the limits, at the end of the
14 fourth fiscal year following the first year in which the levy exceeded
15 the limit or the final levy allocation, or as provided in subsection (4)
16 of this section, whichever is earliest. A governing body may pass no more
17 than one resolution calling for an election pursuant to this section
18 during any one calendar year. Only one election may be held in any one
19 calendar year pursuant to a petition initiated under this section.

20 (2) The ballot question may include any terms and conditions set
21 forth in the resolution or petition and shall include the following:
22 "Shall (name of political subdivision) be allowed to levy a property tax
23 not to exceed cents per one hundred dollars of taxable
24 valuation in excess of the limits prescribed by law until fiscal
25 year for the purposes of (general operations; building
26 construction, remodeling, or site acquisition; or both general operations
27 and building construction, remodeling, or site acquisition)?" If the a
28 majority required pursuant to subsection (1) of this section of the votes
29 cast upon the ballot question are in favor of such tax, the county board
30 shall authorize a tax in excess of the limits in section 77-3442 or the
31 final levy allocation in section 77-3443 but such tax shall not exceed

1 the amount stated in the ballot question. If the a majority threshold
2 required pursuant to subsection (1) of this section is not reached ~~of~~
3 ~~those voting on the ballot question are opposed to such tax,~~ the
4 governing body of the political subdivision shall not impose such tax.

5 (3) In lieu of the election procedures in subsection (1) of this
6 section, any political subdivision subject to section 77-3443 and
7 villages may approve a levy in excess of the limits in section 77-3442 or
8 the final levy allocation provided in section 77-3443 for a period of one
9 year at a meeting of the residents of the political subdivision or
10 village, called after notice is published in a newspaper of general
11 circulation in the political subdivision or village at least twenty days
12 prior to the meeting. At least ten percent of the registered voters
13 residing in the political subdivision or village shall constitute a
14 quorum for purposes of taking action to exceed the limits or final levy
15 allocation. A record shall be made of the registered voters residing in
16 the political subdivision or village who are present at the meeting. The
17 method of voting at the meeting shall protect the secrecy of the ballot.
18 If a majority of the registered voters present at the meeting vote in
19 favor of exceeding the limits or final levy allocation, a copy of the
20 record of that action shall be forwarded to the county board prior to
21 October 10 and the county board shall authorize a levy as approved by the
22 residents for the year. If a majority of the registered voters present at
23 the meeting vote against exceeding the limits or final allocation, the
24 limit or allocation shall not be exceeded and the political subdivision
25 shall have no power to call for an election under subsection (1) of this
26 section.

27 (4) A political subdivision may rescind or modify a previously
28 approved excess levy authority prior to its expiration by a two-thirds
29 majority for school districts and a simple majority for all other
30 political subdivisions of registered voters voting on the issue in a
31 primary, general, or special election at which the issue is placed before

1 the registered voters. A vote to rescind or modify must be approved prior
2 to October 10 of the fiscal year for which it is to be effective. The
3 governing body of the political subdivision may call for the submission
4 of the issue to the voters (a) by passing a resolution calling for the
5 rescission or modification by a vote of at least two-thirds of the
6 members of the governing body and delivering a copy of the resolution to
7 the county clerk or election commissioner of every county which contains
8 all or part of the political subdivision or (b) upon receipt of a
9 petition by the county clerk or election commissioner of every county
10 containing all or part of the political subdivision requesting an
11 election signed by at least five percent of the registered voters
12 residing in the political subdivision. The resolution or petition shall
13 include the amount and the duration of the previously approved excess
14 levy authority and a statement that either such excess levy authority
15 will be rescinded or such excess levy authority will be modified. If the
16 excess levy authority will be modified, the amount and duration of such
17 modification shall be stated. The modification shall not have a duration
18 greater than five years. The county clerk or election commissioner shall
19 place the issue on the ballot at an election as called for in the
20 resolution or petition which is at least thirty days after receipt of the
21 resolution or petition, and the time of publication and providing a copy
22 of the notice of election required in section 32-802 shall be no later
23 than twenty days prior to the election. The election shall be held
24 pursuant to the Election Act.

25 (5) For purposes of this section, when the political subdivision is
26 a sanitary and improvement district, registered voter means a person
27 qualified to vote as provided in section 31-735. Any election conducted
28 under this section for a sanitary and improvement district shall be
29 conducted and counted as provided in sections 31-735 to 31-735.06.

30 (6) For purposes of this section, when the political subdivision is
31 a school district or a multiple-district school system, registered voter

1 includes persons qualified to vote for the members of the school board of
2 the school district which is voting to exceed the maximum levy limits
3 pursuant to this section.

4 Sec. 22. Section 77-3446, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 77-3446 (1) Base limitation means the budget limitation rate
7 applicable to school districts and the limitation on growth of restricted
8 funds applicable to other political subdivisions prior to any increases
9 in the rate as a result of special actions taken by a supermajority of
10 any governing board or of any exception allowed by law.

11 (2) Except as otherwise provided in this section for school
12 districts, the ~~The~~ base limitation is two and one-half percent until
13 adjusted, except that the base limitation for school districts for school
14 fiscal years 2017-18 and 2018-19 is one and one-half percent. The base
15 limitation may be adjusted annually by the Legislature to reflect changes
16 in the prices of services and products used by school districts and
17 political subdivisions.

18 (3) For school fiscal years 2017-18 and 2018-19, the base limitation
19 for each school district is one and one-half percent. For school fiscal
20 year 2019-20, the base limitation for each school district is two and
21 one-half percent.

22 (4) For school fiscal year 2020-21 and each school fiscal year
23 thereafter, the base limitation for each school district is the inflation
24 rate certified by the Tax Commissioner pursuant to subsection (5) of this
25 section for such school fiscal year.

26 (5) On or before November 1, 2019, and on or before November 1 of
27 each year thereafter, the Tax Commissioner shall certify to the State
28 Department of Education and to the Auditor of Public Accounts the
29 inflation rate for the immediately following school fiscal year, which
30 shall be equal to the percent change from the most recent Consumer Price
31 Index for All Urban Consumers published by the federal Bureau of Labor

1 Statistics as of August 31 of the year immediately preceding the year in
2 which the certification is being made to the most recent Consumer Price
3 Index for All Urban Consumers published by the federal Bureau of Labor
4 Statistics as of August 31 of the year in which the certification is
5 being made.

6 Sec. 23. Section 77-5007, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 77-5007 The commission has the power and duty to hear and determine
9 appeals of:

10 (1) Decisions of any county board of equalization equalizing the
11 value of individual tracts, lots, or parcels of real property so that all
12 real property is assessed uniformly and proportionately;

13 (2) Decisions of any county board of equalization granting or
14 denying tax-exempt status for real or personal property or an exemption
15 from motor vehicle taxes and fees;

16 (3) Decisions of the Tax Commissioner determining the taxable
17 property of a railroad company, car company, public service entity, or
18 air carrier within the state;

19 ~~(4) Decisions of the Tax Commissioner determining adjusted valuation~~
20 ~~pursuant to section 79-1016;~~

21 ~~(4)~~ (5) Decisions of any county board of equalization on the
22 valuation of personal property or any penalties imposed under sections
23 77-1233.04 and 77-1233.06;

24 ~~(5)~~ (6) Decisions of any county board of equalization on claims that
25 a levy is or is not for an unlawful or unnecessary purpose or in excess
26 of the requirements of the county;

27 ~~(6)~~ (7) Decisions of any county board of equalization granting or
28 rejecting an application for a homestead exemption;

29 ~~(7)~~ (8) Decisions of the Department of Motor Vehicles determining
30 the taxable value of motor vehicles pursuant to section 60-3,188;

31 ~~(8)~~ (9) Decisions of the Tax Commissioner made under section

1 77-1330;

2 ~~(9)~~ ~~(10)~~ Any other decision of any county board of equalization;

3 ~~(10)~~ ~~(11)~~ Any other decision of the Tax Commissioner regarding
4 property valuation, exemption, or taxation;

5 ~~(11)~~ ~~(12)~~ Decisions of the Tax Commissioner pursuant to section
6 77-3520;

7 ~~(12)~~ ~~(13)~~ Final decisions of a county board of equalization appealed
8 by the Tax Commissioner or Property Tax Administrator pursuant to section
9 77-701;

10 ~~(13)~~ ~~(14)~~ Determinations of the Rent-Restricted Housing Projects
11 Valuation Committee regarding the capitalization rate to be used to value
12 rent-restricted housing projects pursuant to section 77-1333 or the
13 requirement under such section that an income-approach calculation be
14 used by county assessors to value rent-restricted housing projects;

15 ~~(14)~~ ~~(15)~~ The requirement under section 77-1314 that the income
16 approach, including the use of a discounted cash-flow analysis, be used
17 by county assessors; and

18 ~~(15)~~ ~~(16)~~ Any other decision, determination, action, or order from
19 which an appeal to the commission is authorized.

20 The commission has the power and duty to hear and grant or deny
21 relief on petitions.

22 Sec. 24. Section 79-101, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 79-101 For purposes of Chapter 79, unless the context otherwise
25 requires:

26 ~~(1) School district means the territory under the jurisdiction of a~~
27 ~~single school board authorized by Chapter 79;~~

28 ~~(2) School means a school under the jurisdiction of a school board~~
29 ~~authorized by Chapter 79;~~

30 ~~(3) Legal voter means a registered voter as defined in section~~
31 ~~32-115 who is domiciled in a precinct or ward in which he or she is~~

1 ~~registered to vote and which precinct or ward lies in whole or in part~~
2 ~~within the boundaries of a school district for which the registered voter~~
3 ~~chooses to exercise his or her right to vote at a school district~~
4 ~~election;~~

5 ~~(4) Prekindergarten programs means all early childhood programs~~
6 ~~provided for children who have not reached the age of five by the date~~
7 ~~provided in section 79-214 for kindergarten entrance;~~

8 ~~(5) Elementary grades means grades kindergarten through eight,~~
9 ~~inclusive;~~

10 ~~(6) High school grades means all grades above the eighth grade;~~

11 ~~(7) School year means (a) for elementary grades other than~~
12 ~~kindergarten, the time equivalent to at least one thousand thirty-two~~
13 ~~instructional hours and (b) for high school grades, the time equivalent~~
14 ~~to at least one thousand eighty instructional hours;~~

15 ~~(8) Instructional hour means a period of time, at least sixty~~
16 ~~minutes, which is actually used for the instruction of students;~~

17 ~~(9) Teacher means any certified employee who is regularly employed~~
18 ~~for the instruction of pupils in the public schools;~~

19 ~~(1) (10) Administrator means any certified employee such as~~
20 ~~superintendent, assistant superintendent, principal, assistant principal,~~
21 ~~school nurse, or other supervisory or administrative personnel who do not~~
22 ~~have as a primary duty the instruction of pupils in the public schools;~~

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

28 ~~(3) Certificate, certificated, or certified, when referring to an~~
29 ~~individual holding a certificate to teach, administer, or provide special~~
30 ~~services, also includes an individual who holds a permit issued by the~~
31 ~~Commissioner of Education pursuant to sections 79-806 to 79-815;~~

1 (4) Community eligibility provision means the alternative to
2 household applications for free and reduced-price meals in high-poverty
3 schools enacted in section 104(a) of the federal Healthy, Hunger-Free
4 Kids Act of 2010, section 11(a)(1) of the Richard B. Russell National
5 School Lunch Act, 42 U.S.C. 1759a(a)(1), as such act and section existed
6 on January 1, 2019, and administered by the United States Department of
7 Agriculture;

8 (5) Elementary grades means grades kindergarten through eight,
9 inclusive;

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

14 (7) Free lunch students means, as reported on the fall membership
15 report, (a) for schools that did not provide free meals to all students
16 pursuant to the community eligibility provision, students who
17 individually qualified for free lunches or free milk pursuant to the
18 federal Richard B. Russell National School Lunch Act, 42 U.S.C. 1751 et
19 seq., and the federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et
20 seq., as such acts and sections existed on January 1, 2019, and rules and
21 regulations adopted thereunder, plus (b) for schools that provided free
22 meals to all students pursuant to the community eligibility provision,
23 the greater of the number of students in such school who individually
24 qualified for free lunch or free milk using the most recent school fiscal
25 year for which the school did not provide free meals to all students
26 pursuant to the community eligibility provision or one hundred ten
27 percent of the product of the students who qualified for free meals at
28 such school pursuant to the community eligibility provision multiplied by
29 the identified student percentage calculated pursuant to such federal
30 provision, except that the free lunch students calculated for any school
31 shall not exceed one hundred percent of the fall membership attributable

1 to such school qualified for free meals at such school pursuant to the
2 community eligibility provision;

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

5 (9) High school grades means all grades above the eighth grade;

6 (10) Instructional hour means a period of time, at least sixty
7 minutes, which is actually used for the instruction of students;

8 (11) Legal voter means a registered voter as defined in section
9 32-115 who is domiciled in a precinct or ward in which he or she is
10 registered to vote and which precinct or ward lies in whole or in part
11 within the boundaries of a school district for which the registered voter
12 chooses to exercise his or her right to vote at a school district
13 election;

14 (12) Limited English proficiency students means, as reported on the
15 fall membership report, the number of students with limited English
16 proficiency receiving English language acquisition services in a
17 district;

18 (13) Permanent school fund means the fund described in section
19 79-1035.01;

20 (14) Prekindergarten programs means all early childhood programs
21 provided for children who have not reached the age of five by the date
22 provided in section 79-214 for kindergarten entrance;

23 (15) School means a school under the jurisdiction of a school board
24 authorized by Chapter 79;

25 (16) ~~(11)~~ School board means the governing body of any school
26 district. Board of education has the same meaning as school board;

27 (17) School district means the territory under the jurisdiction of a
28 single school board authorized by Chapter 79;

29 (18) School lands means the lands described in section 79-1035.03.
30 Educational lands has the same meaning as school lands;

31 (19) School year means (a) for elementary grades other than

1 kindergarten, the time equivalent to at least one thousand thirty-two
2 instructional hours and (b) for high school grades, the time equivalent
3 to at least one thousand eighty instructional hours;

4 ~~(20) (12)~~ Teach means and includes, but is not limited to, the
5 following responsibilities: (a) The organization and management of the
6 classroom or the physical area in which the learning experiences of
7 pupils take place; (b) the assessment and diagnosis of the individual
8 educational needs of the pupils; (c) the planning, selecting, organizing,
9 prescribing, and directing of the learning experiences of pupils; (d) the
10 planning of teaching strategies and the selection of available materials
11 and equipment to be used; and (e) the evaluation and reporting of student
12 progress;

13 ~~(21)~~ Teacher means any certified employee who is regularly employed
14 for the instruction of pupils in the public schools; and

15 ~~(13) Permanent school fund means the fund described in section~~
16 ~~79-1035.01;~~

17 ~~(22) (14)~~ Temporary school fund means the fund described in section
18 79-1035.02;

19 ~~(15) School lands means the lands described in section 79-1035.03.~~
20 ~~Educational lands has the same meaning as school lands;~~

21 ~~(16) Community eligibility provision means the alternative to~~
22 ~~household applications for free and reduced-price meals in high-poverty~~
23 ~~schools enacted in section 104(a) of the federal Healthy, Hunger-Free~~
24 ~~Kids Act of 2010, section 11(a)(1) of the Richard B. Russell National~~
25 ~~School Lunch Act, 42 U.S.C. 1759a(a)(1), as such act and section existed~~
26 ~~on January 1, 2015, and administered by the United States Department of~~
27 ~~Agriculture; and~~

28 ~~(17) Certificate, certificated, or certified, when referring to an~~
29 ~~individual holding a certificate to teach, administer, or provide special~~
30 ~~services, also includes an individual who holds a permit issued by the~~
31 ~~Commissioner of Education pursuant to sections 79-806 to 79-815.~~

1 The State Board of Education may adopt and promulgate rules and
2 regulations to define school day and other appropriate units of the
3 school calendar.

4 Sec. 25. Section 79-213, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-213 No school district shall receive any portion of state funds
7 pursuant to the Tax Equity and Educational Opportunities Support Act for
8 school fiscal years prior to 2020-21 or the Nebraska Education Formula
9 for school fiscal year 2019-20 and each school fiscal year thereafter
10 unless school has been actually taught in the district by a legally
11 certificated teacher for the length of time required by law or unless the
12 pupils residing in the district have attended school in another district
13 for the length of time required by law. At the discretion of the State
14 Board of Education, the closing of a school shall not prevent a district
15 from being accredited or receiving its proper share of state funds when
16 epidemic sickness or severe storm conditions prevail to such an extent
17 that the school board in any district deems it advisable to close any or
18 all schools within the district or when the destruction of the
19 schoolhouse makes it impossible to continue the school. Such sickness,
20 storm conditions, or destruction of the schoolhouse shall be sworn to by
21 the secretary of the school board and the oath filed with the State Board
22 of Education if the school board of the school district is proposing to
23 offer fewer hours than required by law.

24 Sec. 26. Section 79-215, Revised Statutes Cumulative Supplement,
25 2018, is amended to read:

26 79-215 (1) Except as otherwise provided in this section, a student
27 is a resident of the school district where he or she resides and shall be
28 admitted to any such school district upon request without charge.

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

31 (3) A school board shall admit any homeless student upon request

1 without charge if the district is the district in which the student (a)
2 is currently located, (b) attended when permanently housed, or (c) was
3 last enrolled.

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

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

10 (6) For school years prior to 2019-20, a A school board may admit
11 nonresident students to the school district pursuant to the enrollment
12 option program as authorized by sections 79-232 to 79-246, and such
13 admission shall be without charge.

14 ~~(7) For school years prior to school year 2017-18, a school board of~~
15 ~~any school district that is a member of a learning community shall admit~~
16 ~~nonresident students to the school district pursuant to the open~~
17 ~~enrollment provisions of a diversity plan in a learning community as~~
18 ~~authorized by section 79-2110, and such admission shall be without~~
19 ~~charge.~~

20 (7) ~~(8)~~ A school board may admit a student who is a resident of
21 another state to the school district and collect tuition in advance at a
22 rate determined by the school board.

23 (8) ~~(9)~~ When a student as a ward of the state or as a ward of any
24 court (a) has been placed in a school district other than the district in
25 which he or she resided at the time he or she became a ward and such ward
26 does not reside in a foster family home licensed or approved by the
27 Department of Health and Human Services or a foster home maintained or
28 used pursuant to section 83-108.04 or (b) has been placed in any
29 institution which maintains a special education program which has been
30 approved by the State Department of Education and such institution is not
31 owned or operated by the district in which he or she resided at the time

1 he or she became a ward, the cost of his or her education and the
2 required transportation costs associated with the student's education
3 shall be paid by the state, but not in advance, to the receiving school
4 district or approved institution under rules and regulations prescribed
5 by the Department of Health and Human Services and the student shall
6 remain a resident of the district in which he or she resided at the time
7 he or she became a ward. Any student who is a ward of the state or a ward
8 of any court who resides in a foster family home licensed or approved by
9 the Department of Health and Human Services or a foster home maintained
10 or used pursuant to section 83-108.04 shall be deemed a resident of the
11 district in which he or she resided at the time he or she became a foster
12 child, unless it is determined under section 43-1311 or 43-1312 that he
13 or she will not attend such district in which case he or she shall be
14 deemed a resident of the district in which the foster family home or
15 foster home is located.

16 (9)(a) ~~(10)(a)~~ When a student is not a ward of the state or a ward
17 of any court and is residing in a residential setting located in Nebraska
18 for reasons other than to receive an education and the residential
19 setting is operated by a service provider which is certified or licensed
20 by the Department of Health and Human Services or is enrolled in the
21 medical assistance program established pursuant to the Medical Assistance
22 Act and Title XIX or XXI of the federal Social Security Act, as amended,
23 the student shall remain a resident of the district in which he or she
24 resided immediately prior to residing in such residential setting. The
25 resident district for a student who is not a ward of the state or a ward
26 of any court does not change when the student moves from one residential
27 setting to another.

28 (b) If a student is residing in a residential setting as described
29 in subdivision (9)(a) ~~(10)(a)~~ of this section and such residential
30 setting does not maintain an interim-program school as defined in section
31 79-1119.01 or an approved or accredited school, the resident school

1 district shall contract with the district in which such residential
2 setting is located for the provision of all educational services,
3 including all special education services and support services as defined
4 in section 79-1125.01, unless a parent or guardian and the resident
5 school district agree that an appropriate education will be provided by
6 the resident school district while the student is residing in such
7 residential setting. If the resident school district is required to
8 contract, the district in which such residential setting is located shall
9 contract with the resident district and provide all educational services,
10 including all special education services, to the student. If the two
11 districts cannot agree on the amount of the contract, the State
12 Department of Education shall determine the amount to be paid by the
13 resident district to the district in which such residential setting is
14 located based on the needs of the student, approved special education
15 rates, the department's general experience with special education
16 budgets, and the cost per student in the district in which such
17 residential setting is located. Once the contract has been entered into,
18 all legal responsibility for special education and related services shall
19 be transferred to the school district in which the residential setting is
20 located.

21 (c) If a student is residing in a residential setting as described
22 in subdivision (9)(a) ~~(10)(a)~~ of this section and such residential
23 setting maintains an interim-program school as defined in section
24 79-1119.01 or an approved or accredited school, the department shall
25 reimburse such residential setting for the provision of all educational
26 services, including all special education services and support services,
27 with the amount of payment for all educational services determined
28 pursuant to the average per pupil cost of the service agency as defined
29 in section 79-1116. The resident school district shall retain
30 responsibility for such student's individualized education plan, if any.
31 The educational services may be provided through (i) such interim-program

1 school or approved or accredited school, (ii) a contract between the
2 residential setting and the school district in which such residential
3 setting is located, (iii) a contract between the residential setting and
4 another service agency as defined in section 79-1124, or (iv) a
5 combination of such educational service providers.

6 (d) If a school district pays a school district in which a
7 residential setting is located for educational services provided pursuant
8 to subdivision (9)(b) ~~(10)(b)~~ of this section and it is later determined
9 that a different school district was the resident school district for
10 such student at the time such educational services were provided, the
11 school district that was later determined to be the resident school
12 district shall reimburse the school district that initially paid for the
13 educational services one hundred ten percent of the amount paid.

14 (e) A student residing in a residential setting described in this
15 subsection shall be defined as a student with a handicap pursuant to
16 Article VII, section 11, of the Constitution of Nebraska, and as such the
17 state and any political subdivision may contract with institutions not
18 wholly owned or controlled by the state or any political subdivision to
19 provide the educational services to the student if such educational
20 services are nonsectarian in nature.

21 (10) ~~(11)~~ In the case of any individual eighteen years of age or
22 younger who is a ward of the state or any court and who is placed in a
23 county detention home established under section 43-2,110, the cost of his
24 or her education shall be paid by the state, regardless of the district
25 in which he or she resided at the time he or she became a ward, to the
26 agency or institution which: (a) Is selected by the county board with
27 jurisdiction over such detention home; (b) has agreed or contracted with
28 such county board to provide educational services; and (c) has been
29 approved by the State Department of Education pursuant to rules and
30 regulations prescribed by the State Board of Education.

31 (11) ~~(12)~~ No tuition shall be charged for students who may be by law

1 allowed to attend the school without charge.

2 (12) ~~(13)~~ On a form prescribed by the State Department of Education,
3 an adult with legal or actual charge or control of a student shall
4 provide the name of the student, the name of the adult with legal or
5 actual charge or control of the student, the address where the student is
6 residing, and the telephone number and address where the adult may
7 generally be reached during the school day. If the student is homeless or
8 if the adult does not have a telephone number and address where he or she
9 may generally be reached during the school day, those parts of the form
10 may be left blank and a box may be marked acknowledging that these are
11 the reasons these parts of the form were left blank. The adult with legal
12 or actual charge or control of the student shall also sign the form.

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

16 Sec. 27. Sections 79-232 to 79-246 shall terminate on July 1, 2020.

17 Sec. 28. Section 79-234, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-234 (1) An enrollment option program is hereby established for
20 school years through the 2019-20 school year to enable any kindergarten
21 through twelfth grade Nebraska student to attend a school in a Nebraska
22 public school district in which the student does not reside subject to
23 the limitations prescribed in section 79-238. The option shall be
24 available only once to each student prior to graduation, except that the
25 option does not count toward such limitation if such option meets, or met
26 at the time of the option, one of the following criteria: (a) The student
27 relocates to a different resident school district, (b) the option school
28 district merges with another district, (c) the student will have
29 completed either the grades offered in the school building originally
30 attended in the option school district or the grades immediately
31 preceding the lowest grade offered in the school building for which a new

1 option is sought, (d) the option would allow the student to continue
2 current enrollment in a school district, (e) the option would allow the
3 student to enroll in a school district in which the student was
4 previously enrolled as a student, or (f) the student is an open
5 enrollment option student. Sections 79-232 to 79-246 do not relieve a
6 parent or guardian from the compulsory attendance requirements in section
7 79-201.

8 (2) The program shall not apply to any student who resides in a
9 district which has entered into an annexation agreement pursuant to
10 section 79-473, except that such student may transfer to another district
11 which accepts option students.

