

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 851

Introduced by Linehan, 39.

Read first time January 05, 2018

Committee:

1 A BILL FOR AN ACT relating to schools; to amend sections 79-566, 79-567,
2 79-594, 79-1219, 79-2401, and 79-2402, Reissue Revised Statutes of
3 Nebraska; to change provisions relating to and provide a limit for
4 superintendent and educational service unit administrator
5 compensation; to define terms; to harmonize provisions; and to
6 repeal the original sections.

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

1 Section 1. Section 79-566, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-566 The board of education of a Class IV school district shall at
4 a regular meeting elect from outside its own members a superintendent, an
5 associate superintendent of instruction, an associate superintendent of
6 business affairs, a school district treasurer, and the number of
7 employees the board of education may deem necessary for the proper
8 conduct of the affairs of the school district at such compensation
9 ~~salaries~~ as the board of education may determine, except that the
10 compensation of the superintendent shall comply with the Superintendent
11 Pay Transparency Act. The board may contract with them for terms not to
12 exceed three years. The election of all officers of the board of
13 education and all elections for filling vacancies on the board of
14 education shall be by ballot. No person shall be declared elected unless
15 he or she receives the vote of a majority of all the members of the board
16 of education.

17 Sec. 2. Section 79-567, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 79-567 The members of the board of education of a Class V school
20 district, at their regular meeting in January each year, shall elect a
21 president and vice president from their own members, who shall serve for
22 terms of one year or until their successors are elected and qualified.
23 The members of the board of education may also select from outside their
24 own members one superintendent of public schools, one secretary, one
25 treasurer, and such other officers as the board may deem necessary for
26 the administration of the affairs of the school district, at such
27 compensation ~~salary~~ as the board may deem just, except that the
28 compensation of the superintendent shall comply with the Superintendent
29 Pay Transparency Act. The members of the board of education, ~~and~~ in their
30 discretion, ~~they~~ may enter into contracts