12 Sec. 29. Section 79-235, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 79-235 For purposes of all duties, entitlements, and rights
15 established by law, including special education as provided in section
16 79-1127, except as provided in section 79-241 and, for open enrollment
17 option students, except as provided in section 79-235.01, option students
18 shall be treated as resident students of the option school district
19 through the 2019-20 school year. The option student may request a
20 particular school building, but the building assignment of the option
21 student shall be determined by the option school district except as
22 provided in section 79-235.01 for open enrollment option students and in
23 subsection (3) of section 79-2110 for students attending a focus school,
24 focus program, or magnet school. In determining eligibility for
25 extracurricular activities as defined in section 79-2,126, the option
26 student shall be treated similarly to other students who transfer into
27 the school from another public, private, denominational, or parochial
28 school.

29 Sec. 30. Section 79-235.01, Revised Statutes Cumulative Supplement,
30 2018, is amended to read:

31 79-235.01 Each student attending a school building outside of the

1 resident school district as an open enrollment student pursuant to
2 section 79-2110 for any part of school year 2016-17 shall be
3 automatically approved as an open enrollment option student for school
4 years beginning with school year 2017-18, 2018-19, and 2019-20 and
5 allowed to continue attending such school building as an option student
6 through the 2019-20 school year without submitting an additional
7 application unless the student has completed the grades offered in such
8 school building or has been expelled and is disqualified pursuant to
9 section 79-266.01. Except as provided in subsection (3) of section
10 79-2110 for students attending a focus school, focus program, or magnet
11 school, approval as an open enrollment option student pursuant to this
12 section does not permit the student to attend another school building
13 within the option school district unless an application meeting the
14 requirements prescribed in section 79-237 is approved by the school board
15 of the option school district. Upon approval of an application meeting
16 the requirements prescribed in section 79-237, a student previously
17 enrolled as an open enrollment student in the option school district
18 shall be treated as an option student of the option school district
19 without regard to his or her former status as an open enrollment student.
20 Except as otherwise provided in this section and sections 79-234, 79-235,
21 79-237, and 79-238 and subsection (3) of section 79-2110, open enrollment
22 option students shall be treated as option students of the option school
23 district.

24 Sec. 31. Section 79-236, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-236 The Beginning with the 1993-94 school year, the enrollment
27 option program shall be implemented by all public school districts
28 through the 2019-20 school year.

29 Sec. 32. Section 79-237, Revised Statutes Cumulative Supplement,
30 2018, is amended to read:

31 79-237 (1) For a student to begin attendance as an option student in

1 an option school district, the student's parent or legal guardian shall
2 submit an application to the school board of the option school district
3 between September 1 and March 15 of each school year prior to the 2019-20
4 school year for attendance during the following and subsequent school
5 years through the 2019-20 school year. Except as provided in subsection
6 (2) of this section, applications submitted after March 15 of any year
7 prior to 2020 shall contain a release approval from the resident school
8 district on the application form prescribed and furnished by the State
9 Department of Education pursuant to subsection (8) of this section. A
10 district may not accept or approve any applications submitted after such
11 date without such a release approval. The option school district shall
12 provide the resident school district with the name of the applicant on or
13 before April 1 of any year prior to 2020 or, in the case of an
14 application submitted after March 15 of any year prior to 2020, within
15 sixty days after submission. The option school district shall notify, in
16 writing, the parent or legal guardian of the student and the resident
17 school district whether the application is accepted or rejected on or
18 before April 1 of any year prior to 2020 or, in the case of an
19 application submitted after March 15 of any year prior to 2020, within
20 sixty days after submission. An option school district that is a member
21 of a learning community may not approve an application pursuant to this
22 section for a student who resides in such learning community to attend
23 prior to school year 2017-18.

24 (2) A student who relocates to a different resident school district
25 after February 1 of any year prior to 2020 or whose option school
26 district merges with another district effective after February 1 of any
27 year prior to 2020 may submit an application to the school board of an
28 option school district for attendance during the current or immediately
29 following and subsequent school years through the 2019-20 school year
30 unless the applicant is a resident of a learning community and the
31 application is for attendance to begin prior to school year 2017-18 in an

1 option school district that is also a member of such learning community.
2 Such application does not require the release approval of the resident
3 school district. The option school district shall accept or reject such
4 application within forty-five days.

5 (3) A parent or guardian may provide information on the application
6 for an option school district that is a member of a learning community
7 regarding the applicant's potential qualification for free or reduced-
8 price lunches. Any such information provided shall be subject to
9 verification and shall only be used for the purposes of subsection (4) of
10 section 79-238. Nothing in this subsection requires a parent or guardian
11 to provide such information. Determinations about an applicant's
12 qualification for free or reduced-price lunches for purposes of
13 subsection (4) of section 79-238 shall be based on any verified
14 information provided on the application. If no such information is
15 provided, the student shall be presumed not to qualify for free or
16 reduced-price lunches for the purposes of subsection (4) of section
17 79-238.

18 (4) Applications for students who do not actually attend the option
19 school district may be withdrawn in good standing upon mutual agreement
20 by both the resident and option school districts.

21 (5) No option student shall attend an option school district for
22 less than one school year unless the student relocates to a different
23 resident school district, completes requirements for graduation prior to
24 the end of his or her senior year, transfers to a private or parochial
25 school, or upon mutual agreement of the resident and option school
26 districts cancels the enrollment option and returns to the resident
27 school district.

28 (6) Except as provided in subsection (5) of this section or, for
29 open enrollment option students, in section 79-235.01, the option student
30 shall attend the option school district through the 2019-20 school year
31 or until graduation, whichever comes first, unless the student relocates

1 in a different resident school district, transfers to a private or
2 parochial school, or chooses to return to the resident school district.

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

9 (8) The application and cancellation forms shall be prescribed and
10 furnished by the State Department of Education.

11 (9) An option student who subsequently chooses to attend a private
12 or parochial school and who is not an open enrollment option student
13 shall be automatically accepted to return to either the resident school
14 district or, for school years through the 2019-20 school year, option
15 school district upon the completion of the grade levels offered at the
16 private or parochial school. If such student chooses to return to the
17 option school district for school years through the 2019-20 school year,
18 the student's parent or legal guardian shall submit another application
19 to the school board of the option school district which shall be
20 automatically accepted, and the deadlines prescribed in this section
21 shall be waived.

22 Sec. 33. Section 79-240, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 79-240 (1) The application of a student who relocates in a different
25 school district but wants to continue attending his or her original
26 resident school district and who has been enrolled in his or her original
27 resident school district for the immediately preceding two years shall be
28 automatically accepted for any school year through the 2019-20 school
29 year, and the deadlines prescribed in section 79-237 shall be waived.

30 (2) The application of an option student who relocates in a
31 different school district but wants to continue attending the option

1 school district shall be automatically accepted for any school year
2 through the 2019-20 school year, and the deadlines prescribed in section
3 79-237 shall be waived.

4 Sec. 34. Section 79-241, Revised Statutes Cumulative Supplement,
5 2018, is amended to read:

6 79-241 (1) Except as otherwise provided in this section, section
7 79-611 does not apply to the transportation of an option student. The
8 parent or legal guardian of the option student shall be responsible for
9 required transportation. A school district may, upon mutual agreement
10 with the parent or legal guardian of an option student, provide
11 transportation to the option student on the same basis as provided for
12 resident students. The school district may charge the parents of each
13 option student transported a fee sufficient to recover the additional
14 costs of such transportation.

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

25 (3) For open enrollment option students who received free
26 transportation for school year 2016-17 pursuant to subsection (2) of
27 section 79-611, the school board of the option school district shall
28 continue to provide free transportation through the 2019-20 school year
29 or for the duration of the student's status as an open enrollment option
30 student or ~~for the duration of~~ the student's enrollment in a pathway
31 pursuant to subsection (3) of section 79-2110, whichever comes first,

1 unless the student relocates to a school district that would have
2 prevented the student from qualifying for free transportation for the
3 2016-17 school year pursuant to subsection (2) of section 79-611.

4 (4) For option students verified as having a disability as defined
5 in section 79-1118.01, the transportation services set forth in section
6 79-1129 shall be provided by the resident school district. The State
7 Department of Education shall reimburse the resident school district for
8 the cost of transportation in accordance with section 79-1144.

9 Sec. 35. Section 79-246, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 79-246 The State Department of Education shall reimburse each option
12 school district for special education programs provided to option
13 students through the 2018-19 school year in accordance with section
14 79-1142.

15 The resident school district of an option student shall be exempted
16 from the payment responsibility set forth in section 79-1140.

17 For purposes of calculation to determine reimbursement pursuant to
18 section 79-1142, the option school district shall include the adjusted
19 average per pupil cost as defined in section 79-1114 of the option school
20 district and not the amount received pursuant to section 79-245.

21 Sec. 36. Section 79-266.01, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 79-266.01 If a student has been expelled from a public school in any
24 school district in any state or from a private, denominational, or
25 parochial school in any state and the student has not completed the terms
26 of the expulsion, the student shall not be permitted to enroll in a
27 public school in any school district until the school board of the
28 district in which enrollment is sought approves, by a majority vote, the
29 enrollment of the student. As a condition of enrollment, the school board
30 may require attendance in an alternative school, class, or educational
31 program pursuant to section 79-266 until the terms of the expulsion are

1 completed. A student expelled from a private, denominational, or
2 parochial school or from a school in another state may not be prohibited
3 from enrolling in a public school district in which the student resides
4 or, for school years prior to 2020-21, in which the student has been
5 accepted pursuant to the enrollment option program for any period of time
6 beyond the time limits placed on expulsion pursuant to the Student
7 Discipline Act or for any expulsion for an offense for which expulsion is
8 not authorized for a public school student under the act.

9 Sec. 37. Section 79-2,127, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 79-2,127 Except as provided in section 79-2,133, a governing body
12 may require and collect fees or other funds from or on behalf of students
13 or require students to provide specialized equipment or specialized
14 attire for any of the following purposes:

- 15 (1) Participation in extracurricular activities;
- 16 (2) Admission fees and transportation charges for spectators
17 attending extracurricular activities;
- 18 (3) Postsecondary education costs;
- 19 (4) Transportation pursuant to sections ~~79-241,~~ 79-605, and 79-611;
- 20 (5) Copies of student files or records pursuant to section 79-2,104;
- 21 (6) Reimbursement to the school district or educational service unit
22 for school district or educational service unit property lost or damaged
23 by the student;
- 24 (7) Before-and-after-school or prekindergarten services offered
25 pursuant to section 79-1104;
- 26 (8) Summer school or night school;
- 27 (9) Parking; and
- 28 (10) Breakfast and lunch programs.

29 Except as provided in this section and sections 79-2,127.01,
30 79-2,131, and 79-2,132, a governing body shall not collect money pursuant
31 to the Public Elementary and Secondary Student Fee Authorization Act from

1 students.

2 Sec. 38. Section 79-2,134, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-2,134 On or before August 1, 2002, and annually each year
5 thereafter, each school board shall hold a public hearing at a regular or
6 special meeting of the board on a proposed student fee policy, following
7 a review of the amount of money collected from students pursuant to, and
8 the use of waivers provided in, the student fee policy for the prior
9 school year. The student fee policy shall be adopted by a majority vote
10 of the school board and shall be published in the student handbook. The
11 board shall provide a copy of the student handbook to every student, or
12 to every household in which at least one student resides, at no cost to
13 the student or household. The student fee policy shall include specific
14 details regarding:

15 (1) The general written guidelines for any nonspecialized attire
16 required for specified courses and activities;

17 (2) Any personal or consumable items a student will be required to
18 furnish for participation in extracurricular activities;

19 (3) Any specialized equipment or attire which a student will be
20 required to provide for any extracurricular activity;

21 (4) Any fees required from a student for participation in any
22 extracurricular activity;

23 (5) Any fees required for postsecondary education costs;

24 (6) Any fees required for transportation costs pursuant to sections
25 ~~79-241~~, 79-605, and 79-611;

26 (7) Any fees required for copies of student files or records
27 pursuant to section 79-2,104;

28 (8) Any fees required for participation in before-and-after-school
29 or prekindergarten services offered pursuant to section 79-1104;

30 (9) Any fees required for participation in summer school or night
31 school;

1 (10) Any fees for breakfast and lunch programs; and

2 (11) The waiver policy pursuant to section 79-2,133.

3 No fee, specialized equipment or attire, or nonspecialized attire
4 may be required pursuant to the Public Elementary and Secondary Student
5 Fee Authorization Act unless the maximum dollar amount of the fee, the
6 specifications for the specialized equipment or attire, or the
7 specifications for the nonspecialized attire are specified in the student
8 fee policy approved by the board. Reimbursement pursuant to subdivision
9 (6) of section 79-2,127 for property lost or damaged by a student may be
10 required without specification in the student fee policy.

11 Sec. 39. (1) A school district shall be classified as a very sparse
12 school district for any school year or school fiscal year for which,
13 using the most recently available data on January 1 immediately preceding
14 such school year or school fiscal year, the school district has:

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

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

26 (2) A school district shall be classified as a sparse school
27 district for any school year or school fiscal year for which, using the
28 most recently available data on January 1 immediately preceding such
29 school year or school fiscal year, the school district is not classified
30 as very sparse and the school district has:

31 (a)(i) Less than two students per square mile in the county in which

1 each high school is located, based on the school district census, (ii)
2 less than one student per square mile in the school district, and (iii)
3 more than ten miles between each high school attendance center and the
4 next closest high school attendance center in the state on paved roads;

5 (b)(i) Less than one and one-half students per square mile in the
6 school district and (ii) more than fifteen miles between each high school
7 attendance center and the next closest high school attendance center in
8 the state on paved roads;

9 (c)(i) Less than one and one-half students per square mile in the
10 local system and (ii) more than two hundred seventy-five square miles in
11 the school district; or

12 (d)(i) Less than two students per square mile in the local system
13 and (ii) the school district includes an area equal to ninety-five
14 percent or more of the square miles in the largest county in which a high
15 school attendance center is located in the school district.

16 Sec. 40. Section 79-458, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 79-458 (1) Any freeholder or freeholders, person in possession or
19 constructive possession as vendee pursuant to a contract of sale of the
20 fee, holder of a school land lease under section 72-232, or entrant upon
21 government land who has not yet received a patent therefor may file a
22 petition on or before June 1 for all other years with a board consisting
23 of the county assessor, county clerk, and county treasurer, asking to
24 have any tract or tracts of land described in the petition set off from
25 an existing school district in which the land is situated and attached to
26 a different school district which is contiguous to such tract or tracts
27 of land if:

28 (a)(i) The school district in which the land is situated is a Class
29 III school district which has had an average daily membership in grades
30 nine through twelve of less than sixty for the two consecutive school
31 fiscal years immediately preceding the filing of the petition;

1 (ii) Such Class III school district has voted pursuant to section
2 77-3444 to exceed the maximum levy established pursuant to ~~subdivision~~
3 ~~(2)(a)~~ of section 77-3442, which vote is effective for the school fiscal
4 year in which the petition is filed or for the following school fiscal
5 year;

6 (iii) The high school in such Class III school district is within
7 fifteen miles on a maintained public highway or maintained public road of
8 another public high school; and

9 (iv) Neither school district is a member of a learning community; or

10 (b) Except as provided in subsection (7) of this section, the school
11 district in which the land is situated, regardless of the class of school
12 district, has approved a budget for the school fiscal year in which the
13 petition is filed that will cause the combined levies for such school
14 fiscal year, except levies for bonded indebtedness approved by the voters
15 of such school district and levies for the refinancing of such bonded
16 indebtedness, to exceed the greater of (i) one dollar and twenty cents
17 per one hundred dollars of taxable valuation of property subject to the
18 levy or (ii) the maximum levy authorized by a vote pursuant to section
19 77-3444.

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

23 (2) The petition shall state the reasons for the proposed change and
24 shall show with reference to the land of each petitioner: (a) That (i)
25 the land described in the petition is either owned by the petitioner or
26 petitioners or that he, she, or they hold a school land lease under
27 section 72-232, are in possession or constructive possession as vendee
28 under a contract of sale of the fee simple interest, or have made an
29 entry on government land but have not yet received a patent therefor and
30 (ii) such tract of land includes all such contiguous land owned or
31 controlled by each petitioner; (b) that the conditions of subdivision (1)

1 (a) or (1)(b) of this section have been met; and (c) that such petition
2 is approved by a majority of the members of the school board of the
3 district to which such land is sought to be attached.

4 (3) The petition shall be verified by the oath of each petitioner.
5 Notice of the filing of the petition and of the hearing on such petition
6 before the board constituted as prescribed in subsection (1) or (4) of
7 this section shall be given at least ten days prior to the date of such
8 hearing by one publication in a legal newspaper of general circulation in
9 each district and by posting a notice on the outer door of the
10 schoolhouse in each district affected thereby, and such notice shall
11 designate the territory to be transferred. Following the filing of a
12 petition pursuant to this section, such board shall hold a public hearing
13 on the petition and shall approve or disapprove the petition on or before
14 July 15 following the filing of the petition based on a determination of
15 whether the petitioner has complied with all requirements of this
16 section. If such board approves the petition, such board shall change the
17 boundaries of the school districts so as to set off the land described in
18 the petition and attach it to such district pursuant to the petition with
19 an effective date of August 15 following the filing of the petition,
20 which actions shall cause such transfer to be in effect for levies set
21 for the year in which such transfer takes effect.

22 (4) Petitions requesting transfers of property across county lines
23 shall be addressed jointly to the county clerks of the counties
24 concerned, and the petitions shall be acted upon by the county assessors,
25 county clerks, and county treasurers of the counties involved as one
26 board, with the county clerk of the county from which the land is sought
27 to be transferred acting as chairperson of the board.

28 (5) Appeals may be taken from the action of such board or, when such
29 board fails to act on the petition, on or before August 1 following the
30 filing of the petition, to the district court of the county in which the
31 land is located on or before August 10 following the filing of the

1 petition, in the same manner as appeals are now taken from the action of
2 the county board in the allowance or disallowance of claims against the
3 county. If an appeal is taken from the action of the board approving the
4 petition or failing to act on the petition, the transfer shall occur
5 effective August 15 following the filing of the petition, which actions
6 shall cause such transfer to be in effect for levies set for the year in
7 which such transfer takes effect, unless action by the district court
8 prevents such transfer.

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

12 (7) For school districts that have approved a budget for school
13 fiscal year 2007-08 that will cause the combined levies, except levies
14 for bonded indebtedness approved by the voters of the school district and
15 levies for the refinancing of such bonded indebtedness, to exceed the
16 greater of (a) one dollar and twenty cents per one hundred dollars of
17 taxable valuation of property subject to the levy or (b) the maximum levy
18 authorized by a vote pursuant to section 77-3444, the school boards of
19 such school districts may adopt a binding resolution stating that the
20 combined levies, except levies for bonded indebtedness approved by the
21 voters of the school district and levies for the refinancing of such
22 bonded indebtedness, for school fiscal year 2008-09 shall not exceed the
23 greater of (i) one dollar and twenty cents per one hundred dollars of
24 taxable valuation of property subject to the levy or (ii) the maximum
25 levy authorized by a vote pursuant to section 77-3444. On or before May
26 9, 2008, such binding resolutions shall be filed with the Auditor of
27 Public Accounts and the county assessors, county clerks, and county
28 treasurers for all counties in which the school district has territory.
29 If such binding resolution is filed on or before May 9, 2008, land shall
30 not be set off and attached to another district pursuant to subdivision
31 (2)(b) of this section in 2008.

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

3 Sec. 41. Section 79-479, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 79-479 (1)(a) Beginning January 1, 1992, any school district
6 boundaries changed by the means provided by Nebraska law, but excluding
7 the method provided by sections 79-407 and 79-473 to 79-475, shall be
8 made only upon an order issued by the State Committee for the
9 Reorganization of School Districts or county clerk.

10 (b) The order issued by the state committee shall be certified to
11 the county clerk of each county in which boundaries are changed and shall
12 also be certified to the State Department of Education. Whenever the
13 order changes the boundaries of a school district due to the transfer of
14 land, the county assessor, the Property Tax Administrator, and the State
15 Department of Education shall be provided with the legal description and
16 a map of the parcel of land which is transferred. Such order shall be
17 issued no later than June 1 and shall have an effective date no later
18 than August 1 of the same year. For purposes of determining school
19 district counts pursuant to sections 79-524 and 79-578 and calculating
20 state aid allocations pursuant to the Tax Equity and Educational
21 Opportunities Support Act for school fiscal years prior to school fiscal
22 year 2020-21 and the Nebraska Education Formula for school fiscal year
23 2020-21 and each school fiscal year thereafter, any change in school
24 district boundaries with an effective date between June 1 and August 1 of
25 any year shall be considered effective July 1 of such year.

26 (2) Unless otherwise provided by state law or by the terms of a
27 reorganization plan or petition which is consistent with state law, all
28 assets, including, for school fiscal years prior to school fiscal year
29 2020-21, budget authority as provided in sections 79-1023 to 79-1030, and
30 liabilities, except bonded obligations, of school districts merged,
31 dissolved, or annexed shall be transferred to the receiving district or

1 districts on the basis of the proportionate share of assessed valuation
2 received at the time of reorganization.

3 Sec. 42. Section 79-498, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 79-498 When, for a period of one school term, a school district (1)
6 has less than three legal voters residing in the district or (2)(a) fails
7 to maintain a public elementary school within the district in which are
8 enrolled and in regular attendance for at least one thousand thirty-two
9 hours one or more pupils of school age residing in the district, ~~other~~
10 ~~than option students as defined in section 79-233,~~ or (b) does not
11 contract for the tuition and transportation of pupils of such district
12 with another district or districts and have pupils attending school
13 regularly for at least one thousand thirty-two hours under such contract
14 or contracts, the State Committee for the Reorganization of School
15 Districts shall, subject to the requirements of this section, dissolve
16 such district and attach the territory of such district to one or more
17 neighboring school districts. Before dissolving a district under this
18 section, the state committee shall fix a time for a hearing and shall
19 notify each legal resident of the district at least fifteen days before
20 such hearing. When the dissolution will create extreme hardships on the
21 pupils of the district affected, the State Board of Education may, on
22 application by the school board of the district, annually waive the
23 requirements of this section. Notification shall be by mail or by
24 publication in a newspaper of general circulation in the area.

25 If the state committee finds that the district is required by this
26 section to be dissolved, it shall enter an order dissolving the district
27 and directing the county clerk of the county in which such district is
28 located to attach the territory of such district to one or more
29 neighboring school districts. Appeals from the action of the state
30 committee may be made to the district court of the county in which the
31 depopulated district is located. The county treasurer shall distribute

1 the assets of the closed district among the other district or districts
2 to which the property has been attached in proportion to the taxable
3 valuation of the property attached to such district or districts.

4 Sec. 43. Section 79-499, Revised Statutes Cumulative Supplement,
5 2018, is amended to read:

6 79-499 (1) If the fall school district membership or the average
7 daily membership of an existing Class III school district shows fewer
8 than thirty-five students in grades nine through twelve, the district
9 shall submit a plan for developing cooperative programs with other high
10 schools, including the sharing of curriculum and certificated and
11 noncertificated staff, to the State Committee for the Reorganization of
12 School Districts. The cooperative program plan shall be submitted by the
13 school district by September 1 of the year following such fall school
14 district membership or average daily membership report. A cooperative
15 program plan shall not be required if there is no high school within
16 fifteen miles from such district on a reasonably improved highway. The
17 state committee shall review the plan and provide advice and
18 communication to such school district and other high schools.

19 (2) If for two consecutive years the fall school district
20 membership, or for two consecutive years the average daily membership, of
21 an existing Class III school district is fewer than twenty-five pupils in
22 grades nine through twelve as determined by the Commissioner of Education
23 or if for one year an existing Class III school district contracts with a
24 neighboring school district or districts to provide educational services
25 for all of its pupils in grades nine through twelve, such school district
26 shall, except as provided in subsection (3) or (4) of this section, be
27 dissolved pursuant to the procedures described in subdivision (4)(b) of
28 this section through the order of the state committee if the high school
29 is within fifteen miles on a reasonably improved highway of another high
30 school.

31 This subsection does not apply to any school district located on an

1 Indian reservation and substantially or totally financed by the federal
2 government.

3 (3) Any Class III school district which has a fall school district
4 membership or an average daily membership of fewer than twenty-five
5 students in grades nine through twelve may contract with another school
6 district to provide educational services for its pupils in grades nine
7 through twelve. Such contract may continue for a period not to exceed one
8 year. At the end of such one-year period, the school district may resume
9 educational services for grades nine through twelve if the average daily
10 membership in grades nine through twelve for such school district has
11 reached at least fifty students. If the school district has not achieved
12 such fall school district membership or average daily membership, it
13 shall be dissolved pursuant to the procedures described in subdivision
14 (4)(b) of this section by order of the state committee entered after
15 thirty days' notice to the district but without a hearing,
16 notwithstanding the distance on a reasonably improved highway to the
17 nearest school district conducting a high school.

18 (4)(a) Any Class III school district maintaining the only public
19 high school in the county with a fall school district membership or an
20 average daily membership of fewer than twenty-five students in grades
21 nine through twelve shall be subject to this subsection until such school
22 district reaches a fall school district membership or average daily
23 membership of at least thirty-five students or fewer than fifteen
24 students in grades nine through twelve or dissolves. Such school district
25 may continue to operate the high school if:

26 (i) The plan submitted pursuant to subsection (1) of this section
27 provides a broad-based curriculum as determined by the state committee;
28 and

29 (ii) At a districtwide election held the second Tuesday of November
30 by whatever means the county conducts balloting, in the second
31 consecutive school year that the fall school district membership for

1 grades nine through twelve is fewer than twenty-five students, a majority
2 of voters approve a ballot issue to continue to operate the high school
3 for the immediately following school year. If such ballot issue succeeds
4 in the initial election, the school board shall annually determine if
5 such a districtwide election is necessary for each subsequent year that
6 the school district is subject to this subsection, except that such
7 school board shall hold such districtwide election if four years have
8 passed since the last election pursuant to this section and the school
9 district has remained subject to this subsection.

10 (b) If such ballot issue as provided in subdivision (4)(a)(ii) of
11 this section fails, or if a school district falls within the provisions
12 of subsection (2) or (3) of this section, the state committee shall
13 dissolve the school district and attach the territory to other school
14 districts based on the preferences of each landowner if such preference
15 is provided in the time and manner required by the state committee and
16 would transfer such parcels to a school district with a boundary
17 contiguous to the school district being dissolved. Landowners submitting
18 such preferences shall sign a statement that the district of preference
19 is the district which children who might reside on the property, at the
20 time of the dissolution or in the future, would be expected to attend.
21 For property for which a preference is not provided in the time and
22 manner required by the state committee, the state committee shall
23 transfer such property to one or more of the school districts with
24 boundaries contiguous to the district being dissolved in a manner that
25 will best serve children who might reside on such property, at the time
26 of the dissolution or in the future, and that will, to the extent
27 possible, create compact and contiguous districts.

28 (c) This subsection shall not apply to any school district if the
29 fall school district membership or an average daily membership falls to
30 fewer than fifteen students in grades nine through twelve.

31 (5) For purposes of this section, when calculating fall school

1 district membership or average daily membership, ~~a resident school~~
2 ~~district as defined in section 79-233 shall not count students attending~~
3 ~~an option district as defined in such section and~~ a Class III school
4 district shall not count foreign exchange students and nonresident
5 students who are wards of the court or state.

6 Sec. 44. Section 79-4,123, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 79-4,123 After one or more public hearings have been held, the state
9 committee may approve a plan or plans of reorganization pursuant to the
10 Learning Community Reorganization Act. Such plan shall contain:

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

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

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

30 (4) A statement of the findings with respect to the location of
31 schools, the utilization of existing buildings, the construction of new

1 buildings, and the transportation requirements under the proposed plan of
2 reorganization;

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

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

7 Sec. 45. Section 79-528, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 79-528 (1)(a) On or before July 20 in all school districts, the
10 superintendent shall file with the State Department of Education a report
11 showing the number of children from five through eighteen years of age
12 belonging to the school district according to the census taken as
13 provided in sections 79-524 and 79-578.

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

17 (2) On or before June 30 the superintendent of each school district
18 shall file with the Commissioner of Education a report described as an
19 end-of-the-school-year annual statistical summary showing (a) the number
20 of children attending school during the year under five years of age, (b)
21 the length of time the school has been taught during the year by a
22 qualified teacher, (c) the length of time taught by each substitute
23 teacher, and (d) such other information as the Commissioner of Education
24 directs.

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

1 for school fiscal years prior to school fiscal year 2020-21, the Nebraska
2 Education Formula for school fiscal year 2020-21 and each school fiscal
3 year thereafter, and section 79-1114, and (iv) such other information as
4 the Commissioner of Education directs.

5 (4)(a) On or before October 15 of each year, the superintendent of
6 each school district shall file with the commissioner the fall school
7 district membership report, which report shall include the number of
8 children from birth through twenty years of age enrolled in the district
9 on October 1 of a given school year. The report shall enumerate (i)
10 students by grade level, (ii) school district levies and total assessed
11 valuation for the current fiscal year, (iii) for school years through the
12 2019-20 school year, students enrolled in the district as option
13 students, resident students enrolled in another district as option
14 students, students enrolled in the district as open enrollment students,
15 and resident students enrolled in another district as open enrollment
16 students, and (iv) free lunch students by school, (v) limited English
17 proficiency students, and (vi) such other information as the Commissioner
18 of Education directs.

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

24 (b) ~~(c)~~ When any school district fails to submit its fall membership
25 report by November 1, the commissioner shall, after notice to the
26 district and an opportunity to be heard, direct that any state aid
27 granted pursuant to the Tax Equity and Educational Opportunities Support
28 Act for school fiscal years prior to school fiscal year 2020-21, the
29 Nebraska Education Formula for school fiscal year 2020-21 and each school
30 fiscal year thereafter, be withheld until such time as the report is
31 received by the department. In addition, the commissioner shall direct

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

5 Sec. 46. Section 79-605, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 79-605 Except as otherwise provided in this section, any school
8 board may authorize the use of buses belonging to the school district for
9 the transportation of school children residing outside such district. A
10 fee sufficient to pay the additional costs of such transportation shall
11 be charged each person so transported. The board shall prepare a schedule
12 of all such fees charged, and a copy of such schedule shall be filed in
13 the office of the superintendent of the school district. ~~This section~~
14 ~~shall not apply to an agreement for transportation entered into pursuant~~
15 ~~to section 79-241.~~

16 Sec. 47. Section 79-611, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 79-611 (1) The school board of any school district shall provide
19 free transportation, partially provide free transportation, or pay an
20 allowance for transportation in lieu of free transportation as follows:

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

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

31 (c) When a student attends a secondary school in his or her own

1 Class III school district and lives more than four miles from the public
2 schoolhouse as measured by the shortest route that must actually and
3 necessarily be traveled by motor vehicle to reach the student's
4 residence. This subdivision does not apply to any elementary-only school
5 district that merged with a high-school-only school district to form a
6 new Class III school district on or after January 1, 1997, and before
7 June 16, 2006; and

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

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

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

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

15 ~~(2) (3)~~ The transportation allowance which may be paid to the
16 parent, custodial parent, or guardian of students qualifying for free
17 transportation pursuant to subsection (1) or (2) of this section shall
18 equal two hundred eighty-five percent of the mileage rate provided in
19 section 81-1176, multiplied by each mile actually and necessarily
20 traveled, on each day of attendance, beyond which the one-way distance
21 from the residence of the student to the schoolhouse exceeds three miles.
22 Such transportation allowance does not apply to students residing in a
23 learning community who qualify for free or reduced-price lunches.

24 ~~(3) (4)~~ Whenever students from more than one family travel to school
25 in the same vehicle, the transportation allowance prescribed in
26 subsection (3) of this section shall be payable as follows:

27 (a) To the parent, custodial parent, or guardian providing
28 transportation for students from other families, one hundred percent of
29 the amount prescribed in subsection (3) of this section for the
30 transportation of students of such parent's, custodial parent's, or
31 guardian's own family and an additional five percent for students of each

1 other family not to exceed a maximum of one hundred twenty-five percent
2 of the amount determined pursuant to subsection (3) of this section; and

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

10 (4) ~~(5)~~ When a student who qualifies under the mileage requirements
11 of subsection (1) of this section lives more than three miles from the
12 location where the student must be picked up and dropped off in order to
13 access school-provided free transportation, as measured by the shortest
14 route that must actually and necessarily be traveled by motor vehicle
15 between his or her residence and such location, such school-provided
16 transportation shall be deemed partially provided free transportation.
17 School districts partially providing free transportation shall pay an
18 allowance to the student's parent or guardian equal to two hundred
19 eighty-five percent of the mileage rate provided in section 81-1176
20 multiplied by each mile actually and necessarily traveled, on each day of
21 attendance, beyond which the one-way distance from the residence of the
22 student to the location where the student must be picked up and dropped
23 off exceeds three miles.

24 (5) ~~(6)~~ The board may authorize school-provided transportation to
25 any student who does not qualify under the mileage requirements of
26 subsection (1) of this section and may charge a fee to the parent or
27 guardian of the student for such service. No transportation payments
28 shall be made to a family for mileage not actually traveled by such
29 family. The number of days the student has attended school shall be
30 reported monthly by the teacher to the board of such public school
31 district.

1 (6) ~~(7)~~ No more than one allowance shall be made to a family
2 irrespective of the number of students in a family being transported to
3 school.

4 (7) ~~(8)~~ No student shall be exempt from school attendance on account
5 of distance from the public schoolhouse.

6 Sec. 48. Section 79-769, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-769 (1) Any one or more member school districts of a learning
9 community may establish one or more focus programs, focus schools, or
10 magnet schools. ~~If included as part of the diversity plan of a learning~~
11 ~~community, the focus school or focus program shall be eligible for a~~
12 ~~focus school and program allowance pursuant to section 79-1007.05.~~

13 (2) Focus schools, focus programs, and magnet schools may be
14 included in pathways across member school districts pursuant to the
15 diversity plan developed by the learning community coordinating council
16 pursuant to section 79-2104.

17 (3) If multiple member school districts collaborate on a focus
18 program, focus school, or magnet school, the school districts shall form
19 a joint entity pursuant to the Interlocal Cooperation Act for the purpose
20 of creating, implementing, and operating such focus program, focus
21 school, or magnet school. The agreement creating such joint entity shall
22 address legal, financial, and academic responsibilities and the
23 assignment to participating school districts of students enrolled in such
24 focus program, focus school, or magnet school who reside in
25 nonparticipating school districts.

26 (4) For purposes of this section:

27 (a) Focus program means a program that does not have an attendance
28 area, whose enrollment is designed so that the socioeconomic diversity of
29 the students attending the focus program reflects as nearly as possible
30 the socioeconomic diversity of the student body of the learning
31 community, which has a unique curriculum with specific learning goals or

1 teaching techniques different from the standard curriculum, which may be
2 housed in a building with other public school programs, and which may
3 consist of either the complete education program for participating
4 students or part of the education program for participating students;

5 (b) Focus school means a school that does not have an attendance
6 area, whose enrollment is designed so that the socioeconomic diversity of
7 the students attending the focus school reflects as nearly as possible
8 the socioeconomic diversity of the student body of the learning
9 community, which has a unique curriculum with specific learning goals or
10 teaching techniques different from the standard curriculum, and which is
11 housed in a building that does not contain another public school program;

12 (c) Magnet school means a school having a home attendance area but
13 which reserves a portion of its capacity specifically for students from
14 outside the attendance area who will contribute to the socioeconomic
15 diversity of the student body of such school and which has a unique
16 curriculum with specific learning goals or teaching techniques different
17 from the standard curriculum; and

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

21 Sec. 49. Section 79-855, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 79-855 (1) Except as limited by subsection (2) of section 79-854,
24 all certificated employees from a district involved in a unification or
25 reorganization who are at least fifty-five years of age on the date of
26 unification or reorganization shall be eligible to participate in the
27 Retirement Incentive Plan pursuant to this section if, within fifteen
28 calendar days after receiving notification, the employee signs an
29 agreement to retire effective on or prior to the effective date of the
30 unification or reorganization. To receive a benefit under the Retirement
31 Incentive Plan, a certificated employee must have completed five years of

1 creditable service prior to the effective date of retirement.

2 (2) A qualified certificated employee who elects retirement under
3 the Retirement Incentive Plan shall receive a benefit in the form of a
4 lump-sum amount, payable in one or two payments. Such payments shall not
5 be included in the determination of final average compensation pursuant
6 to the School Employees Retirement Act. The payments to the certificated
7 employee shall equal seven hundred dollars for each year of service with
8 the district and shall not exceed twenty-four thousand five hundred
9 dollars for each certificated employee receiving benefits under this
10 section.

11 (3) The Retirement Incentive Plan shall be available to employees
12 only prior to allocation of staff pursuant to section 79-857.

13 (4) Costs of the Retirement Incentive Plan, prior to the allocation
14 of staff, shall be allocated among the reorganized districts or
15 participating districts in a unification based upon the proportion of
16 valuation each reorganized district receives or each participating
17 district contains. ~~Such costs shall not be included in general fund
18 operating expenditures as defined in section 79-1003 for that fiscal
19 year.~~ Costs associated with agreements beyond the scope of the Retirement
20 Incentive Plan shall be the sole responsibility of the reorganized
21 district or unified system involved in the agreement.

22 (5) Payments made to employees pursuant to the Retirement Incentive
23 Plan shall be made by the unified system or according to the
24 reorganization plan and, if not specified in the plan, by the reorganized
25 district receiving the largest valuation.

26 (6) Participation in an early retirement program, other than the
27 Retirement Incentive Plan, shall not be available to transferring staff
28 for a period of one year after the date of unification or reorganization.

29 Sec. 50. Section 79-856, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 79-856 (1) Except as limited by subsection (2) of section 79-854,

1 all certificated employees from a district involved in a unification or
2 reorganization who, within fifteen calendar days after receiving
3 notification of the availability of Staff Development Assistance pursuant
4 to section 79-854, terminate employment voluntarily, contract to waive
5 any reduction-in-force rights pursuant to sections 79-846 to 79-849, and
6 sign a Staff Development Assistance agreement, shall receive one year of
7 Staff Development Assistance. Staff Development Assistance shall be
8 available to employees only prior to allocation of staff pursuant to
9 section 79-857.

10 (2) Staff Development Assistance shall not be included in the
11 determination of final average compensation pursuant to the School
12 Employees Retirement Act.

13 (3) The Staff Development Assistance agreement shall specify that:

14 (a) A stipend equal to fifty percent of annual salary shall be
15 contingent upon enrollment and attendance at a Nebraska state college or
16 the University of Nebraska; or a stipend equal to twenty-five percent of
17 annual salary shall be provided if not enrolled nor in attendance at a
18 Nebraska state college or the University of Nebraska;

19 (b) The stipend will cease upon attainment of employment of twenty
20 or more hours per week;

21 (c) The stipend will be paid in the same manner as contract payments
22 for the most recent contract year;

23 (d) Tuition for two semesters, if applicable, will be paid directly
24 to the Nebraska state college or the University of Nebraska and shall
25 equal resident tuition charges plus fees of such school and will not
26 include costs of books or other instructional materials; and

27 (e) All reduction-in-force rights pursuant to sections 79-846 to
28 79-849 are waived by signing the agreement.

29 (4) Costs of Staff Development Assistance, prior to the allocation
30 of staff, shall be allocated among the reorganized districts or
31 participating districts in a unification based upon the proportion of

1 valuation each reorganized district receives or each participating
2 district contains. ~~Such costs shall not be included in general fund~~
3 ~~operating expenditures as defined in section 79-1003 for that fiscal~~
4 ~~year.~~ Costs associated with agreements beyond the scope of Staff
5 Development Assistance shall be the sole responsibility of the
6 reorganized district involved in the agreement.

7 (5) Payments made to employees pursuant to Staff Development
8 Assistance shall be made by the unified system or according to the
9 reorganization plan and, if not specified in the plan, by the reorganized
10 district receiving the largest valuation.

11 Sec. 51. Section 79-8,137, Revised Statutes Cumulative Supplement,
12 2018, is amended to read:

13 79-8,137 (1)(a) Prior to receiving any money from a loan pursuant to
14 the Attracting Excellence to Teaching Program, an eligible student shall
15 enter into a contract with the department. Such contract shall be exempt
16 from the requirements of sections 73-501 to 73-510.

17 (b) For eligible students who applied for the first time prior to
18 April 23, 2009, the contract shall require that if (i) the borrower is
19 not employed as a teacher in Nebraska for a time period equal to the
20 number of years required for loan forgiveness pursuant to subsection (2)
21 of this section and is not enrolled as a full-time student in a graduate
22 program within six months after obtaining an undergraduate degree for
23 which a loan from the program was obtained or (ii) the borrower does not
24 complete the requirements for graduation within five consecutive years
25 after receiving the initial loan under the program, then the loan must be
26 repaid, with interest at the rate fixed pursuant to section 45-103
27 accruing as of the date the borrower signed the contract, and an
28 appropriate penalty as determined by the department may be assessed. If a
29 borrower fails to remain enrolled at an eligible institution or otherwise
30 fails to meet the requirements of an eligible student, repayment of the
31 loan shall commence within six months after such change in eligibility.

1 The State Board of Education may by rules and regulations provide for
2 exceptions to the conditions of repayment pursuant to this subdivision
3 based upon mitigating circumstances.

4 (c) For eligible students who apply for the first time on or after
5 April 23, 2009, the contract shall require that if (i) the borrower is
6 not employed as a full-time teacher teaching in an approved or accredited
7 school in Nebraska and teaching at least a portion of the time in the
8 shortage area for which the loan was received for a time period equal to
9 the number of years required for loan forgiveness pursuant to subsection
10 (3) of this section or is not enrolled as a full-time student in a
11 graduate program within six months after obtaining an undergraduate
12 degree for which a loan from the program was obtained or (ii) the
13 borrower does not complete the requirements for graduation within five
14 consecutive years after receiving the initial loan under the program,
15 then the loan shall be repaid with interest at the rate fixed pursuant to
16 section 45-103 accruing as of the date the borrower signed the contract
17 and actual collection costs as determined by the department. If a
18 borrower fails to remain enrolled at an eligible institution or otherwise
19 fails to continue to be an eligible student, repayment of the loan shall
20 commence within six months after such change in eligibility. The State
21 Board of Education may by rule and regulation provide for exceptions to
22 the conditions of repayment pursuant to this subdivision based upon
23 mitigating circumstances.

24 (2) If the borrower applied for the first time prior to April 23,
25 2009, and (a) successfully completes the teacher education program and
26 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes
27 employed as a teacher in this state within six months of becoming
28 certified, and (c) otherwise meets the requirements of the contract,
29 payments shall be suspended for the number of years that the borrower is
30 required to remain employed as a teacher in this state under the
31 contract. For each year that the borrower teaches in Nebraska pursuant to

1 the contract, payments shall be forgiven in an amount equal to the amount
2 borrowed for one year, except that if the borrower teaches in a school
3 district that is ~~in a local system~~ classified as a very sparse school
4 district ~~as defined in section 79-1003~~ or teaches in a school district in
5 which at least forty percent of the students are free lunch ~~poverty~~
6 ~~students as defined in section 79-1003~~, payments shall be forgiven each
7 year in an amount equal to the amount borrowed for two years.

8 (3)(a) If the borrower applies for the first time on or after April
9 23, 2009, and (i) successfully completes the teacher education program
10 and major for which the borrower is receiving a forgivable loan pursuant
11 to the program and becomes certified pursuant to sections 79-806 to
12 79-815 with an endorsement in the shortage area for which the loan was
13 received, (ii) becomes employed as a full-time teacher teaching at least
14 a portion of the time in the shortage area for which the loan was
15 received in an approved or accredited school in this state within six
16 months of becoming certified, and (iii) otherwise meets the requirements
17 of the contract, payments shall be suspended for the number of years that
18 the borrower is required to remain employed as a teacher in this state
19 under the contract.

20 (b) Beginning after the first two years of teaching full-time in
21 Nebraska following graduation for the degree for which the loan was
22 received, for each year that the borrower teaches full-time in Nebraska
23 pursuant to the contract, the loan shall be forgiven in an amount equal
24 to three thousand dollars, except that if the borrower teaches full-time
25 in a school district that is ~~in a local system~~ classified as a very
26 sparse school district ~~as defined in section 79-1003~~, teaches in a school
27 building that provides free meals to all students pursuant to the
28 community eligibility provision, teaches in a school building in which at
29 least forty percent of the formula students are free lunch ~~poverty~~
30 ~~students as defined in section 79-1003~~, or teaches in an accredited or
31 approved private school in Nebraska in which at least forty percent of

1 the enrolled students qualified for free lunches as determined by the
2 most recent data available from the department, payments shall be
3 forgiven each year in an amount equal to six thousand dollars.

4 Sec. 52. Section 79-8,137.04, Revised Statutes Cumulative
5 Supplement, 2018, is amended to read:

6 79-8,137.04 (1) Prior to receiving any money from a loan pursuant to
7 the Enhancing Excellence in Teaching Program, an eligible student shall
8 enter into a contract with the department. Such contract shall be exempt
9 from the requirements of sections 73-501 to 73-510. The contract shall
10 require that if (a) the borrower is not employed as a full-time teacher
11 teaching in an approved or accredited school in Nebraska for a time
12 period equal to the number of years required for loan forgiveness
13 pursuant to subsection (2) of this section or (b) the borrower does not
14 complete the requirements for graduation within five consecutive years
15 after receiving the initial loan under the program, then the loan shall
16 be repaid, with interest at the rate fixed pursuant to section 45-103
17 accruing as of the date the borrower signed the contract and actual
18 collection costs as determined by the department. If a borrower fails to
19 remain enrolled at an eligible institution or otherwise fails to meet the
20 requirements of an eligible student, repayment of the loan shall commence
21 within six months after such change in eligibility. The State Board of
22 Education may by rules and regulations provide for exceptions to the
23 conditions of repayment pursuant to this subsection based upon mitigating
24 circumstances.

25 (2)(a) If the borrower (i) successfully completes the eligible
26 graduate program for which the borrower is receiving a forgivable loan
27 pursuant to the Enhancing Excellence in Teaching Program and maintains
28 certification pursuant to sections 79-806 to 79-815, (ii) maintains
29 employment as a teacher in an approved or accredited school in this
30 state, and (iii) otherwise meets the requirements of the contract,
31 payments shall be suspended for the number of years that the borrower is

1 required to remain employed as a teacher in this state under the
2 contract.

3 (b) For recipients who received funds for the first time prior to
4 July 1, 2016, beginning after the first two years of teaching full-time
5 in Nebraska following graduation for the degree for which the loan was
6 received, for each year that the borrower teaches full-time in Nebraska
7 pursuant to the contract, the loan shall be forgiven in an amount equal
8 to three thousand dollars, except that if the borrower teaches full-time
9 in a school district that is ~~in a local system~~ classified as a very
10 sparse school district ~~as defined in section 79-1003~~, teaches in a school
11 building that provides free meals to all students pursuant to the
12 community eligibility provision, teaches in a school building in which at
13 least forty percent of the students are free lunch ~~poverty~~ students ~~as~~
14 ~~defined in section 79-1003~~, or teaches in an accredited or approved
15 private school in Nebraska in which at least forty percent of the
16 enrolled students qualified for free lunches as determined by the most
17 recent data available from the department, payments shall be forgiven
18 each year in an amount equal to six thousand dollars.

19 (c) For recipients who received funds for the first time on or after
20 July 1, 2016, beginning after the first two years of teaching full-time
21 in Nebraska following completion of the eligible graduate program for
22 which the loan was received, for each year that the borrower teaches
23 full-time in Nebraska pursuant to the contract, the loan shall be
24 forgiven in an amount equal to one thousand five hundred dollars, except
25 that if the borrower teaches full-time in a school district that is ~~in a~~
26 ~~local system~~ classified as a very sparse school district ~~as defined in~~
27 ~~section 79-1003~~, teaches in a school building in which at least forty
28 percent of the students are free lunch ~~poverty~~ students ~~as defined in~~
29 ~~section 79-1003~~, teaches in a school building that provides free meals to
30 all students pursuant to the community eligibility provision, or teaches
31 in an accredited private school or educational service unit or an

1 approved private school in Nebraska in which at least forty percent of
2 the enrolled students qualified for free lunches as determined by the
3 most recent data available from the department, payments shall be
4 forgiven each year in an amount equal to one thousand five hundred
5 dollars for the first year of loan forgiveness and three thousand dollars
6 for each year of loan forgiveness thereafter.

7 Sec. 53. Section 79-8,142, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 79-8,142 (1) A school district may agree to pay incentives to a
10 certificated employee in exchange for a voluntary termination of
11 employment.

12 (2) For purposes of this section, incentives paid in exchange for a
13 voluntary termination of employment include any amount paid, except
14 pursuant to the Retirement Incentive Plan or Staff Development Assistance
15 agreement required under sections 79-854 to 79-856 for school districts
16 involved in a unification or reorganization, to or on behalf of any
17 certificated staff member in exchange for a voluntary termination of
18 employment, including, but not limited to, early retirement inducements
19 and costs to the school district for insurance coverage for such
20 certificated staff member or any member of such certificated staff
21 member's family.

22 (3) Incentives paid to a certificated teacher in exchange for a
23 voluntary termination of employment shall be a qualified voluntary
24 termination incentive for a certificated teacher for purposes of section
25 ~~sections 77-3442 and 79-1028.01~~ if:

26 (a) All current and future incentives paid by the school district to
27 such certificated teacher for such voluntary termination of employment do
28 not exceed thirty-five thousand dollars in total and such school district
29 has not and shall not pay any other incentives to such certificated
30 teacher for any voluntary termination of employment;

31 (b) All current and future incentives for such voluntary termination

1 of employment are paid within five years after such voluntary termination
2 of employment or prior to such certificated teacher becoming eligible for
3 medicare, whichever occurs first;

4 (c) Such school district has, to the satisfaction of the State Board
5 of Education, demonstrated that the payment of such incentives in
6 exchange for a voluntary termination of employment will result in a net
7 savings in salary and benefit costs to the school district over a five-
8 year period; and

9 (d) Such incentives to be paid in exchange for a voluntary
10 termination of employment were not included in any collective-bargaining
11 agreement.

12 (4) Each school district shall report all incentives paid in
13 exchange for voluntary terminations of employment on the annual financial
14 report in the manner specified by the department.

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

17 Sec. 54. Section 79-1001, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-1001 Sections 79-1001 to 79-1033 shall be known and may be cited
20 as the Tax Equity and Educational Opportunities Support Act. The Tax
21 Equity and Educational Opportunities Support Act shall be applicable for
22 state aid calculated and distributed pursuant to the act for school
23 fiscal years through school fiscal year 2019-20. The Tax Equity and
24 Educational Opportunities Support Act shall terminate on July 1, 2021.

25 Sec. 55. Section 79-1003, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 79-1003 For purposes of the Tax Equity and Educational Opportunities
28 Support Act:

29 (1) Adjusted general fund operating expenditures means (a) ~~for~~
30 ~~school fiscal years 2013-14 through 2015-16, the difference of the~~
31 ~~general fund operating expenditures as calculated pursuant to subdivision~~

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

24 (2) Adjusted valuation means the assessed valuation of taxable
25 property of each local system in the state, adjusted pursuant to the
26 adjustment factors described in section 79-1016. Adjusted valuation means
27 the adjusted valuation for the property tax year ending during the school
28 fiscal year immediately preceding the school fiscal year in which the aid
29 based upon that value is to be paid. For purposes of determining the
30 local effort rate yield pursuant to section 79-1015.01, adjusted
31 valuation does not include the value of any property which a court, by a

1 final judgment from which no appeal is taken, has declared to be
2 nontaxable or exempt from taxation;

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

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

12 (5) Base fiscal year means the first school fiscal year following
13 the school fiscal year in which the reorganization or unification
14 occurred;

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

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

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

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

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

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

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

10 (13) Ensuing school fiscal year means the school fiscal year
11 following the current school fiscal year;

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

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

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

21 (17) Formula students means:

22 (a) For state aid certified pursuant to section 79-1022, the sum of
23 the product of fall membership from the school fiscal year immediately
24 preceding the school fiscal year in which the aid is to be paid
25 multiplied by the average ratio of average daily membership to fall
26 membership for the second school fiscal year immediately preceding the
27 school fiscal year in which the aid is to be paid and the prior two
28 school fiscal years plus sixty percent of the qualified early childhood
29 education fall membership plus tuitioned students from the school fiscal
30 year immediately preceding the school fiscal year in which aid is to be
31 paid minus the product of the number of students enrolled in kindergarten

1 that is not full-day kindergarten from the fall membership multiplied by
2 0.5; and

3 (b) For the final calculation of state aid pursuant to section
4 79-1065, the sum of average daily membership plus sixty percent of the
5 qualified early childhood education average daily membership plus
6 tuitioned students minus the product of the number of students enrolled
7 in kindergarten that is not full-day kindergarten from the average daily
8 membership multiplied by 0.5 from the school fiscal year immediately
9 preceding the school fiscal year in which aid was paid;

10 (18) Free lunch and free milk calculated students means, using the
11 most recent data available on November 1 of the school fiscal year
12 immediately preceding the school fiscal year in which aid is to be paid,

13 (a) for schools that did not provide free meals to all students pursuant
14 to the community eligibility provision, students who individually
15 qualified for free lunches or free milk pursuant to the federal Richard
16 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
17 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
18 and sections existed on January 1, 2019 ~~2015~~, and rules and regulations
19 adopted thereunder, plus (b) for schools that provided free meals to all
20 students pursuant to the community eligibility provision, ~~(i) for school~~
21 ~~fiscal year 2016-17, the product of the students who attended such school~~
22 ~~multiplied by the identified student percentage calculated pursuant to~~
23 ~~such federal provision or (ii) for school fiscal year 2017-18 and each~~
24 ~~school fiscal year thereafter,~~ the greater of the number of students in
25 such school who individually qualified for free lunch or free milk using
26 the most recent school fiscal year for which the school did not provide
27 free meals to all students pursuant to the community eligibility
28 provision or one hundred ten percent of the product of the students who
29 qualified for free meals at such school pursuant to the community
30 eligibility provision multiplied by the identified student percentage
31 calculated pursuant to such federal provision, except that the free lunch

1 and free milk students calculated for any school pursuant to subdivision
2 ~~(18)(b)~~ ~~(18)(b)(ii)~~ of this section shall not exceed one hundred percent
3 of the students qualified for free meals at such school pursuant to the
4 community eligibility provision;

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

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

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

18 (22) General fund expenditures means all expenditures from the
19 general fund;

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

1 79-734, federal impact aid, and levy override elections pursuant to
2 section 77-3444, (b) the amount of expenditures for categorical funds,
3 tuition paid, transportation fees paid to other districts, adult
4 education, community services, redemption of the principal portion of
5 general fund debt service, retirement incentive plans authorized by
6 section 79-855, and staff development assistance authorized by section
7 79-856, (c) the amount of any transfers from the general fund to any bond
8 fund and transfers from other funds into the general fund, (d) any legal
9 expenses in excess of fifteen-hundredths of one percent of the formula
10 need for the school fiscal year in which the expenses occurred, (e) ~~(e)~~
11 ~~(i) for state aid calculated for school fiscal years prior to school~~
12 ~~fiscal year 2018-19, expenditures to pay for sums agreed to be paid by a~~
13 ~~school district to certificated employees in exchange for a voluntary~~
14 ~~termination occurring prior to July 1, 2009, occurring on or after the~~
15 ~~last day of the 2010-11 school year and prior to the first day of the~~
16 ~~2013-14 school year, or, to the extent that a district has demonstrated~~
17 ~~to the State Board of Education pursuant to section 79-1028.01 that the~~
18 ~~agreement will result in a net savings in salary and benefit costs to the~~
19 ~~school district over a five-year period, occurring on or after the first~~
20 ~~day of the 2013-14 school year or (ii) for state aid calculated for~~
21 ~~school fiscal year 2018-19 and each school fiscal year thereafter,~~
22 expenditures to pay for incentives agreed to be paid by a school district
23 to certificated employees in exchange for a voluntary termination of
24 employment for which the State Board of Education approved an exclusion
25 pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01,
26 (f)(i) expenditures to pay for employer contributions pursuant to
27 subsection (2) of section 79-958 to the School Employees Retirement
28 System of the State of Nebraska to the extent that such expenditures
29 exceed the employer contributions under such subsection that would have
30 been made at a contribution rate of seven and thirty-five hundredths
31 percent or (ii) expenditures to pay for school district contributions

1 pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
2 retirement system established pursuant to the Class V School Employees
3 Retirement Act to the extent that such expenditures exceed the school
4 district contributions under such subdivision that would have been made
5 at a contribution rate of seven and thirty-seven hundredths percent, and
6 (g) any amounts paid by the district for lobbyist fees and expenses
7 reported to the Clerk of the Legislature pursuant to section 49-1483.

8 For purposes of this subdivision (23) of this section, receipts from
9 levy override elections shall equal ninety-nine percent of the difference
10 of the total general fund levy minus a levy of one dollar and five cents
11 per one hundred dollars of taxable valuation multiplied by the assessed
12 valuation for school districts that have voted pursuant to section
13 77-3444 to override the maximum levy provided pursuant to section
14 77-3442;

15 (24) 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 (25) 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 (26) 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 (27) Local system means a unified system or a school district;

30 (28) Low-income child means ~~(a) for school fiscal years prior to~~
31 ~~2016-17, a child under nineteen years of age living in a household having~~

1 ~~an annual adjusted gross income for the second calendar year preceding~~
2 ~~the beginning of the school fiscal year for which aid is being calculated~~
3 ~~equal to or less than the maximum household income that would allow a~~
4 ~~student from a family of four people to be a free lunch and free milk~~
5 ~~student during the school fiscal year immediately preceding the school~~
6 ~~fiscal year for which aid is being calculated and (b) for school fiscal~~
7 ~~year 2016-17 and each school fiscal year thereafter,~~ a child under
8 nineteen years of age living in a household having an annual adjusted
9 gross income for the second calendar year preceding the beginning of the
10 school fiscal year for which aid is being calculated equal to or less
11 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
12 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
13 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
14 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
15 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
16 existed on January 1, 2019 ~~2015~~, for a household of that size that would
17 have allowed the child to meet the income qualifications for free meals
18 during the school fiscal year immediately preceding the school fiscal
19 year for which aid is being calculated;

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

24 (30) Most recently available complete data year means the most
25 recent single school fiscal year for which the annual financial report,
26 fall school district membership report, annual statistical summary,
27 Nebraska income tax liability by school district for the calendar year in
28 which the majority of the school fiscal year falls, and adjusted
29 valuation data are available;

30 (31) Poverty students means ~~(a) for school fiscal years prior to~~
31 ~~2016-17, the number of low-income students or the number of students who~~

1 ~~are free lunch and free milk students in a district plus the difference~~
2 ~~of the number of low income students or the number of students who are~~
3 ~~free lunch and free milk students in a district, whichever is greater,~~
4 ~~minus the average number of poverty students for such district, prior to~~
5 ~~such addition, for the three immediately preceding school fiscal years if~~
6 ~~such difference is greater than zero and (b) for school fiscal year~~
7 ~~2016-17 and each school fiscal year thereafter,~~ the unadjusted poverty
8 students plus the difference of such unadjusted poverty students minus
9 the average number of poverty 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 (32) Qualified early childhood education average daily membership
13 means the product of the average daily membership ~~for school fiscal year~~
14 ~~2006-07 and each school fiscal year thereafter~~ of students who will be
15 eligible to attend kindergarten the following school year and are
16 enrolled in an early childhood education program approved by the
17 department pursuant to section 79-1103 for such school district for such
18 school year multiplied by the ratio of the actual instructional hours of
19 the program divided by one thousand thirty-two if: (a) The program is
20 receiving a grant pursuant to such section for the third year; (b) the
21 program has already received grants pursuant to such section for three
22 years; or (c) the program has been approved pursuant to subsection (5) of
23 section 79-1103 for such school year and the two preceding school years,
24 including any such students in portions of any of such programs receiving
25 an expansion grant;

26 (33) Qualified early childhood education fall membership means the
27 product of membership on October 1 of each school year of students who
28 will be eligible to attend kindergarten the following school year and are
29 enrolled in an early childhood education program approved by the
30 department pursuant to section 79-1103 for such school district for such
31 school year multiplied by the ratio of the planned instructional hours of

1 the program divided by one thousand thirty-two if: (a) The program is
2 receiving a grant pursuant to such section for the third year; (b) the
3 program has already received grants pursuant to such section for three
4 years; or (c) the program has been approved pursuant to subsection (5) of
5 section 79-1103 for such school year and the two preceding school years,
6 including any such students in portions of any of such programs receiving
7 an expansion grant;

8 (34) Regular route transportation means the transportation of
9 students on regularly scheduled daily routes to and from the attendance
10 center;

11 (35) Reorganized district means any district involved in a
12 consolidation and currently educating students following consolidation;

13 (36) School year or school fiscal year means the fiscal year of a
14 school district as defined in section 79-1091;

15 (37) Sparse local system means a local system that is not a very
16 sparse local system but which meets the following criteria:

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

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

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

29 (d)(i) Less than two formula students per square mile in the local
30 system and (ii) the local system includes an area equal to ninety-five
31 percent or more of the square miles in the largest county in which a high

1 school attendance center is located in the local system;

2 (38) Special education means specially designed kindergarten through
3 grade twelve instruction pursuant to section 79-1125, and includes
4 special education transportation;

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

12 (40) State aid means the amount of assistance paid to a district
13 pursuant to the Tax Equity and Educational Opportunities Support Act;

14 (41) State board means the State Board of Education;

15 (42) State support means all funds provided to districts by the
16 State of Nebraska for the general fund support of elementary and
17 secondary education;

18 (43) Statewide average basic funding per formula student means the
19 statewide total basic funding for all districts divided by the statewide
20 total formula students for all districts;

21 (44) Statewide average general fund operating expenditures per
22 formula student means the statewide total general fund operating
23 expenditures for all districts divided by the statewide total formula
24 students for all districts;

25 (45) Teacher has the definition found in section 79-101;

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

1 year 2007-08, one and one-fourth percent of the sum of the local system's
2 transportation allowance, special receipts allowance, and distance
3 education and telecommunications allowance and the product of the local
4 system's adjusted formula students multiplied by the average formula cost
5 per student in the local system's cost grouping;

6 (47) Tuition receipts from converted contracts means tuition
7 receipts received by a district from another district in the most
8 recently available complete data year pursuant to a converted contract
9 prior to the expiration of the contract;

10 (48) Tuitioned students means students in kindergarten through grade
11 twelve of the district whose tuition is paid by the district to some
12 other district or education agency;

13 (49) Unadjusted poverty students means, ~~for school fiscal year~~
14 ~~2016-17 and each school fiscal year thereafter,~~ the greater of the number
15 of low-income students or the free lunch and free milk calculated
16 students in a district; and

17 (50) Very sparse local system means a local system that has:

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

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

29 Sec. 56. Section 79-1003.01, Revised Statutes Cumulative Supplement,
30 2018, is amended to read:

31 79-1003.01 (1) The department shall calculate a summer school

1 allowance for each district which submits the information required for
2 the calculation on a form prescribed by the department on or before
3 October 15 of the school fiscal year preceding the school fiscal year for
4 which aid is being calculated. ~~The For aid calculated for school fiscal~~
5 ~~years through school fiscal year 2013-14, the summer school allowance~~
6 ~~shall be equal to two and one-half percent of the summer school student~~
7 ~~units for such district multiplied by eighty-five percent of the~~
8 ~~statewide average general fund operating expenditures per formula~~
9 ~~student. For aid calculated for school fiscal year 2014-15 and each~~
10 ~~school fiscal year thereafter, the summer school allowance shall be equal~~
11 to the lesser of two and one-half percent of the product of the summer
12 school student units for such district multiplied by eighty-five percent
13 of the statewide average general fund operating expenditures per formula
14 student or the summer school and early childhood summer school
15 expenditures that are paid for with noncategorical funds generated by
16 state or local taxes as reported on the annual financial report for the
17 most recently available data year and that are not included in other
18 allowances.

19 (2) Summer school student units shall be calculated for each student
20 enrolled in summer school as defined in section 79-536 in a school
21 district who attends such summer school for at least twelve days in the
22 most recently available complete data year, whether or not the student is
23 in the membership of the school district. The initial number of units for
24 each such student shall equal the sum of the ratios, each rounded down to
25 the nearest whole number, of the number of days for which the student
26 attended summer school classes in such district for at least three hours
27 and less than six hours per day divided by twelve days and of two times
28 the number of days for which the student attended summer school classes
29 in such district for six or more hours per day divided by twelve days.

30 (3) Each school district shall receive an additional summer school
31 student unit for each summer school student unit attributed to remedial

1 math or reading programs. Each school district shall also receive an
2 additional summer school student unit for each summer school student unit
3 attributed to a student who in the school year immediately preceding
4 summer school either (a) qualified for free lunches or free milk and
5 attended a school that uses information collected from parents and
6 guardians to determine such qualifications or (b) attended a school that
7 provides free meals to all students pursuant to the community eligibility
8 provision.

9 (4) ~~Summer Beginning with state aid calculated for school fiscal~~
10 ~~year 2012-13, summer~~ school student units shall be calculated for each
11 student who was both enrolled in the most recently available complete
12 data year in a summer session of an early childhood education program for
13 which a qualified early childhood education fall membership greater than
14 zero has been calculated for the school fiscal year for which aid is
15 being calculated and eligible to attend kindergarten in the fall
16 immediately following such summer session. The initial number of units
17 for each such early childhood education student shall equal the sum of
18 the ratios, each rounded down to the nearest whole number, of the number
19 of days for which the student attended the summer session in such
20 district for at least three hours and less than six hours per day divided
21 by twelve days and of two times the number of days for which the student
22 attended the summer session in such district for six or more hours per
23 day divided by twelve days. The initial summer school student units for
24 early childhood education students shall be multiplied by six-tenths.
25 Instructional hours included in the calculation of the qualified early
26 childhood education fall membership or the qualified early childhood
27 education average daily membership shall not be included in the
28 calculation of the summer school allowance.

29 (5) Each school district shall receive an additional six-tenths of a
30 summer school student unit for each early childhood education student
31 unit attributed to an early childhood education student who is either

1 qualified for free lunches or free milk based on information collected
2 from parents and guardians to determine such qualifications or is
3 registered to attend a school in the school year immediately following
4 such summer that provides free meals to all students pursuant to the
5 community eligibility provision.

6 (6) This section does not prevent school districts from requiring
7 and collecting fees for summer school or summer sessions of early
8 childhood education programs, except that summer school student units
9 shall not be calculated for school districts which collect fees for
10 summer school from students who qualify for free or reduced-price lunches
11 under United States Department of Agriculture child nutrition programs or
12 who attended, or are registered to attend, a school in the school year
13 immediately following such summer that provides free meals to all
14 students pursuant to the community eligibility provision.

15 Sec. 57. Section 79-1005, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

17 79-1005 (1) ~~The For school fiscal year 2017-18 and each school~~
18 ~~fiscal year thereafter,~~ the department shall determine the community
19 achievement plan aid to be paid to each school district that will
20 participate in a community achievement plan approved by the State Board
21 of Education pursuant to section 79-2122 for such school fiscal year.

22 (a) For the first two school fiscal years a school district will
23 participate in such plan, if such school fiscal years are prior to school
24 fiscal year 2020-21, a new community achievement plan adjustment equal to
25 the community achievement aid shall be included in the calculation of
26 formula need for such school district.

27 (b) Except as provided in subdivision (1)(a) of this section ~~For all~~
28 ~~other school fiscal years,~~ a community achievement plan allowance equal
29 to the community achievement aid shall be included in the calculation of
30 formula need for school districts qualifying for community achievement
31 plan aid.

1 (2) Community achievement plan aid shall be included as a formula
2 resource pursuant to section 79-1017.01.

3 (3) ~~(2)~~ Community achievement plan aid shall equal 0.4643 percent of
4 the product of the statewide average general fund operating expenditures
5 per formula student multiplied by the total formula students for all of
6 the member school districts in such learning community. The community
7 achievement plan aid for each learning community shall be divided
8 proportionally among the member school districts based on the sum of two
9 percent of the poverty allowance calculated pursuant to section
10 79-1007.06, two percent of the limited English proficiency allowance
11 calculated pursuant to section 79-1007.08, and, for school districts with
12 poverty students greater than forty percent of the formula students,
13 except as otherwise provided in this section, three percent of the
14 product of the statewide average general fund operating expenditures per
15 formula student multiplied by the difference of the poverty students
16 minus forty percent of the formula students for such school district.

17 (4) ~~(3)~~ For school fiscal year 2017-18, community achievement plan
18 aid and a new community achievement plan adjustment shall be calculated
19 for school districts that are members of a learning community and shall
20 be included in formula resources pursuant to section 79-1017.01 in such
21 amount regardless of the status of the approval of a community
22 achievement plan, but community achievement plan aid shall not be paid to
23 such school districts until a community achievement plan for such
24 learning community is approved by the state board. If a community
25 achievement plan is not approved for such learning community prior to
26 September 1, 2017, the adjustment and aid calculated pursuant to this
27 section shall be removed for the final calculation of state aid pursuant
28 to section 79-1065 for school fiscal year 2017-18 and such amount shall
29 be subtracted from the state aid appropriated by the Legislature for the
30 determination of the local effort rate pursuant to section 79-1015.01 for
31 the final calculation of state aid for school fiscal year 2017-18.

1 Sec. 58. Section 79-1005.01, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 79-1005.01 ~~(1)~~ Not later than November 15 of each year, the Tax
4 Commissioner shall certify to the department for the preceding tax year
5 the income tax liability of resident individuals for each local system.
6 ~~Each (2) For school fiscal years prior to 2017-18, one hundred two~~
7 ~~million two hundred eighty-nine thousand eight hundred seventeen dollars~~
8 ~~which is equal to the amount appropriated to the School District Income~~
9 ~~Tax Fund for distribution in school fiscal year 1992-93 shall be~~
10 ~~disbursed as option payments as determined under section 79-1009 and as~~
11 ~~allocated income tax funds as determined in this section and sections~~
12 ~~79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, except as provided in~~
13 ~~section 79-1008.02 for school fiscal years prior to school fiscal year~~
14 ~~2017-18. For school fiscal years prior to school fiscal year 2017-18,~~
15 ~~funds not distributed as allocated income tax funds due to minimum levy~~
16 ~~adjustments shall not increase the amount available to local systems for~~
17 ~~distribution as allocated income tax funds. (3) Using the data certified~~
18 ~~by the Tax Commissioner pursuant to subsection (1) of this section, the~~
19 ~~department shall calculate the allocation percentage and each local~~
20 ~~system's allocated income tax funds. The allocation percentage shall be~~
21 ~~the amount stated in subsection (2) of this section minus the total~~
22 ~~amount paid for option students pursuant to section 79-1009, with the~~
23 ~~difference divided by the aggregate statewide income tax liability of all~~
24 ~~resident individuals certified pursuant to subsection (1) of this~~
25 ~~section. Each local system's allocated income tax funds shall be~~
26 ~~calculated by multiplying the allocation percentage times the local~~
27 ~~system's income tax liability certified pursuant to subsection (1) of~~
28 ~~this section. (4) For school fiscal year 2017-18 and each school fiscal~~
29 ~~year thereafter, each local system's allocated income tax funds shall be~~
30 ~~calculated by multiplying the local system's income tax liability~~
31 ~~certified pursuant to subsection (1) of this section by two and twenty-~~

1 three hundredths percent.

2 Sec. 59. Section 79-1007.05, Reissue Revised Statutes of Nebraska,
3 is amended to read:

4 79-1007.05 ~~The For school fiscal year 2008-09 and each school~~
5 ~~fiscal year thereafter,~~ the department shall determine the focus school
6 and program allowance for each school district in a learning community
7 which submits the information required for the calculation on a form
8 prescribed by the department on or before October 15 of the school fiscal
9 year preceding the school fiscal year for which aid is being calculated.
10 Such form may require confirmation from a learning community official
11 that the focus school or program has been approved by the learning
12 community coordinating council for the school fiscal year for which the
13 allowance is being calculated. The focus school and program allowance for
14 each school district in a learning community shall equal the sum of the
15 allowances calculated pursuant to this section for each focus school and
16 focus program operated by the school district for the school fiscal year
17 for which aid is being calculated.

18 For the school fiscal year containing the majority of the first
19 school year that a school or program will be in operation as a focus
20 school or program approved by the learning community and meeting the
21 requirements of section 79-769, the focus school and program allowance
22 for such focus school or program shall equal the statewide average
23 general fund operating expenditures per formula student multiplied by
24 0.10 then multiplied by the estimated number of students who will be
25 participating in the focus school or program as reported on the form
26 required pursuant to this section.

27 For the school fiscal year containing the majority of the second
28 school year that a school or program will be in operation as a focus
29 school or program approved by the learning community and meeting the
30 requirements of section 79-769, the focus school and program allowance
31 for such focus school or program shall equal the statewide average

1 general fund operating expenditures per formula student multiplied by
2 0.10 then multiplied by (1) for state aid certified pursuant to section
3 79-1022, the difference of the product of two multiplied by the number of
4 students participating in the focus school or program as reported on the
5 fall membership report from the school fiscal year immediately preceding
6 the school fiscal year in which the aid is to be paid minus the estimated
7 number of students used in the certification of state aid pursuant to
8 section 79-1022 for the school fiscal year immediately preceding the
9 school fiscal year in which the aid is to be paid and (2) for the final
10 calculation of state aid pursuant to section 79-1065, the difference of
11 the product of two multiplied by the number of students participating in
12 the focus school or program as reported on the annual statistical summary
13 report from the school fiscal year immediately preceding the school
14 fiscal year in which the aid was paid minus the estimated number of
15 students used in the final calculation of state aid pursuant to section
16 79-1065 for the school fiscal year immediately preceding the school
17 fiscal year in which the aid is to be paid.

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

1 Sec. 60. Section 79-1007.10, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 79-1007.10 ~~The (1) For state aid calculated for all school fiscal~~
4 ~~years except school fiscal year 2010-11,~~ the cost growth factor shall
5 equal the sum of: (a) The basic allowable growth rate pursuant to section
6 79-1025 for the school fiscal year in which the aid is to be distributed;
7 plus (b) the basic allowable growth rate pursuant to section 79-1025 for
8 the school fiscal year immediately preceding the school fiscal year in
9 which the aid is to be distributed.

10 ~~(2) For state aid calculated for school fiscal year 2010-11, the~~
11 ~~cost growth factor shall equal the sum of: (i) One; plus (ii) the basic~~
12 ~~allowable growth rate pursuant to section 79-1025 for the school fiscal~~
13 ~~year in which the aid is to be distributed; plus (iii) the basic~~
14 ~~allowable growth rate pursuant to section 79-1025 for the school fiscal~~
15 ~~year immediately preceding the school fiscal year in which the aid is to~~
16 ~~be distributed; plus (iv) two percent.~~

17 Sec. 61. Section 79-1007.11, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-1007.11 ~~(1) Except as otherwise provided in this section, for~~
20 ~~school fiscal years 2013-14 through 2015-16, each school district's~~
21 ~~formula need shall equal the difference of the sum of the school~~
22 ~~district's basic funding, poverty allowance, limited English proficiency~~
23 ~~allowance, focus school and program allowance, summer school allowance,~~
24 ~~special receipts allowance, transportation allowance, elementary site~~
25 ~~allowance, instructional time allowance, teacher education allowance,~~
26 ~~distance education and telecommunications allowance, averaging~~
27 ~~adjustment, new learning community transportation adjustment, student~~
28 ~~growth adjustment, any positive student growth adjustment correction, and~~
29 ~~new school adjustment, minus the sum of the limited English proficiency~~
30 ~~allowance correction, poverty allowance correction, and any negative~~
31 ~~student growth adjustment correction.~~

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

13 (1) ~~(3)~~ Except as otherwise provided in this section, for school
14 fiscal years 2017-18 and 2018-19, each school district's formula need
15 shall equal the difference of the sum of the school district's basic
16 funding, poverty allowance, poverty allowance adjustment, limited English
17 proficiency allowance, focus school and program allowance, summer school
18 allowance, special receipts allowance, transportation allowance,
19 elementary site allowance, distance education and telecommunications
20 allowance, averaging adjustment, new community achievement plan
21 adjustment, student growth adjustment, any positive student growth
22 adjustment correction, and new school adjustment minus the sum of the
23 limited English proficiency allowance correction, poverty allowance
24 correction, and any negative student growth adjustment correction.

25 (2) ~~(4)~~ Except as otherwise provided in this section, for school
26 fiscal year 2019-20 and each school fiscal year thereafter, each school
27 district's formula need shall equal the difference of the sum of the
28 school district's basic funding, poverty allowance, limited English
29 proficiency allowance, focus school and program allowance, summer school
30 allowance, special receipts allowance, transportation allowance,
31 elementary site allowance, distance education and telecommunications

1 allowance, community achievement plan allowance, averaging adjustment,
2 new community achievement plan adjustment, student growth adjustment, any
3 positive student growth adjustment correction, and new school adjustment
4 minus the sum of the limited English proficiency allowance correction,
5 poverty allowance correction, and any negative student growth adjustment
6 correction.

7 (3) ~~(5)~~ If the formula need calculated for a school district
8 pursuant to subsections (1) or (2) ~~through (4)~~ of this section is less
9 than one hundred percent of the formula need for such district for the
10 school fiscal year immediately preceding the school fiscal year for which
11 aid is being calculated, the formula need for such district shall equal
12 one hundred percent of the formula need for such district for the school
13 fiscal year immediately preceding the school fiscal year for which aid is
14 being calculated.

15 (4) ~~(6)~~ If the formula need calculated for a school district
16 pursuant to subsections (1) or (2) ~~through (4)~~ of this section is more
17 than one hundred twelve percent of the formula need for such district for
18 the school fiscal year immediately preceding the school fiscal year for
19 which aid is being calculated, the formula need for such district shall
20 equal one hundred twelve percent of the formula need for such district
21 for the school fiscal year immediately preceding the school fiscal year
22 for which aid is being calculated, except that the formula need shall not
23 be reduced pursuant to this subsection for any district receiving a
24 student growth adjustment for the school fiscal year for which aid is
25 being calculated.

26 (5) ~~(7)~~ For purposes of subsections (3) ~~(5)~~ and (4) ~~(6)~~ of this
27 section, the formula need for the school fiscal year immediately
28 preceding the school fiscal year for which aid is being calculated shall
29 be the formula need used in the final calculation of aid pursuant to
30 section 79-1065 and for districts that were affected by a reorganization
31 with an effective date in the calendar year preceding the calendar year

1 in which aid is certified for the school fiscal year for which aid is
2 being calculated, the formula need for the school fiscal year immediately
3 preceding the school fiscal year for which aid is being calculated shall
4 be attributed to the affected school districts based on information
5 provided to the department by the school districts or proportionally
6 based on the adjusted valuation transferred if sufficient information has
7 not been provided to the department.

8 Sec. 62. Section 79-1007.15, Reissue Revised Statutes of Nebraska,
9 is amended to read:

10 79-1007.15 ~~(1) For school fiscal year 2008-09, the department shall~~
11 ~~calculate an elementary site allowance for any district in which (a) the~~
12 ~~district has more than one elementary attendance site, (b) at least one~~
13 ~~of the elementary attendance sites does not offer any other grades, (c)~~
14 ~~the square miles in the district divided by the number of elementary~~
15 ~~attendance sites in the district equals one hundred square miles or more~~
16 ~~per elementary attendance site, and (d) the fall membership in elementary~~
17 ~~site grades in the district divided by the number of elementary site~~
18 ~~grades then divided again by the number of elementary attendance sites~~
19 ~~equals fifteen or fewer students per grade per elementary attendance~~
20 ~~site. Qualifying elementary attendance sites for such districts shall~~
21 ~~only offer elementary site grades and shall have an average of fifteen or~~
22 ~~fewer students per grade in the fall membership.~~

23 (1) The ~~(2) For school fiscal year 2009-10 and each school fiscal~~
24 ~~year thereafter,~~ the department shall calculate an elementary site
25 allowance for any district which has at least one qualifying elementary
26 attendance site and which submits the information required for the
27 calculation on a form prescribed by the department on or before October
28 15 of the school fiscal year preceding the school fiscal year for which
29 aid is being calculated. A qualifying elementary attendance site shall be
30 an elementary attendance site, in a district with multiple elementary
31 attendance sites, which does not have another elementary attendance site

1 within seven miles in the same school district or which is the only
2 public elementary attendance site located in an incorporated city or
3 village.

4 (3) The elementary site allowance for each qualifying district shall
5 equal the sum of the elementary site allowances for each qualifying
6 elementary attendance site in the district. The elementary site allowance
7 for each qualifying elementary attendance site shall equal five hundred
8 percent of the statewide average general fund operating expenditures per
9 formula student multiplied by the result of rounding the ratio of the
10 fall membership attributed to the elementary attendance site divided by
11 eight up to the next whole number if the result was not a whole number,
12 except that if the resulting whole number is greater than the number of
13 elementary site grades, the whole number shall be reduced to equal the
14 number of elementary site grades.

15 (4) For purposes of this section:

16 (a) Each district shall determine which grades are considered
17 elementary site grades, except that (i) all grades designated as
18 elementary site grades shall be offered in each elementary attendance
19 site in the district, without any preference indicated by the school
20 board or any school district administrator for students to attend
21 different elementary attendance sites depending on their elementary site
22 grade level, for the school fiscal year for which aid is being calculated
23 and for each of the five school fiscal years preceding the school fiscal
24 year for which aid is being calculated and (ii) elementary site grades
25 shall not include grades nine, ten, eleven, or twelve;

26 (b) An elementary attendance site is an attendance site in which
27 elementary site grades are offered;

28 (c) The primary elementary site shall be the elementary attendance
29 site to which the most formula students are attributed in the district
30 and shall not be a qualifying elementary attendance site; and

31 (d) Fall membership means the fall membership for the school fiscal

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

3 (5) If the elementary attendance site is new or is being reopened
4 after being closed for at least one school year, the requirements of
5 subdivision (4)(a)(i) of this section with respect to preceding school
6 fiscal years shall not apply to school fiscal years in which the
7 elementary attendance site was not in operation.

8 (6) The department shall determine if the qualifications for the
9 elementary site allowance have been met for each elementary attendance
10 site for which information has been submitted. The department may rely on
11 the information submitted and any other information available to the
12 department, including, but not limited to, past attendance patterns. The
13 state board shall establish a procedure for appeal of decisions of the
14 department to the state board for a final determination.

15 Sec. 63. Section 79-1007.16, Reissue Revised Statutes of Nebraska,
16 is amended to read:

17 79-1007.16 ~~(1)~~—The department shall calculate basic funding for
18 each district as provided in this section.

19 ~~(2) For state aid calculated for school fiscal years prior to school~~
20 ~~fiscal year 2011-12:~~

21 ~~(a) A comparison group shall be established for each district~~
22 ~~consisting of the districts for which basic funding is being calculated,~~
23 ~~the five larger districts that are closest in size to the district for~~
24 ~~which basic funding is being calculated as measured by formula students,~~
25 ~~and the five smaller districts that are closest in size to the district~~
26 ~~for which basic funding is being calculated as measured by formula~~
27 ~~students. If there are not five districts that are larger than the~~
28 ~~district for which basic funding is being calculated or if there are not~~
29 ~~five districts that are smaller than the district for which basic funding~~
30 ~~is being calculated, the comparison group shall consist of only as many~~
31 ~~districts as fit the criteria. If more than one district has exactly the~~

1 ~~same number of formula students as the largest or smallest district in~~
2 ~~the comparison group, all of the districts with exactly the same number~~
3 ~~of formula students as the largest or smallest districts in the~~
4 ~~comparison group shall be included in the comparison group. If one or~~
5 ~~more districts have exactly the same number of formula students as the~~
6 ~~district for which basic funding is being calculated, all such districts~~
7 ~~shall be included in the comparison group in addition to the five larger~~
8 ~~districts and the five smaller districts. The comparison group shall~~
9 ~~remain the same for the final calculation of aid pursuant to section~~
10 ~~79-1065;~~

11 ~~(b) For districts with nine hundred or more formula students, basic~~
12 ~~funding shall equal the formula students multiplied by the average of the~~
13 ~~adjusted general fund operating expenditures per formula student for each~~
14 ~~district in the comparison group, excluding both the district with the~~
15 ~~highest adjusted general fund operating expenditures per formula student~~
16 ~~and the district with the lowest adjusted general fund operating~~
17 ~~expenditures per formula student of the districts in the comparison~~
18 ~~group; and~~

19 ~~(c) For districts with fewer than nine hundred formula students,~~
20 ~~basic funding shall equal the product of the average of the adjusted~~
21 ~~general fund operating expenditures for each district in the comparison~~
22 ~~group, excluding both the district with the highest adjusted general fund~~
23 ~~operating expenditures and the district with the lowest adjusted general~~
24 ~~fund operating expenditures of the districts in the comparison group.~~

25 ~~(3) For state aid calculated for school fiscal year 2011-12 and each~~
26 ~~school fiscal year thereafter:~~

27 ~~(1) (a) A comparison group shall be established for each district~~
28 ~~consisting of the districts for which basic funding is being calculated,~~
29 ~~the ten larger districts that are closest in size to the district for~~
30 ~~which basic funding is being calculated as measured by formula students,~~
31 ~~and the ten smaller districts that are closest in size to the district~~

1 for which basic funding is being calculated as measured by formula
2 students. If there are not ten districts that are larger than the
3 district for which basic funding is being calculated or if there are not
4 ten districts that are smaller than the district for which basic funding
5 is being calculated, the comparison group shall consist of only as many
6 districts as fit the criteria. If more than one district has exactly the
7 same number of formula students as the largest or smallest district in
8 the comparison group, all of the districts with exactly the same number
9 of formula students as the largest or smallest districts in the
10 comparison group shall be included in the comparison group. If one or
11 more districts have exactly the same number of formula students as the
12 district for which basic funding is being calculated, all such districts
13 shall be included in the comparison group in addition to the ten larger
14 districts and the ten smaller districts. The comparison group shall
15 remain the same for the final calculation of aid pursuant to section
16 79-1065;

17 (2) ~~(b)~~ For districts with nine hundred or more formula students,
18 basic funding shall equal the formula students multiplied by the average
19 of the adjusted general fund operating expenditures per formula student
20 for each district in the comparison group, excluding both the two
21 districts with the highest adjusted general fund operating expenditures
22 per formula student and the two districts with the lowest adjusted
23 general fund operating expenditures per formula student of the districts
24 in the comparison group; and

25 (3) ~~(c)~~ For districts with fewer than nine hundred formula students,
26 basic funding shall equal the product of the average of the adjusted
27 general fund operating expenditures for each district in the comparison
28 group, excluding both the two districts with the highest adjusted general
29 fund operating expenditures and the two districts with the lowest
30 adjusted general fund operating expenditures of the districts in the
31 comparison group.

1 Sec. 64. Section 79-1007.18, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 79-1007.18 ~~(1) For school fiscal years prior to school fiscal year~~
4 ~~2017-18:~~

5 ~~(a) The department shall calculate an averaging adjustment for~~
6 ~~districts if the basic funding per formula student is less than the~~
7 ~~averaging adjustment threshold and the general fund levy for the school~~
8 ~~fiscal year immediately preceding the school fiscal year for which aid is~~
9 ~~being calculated was at least one dollar per one hundred dollars of~~
10 ~~taxable valuation. For the calculation of aid for school fiscal years~~
11 ~~prior to school fiscal year 2018-19, the general fund levy for school~~
12 ~~districts that are members of a learning community for purposes of this~~
13 ~~section includes both the common general fund levy and the school~~
14 ~~district general fund levy authorized pursuant to subdivisions (2)(b) and~~
15 ~~(2)(c) of section 77-3442. The averaging adjustment shall equal the~~
16 ~~district's formula students multiplied by the percentage specified in~~
17 ~~this subsection for such district of the difference between the averaging~~
18 ~~adjustment threshold minus such district's basic funding per formula~~
19 ~~student;~~

20 ~~(b) The averaging adjustment threshold shall equal the aggregate~~
21 ~~basic funding for all districts with nine hundred or more formula~~
22 ~~students divided by the aggregate formula students for all districts with~~
23 ~~nine hundred or more formula students for the school fiscal year for~~
24 ~~which aid is being calculated; and~~

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

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

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

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

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

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

16 ~~The (2) For school fiscal year 2017-18 and each school fiscal year~~
17 ~~thereafter,~~ the department shall calculate an averaging adjustment for
18 districts with at least nine hundred formula students if the basic
19 funding per formula student is less than the averaging adjustment
20 threshold. The averaging adjustment shall equal the district's formula
21 students multiplied by ninety percent of the difference of the averaging
22 adjustment threshold minus such district's basic funding per formula
23 student. The averaging adjustment threshold shall equal the aggregate
24 basic funding for all districts with nine hundred or more formula
25 students divided by the aggregate formula students for all districts with
26 nine hundred or more formula students for the school fiscal year for
27 which aid is being calculated.

28 Sec. 65. Section 79-1007.21, Reissue Revised Statutes of Nebraska,
29 is amended to read:

30 79-1007.21 (1) School ~~For school fiscal year 2009-10 and each school~~
31 ~~fiscal year thereafter,~~ school districts may apply to the department for

1 a two-year new school adjustment, on a form prescribed by the department,
2 on or before October 15 of the school fiscal year immediately preceding
3 the school fiscal year for which the first-year new school adjustment
4 would be included in the calculation of state aid. Such form shall
5 require evidence of recent and expected student growth, evidence that a
6 new building or the expansion or remodeling of an existing building is
7 being completed to provide additional student capacity to accommodate
8 such growth and not to replace an existing building, evidence that the
9 school fiscal year for which the district would receive the first-year
10 adjustment will be the first full school fiscal year for which students
11 will utilize such additional capacity, and evidence of the estimated
12 additional student capacity to be provided by the project. On or before
13 the immediately following December 1, the department shall approve the
14 estimated additional capacity for use in the adjustment, approve a
15 modified estimated additional capacity for use in the adjustment, or deny
16 the application based on the requirements of this section, the evidence
17 submitted on the application, and any other information provided by the
18 department. Each approval shall include an approved estimated additional
19 student capacity for the new building. The state board shall establish
20 procedures for appeal of decisions of the department to the state board
21 for final determination.

22 (2) The first-year new school adjustment for each approved district
23 shall equal the school district's basic funding per formula student
24 multiplied by twenty percent of the approved estimated additional student
25 capacity. The second-year new school adjustment for each approved
26 district shall equal the school district's basic funding per formula
27 student multiplied by ten percent of the approved estimated additional
28 student capacity.

29 Sec. 66. Section 79-1008.01, Revised Statutes Cumulative Supplement,
30 2018, is amended to read:

31 79-1008.01 Except as provided in section ~~79-1008.02~~ for school

1 ~~fiscal years prior to school fiscal year 2017-18 and section~~ 79-1009,
2 each local system shall receive equalization aid in the amount that the
3 total formula need of each local system, as determined pursuant to
4 sections 79-1007.04 to 79-1007.23 and 79-1007.25, exceeds its total
5 formula resources as determined pursuant to sections 79-1015.01 to
6 79-1018.01.

7 Sec. 67. Section 79-1009, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 79-1009 (1)(a) A district shall receive net option funding if (i)
10 option students as defined in section 79-233 were actually enrolled in
11 the school year immediately preceding the school year in which the aid is
12 to be paid, (ii) option students as defined in such section will be
13 enrolled in the school year in which the aid is to be paid as converted
14 contract option students, or (iii) for the calculation of aid for school
15 fiscal year 2017-18 for school districts that are members of a learning
16 community, open enrollment students were actually enrolled for school
17 year 2016-17 pursuant to section 79-2110.

18 (b) The determination of the net number of option students shall be
19 based on (i) the number of students enrolled in the district as option
20 students and the number of students residing in the district but enrolled
21 in another district as option students as of the day of the fall
22 membership count pursuant to section 79-528, for the school fiscal year
23 immediately preceding the school fiscal year in which aid is to be paid,
24 (ii) the number of option students that will be enrolled in the district
25 or enrolled in another district as converted contract option students for
26 the fiscal year in which the aid is to be paid, and (iii) for the
27 calculation of aid for school fiscal year 2017-18 for school districts
28 that are members of a learning community, the number of students enrolled
29 in the district as open enrollment students and the number of students
30 residing in the district but enrolled in another district as open
31 enrollment students as of the day of the fall membership count pursuant

1 to section 79-528 for school fiscal year 2016-17.

2 (c) Except as otherwise provided in this subsection, net number of
3 option students means the difference of the number of option students
4 enrolled in the district minus the number of students residing in the
5 district but enrolled in another district as option students. For
6 purposes of the calculation of aid for school fiscal year 2017-18 for
7 school districts that are members of a learning community, net number of
8 option students means the difference of the number of students residing
9 in another school district who are option students or open enrollment
10 students enrolled in the district minus the number of students residing
11 in the district but enrolled in another district as option students or
12 open enrollment students.

13 (2)(a) For all school fiscal ~~year 2019-20~~ years ~~except school fiscal~~
14 ~~years 2017-18 and 2018-19~~, net option funding shall be the product of the
15 net number of option students multiplied by the statewide average basic
16 funding per formula student.

17 (b) For school fiscal years 2017-18 and 2018-19, net option funding
18 shall be the product of the net number of option students multiplied by
19 ninety-five and five-tenths percent of the statewide average basic
20 funding per formula student.

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

23 ~~Payments made under this section for school fiscal years prior to~~
24 ~~school fiscal year 2017-18 shall be made from the funds to be disbursed~~
25 ~~under section 79-1005.01.~~

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

28 Sec. 68. Section 79-1009.01, Reissue Revised Statutes of Nebraska,
29 is amended to read:

30 79-1009.01 ~~A~~ For school fiscal years prior to school fiscal year
31 ~~2027-28~~, a district which will have converted contract option students

1 shall apply to the department on a form approved by the department within
2 fifteen days after April 27, 2011, for converted contract option students
3 for school fiscal year 2011-12 and on or before November 1 of the
4 calendar year preceding the beginning of all other school fiscal years
5 for which there will be converted contract option students. The
6 department shall determine the amount of tuition receipts from converted
7 contracts to be excluded from the calculation of local system formula
8 resources for each of the first two school fiscal years for which the
9 converted contract will not be in effect and shall determine the number
10 of converted contract option students to be attributed to the receiving
11 district in the calculation of state aid for the first school fiscal year
12 for which the converted contract will not be in effect, and the same
13 number shall be attributed as optioning out of the resident school
14 district. In the final calculation of state aid pursuant to section
15 79-1065, students that were attributed as optioning into or out of a
16 district shall be replaced with the actual number from fall membership.
17 The department shall notify the applicant district within thirty days
18 after receipt of the completed application.

19 Sec. 69. Section 79-1015.01, Revised Statutes Cumulative Supplement,
20 2018, is amended to read:

21 79-1015.01 (1) Local system formula resources shall include local
22 effort rate yield which shall be computed as prescribed in this section.

23 (2) For each school fiscal year 2019-20 ~~except school fiscal years~~
24 ~~2017-18 and 2018-19~~: (a) For state aid certified pursuant to section
25 79-1022, the local effort rate shall be the maximum levy, for the school
26 fiscal year for which aid is being certified, authorized pursuant to
27 subdivision (2)(a) of section 77-3442 less five cents; (b) for the final
28 calculation of state aid pursuant to section 79-1065, the local effort
29 rate shall be the rate which, when multiplied by the total adjusted
30 valuation of all taxable property in local systems receiving equalization
31 aid pursuant to the Tax Equity and Educational Opportunities Support Act,

1 will produce the amount needed to support the total formula need of such
2 local systems when added to state aid appropriated by the Legislature and
3 other actual receipts of local systems described in section 79-1018.01;
4 and (c) the local effort rate yield for such school fiscal years shall be
5 determined by multiplying each local system's total adjusted valuation by
6 the local effort rate.

7 (3) For school fiscal years 2017-18 and 2018-19: (a) For state aid
8 certified pursuant to section 79-1022, the local effort rate shall be the
9 maximum levy, for the school fiscal year for which aid is being
10 certified, authorized pursuant to subdivision (2)(a) of section 77-3442
11 less two and ninety-seven hundredths cents; (b) for the final calculation
12 of state aid pursuant to section 79-1065, the local effort rate shall be
13 the rate which, when multiplied by the total adjusted valuation of all
14 taxable property in local systems receiving equalization aid pursuant to
15 the Tax Equity and Educational Opportunities Support Act, will produce
16 the amount needed to support the total formula need of such local systems
17 when added to state aid appropriated by the Legislature and other actual
18 receipts of local systems described in section 79-1018.01; and (c) the
19 local effort rate yield for such school fiscal years shall be determined
20 by multiplying each local system's total adjusted valuation by the local
21 effort rate.

22 Sec. 70. Section 79-1016, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 79-1016 (1) On or before August 20 of each year through 2018, the
25 county assessor shall certify to the Property Tax Administrator the total
26 taxable value by school district in the county for the current assessment
27 year on forms prescribed by the Tax Commissioner. The county assessor may
28 amend the filing for changes made to the taxable valuation of the school
29 district in the county if corrections or errors on the original
30 certification are discovered. Amendments shall be certified to the
31 Property Tax Administrator on or before August 31.

1 (2) On or before October 10 of each year through 2018, the Property
2 Tax Administrator shall compute and certify to the State Department of
3 Education the adjusted valuation for the current assessment year for each
4 class of property in each school district and each local system. The
5 adjusted valuation of property for each school district and each local
6 system, for purposes of determining state aid pursuant to the Tax Equity
7 and Educational Opportunities Support Act, shall reflect as nearly as
8 possible state aid value as defined in subsection (3) of this section.
9 The Property Tax Administrator shall notify each school district and each
10 local system of its adjusted valuation for the current assessment year by
11 class of property on or before October 10. Establishment of the adjusted
12 valuation shall be based on the taxable value certified by the county
13 assessor for each school district in the county adjusted by the
14 determination of the level of value for each school district from an
15 analysis of the comprehensive assessment ratio study or other studies
16 developed by the Property Tax Administrator, in compliance with
17 professionally accepted mass appraisal techniques, as required by section
18 77-1327. The Tax Commissioner shall adopt and promulgate rules and
19 regulations setting forth standards for the determination of level of
20 value for state aid purposes.

21 (3) For purposes of this section, state aid value means:

22 (a) For real property other than agricultural and horticultural
23 land, ninety-six percent of actual value;

24 (b) For agricultural and horticultural land, seventy-two percent of
25 actual value as provided in sections 77-1359 to 77-1363. For agricultural
26 and horticultural land that receives special valuation pursuant to
27 section 77-1344, seventy-two percent of special valuation as defined in
28 section 77-1343; and

29 (c) For personal property, the net book value as defined in section
30 77-120.

31 (4) On or before November 10 of each year through 2018, any local

1 system may file with the Tax Commissioner written objections to the
2 adjusted valuations prepared by the Property Tax Administrator, stating
3 the reasons why such adjusted valuations are not the valuations required
4 by subsection (3) of this section. The Tax Commissioner shall fix a time
5 for a hearing. Either party shall be permitted to introduce any evidence
6 in reference thereto. On or before the immediately following January 1,
7 the Tax Commissioner shall enter a written order modifying or declining
8 to modify, in whole or in part, the adjusted valuations and shall certify
9 the order to the State Department of Education. Modification by the Tax
10 Commissioner shall be based upon the evidence introduced at hearing and
11 shall not be limited to the modification requested in the written
12 objections or at hearing. A copy of the written order shall be mailed to
13 the local system within seven days after the date of the order. The
14 written order of the Tax Commissioner may be appealed within thirty days
15 after the date of the order to the Tax Equalization and Review Commission
16 in accordance with section 77-5013.

17 (5) On or before November 10 of each year through 2018, any local
18 system or county official may file with the Tax Commissioner a written
19 request for a nonappealable correction of the adjusted valuation due to
20 clerical error as defined in section 77-128 or, for agricultural and
21 horticultural land, assessed value changes by reason of land qualified or
22 disqualified for special use valuation pursuant to sections 77-1343 to
23 77-1347.01. On or before the immediately following January 1, the Tax
24 Commissioner shall approve or deny the request and, if approved, certify
25 the corrected adjusted valuations resulting from such action to the State
26 Department of Education.

27 (6) On or before May 31 of the year following the certification of
28 adjusted valuation pursuant to subsection (2) of this section, any local
29 system or county official may file with the Tax Commissioner a written
30 request for a nonappealable correction of the adjusted valuation due to
31 changes to the tax list that change the assessed value of taxable

1 property. Upon the filing of the written request, the Tax Commissioner
2 shall require the county assessor to recertify the taxable valuation by
3 school district in the county on forms prescribed by the Tax
4 Commissioner. The recertified valuation shall be the valuation that was
5 certified on the tax list, pursuant to section 77-1613, increased or
6 decreased by changes to the tax list that change the assessed value of
7 taxable property in the school district in the county in the prior
8 assessment year. On or before the following July 31, the Tax Commissioner
9 shall approve or deny the request and, if approved, certify the corrected
10 adjusted valuations resulting from such action to the State Department of
11 Education.

12 (7) No injunction shall be granted restraining the distribution of
13 state aid based upon the adjusted valuations pursuant to this section.

14 (8) A school district whose state aid is to be calculated pursuant
15 to subsection (5) of this section and whose state aid payment is
16 postponed as a result of failure to calculate state aid pursuant to such
17 subsection may apply to the state board for lump-sum payment of such
18 postponed state aid. Such application may be for any amount up to one
19 hundred percent of the postponed state aid. The state board may grant the
20 entire amount applied for or any portion of such amount. The state board
21 shall notify the Director of Administrative Services of the amount of
22 funds to be paid in a lump sum and the reduced amount of the monthly
23 payments. The Director of Administrative Services shall, at the time of
24 the next state aid payment made pursuant to section 79-1022, draw a
25 warrant for the lump-sum amount from appropriated funds and forward such
26 warrant to the district.

27 Sec. 71. Section 79-1017.01, Revised Statutes Cumulative Supplement,
28 2018, is amended to read:

29 79-1017.01 ~~(1) For state aid calculated for school fiscal years~~
30 ~~2014-15 and 2015-16, local system formula resources includes other actual~~
31 ~~receipts determined pursuant to section 79-1018.01, net option funding~~

1 ~~determined pursuant to section 79-1009, teacher education aid determined~~
2 ~~pursuant to section 79-1007.25, instructional time aid determined~~
3 ~~pursuant to subsection (2) of section 79-1007.23, allocated income tax~~
4 ~~funds determined pursuant to section 79-1005.01, and minimum levy~~
5 ~~adjustments determined pursuant to section 79-1008.02 and is reduced by~~
6 ~~amounts paid by the district in the most recently available complete data~~
7 ~~year as property tax refunds pursuant to or in the manner prescribed by~~
8 ~~section 77-1736.06.~~

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

20 Sec. 72. Section 79-1021, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 79-1021 The Tax Equity and Educational Opportunities Fund is
23 created. The fund shall receive dedicated income tax appropriations and
24 appropriations made by the Legislature to fund the Tax Equity and
25 Educational Opportunities Support Act and shall be administered by the
26 state board. Any money in the fund available for investment shall be
27 invested by the state investment officer pursuant to the Nebraska Capital
28 Expansion Act and the Nebraska State Funds Investment Act.

29 On June 30, 2020, the Tax Equity and Educational Opportunities Fund
30 shall terminate and all assets of the fund shall be transferred to the
31 General Fund.

1 Sec. 73. Section 79-1022, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 79-1022 (1) ~~On or before June 1, 2017, and on or before~~ March 1 of
4 each year through 2019 thereafter, for each ensuing fiscal year, the
5 department shall determine the amounts to be distributed to each local
6 system and each district for the ensuing school fiscal year pursuant to
7 the Tax Equity and Educational Opportunities Support Act and shall
8 certify the amounts to the Director of Administrative Services, the
9 Auditor of Public Accounts, each learning community for school fiscal
10 years prior to school fiscal year 2017-18, and each district. Except as
11 otherwise provided in this section, the amount to be distributed to each
12 district from the amount certified for a local system shall be
13 proportional based on the formula students attributed to each district in
14 the local system. ~~For school fiscal years prior to school fiscal year~~
15 ~~2017-18, the amount to be distributed to each district that is a member~~
16 ~~of a learning community from the amount certified for the local system~~
17 ~~shall be proportional based on the formula needs calculated for each~~
18 ~~district in the local system.~~ On or before June 1, 2017, and on or before
19 March 1 of each year through 2019 thereafter, for each ensuing fiscal
20 year, the department shall report the necessary funding level for the
21 ensuing school fiscal year to the Governor, the Appropriations Committee
22 of the Legislature, and the Education Committee of the Legislature. The
23 report submitted to the committees of the Legislature shall be submitted
24 electronically. Except as otherwise provided in this subsection,
25 certified state aid amounts, including adjustments pursuant to section
26 79-1065.02, shall be shown as budgeted non-property-tax receipts and
27 deducted prior to calculating the property tax request in the district's
28 general fund budget statement as provided to the Auditor of Public
29 Accounts pursuant to section 79-1024.

30 (2) Except as provided in this subsection, subsection (8) of section
31 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts

1 certified pursuant to subsection (1) of this section shall be distributed
2 in ten as nearly as possible equal payments on the last business day of
3 each month beginning in September of the ~~each~~ ensuing school fiscal year
4 and ending in June of the following year, except that when a school
5 district is to receive a monthly payment of less than one thousand
6 dollars, such payment shall be one lump-sum payment on the last business
7 day of December during the ensuing school fiscal year.

8 Sec. 74. Section 79-1023, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 79-1023 (1) On or before ~~June 1, 2017, and on or before~~ March 1 of
11 each year through 2019 ~~thereafter~~, the department shall determine and
12 certify to each school district budget authority for the general fund
13 budget of expenditures for the ensuing school fiscal year.

14 (2) Except as provided in sections 79-1028.01, 79-1029, 79-1030, and
15 81-829.51, each school district shall have budget authority for the
16 general fund budget of expenditures equal to the greater of (a) the
17 general fund budget of expenditures for the immediately preceding school
18 fiscal year minus exclusions pursuant to subsection (1) of section
19 79-1028.01 for such school fiscal year with the difference increased by
20 the basic allowable growth rate for the school fiscal year for which
21 budget authority is being calculated, (b) the general fund budget of
22 expenditures for the immediately preceding school fiscal year minus
23 exclusions pursuant to subsection (1) of section 79-1028.01 for such
24 school fiscal year with the difference increased by an amount equal to
25 any student growth adjustment calculated for the school fiscal year for
26 which budget authority is being calculated, or (c) one hundred ten
27 percent of formula need for the school fiscal year for which budget
28 authority is being calculated minus the special education budget of
29 expenditures as filed on the school district budget statement on or
30 before September 20 for the immediately preceding school fiscal year,
31 which special education budget of expenditures is increased by the basic

1 allowable growth rate for the school fiscal year for which budget
2 authority is being calculated.

3 (3) For any school fiscal year for which the budget authority for
4 the general fund budget of expenditures for a school district is based on
5 a student growth adjustment, the budget authority for the general fund
6 budget of expenditures for such school district shall be adjusted in
7 future years to reflect any student growth adjustment corrections related
8 to such student growth adjustment.

9 Sec. 75. Section 79-1025, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 79-1025 The basic allowable growth rate for general fund
12 expenditures other than expenditures for special education for each
13 school fiscal year through school fiscal year 2019-20 shall be the base
14 limitation established under section 77-3446. The budget authority for
15 special education for all classes of school districts shall be the actual
16 anticipated expenditures for special education subject to the approval of
17 the state board. Such budget authority and funds generated pursuant to
18 such budget authority shall be used only for special education
19 expenditures.

20 Sec. 76. Section 79-1027, Revised Statutes Cumulative Supplement,
21 2018, is amended to read:

22 79-1027 No district shall adopt a budget, which includes total
23 requirements of depreciation funds, necessary employee benefit fund cash
24 reserves, and necessary general fund cash reserves, exceeding the
25 applicable allowable reserve percentages of total general fund budget of
26 expenditures as specified in the schedule set forth in this section.

27	Average daily	Allowable
28	membership of	reserve
29	district	percentage
30	0 - 471	45
31	471.01 - 3,044	35

1	3,044.01 - 10,000	25
2	10,000.01 and over	20

3 On or before June ~~1, 2017,~~ and on or before March 1 each year
4 through 2019 thereafter, the department shall determine and certify each
5 district's applicable allowable reserve percentage for the ensuing school
6 fiscal year.

7 Each district with combined necessary general fund cash reserves,
8 total requirements of depreciation funds, and necessary employee benefit
9 fund cash reserves less than the applicable allowable reserve percentage
10 specified in this section may, notwithstanding the district's applicable
11 allowable growth rate, increase its necessary general fund cash reserves
12 such that the total necessary general fund cash reserves, total
13 requirements of depreciation funds, and necessary employee benefit fund
14 cash reserves do not exceed such applicable allowable reserve percentage.

15 Sec. 77. Section 79-1028.01, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

17 79-1028.01 (1) For each school fiscal year through 2019-20, a school
18 district may exceed its budget authority for the general fund budget of
19 expenditures as calculated pursuant to section 79-1023 for such school
20 fiscal year by a specific dollar amount for the following exclusions:

21 (a) Expenditures for repairs to infrastructure damaged by a natural
22 disaster which is declared a disaster emergency pursuant to the Emergency
23 Management Act;

24 (b) Expenditures for judgments, except judgments or orders from the
25 Commission of Industrial Relations, obtained against a school district
26 which require or obligate a school district to pay such judgment, to the
27 extent such judgment is not paid by liability insurance coverage of a
28 school district;

29 (c) Expenditures pursuant to the Retirement Incentive Plan
30 authorized in section 79-855 or the Staff Development Assistance
31 authorized in section 79-856;

1 (d) Expenditures of amounts received from educational entities as
2 defined in section 79-1201.01 for providing distance education courses
3 through the Educational Service Unit Coordinating Council to such
4 educational entities;

5 (e) Expenditures to pay for employer contributions pursuant to
6 subsection (2) of section 79-958 to the School Employees Retirement
7 System of the State of Nebraska to the extent that such expenditures
8 exceed the employer contributions under such subsection that would have
9 been made at a contribution rate of seven and thirty-five hundredths
10 percent;

11 (f) Expenditures to pay for school district contributions pursuant
12 to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
13 retirement system established pursuant to the Class V School Employees
14 Retirement Act to the extent that such expenditures exceed the school
15 district contributions under such subdivision that would have been made
16 at a contribution rate of seven and thirty-seven hundredths percent;

17 (g) Expenditures for incentives agreed to be paid by a school
18 district to certificated employees in exchange for a voluntary
19 termination of employment occurring prior to July 1, 2009, occurring on
20 or after the last day of the 2010-11 school year and prior to the first
21 day of the 2013-14 school year, or, to the extent that a district
22 demonstrates to the State Board of Education pursuant to subsection (3)
23 of this section that the agreement will result in a net savings in salary
24 and benefit costs to the school district over a five-year period,
25 occurring on or after the first day of the 2013-14 school year and prior
26 to September 1, 2017;

27 (h) Expenditures by a school district with budgeted expenditures
28 otherwise equal to the budget authority for the general fund budget of
29 expenditures for such school district as calculated pursuant to section
30 79-1023 for such school fiscal year for current and future qualified
31 voluntary termination incentives for certificated teachers pursuant to

1 subsection (3) of section 79-8,142 that are not otherwise included in an
2 exclusion pursuant to this subsection;

3 (i) Expenditures by a school district with budgeted expenditures
4 otherwise equal to the budget authority for the general fund budget of
5 expenditures for such school district as calculated pursuant to section
6 79-1023 for such school fiscal year for seventy-five percent of
7 incentives agreed to be paid to certificated employees in exchange for a
8 voluntary termination of employment occurring between September 1, 2017,
9 and August 31, 2018, as a result of a collective-bargaining agreement in
10 force and effect on September 1, 2017, that are not otherwise included in
11 an exclusion pursuant to this subsection;

12 (j) Expenditures by a school district with budgeted expenditures
13 otherwise equal to the budget authority for the general fund budget of
14 expenditures for such school district as calculated pursuant to section
15 79-1023 for such school fiscal year for fifty percent of incentives
16 agreed to be paid to certificated employees in exchange for a voluntary
17 termination of employment occurring between September 1, 2018, and August
18 31, 2019, as a result of a collective-bargaining agreement in force and
19 effect on September 1, 2017, that are not otherwise included in an
20 exclusion pursuant to this subsection;

21 ~~(k) Expenditures by a school district with budgeted expenditures~~
22 ~~otherwise equal to the budget authority for the general fund budget of~~
23 ~~expenditures for such school district as calculated pursuant to section~~
24 ~~79-1023 for such school fiscal year for twenty-five percent of incentives~~
25 ~~agreed to be paid to certificated employees in exchange for a voluntary~~
26 ~~termination of employment occurring between September 1, 2019, and August~~
27 ~~31, 2020, as a result of a collective-bargaining agreement in force and~~
28 ~~effect on September 1, 2017, that are not otherwise included in an~~
29 ~~exclusion pursuant to this subsection;~~

30 (k) ~~(l)~~ The special education budget of expenditures;

31 ~~(l)~~ ~~(m)~~ Expenditures of special grant funds; and

1 (m) ~~(n)~~ Expenditures of funds received as federal impact aid
2 pursuant to 20 U.S.C. 7701 to 7714, as such sections existed on January
3 1, 2016, due to a district having land within its boundaries that is
4 federal property classified as Indian lands under 20 U.S.C. 7713(7), as
5 such section existed on January 1, 2016, and funds received as impact aid
6 due to children in attendance who resided on Indian lands in accordance
7 with 20 U.S.C. 7703(a)(1)(C), as such section existed on January 1, 2016.

8 (2) For each school fiscal year through school fiscal year 2019-20,
9 a school district may exceed its budget authority for the general fund
10 budget of expenditures as calculated pursuant to section 79-1023 for such
11 school fiscal year by a specific dollar amount and include such dollar
12 amount in the budget of expenditures used to calculate budget authority
13 for the general fund budget of expenditures pursuant to section 79-1023
14 for future school fiscal years through school fiscal year 2019-20 for the
15 following exclusions:

16 (a) The first school fiscal year the district will be participating
17 in Network Nebraska for the full school fiscal year, for the difference
18 of the estimated expenditures for such school fiscal year for
19 telecommunications services, access to data transmission networks that
20 transmit data to and from the school district, and the transmission of
21 data on such networks as such expenditures are defined by the department
22 for purposes of the distance education and telecommunications allowance
23 minus the dollar amount of such expenditures for the second school fiscal
24 year preceding the first full school fiscal year the district
25 participates in Network Nebraska;

26 (b) Expenditures for new elementary attendance sites in the first
27 year of operation or the first year of operation after being closed for
28 at least one school year if such elementary attendance site will most
29 likely qualify for the elementary site allowance in the immediately
30 following school fiscal year as determined by the state board; and

31 (c) For the first school fiscal year for which early childhood

1 education membership is included in formula students for the calculation
2 of state aid, expenditures for early childhood education equal to the
3 amount the school district received in early childhood education grants
4 pursuant to section 79-1103 for the prior school fiscal year, increased
5 by the basic allowable growth rate, ~~;~~ and

6 ~~(d) For school fiscal year 2013-14, an amount not to exceed two~~
7 ~~percent over the previous school year if such increase is approved by a~~
8 ~~seventy-five percent majority vote of the school board of such district.~~

9 (3) The state board shall approve, deny, or modify the amount
10 allowed for any exclusions to the budget authority for the general fund
11 budget of expenditures pursuant to this section.

12 Sec. 78. Section 79-1030, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 79-1030 A school district may choose not to increase its general
15 fund budget of expenditures by the full amount of budget authority for
16 the general fund budget of expenditures as calculated pursuant to section
17 79-1023. In such cases, the department shall calculate the amount of
18 unused budget authority which shall be carried forward to future budget
19 years through school fiscal year 2019-20. The amount of unused budget
20 authority that may be used by a district in a single school fiscal year
21 to increase its general fund budget of expenditures above the budget
22 authority for the general fund budget of expenditures as calculated
23 pursuant to section 79-1023 shall be limited to two percent of the
24 difference of the general fund budget of expenditures minus the sum of
25 special grant funds, the special education budget of expenditures, and
26 exceptions pursuant to subsection (1) of section 79-1028.01 for the
27 immediately preceding school fiscal year.

28 Sec. 79. Section 79-1031, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-1031 The department, with assistance from the Property Tax
31 Administrator, the Legislative Fiscal Analyst, and the budget division of

1 the Department of Administrative Services, shall annually, on or before
2 November 15 of each year through 2018, provide an estimate of the
3 necessary funding level for the next school fiscal year under the Tax
4 Equity and Educational Opportunities Support Act to the Governor, the
5 Appropriations Committee of the Legislature, and the Education Committee
6 of the Legislature.

7 Sec. 80. Section 79-1031.01, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 79-1031.01 The Appropriations Committee of the Legislature shall
10 annually include the amount necessary to fund the state aid that will be
11 certified to school districts on or before ~~June 1, 2017, and on or before~~
12 March 1 of each year through 2019 ~~thereafter~~ for each ensuing school
13 fiscal year in its recommendations to the Legislature to carry out the
14 requirements of the Tax Equity and Educational Opportunities Support Act.

15 Sec. 81. Section 79-1065, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

17 79-1065 The State Department of Education shall adjust payments of
18 state funds provided under Chapter 79 or federal funds provided under
19 federal law to school districts which, after final determination,
20 received funds not equal to the appropriate allocation for the previous
21 school fiscal year such that the district will receive the funds to which
22 it was finally determined to be entitled. Except as otherwise provided in
23 this section, if ~~If~~ the total adjustment cannot be made from the funds to
24 be provided in the current school fiscal year, the adjustment shall be
25 prorated, with additional adjustments made to payments for future school
26 fiscal years. On and after July 1, 2020, any adjustment for funds
27 distributed pursuant to the Tax Equity and Educational Opportunities
28 Support Act shall be made from the funds to be provided pursuant to the
29 Nebraska Education Formula in the same manner as otherwise provided in
30 this section. The department shall maintain an accurate account and a
31 record of the reasons the adjustments were made and the amount of such

1 adjustments.

2 Sec. 82. Section 79-1065.01, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 79-1065.01 If the adjustment under section 79-1065 results in a
5 school district being entitled to the payment of additional funds, the
6 State Department of Education shall automatically make a lump-sum payment
7 to the school district if the payment is less than one thousand dollars.
8 For amounts equal to or greater than one thousand dollars, the district
9 may apply to the State Department of Education for a lump-sum payment for
10 any amount up to one hundred percent of the adjustment, ~~except that when~~
11 ~~a school district is to receive a lump-sum payment pursuant to section~~
12 ~~79-1022,~~ one hundred percent of the adjustment shall be paid as one lump-
13 sum payment on the last business day of December during the ensuing
14 school fiscal year. ~~The department shall notify the Director of~~
15 ~~Administrative Services of the amount of funds to be paid in a lump sum~~
16 ~~and the reduced amount of the monthly payments pursuant to section~~
17 ~~79-1022.~~ The department shall make such payment in a lump sum not later
18 than the last business day of September of the year in which the final
19 determination under this section is made.

20 Sec. 83. Section 79-1089, Revised Statutes Cumulative Supplement,
21 2018, is amended to read:

22 79-1089 In each school district the school board shall cause to be
23 examined annually by a public accountant or by a certified public
24 accountant all financial records which are maintained directly or
25 indirectly in the administration and management of public school funds.
26 Rules and regulations governing the scope, extent, pattern, and report of
27 the examination shall be adopted and promulgated by the State Board of
28 Education with the advice and counsel of the Auditor of Public Accounts.
29 A copy of the report shall be filed with the Commissioner of Education
30 and the Auditor of Public Accounts on or before November 5. When any
31 school district fails to comply with this section, the commissioner

1 shall, after notice to the district and an opportunity to be heard,
2 direct that any state aid granted pursuant to the Tax Equity and
3 Educational Opportunities Support Act for school fiscal years prior to
4 school fiscal year 2020-21 and the Nebraska Education Formula for school
5 fiscal year 2020-21 and each school fiscal year thereafter be withheld
6 until such time as the district has complied with this section. In
7 addition, the commissioner shall direct the county treasurer to withhold
8 all school money belonging to the school district until such time as the
9 commissioner notifies the county treasurer of compliance by the district
10 with this section. The county treasurer shall withhold such money. If the
11 school district does not comply with this section prior to the end of the
12 state's biennium following the biennium which included the fiscal year
13 for which state aid was calculated, the state aid funds shall revert to
14 the General Fund. The amount of any reverted funds for state aid
15 calculated pursuant to the Tax Equity and Educational Opportunities
16 Support Act shall be included in data provided to the Governor in
17 accordance with section 79-1031.

18 Sec. 84. Section 79-1090, Revised Statutes Cumulative Supplement,
19 2018, is amended to read:

20 79-1090 When a school board of any class of school district fails to
21 approve a school district budget on or before the date required by
22 subsection (1) of section 13-508, the superintendent of the school
23 district shall prepare and file a budget document in accordance with the
24 Nebraska Budget Act for the school district's general fund and for each
25 other fund for which the district budgeted in the immediately preceding
26 fiscal year. The document shall use the total budget of expenditures and
27 cash reserves from the immediately preceding school fiscal year, except
28 that in no case shall the budget of expenditures or cash reserves exceed
29 any limits prescribed in any applicable ~~the Tax Equity and Educational~~
30 ~~Opportunities Support Act or other~~ state laws. The superintendent shall
31 also estimate the revenue from sources other than property tax for each

1 fund in accordance with subdivision (1)(c) of section 13-504 and, for
2 school fiscal years through school fiscal year 2019-20, section 79-1022.

3 Sec. 85. Section 79-10,143, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 79-10,143 A parent or guardian of any student enrolled in, or in the
6 process of enrolling in, any school district in the state may voluntarily
7 provide information on any application submitted pursuant to Nebraska
8 law, rules, and regulations regarding the applicant's potential to meet
9 the qualifications for free or reduced-price lunches solely for
10 determining eligibility pursuant to ~~subsection (4) of section 79-238,~~
11 ~~subsection (2) of section 79-241,~~ section 79-2,131, section 79-2,133,
12 ~~subsection (2) of section 79-611,~~ ~~subdivision (1)(c) and subsection (3)~~
13 ~~of section 79-2110,~~ or section 85-2104. Each school district shall
14 process information provided pursuant to this section in the same manner
15 as the district would to determine the qualification status of the
16 student for free or reduced-price meals. Each school district shall
17 comply with the federal Family Educational Rights and Privacy Act of
18 1974, 20 U.S.C. 1232g, as such act and section existed on January 1, 2019
19 ~~2015~~, and regulations adopted thereunder with regard to any information
20 collected pursuant to this section. If no such information is provided
21 pursuant to this section or on an application for free or reduced-price
22 meals, the student shall be presumed not to qualify for free or reduced-
23 price lunches.

24 Sec. 86. Section 79-1103, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-1103 (1)(a) The State Department of Education shall establish and
27 administer the Early Childhood Education Grant Program. Upon the
28 effective date of an endowment agreement, administration of the Early
29 Childhood Education Grant Program with respect to programs for children
30 from birth to age three shall transfer to the board of trustees. If there
31 is no endowment agreement in effect, the department shall request

1 proposals in accordance with this section for all early childhood
2 education programs from school districts, individually or in cooperation
3 with other school districts or educational service units, working in
4 cooperation with existing nonpublic programs which meet the requirements
5 of subsection (2) of section 79-1104. If there is an endowment agreement
6 in effect, the board of trustees shall administer the Early Childhood
7 Education Grant Program with respect to programs for children from birth
8 to age three pursuant to section 79-1104.02 and the department shall
9 continue to administer the Early Childhood Education Grant Program with
10 respect to other prekindergarten programs pursuant to sections 79-1101 to
11 79-1104.05. All administrative procedures of the board of trustees,
12 including, but not limited to, rules, grant applications, and funding
13 mechanisms, shall harmonize with those established by the department for
14 other prekindergarten programs.

15 (b) The first priority shall be for ~~(i) continuation grants for~~
16 ~~programs that received grants in the prior school fiscal year and for~~
17 ~~which the state aid calculation pursuant to the Tax Equity and~~
18 ~~Educational Opportunities Support Act does not include early childhood~~
19 ~~education students, in an amount equal to the amount of such grant,~~
20 ~~except that if the grant was a first-year grant the amount shall be~~
21 ~~reduced by thirty-three percent, (ii) continuation grants for programs~~
22 ~~for which the state aid calculation pursuant to the act includes early~~
23 ~~childhood education students, in an amount equal to the amount of the~~
24 ~~grant for the school fiscal year prior to the first school fiscal year~~
25 ~~for which early childhood education students were included in the state~~
26 ~~aid calculation for the school district's local system minus the~~
27 ~~calculated state aid amount, and (iii) for school fiscal year 2007-08,~~
28 ~~continuation grants for programs for which the state aid calculation~~
29 ~~pursuant to the act includes early childhood education students, but such~~
30 ~~state aid calculation does not result in the school district receiving~~
31 ~~any equalization aid, in an amount equal to the amount of the grant~~

1 ~~received in school fiscal year 2006-07. The calculated state aid amount~~
2 ~~shall be calculated by multiplying the basic funding per formula student~~
3 ~~for the school district by the formula students attributed to the early~~
4 ~~childhood education programs pursuant to the Tax Equity and Educational~~
5 ~~Opportunities Support Act.~~

6 (c) The second priority shall be for new grants and expansion grants
7 for programs that will serve at-risk children who will be eligible to
8 attend kindergarten the following school year. New grants may be given
9 for up to three years in an amount up to one-half of the total budget of
10 the program per year. Expansion grants may be given for one year in an
11 amount up to one-half of the budget for expanding the capacity of the
12 program to serve additional children.

13 (d) The third priority shall be for new grants, expansion grants,
14 and continuation grants for programs serving children younger than those
15 who will be eligible to attend kindergarten the following school year.
16 New grants may be given for up to three years in an amount up to one-half
17 the total budget of the program per year. Expansion grants may be given
18 for one year in an amount up to one-half the budget for expanding the
19 capacity of the program to serve additional children. Continuation grants
20 under this priority may be given annually in an amount up to one-half the
21 total budget of the program per year minus any continuation grants
22 received under the first priority.

23 (e) Programs serving children who will be eligible to attend
24 kindergarten the following school year shall be accounted for separately
25 for grant purposes from programs serving younger children, but the two
26 types of programs may be combined within the same classroom to serve
27 multi-age children. Programs that receive grants for school fiscal years
28 prior to school fiscal year 2005-06 to serve both children who will be
29 eligible to attend kindergarten the following school year and younger
30 children shall account for the two types of programs separately for grant
31 purposes beginning with school year 2005-06 and shall be deemed to have

1 received grants prior to school fiscal year 2005-06 for each year that
2 grants were received for the types of programs representing the age
3 groups of the children served.

4 (2) Each program proposal which is approved by the department shall
5 include (a) a planning period, (b) an agreement to participate in
6 periodic evaluations of the program to be specified by the department,
7 (c) evidence that the program will be coordinated or contracted with
8 existing programs, including those listed in subdivision (d) of this
9 subsection and nonpublic programs which meet the requirements of
10 subsection (2) of section 79-1104, (d) a plan to coordinate and use a
11 combination of local, state, and federal funding sources, including, but
12 not limited to, programs for children with disabilities below five years
13 of age funded through the Special Education Act, the Early Intervention
14 Act, funds available through the flexible funding provisions under the
15 Special Education Act, the federal Head Start program, 42 U.S.C. 9831 et
16 seq., the federal Even Start Family Literacy Program, 20 U.S.C. 6361 et
17 seq., Title I of the federal Improving America's Schools Act of 1994, 20
18 U.S.C. 6301 et seq., and child care assistance through the Department of
19 Health and Human Services, (e) a plan to use sliding fee scales and the
20 funding sources included in subdivision (d) of this subsection to
21 maximize the participation of economically and categorically diverse
22 groups and to ensure that participating children and families have access
23 to comprehensive services, (f) the establishment of an advisory body
24 which includes families and community members, (g) the utilization of
25 appropriately qualified staff, (h) an appropriate child-to-staff ratio,
26 (i) appropriate group size, (j) compliance with minimum health and safety
27 standards, (k) appropriate facility size and equipment, (l) a strong
28 family development and support component recognizing the central role of
29 parents in their children's development, (m) developmentally and
30 culturally appropriate curriculum, practices, and assessment, (n)
31 sensitivity to the economic and logistical needs and circumstances of

1 families in the provision of services, (o) integration of children of
2 diverse social and economic characteristics, (p) a sound evaluation
3 component, including at least one objective measure of child performance
4 and progress, (q) continuity with programs in kindergarten and elementary
5 grades, (r) instructional hours that are similar to or less than the
6 instructional hours for kindergarten except that a summer session may be
7 offered, (s) well-defined language development and early literacy
8 emphasis, including the involvement of parents in family literacy
9 activities, (t) a plan for ongoing professional development of staff, and
10 (u) inclusion of children with disabilities as defined in the Special
11 Education Act, all as specified by rules and regulations of the
12 department in accordance with sound early childhood educational practice.

13 (3) The department shall make an effort to fund programs widely
14 distributed across the state in both rural and urban areas.

15 (4) The department, in collaboration with the board of trustees if
16 an endowment agreement is in effect, shall provide a report evaluating
17 the programs to the State Board of Education and the Legislature by
18 January 1 of each odd-numbered year. The report submitted to the
19 Legislature shall be submitted electronically. The Education Committee of
20 the Legislature shall hold a public hearing regarding the report. Up to
21 five percent of the total appropriation for the Early Childhood Education
22 Grant Program for grants administered by the department may be reserved
23 by the department for evaluation and technical assistance for the
24 programs.

25 (5) Early childhood education programs, whether established pursuant
26 to this section or section 79-1104, may be approved for purposes of the
27 ~~Tax Equity and Educational Opportunities Support Act~~, expansion grants,
28 and continuation grants on the submission of a continuation plan
29 demonstrating that the program will meet the requirements of subsection
30 (2) of this section and a proposed operating budget demonstrating that
31 the program will receive resources from other sources equal to or greater

1 than the sum of any grant received pursuant to this section for the prior
2 school year ~~plus any calculated state aid as calculated pursuant to~~
3 ~~subsection (1) of this section for the prior school year.~~

4 (6) The State Board of Education may adopt and promulgate rules and
5 regulations to implement the Early Childhood Education Grant Program,
6 except that if there is an endowment agreement in effect, the board of
7 trustees shall recommend any rules and regulations relating specifically
8 to the Early Childhood Education Grant Program with respect to programs
9 for children from birth to age three. It is the intent of the Legislature
10 that the rules and regulations for programs for children from birth to
11 age three be consistent to the greatest extent possible with those
12 established for other prekindergarten programs.

13 Sec. 87. Section 79-1108.02, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 79-1108.02 (1) The department shall distribute funds appropriated
16 for purposes of this section to school districts ~~local systems as defined~~
17 ~~in section 79-1003~~ annually on or before October 15. The funds
18 distributed pursuant to this section shall be distributed based on a pro
19 rata share of the eligible costs submitted in grant applications.

20 (2) School districts ~~local systems~~ may apply to the department for
21 base funds and matching funds pursuant to this section to be spent on
22 approved accelerated or differentiated curriculum programs. Each eligible
23 school district ~~local system~~ shall receive one-tenth of one percent of
24 the appropriation as base funds plus a pro rata share of the remainder of
25 the appropriation based on identified students participating in an
26 accelerated or differentiated curriculum program, up to ten percent of
27 the prior year's fall membership ~~as defined in section 79-1003~~, as
28 matching funds. Eligible local systems shall:

29 (a) Provide an approved accelerated or differentiated curriculum
30 program for students identified as learners with high ability;

31 (b) Provide funds from other sources for the approved accelerated or

1 differentiated curriculum program greater than or equal to fifty percent
2 of the matching funds received pursuant to this subsection;

3 (c) Provide an accounting of the funds received pursuant to this
4 section, funds required by subdivision (b) of this subsection, and the
5 total cost of the program on or before August 1 of the year following the
6 receipt of funds in a manner prescribed by the department, not to exceed
7 one report per year; and

8 (d) Provide data regarding the academic progress of students
9 participating in the accelerated or differentiated curriculum program in
10 a manner prescribed by the department, not to exceed one report per year.

11 If a school district ~~local system~~ will not be providing the
12 necessary matching funds pursuant to subdivision (b) of this subsection,
13 the school district ~~local system~~ shall request a reduction in the amount
14 received pursuant to this subsection such that the school district ~~local~~
15 ~~system~~ will be in compliance with such subdivision. School districts
16 ~~local systems~~ not complying with the requirements of this subsection
17 shall not be eligible school districts ~~local systems~~ in the following
18 year.

19 Sec. 88. Section 79-1125.01, Reissue Revised Statutes of Nebraska,
20 is amended to read:

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

1 child has not been identified or verified as a child with a disability
2 pursuant to sections 79-1118.01 and 79-1138 but demonstrates a need for
3 specially designed assistance by residing in a residential setting
4 described in subdivision (9)(a) ~~(10)(a)~~ of section 79-215.

5 Sec. 89. Section 79-1140, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 79-1140 Each ~~Except as provided in sections 79-232 to 79-246,~~ each
8 school district shall pay an amount equal to the average per pupil cost
9 of the service agency of the preceding year or the cost as agreed upon
10 pursuant to the contract to the agency providing the educational program
11 for every child with a disability who is a resident of the district and
12 is attending an educational program not operated by the school district,
13 including programs operated by the State Department of Education, the
14 Department of Health and Human Services, and any other service agency
15 whose programs are approved by the State Department of Education.

16 Sec. 90. Section 79-1142, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 79-1142 (1) Level I services refers to services provided to children
19 with disabilities who require an aggregate of not more than three hours
20 per week of special education services and support services and includes
21 all administrative, diagnostic, consultative, and vocational-adjustment
22 counselor services.

23 (2) The total allowable reimbursable cost for support services shall
24 not exceed a percentage, established by the State Board of Education, of
25 the school district's or approved cooperative's total allowable
26 reimbursable cost for all special education programs and support
27 services. The percentage established by the State Board of Education for
28 support services shall not exceed the difference of ten percent minus the
29 percentage of the appropriations for special education approved by the
30 Legislature set aside for reimbursements for support services pursuant to
31 subsection (5) of this section.

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

9 (4) Cooperatives of school districts or educational service units
10 shall also be eligible for reimbursement for cooperative programs
11 pursuant to this section if such cooperatives or educational service
12 units have complied with the reporting and approval requirements of
13 section 79-1155 for cooperative programs which were offered the preceding
14 year. The payments shall be made by the department to the school district
15 of residence, cooperative of school districts, or educational service
16 unit each year in a minimum of seven payments between the fifth and
17 twentieth day of each month beginning in December. Additional payments
18 may be made based upon additional valid claims submitted. The State
19 Treasurer shall, between the fifth and twentieth day of each month,
20 notify the Director of Administrative Services of the amount of funds
21 available in the General Fund for payment purposes. The director shall,
22 upon receiving such certification, draw warrants against funds
23 appropriated.

24 (5) On and after August 1, 2010, residential settings described in
25 subdivision (9)(a) ~~(10)(c)~~ of section 79-215 shall be reimbursed for the
26 educational services, including special education services and support
27 services, provided pursuant to such subdivision on or after August 1,
28 2010, in an amount determined pursuant to the average per pupil cost of
29 the service agency. Reimbursements pursuant to this section shall be made
30 from funds set aside for such purpose within sixty days after receipt of
31 a reimbursement request submitted in the manner required by the

1 department and including any documentation required by the department for
2 educational services that have been provided, except that if there are
3 not any funds available for the remainder of the state fiscal year for
4 such reimbursements, the reimbursement shall occur within thirty days
5 after the beginning of the immediately following state fiscal year. The
6 department may audit any required documentation and subtract any payments
7 made in error from future reimbursements. The State Board of Education
8 shall set aside separate amounts from the appropriations for special
9 education approved by the Legislature for reimbursements pursuant to this
10 subsection for students receiving special education services and for
11 students receiving support services for each state fiscal year. The
12 amounts set aside for each purpose shall be based on estimates of the
13 reimbursements to be requested during the state fiscal year and shall not
14 be less than the total amount of reimbursements requested in the prior
15 state fiscal year plus any unpaid requests from the prior state fiscal
16 year.

17 Sec. 91. Section 79-1241.01, Reissue Revised Statutes of Nebraska,
18 is amended to read:

19 79-1241.01 To carry out section 79-1241.03, it is the intent of the
20 Legislature to appropriate for each fiscal year the amount appropriated
21 in the prior year increased by the percentage growth in the fall
22 membership of member districts plus the base limitation rate for
23 educational service units pursuant to section 77-3446 ~~basic allowable~~
24 ~~growth rate described in section 79-1025. For purposes of this section,~~
25 ~~fall membership has the same meaning as in section 79-1003. Fall~~
26 membership data used to compute growth shall be from the two most
27 recently available fall membership reports.

28 Sec. 92. Section 79-1241.03, Revised Statutes Cumulative Supplement,
29 2018, is amended to read:

30 79-1241.03 (1) Two percent of the funds appropriated for core
31 services and technology infrastructure shall be transferred to the

1 Educational Service Unit Coordinating Council. The remainder of such
2 funds shall be distributed pursuant to subsections (2) through (5) of
3 this section.

4 (2)(a) The distance education and telecommunications allowance for
5 each educational service unit shall equal eighty-five percent of the
6 difference of the costs for telecommunications services, for access to
7 data transmission networks that transmit data to and from the educational
8 service unit, and for the transmission of data on such networks paid by
9 the educational service unit as reported on the annual financial report
10 for the most recently available complete data year minus the receipts
11 from the federal Universal Service Fund pursuant to 47 U.S.C. 254, as
12 such section existed on January 1, 2007, for the educational service unit
13 as reported on the annual financial report for the most recently
14 available complete data year and minus any receipts from school districts
15 or other educational entities for payment of such costs as reported on
16 the annual financial report of the educational service unit.

17 (b) The base allocation of each educational service unit shall equal
18 two and one-half percent of the funds appropriated for distribution
19 pursuant to this section.

20 (c) The satellite office allocation for each educational service
21 unit shall equal one percent of the funds appropriated for distribution
22 pursuant to this section for each office of the educational service unit,
23 except the educational service unit headquarters, up to the maximum
24 number of satellite offices. The maximum number of satellite offices used
25 for the calculation of the satellite office allocation for any
26 educational service unit shall equal the difference of the ratio of the
27 number of square miles within the boundaries of the educational service
28 unit divided by four thousand minus one with the result rounded to the
29 closest whole number.

30 (d)(i) For school fiscal years prior to school fiscal year 2020-21,
31 the ~~(d)~~ The statewide adjusted valuation shall equal the total adjusted

1 valuation for all member districts of educational service units pursuant
2 to section 79-1016 used for the calculation of state aid for school
3 districts pursuant to the Tax Equity and Educational Opportunities
4 Support Act for the school fiscal year for which the distribution is
5 being calculated pursuant to this section.

6 (ii) For school fiscal year 2020-21 and each school fiscal year
7 thereafter, the statewide valuation shall equal the total taxable
8 valuation for all member school districts of the educational service
9 units for the school fiscal year for which the distribution is being
10 calculated.

11 (e)(i) For school fiscal years prior to school fiscal year 2020-21,
12 the ~~(e)~~ The adjusted valuation for each educational service unit shall
13 equal the total adjusted valuation of the member school districts
14 pursuant to section 79-1016 used for the calculation of state aid for
15 school districts pursuant to the act for the school fiscal year for which
16 the distribution is being calculated pursuant to this section, except
17 that such adjusted valuation for member school districts that are also
18 member districts of a learning community shall be reduced by ten percent.
19 The adjusted valuation for each learning community shall equal ten
20 percent of the total adjusted valuation of the member school districts
21 pursuant to section 79-1016 used for the calculation of state aid for
22 school districts pursuant to the act for the school fiscal year for which
23 the distribution is being calculated pursuant to this section.

24 (ii) For school fiscal year 2020-21 and each school fiscal year
25 thereafter, the taxable valuation for each educational service unit shall
26 equal the total taxable valuation of the member school districts for the
27 school fiscal year for which the distribution is being calculated, except
28 that the taxable valuation for purposes of this calculation for member
29 school districts that are also member school districts of a learning
30 community shall be reduced by ten percent. The taxable valuation for each
31 learning community shall equal ten percent of the total taxable valuation

1 of the member school districts for the school fiscal year for which the
2 distribution is being calculated.

3 (f) The local effort rate shall equal \$0.0135 per one hundred
4 dollars of (1) adjusted valuation for school fiscal years prior to school
5 fiscal year 2020-21 or (ii) taxable valuation for school fiscal year
6 2020-21 and each school fiscal thereafter.

7 (g) The statewide student allocation shall equal the difference of
8 the sum of the amount appropriated for distribution pursuant to this
9 section plus the product of the statewide (i) adjusted valuation for
10 school fiscal years prior to school fiscal year 2020-21 or (ii) taxable
11 valuation for school fiscal year 2020-21 and each school fiscal
12 thereafter multiplied by the local effort rate minus the distance
13 education and telecommunications allowance, base allocation, and
14 satellite office allocation for all educational service units and minus
15 any adjustments required by subsection (4) of this section.

16 (h) The sparsity adjustment for each educational service unit and
17 learning community shall equal the sum of one plus one-tenth of the ratio
18 of the square miles within the boundaries of the educational service unit
19 divided by the fall membership of the member school districts for the
20 school fiscal year immediately preceding the school fiscal year for which
21 the distribution is being calculated pursuant to this section.

22 (i) The adjusted students for each multidistrict educational service
23 unit shall equal the fall membership for the school fiscal year
24 immediately preceding the school fiscal year for which aid is being
25 calculated of the member school districts that will not be members of a
26 learning community and ninety percent of the fall membership for such
27 school fiscal year of the member school districts that will be members of
28 a learning community pursuant to this section multiplied by the sparsity
29 adjustment for the educational service unit. The adjusted students for
30 each single-district educational service unit shall equal ninety-five
31 percent of the fall membership for the school fiscal year immediately

1 preceding the school fiscal year for which aid is being calculated if the
2 member school district will not be a member of a learning community and
3 eighty-five percent of the fall membership for such school fiscal year if
4 the member school district will be a member of a learning community
5 pursuant to this section, multiplied by the sparsity adjustment for the
6 educational service unit. The adjusted students for each learning
7 community shall equal ten percent of the fall membership for such school
8 fiscal year of the member school districts multiplied by the sparsity
9 adjustment for the learning community.

10 (j) The per student allocation shall equal the statewide student
11 allocation divided by the total adjusted students for all educational
12 service units and learning communities.

13 (k) The student allocation for each educational service unit and
14 learning community shall equal the per student allocation multiplied by
15 the adjusted students for the educational service unit or learning
16 community.

17 (l) The needs for each educational service unit shall equal the sum
18 of the distance education and telecommunications allowance, base
19 allocation, satellite office allocation, and student allocation for the
20 educational service unit and the needs for each learning community shall
21 equal the student allocation for the learning community.

22 (m) The distribution of core services and technology infrastructure
23 funds for each educational service unit and learning community shall
24 equal the needs for each educational service unit or learning community
25 minus the product of the (i) adjusted valuation for school fiscal years
26 prior to school fiscal year 2020-21 or (ii) taxable valuation for school
27 fiscal year 2020-21 and each school fiscal thereafter for the educational
28 service unit or learning community multiplied by the local effort rate.

29 (3) If an educational service unit is the result of a merger or
30 received new member school districts from another educational service
31 unit, the educational service unit shall be considered a new educational

1 service unit for purposes of this section. For each new educational
2 service unit, the needs minus the distance education and
3 telecommunications allowance for such new educational service unit shall,
4 for each of the three fiscal years following the fiscal year in which the
5 merger takes place or the new member school districts are received, equal
6 an amount not less than the needs minus the distance education and
7 telecommunications allowance for the portions of the educational service
8 units transferred to the new educational service unit for the fiscal year
9 immediately preceding the merger or receipt of new member school
10 districts, except that if the total amount available to be distributed
11 pursuant to subsections (2) through (5) of this section for the year for
12 which needs are being calculated is less than the total amount
13 distributed pursuant to such subsections for the fiscal year immediately
14 preceding the merger or receipt of new member school districts, the
15 minimum needs minus the distance education and telecommunications
16 allowance for each educational service unit pursuant to this subsection
17 shall be reduced by a percentage equal to the ratio of such difference
18 divided by the total amount distributed pursuant to subsections (2)
19 through (5) of this section for the fiscal year immediately preceding the
20 merger or receipt of new member school districts. The needs minus the
21 distance education and telecommunications allowance for the portions of
22 educational service units transferred to the new educational service unit
23 for the fiscal year immediately preceding a merger or receipt of new
24 member school districts shall equal the needs minus the distance
25 education and telecommunications allowance calculated for such fiscal
26 year pursuant to subsections (2) through (5) of this section for any
27 educational service unit affected by the merger or the transfer of school
28 districts multiplied by a ratio equal to the valuation that was
29 transferred to the new educational service unit for which the minimum is
30 being calculated divided by the total valuation of the educational
31 service unit transferring the territory.

1 (4) If the minimum needs minus the distance education and
2 telecommunications allowance pursuant to subsection (3) of this section
3 for any educational service unit exceeds the amount that would otherwise
4 be calculated for such educational service unit pursuant to subsection
5 (2) of this section, the statewide student allocation shall be reduced
6 such that the total amount to be distributed pursuant to this section
7 equals the appropriation for core services and technology infrastructure
8 funds and no educational service unit has needs minus the distance
9 education and telecommunications allowance less than the greater of any
10 minimum amounts calculated for such educational service unit pursuant to
11 subsection (3) of this section.

12 (5) The State Department of Education shall certify the distribution
13 of core services and technology infrastructure funds pursuant to
14 subsections (2) through (5) of this section to each educational service
15 unit and learning community on or before July 1 of each year for the
16 following school fiscal year. Except as otherwise provided in this
17 subsection, any funds appropriated for distribution pursuant to this
18 section shall be distributed in ten as nearly as possible equal payments
19 on the first business day of each month beginning in September of each
20 school fiscal year and ending in June. Funds distributed to educational
21 service units pursuant to this section shall be used for core services
22 and technology infrastructure with the approval of representatives of
23 two-thirds of the member school districts of the educational service
24 unit, representing a majority of the adjusted students in the member
25 school districts used in calculations pursuant to this section for such
26 funds. The valuation of individual school districts shall not be
27 considered in the utilization of such core services or technology
28 infrastructure funds by member school districts for funds received after
29 July 1, 2010. Funds distributed to learning communities shall be used for
30 evaluation and research pursuant to section 79-2104.02 with the approval
31 of the learning community coordinating council.

1 (6) For purposes of this section, the determination of whether or
2 not a school district will be a member of an educational service unit or
3 a learning community shall be based on the information available May 1
4 for the following school fiscal year.

5 (7) It is the intent of the Legislature that:

6 (a) Funding for core services and technology infrastructure for each
7 educational service unit consist of both amounts received pursuant to
8 this section and an amount greater than or equal to the product of the
9 taxable adjusted valuation for the educational service unit multiplied by
10 the local effort rate; and

11 (b) Each multidistrict educational service unit use an amount equal
12 to at least five percent of such funding for core services and technology
13 infrastructure for cooperative projects between member school districts
14 and that each such educational service unit use an amount equal to at
15 least five percent of such funding for core services and technology
16 infrastructure for statewide projects managed by the Educational Service
17 Unit Coordinating Council.

18 Sec. 93. Section 79-1337, Revised Statutes Cumulative Supplement,
19 2018, is amended to read:

20 79-1337 (1) For fiscal years 2007-08 through 2020-21, the State
21 Department of Education shall provide distance education incentives to
22 school districts and educational service units for qualified distance
23 education courses coordinated through the Educational Service Unit
24 Coordinating Council as provided in this section. Through fiscal year
25 2015-16, funding for such distance education incentives shall come from
26 the Education Innovation Fund. For fiscal years 2016-17 through 2020-21,
27 funding for such distance education incentives shall come from the
28 Nebraska Education Improvement Fund.

29 (2) School districts and educational service units shall apply for
30 incentives annually through calendar year 2020 to the department on or
31 before August 1 on a form specified by the department. The application

1 shall:

2 (a) For school districts, specify (i) the qualified distance
3 education courses which were received by students in the membership of
4 the district in the then-current school fiscal year and which were not
5 taught by a teacher employed by the school district and (ii) for each
6 such course (A) the number of students in the membership of the district
7 who received the course, (B) the educational entity employing the
8 teacher, and (C) whether the course was a two-way interactive video
9 distance education course; and

10 (b) For school districts and educational service units, specify (i)
11 the qualified distance education courses which were received by students
12 in the membership of another educational entity in the then-current
13 school fiscal year and which were taught by a teacher employed by the
14 school district or educational service unit, (ii) for each such course
15 for school districts, the number of students in the membership of the
16 district who received the course, and (iii) for each such course (A) the
17 other educational entities in which students received the course and how
18 many students received the course at such educational entities, (B) any
19 school district that is classified as sparse or very sparse as such terms
20 are defined in section 79-1003 that had at least one student in the
21 membership who received the course, and (C) whether the course was a two-
22 way interactive video distance education course.

23 (3) On or before September 1 of each year through calendar year
24 2020, the department shall certify the incentives for each school
25 district and educational service unit which shall be paid on or before
26 October 1 of such year. The incentives for each district shall be
27 calculated as follows:

28 (a) Each district shall receive distance education units for each
29 qualified distance education course as follows:

30 (i) One distance education unit for each qualified distance
31 education course received as reported pursuant to subdivision (2)(a) of

1 this section if the course was a two-way interactive video distance
2 education course;

3 (ii) One distance education unit for each qualified distance
4 education course sent as reported pursuant to subdivision (2)(b) of this
5 section if the course was not received by at least one student who was in
6 the membership of another school district which was sparse or very
7 sparse;

8 (iii) One distance education unit for each qualified distance
9 education course sent as reported pursuant to subdivision (2)(b) of this
10 section if the course was received by at least one student who was in the
11 membership of another school district which was sparse or very sparse,
12 but the course was not a two-way interactive video distance education
13 course; and

14 (iv) Two distance education units for each qualified distance
15 education course sent as reported pursuant to subdivision (2)(b) of this
16 section if the course was received by at least one student who was in the
17 membership of another school district which was sparse or very sparse and
18 the course was a two-way interactive video distance education course;

19 (b) The difference of the amount available for distribution in the
20 Education Innovation Fund on the August 1 when the applications were due
21 minus any amount to be paid to school districts pursuant to section
22 79-1336 shall be divided by the number of distance education units to
23 determine the incentive per distance education unit, except that the
24 incentive per distance education unit shall not equal an amount greater
25 than one thousand dollars; and

26 (c) The incentives for each school district shall equal the number
27 of distance education units calculated for the school district multiplied
28 by the incentive per distance education unit.

29 (4) If there are additional funds available for distribution after
30 equipment reimbursements pursuant to section 79-1336 and incentives
31 calculated pursuant to subsections (1) through (3) of this section,

1 school districts and educational service units may qualify for additional
2 incentives for elementary distance education courses. Such incentives
3 shall be calculated for sending and receiving school districts and
4 educational service units as follows:

5 (a) The per-hour incentives shall equal the funds available for
6 distribution after equipment reimbursements pursuant to section 79-1336
7 and incentives calculated pursuant to subsections (1) through (3) of this
8 section divided by the sum of the hours of elementary distance education
9 courses sent or received for each school district and educational service
10 unit submitting an application, except that the per-hour incentives shall
11 not be greater than ten dollars; and

12 (b) The elementary distance education incentives for each school
13 district and educational service unit shall equal the per-hour incentive
14 multiplied by the hours of elementary distance education courses sent or
15 received by the school district or educational service unit.

16 (5) The department may verify any or all application information
17 using annual curriculum reports and may request such verification from
18 the council.

19 (6) On or before October 1 of each year through calendar year 2020,
20 a school district or educational service unit may appeal the denial of
21 incentives for any course by the department to the State Board of
22 Education. The board shall allow a representative of the school district
23 or educational service unit an opportunity to present information
24 concerning the appeal to the board at the November board meeting. If the
25 board finds that the course meets the requirements of this section, the
26 department shall pay the district from the Education Innovation Fund as
27 soon as practical in an amount for which the district or educational
28 service unit should have qualified based on the incentive per distance
29 education unit used in the original certification of incentives pursuant
30 to this section.

31 (7) The State Board of Education shall adopt and promulgate rules

1 and regulations to carry out this section.

2 Sec. 94. Section 79-2102, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-2102 On or before September 15, 2007, and on or before August 1
5 of each odd-numbered year following the official designation of any new
6 city of the metropolitan class or any valid request to form a new
7 learning community, the Commissioner of Education shall certify the
8 establishment of a new learning community with the effective date of the
9 first Thursday after the first Tuesday in January of the next odd-
10 numbered year following such certification to the county clerks, election
11 commissioners, and county assessors of the counties with territory in the
12 new learning community, to the Property Tax Administrator, to the State
13 Department of Education, and to the school boards of the member school
14 districts of the new learning community. A learning community shall be
15 established for each city of the metropolitan class and shall include all
16 school districts for which the principal office of the school district is
17 located in the county where the city of the metropolitan class is located
18 and all school districts for which the principal office of the school
19 district is located in a county that has a contiguous border of at least
20 five miles in the aggregate with such city of the metropolitan class. A
21 learning community may also be established at the request of at least
22 three school boards if (1) all school districts for which the principal
23 office of the school district is located in one or more specified
24 counties are participating in the request and either (a) such school
25 districts are all classified as sparse or very sparse ~~as determined~~
26 ~~pursuant to the Tax Equity and Educational Opportunities Support Act~~ or
27 (b) have a minimum combined total of at least two thousand students or
28 (2) the school districts participating in the request have a minimum
29 combined total of at least ten thousand students. Such requests shall be
30 received by the Commissioner of Education on or before May 1 of each odd-
31 numbered year.

1 Sec. 95. Section 79-2103, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-2103 The State Department of Education shall provide learning
4 community funds to learning communities pursuant to this section.
5 Learning community funds shall be distributed to each qualified learning
6 community on or before January 30 of the school fiscal year during which
7 the learning community is established and on or before September 15 of
8 each school fiscal year thereafter in an amount equal to the product of
9 the ratio of the amount appropriated for learning community funds divided
10 by the sum of the number of formula students in all learning communities
11 that will be established during such fiscal year plus two times the
12 number of formula students in all other learning communities for the
13 calculation of state aid for member school districts for such school
14 fiscal year multiplied by the number of such formula students in the
15 learning community for learning communities that will be established in
16 such school fiscal year or two times the number of such formula students
17 for all other learning communities. It is the intent of the Legislature
18 to appropriate for each fiscal year up to an amount equal to five hundred
19 thousand dollars for each learning community to be established in such
20 fiscal year plus one million dollars for each learning community that
21 will be in the first full fiscal year for such learning community in such
22 fiscal year plus the amount appropriated in the prior year for all other
23 learning communities increased by the base limitation applicable to
24 school districts for such school fiscal year pursuant to section 77-3446
25 ~~basic allowable growth rate described in section 79-1025.~~

26 Sec. 96. Section 79-2104, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 79-2104 A learning community coordinating council shall have the
29 authority to:

30 ~~(1) For fiscal years prior to fiscal year 2017-18, levy a common~~
31 ~~levy for the general funds of member school districts pursuant to~~

1 ~~sections 77-3442 and 79-1073;~~

2 (1) ~~(2)~~ Levy for elementary learning center facility leases, for
3 remodeling of leased elementary learning center facilities, and for up to
4 fifty percent of the estimated cost for focus school or program capital
5 projects approved by the learning community coordinating council pursuant
6 to subdivision (2)(f) of section 77-3442 and section 79-2111;

7 (2) ~~(3)~~ Levy for early childhood education programs for children in
8 poverty, for elementary learning center employees, for contracts with
9 other entities or individuals who are not employees of the learning
10 community for elementary learning center programs and services, and for
11 pilot projects pursuant to subdivision (2)(g) of section 77-3442, except
12 that not more than ten percent of such levy may be used for elementary
13 learning center employees;

14 (3) ~~(4)~~ Develop, submit, administer, and evaluate community
15 achievement plans in collaboration with the advisory committee,
16 educational service units serving member school districts, member school
17 districts, and the student achievement coordinator or other department
18 staff designated by the Commissioner of Education;

19 (4) ~~(5)~~ Collect, analyze, and report data and information,
20 including, but not limited to, information provided by a school district
21 pursuant to subsection (5) of section 79-201;

22 (5) ~~(6)~~ Approve focus schools and focus programs to be operated by
23 member school districts;

24 (6) ~~(7)~~ Adopt, approve, and implement a diversity plan pursuant to
25 sections 79-2110 and 79-2118;

26 ~~(8) Through school year 2016-17, administer the open enrollment~~
27 ~~provisions in section 79-2110 for the learning community as part of a~~
28 ~~diversity plan developed by the council to provide educational~~
29 ~~opportunities which will result in increased diversity in schools across~~
30 ~~the learning community;~~

31 ~~(9) Annually conduct school fairs to provide students and parents~~

1 ~~the opportunity to explore the educational opportunities available at~~
2 ~~each school in the learning community and develop other methods for~~
3 ~~encouraging access to such information and promotional materials;~~

4 (7) ~~(10)~~ Develop procedures for determining best practices for
5 addressing student achievement barriers and for disseminating such
6 practices within the learning community and to other school districts;

7 (8) ~~(11)~~ Establish and administer elementary learning centers
8 through achievement subcouncils pursuant to sections 79-2112 to 79-2114;

9 (9) ~~(12)~~ Administer the learning community funds distributed to the
10 learning community pursuant to section 79-2111;

11 (10) ~~(13)~~ Establish a procedure for receiving community input and
12 complaints regarding the learning community;

13 (11) ~~(14)~~ Establish a procedure to assist parents, citizens, and
14 member school districts in accessing an approved center pursuant to the
15 Dispute Resolution Act to resolve disputes involving member school
16 districts or the learning community. Such procedure may include payment
17 by the learning community for some mediation services;

18 (12) ~~(15)~~ Establish and administer pilot projects related to
19 enhancing the academic achievement of elementary students, particularly
20 students who face challenges in the educational environment due to
21 factors such as poverty, limited English skills, and mobility;

22 (13) ~~(16)~~ Provide funding to public or private entities engaged in
23 the juvenile justice system providing prefiling and diversion programming
24 designed to reduce excessive absenteeism and unnecessary involvement with
25 the juvenile justice system; and

26 (14) ~~(17)~~ Hold public hearings at its discretion in response to
27 issues raised by residents regarding the learning community, a member
28 school district, and academic achievement.

29 Sec. 97. Section 79-2110, Revised Statutes Cumulative Supplement,
30 2018, is amended to read:

31 79-2110 ~~(1)(a)~~ Each diversity plan shall provide for open

1 ~~enrollment in all school buildings in the learning community for school~~
2 ~~years prior to school year 2017-18, subject to specific limitations~~
3 ~~necessary to bring about diverse enrollments in each school building in~~
4 ~~the learning community. Such limitations, for school buildings other than~~
5 ~~focus schools and programs other than focus programs, shall include~~
6 ~~giving preference at each school building first to siblings of students~~
7 ~~who will be enrolled as continuing students in such school building or~~
8 ~~program for the first school year for which enrollment is sought in such~~
9 ~~school building and then to students that contribute to the socioeconomic~~
10 ~~diversity of enrollment at each building and may include establishing~~
11 ~~zone limitations in which students may access several schools other than~~
12 ~~their home attendance area school. Notwithstanding the limitations~~
13 ~~necessary to bring about diversity, open enrollment shall include~~
14 ~~providing access to students who do not contribute to the socioeconomic~~
15 ~~diversity of a school building, if, subsequent to the open enrollment~~
16 ~~selection process that is subject to limitations necessary to bring about~~
17 ~~diverse enrollments, capacity remains in a school building. In such a~~
18 ~~case, students who have applied to attend such school building shall be~~
19 ~~selected to attend such school building on a random basis up to the~~
20 ~~remaining capacity of such building. A student who has otherwise been~~
21 ~~disqualified from the school building pursuant to the school district's~~
22 ~~code of conduct or related school discipline rules shall not be eligible~~
23 ~~for open enrollment pursuant to this section. Any student who attended a~~
24 ~~particular school building in the prior school year and who is seeking~~
25 ~~education in the grades offered in such school building shall be allowed~~
26 ~~to continue attending such school building as a continuing open~~
27 ~~enrollment student through school year 2016-17.~~

28 (b) ~~To facilitate the open enrollment provisions of this subsection,~~
29 ~~each school year each member school district in a learning community~~
30 ~~shall establish a maximum capacity for each school building under such~~
31 ~~district's control pursuant to procedures and criteria established by the~~

1 ~~learning community coordinating council. Each member school district~~
2 ~~shall also establish attendance areas for each school building under the~~
3 ~~district's control, except that the school board shall not establish~~
4 ~~attendance areas for focus schools or focus programs. The attendance~~
5 ~~areas shall be established such that all of the territory of the school~~
6 ~~district is within an attendance area for each grade. Students residing~~
7 ~~in a school district shall be allowed to attend a school building in such~~
8 ~~school district.~~

9 ~~(1) A (c) For purposes of this section and sections 79-238 and~~
10 ~~79-611, student who contributes to the socioeconomic diversity of~~
11 ~~enrollment means (a) (i) a student who does not qualify for free or~~
12 ~~reduced-price lunches when, based upon the certification pursuant to~~
13 ~~section 79-2120, the school building the student will attend either has~~
14 ~~more students qualifying for free or reduced-price lunches than the~~
15 ~~average percentage of such students in all school buildings in the~~
16 ~~learning community or provides free meals to all students pursuant to the~~
17 ~~community eligibility provision or (b) (ii) a student who qualifies for~~
18 ~~free or reduced-price lunches based on information collected from parents~~
19 ~~and guardians when, based upon the certification pursuant to section~~
20 ~~79-2120, the school building the student will attend has fewer students~~
21 ~~qualifying for free or reduced-price lunches than the average percentage~~
22 ~~of such students in all school buildings in the learning community and~~
23 ~~does not provide free meals to all students pursuant to the community~~
24 ~~eligibility provision.~~

25 ~~(2)(a) On or before March 15 of each year prior to 2017, a parent or~~
26 ~~guardian of a student residing in a member school district in a learning~~
27 ~~community may submit an application to any school district in the~~
28 ~~learning community on behalf of a student who is applying to attend a~~
29 ~~school building for the following school year that is not in an~~
30 ~~attendance area where the applicant resides or a focus school, focus~~
31 ~~program, or magnet school as such terms are defined in section 79-769. On~~

1 ~~or before April 1 of each year beginning with the year immediately~~
2 ~~following the year in which the initial coordinating council for the~~
3 ~~learning community takes office, the school district shall accept or~~
4 ~~reject such applications based on the capacity of the school building,~~
5 ~~the eligibility of the applicant for the school building or program, the~~
6 ~~number of such applicants that will be accepted for a given school~~
7 ~~building, and whether or not the applicant contributes to the~~
8 ~~socioeconomic diversity of the school or program to which he or she has~~
9 ~~applied and for which he or she is eligible. The school district shall~~
10 ~~notify such parent or guardian in writing of the acceptance or rejection.~~

11 ~~(b) A student may not apply to attend a school building in the~~
12 ~~learning community for any grades that are offered by another school~~
13 ~~building for which the student had previously applied and been accepted~~
14 ~~pursuant to this section, absent a hardship exception as established by~~
15 ~~the individual school district. On or before September 1 of each year~~
16 ~~prior to 2017, each school district shall provide to the learning~~
17 ~~community coordinating council a complete and accurate report of all~~
18 ~~applications received, including the number of students who applied at~~
19 ~~each grade level at each building, the number of students accepted at~~
20 ~~each grade level at each building, the number of such students that~~
21 ~~contributed to the socioeconomic diversity that applied and were~~
22 ~~accepted, the number of applicants denied and the rationales for denial,~~
23 ~~and other such information as requested by the learning community~~
24 ~~coordinating council.~~

25 ~~(2) (3)~~ Each diversity plan may include establishment of one or more
26 focus schools or focus programs and the involvement of every member
27 school district in one or more pathways across member school districts.
28 Enrollment in each focus school or focus program shall be designed to
29 reflect the socioeconomic diversity of the learning community as a whole.
30 School district selection of students for focus schools or focus programs
31 shall be on a random basis from two pools of applicants, those who

1 qualify for free and reduced-price lunches and those who do not qualify
2 for free and reduced-price lunches. The percentage of students selected
3 for focus schools from the pool of applicants who qualify for free and
4 reduced-price lunches shall be as nearly equal as possible to the
5 percentage of the student body of the learning community who qualify for
6 free and reduced-price lunches. The percentage of students selected for
7 focus schools from the pool of applicants who do not qualify for free and
8 reduced-price lunches shall be as nearly equal as possible to the
9 percentage of the student body of the learning community who do not
10 qualify for free and reduced-price lunches. If more capacity exists in a
11 focus school or program than the number of applicants for such focus
12 school or program that contribute to the socioeconomic diversity of the
13 focus school or program, the school district shall randomly select
14 applicants up to the number of applicants that will be accepted for such
15 building. A student who resides in the school district and will complete
16 the grades offered at a focus program, focus school, or magnet school
17 that is part of a pathway shall be allowed to attend the focus program,
18 focus school, or magnet school offering the next grade level as part of
19 the pathway as a continuing student. A student who resides in the school
20 district and completes the grades offered at a focus program, focus
21 school, or magnet school shall be allowed to attend a school offering the
22 next grade level in the school district responsible for the focus
23 program, focus school, or magnet school as a continuing student. A
24 student who resides in the school district and attended a program or
25 school in the school year immediately preceding the first school year for
26 which the program or school will operate as a focus program or focus
27 school approved by the learning community and meeting the requirements of
28 section 79-769 and who has not completed the grades offered at the focus
29 program or focus school shall be a continuing student in the program or
30 school. For school year 2016-17, students attending a focus program or
31 focus school outside of the school district shall be considered open

1 enrollment students and, for school years year 2017-18, 2018-19, and
2 2019-20 each school year thereafter, students attending a focus program
3 or focus school shall be considered option enrollment students.

4 ~~(4) On or before February 15 of each year, a parent or guardian of a~~
5 ~~student who is currently attending a school building or program, except a~~
6 ~~magnet school, focus school, or focus program, outside of the school~~
7 ~~district where the student resides and who will complete the grades~~
8 ~~offered at such school building prior to the following school year shall~~
9 ~~provide notice, on a form provided by the school district, to the school~~
10 ~~board of the school district containing such school building (a) for~~
11 ~~years prior to 2017, if such student will attend another school building~~
12 ~~within such district as a continuing student and which school building~~
13 ~~such student would prefer to attend or (b) for 2017 and each year~~
14 ~~thereafter, if such student will apply to enroll as an option student in~~
15 ~~another school building within such district and which school building~~
16 ~~such student would prefer to attend. On or before March 1, such school~~
17 ~~board shall provide a notice to such parent or guardian stating which~~
18 ~~school building or buildings the student shall be allowed to attend in~~
19 ~~such school district as a continuing student or an option student for the~~
20 ~~following school year. If the student resides within the school district,~~
21 ~~the notice shall include the school building offering the grade the~~
22 ~~student will be entering for the following school year in the attendance~~
23 ~~area where the student resides. This subsection shall not apply to focus~~
24 ~~schools or programs.~~

25 ~~(5) Prior to the beginning of school year 2017-18, a parent or~~
26 ~~guardian of a student who moves to a new residence in the learning~~
27 ~~community after April 1 may apply directly to a school board within the~~
28 ~~learning community within ninety days after moving for the student to~~
29 ~~attend a school building outside of the attendance area where the student~~
30 ~~resides. Such school board shall accept or reject such application within~~
31 ~~fifteen days after receiving the application, based on the number of~~

1 ~~applications and qualifications pursuant to subsection (2) or (3) of this~~
2 ~~section for all other students.~~

3 (3) ~~(6)~~ A parent or guardian of a student who wishes to change
4 school buildings for emergency or hardship reasons may apply directly to
5 a school board within the learning community at any time for the student
6 to attend a school building in the school district where the student
7 resides, but outside of the attendance area where the student resides.
8 Such application shall state the emergency or hardship and shall be kept
9 confidential by the school board. Such school board shall accept or
10 reject such application within fifteen days after receiving the
11 application. Applications shall only be accepted if an emergency or
12 hardship was presented which justifies an exemption from the procedures
13 ~~in subsection (4) of this section~~ based on the judgment of such school
14 board, and such acceptance shall not exceed the number of applications
15 that will be accepted for the school year pursuant to subsection (2) or
16 (3) of this section for such building.

17 ~~(7) Each student attending a school building in the resident school~~
18 ~~district as an open enrollment student for any part of school year~~
19 ~~2016-17 shall be allowed to continue attending such school building~~
20 ~~without submitting an additional application unless the student has~~
21 ~~completed the grades offered in such school building or has been expelled~~
22 ~~and is disqualified pursuant to section 79-266.01.~~

23 Sec. 98. Section 79-2404, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 79-2404 If the school board of any school district or the board of
26 any educational service unit fails to timely file a copy of an approved
27 contract, or contract amendment, for superintendent services or
28 educational service unit administrator services with the State Department
29 of Education as required in section 79-2403, the Commissioner of
30 Education, after notice to the board president and either the
31 superintendent or educational service unit administrator and an

1 opportunity to be heard, shall direct that any state aid granted pursuant
2 to the Tax Equity and Educational Opportunities Support Act for school
3 fiscal years prior to 2019-20 or the Nebraska Education Formula for
4 school fiscal year 2019-20 and each school fiscal year thereafter to the
5 school district or core services and technology infrastructure funds
6 granted pursuant to section 79-1241.03 to the educational service unit be
7 withheld until such time as the contract or amendment is received by the
8 department. In addition, the commissioner shall direct each county
9 treasurer of a county with territory in the school district or
10 educational service unit to withhold all money belonging to the school
11 district or educational service unit until such time as the commissioner
12 notifies such county treasurer of receipt of such contract or amendment.
13 Each such county treasurer shall withhold such money. ~~For school~~
14 ~~districts that are members of learning communities, a determination of~~
15 ~~school money belonging to the school district shall be based on the~~
16 ~~proportionate share of property tax receipts allocated to the school~~
17 ~~district pursuant to section 79-1073 in addition to the other property~~
18 ~~tax receipts belonging to the school district.~~ If the board does not
19 comply with this section prior to October 1 following the school fiscal
20 year for which the state aid or core services and technology
21 infrastructure funding was calculated, the funds shall revert to the
22 General Fund. ~~The amount of any reverted funds shall be included in data~~
23 ~~provided to the Governor, the Appropriations Committee of the~~
24 ~~Legislature, and the Education Committee of the Legislature in accordance~~
25 ~~with section 79-1031.~~

26 Sec. 99. Sections 15, 21, 23, 70, and 102 of this act become
27 operative on January 1, 2020. Sections 37, 38, 42, 43, 46, 47, 85, 89,
28 96, 103, and 105 of this act become operative on July 1, 2020. Sections
29 13, 14, 16, 19, 48, 49, 50, 53, 86, 104, and 106 of this act become
30 operative on July 1, 2021. All other sections of this act become
31 operative on their effective date.

1 Sec. 100. If any section in this act or any part of any section is
2 declared invalid or unconstitutional, the declaration shall not affect
3 the validity or constitutionality of the remaining portions.

4 Sec. 101. Original sections 70-651.04, 77-3442, 77-3446, 79-213,
5 79-236, 79-240, 79-246, 79-266.01, 79-1007.05, 79-1007.10, 79-1007.15,
6 79-1007.16, 79-1007.21, 79-1009.01, 79-1021, 79-1025, 79-1031,
7 79-1125.01, 79-1142, 79-1241.01, 79-2102, 79-2103, and 79-2404, Reissue
8 Revised Statutes of Nebraska, and sections 79-101, 79-215, 79-234,
9 79-235, 79-235.01, 79-237, 79-241, 79-458, 79-479, 79-4,123, 79-528,
10 79-8,137, 79-8,137.04, 79-1001, 79-1003, 79-1003.01, 79-1005, 79-1005.01,
11 79-1007.11, 79-1007.18, 79-1008.01, 79-1009, 79-1015.01, 79-1017.01,
12 79-1022, 79-1023, 79-1027, 79-1028.01, 79-1030, 79-1031.01, 79-1065,
13 79-1089, 79-1090, 79-1108.02, 79-1241.03, 79-1337, and 79-2110, Revised
14 Statutes Cumulative Supplement, 2018, are repealed.

15 Sec. 102. Original sections 43-2515, 77-913, and 77-5007, Reissue
16 Revised Statutes of Nebraska, and section 79-1016, Revised Statutes
17 Cumulative Supplement, 2018, are repealed.

18 Sec. 103. Original sections 79-2,127, 79-2,134, and 79-498, Reissue
19 Revised Statutes of Nebraska, and sections 79-499, 79-605, 79-611,
20 79-1065.01, 79-10,143, 79-1140, and 79-2104, Revised Statutes Cumulative
21 Supplement, 2018, are repealed.

22 Sec. 104. Original sections 77-1736.06, 79-769, 79-855, 79-856, and
23 79-1103, Reissue Revised Statutes of Nebraska, and sections 9-812,
24 13-508, 48-818.01, and 79-8,142, Revised Statutes Cumulative Supplement,
25 2018, are repealed.

26 Sec. 105. The following section is outright repealed: Section
27 79-2110.01, Reissue Revised Statutes of Nebraska.

28 Sec. 106. The following sections are outright repealed: Sections
29 43-2513, 79-977, and 79-1083.01, Reissue Revised Statutes of Nebraska,
30 and sections 79-245, 79-529, 79-1041, 79-1065.02, 79-1073, 79-10,126.01,
31 and 79-10,145, Revised Statutes Cumulative Supplement, 2018.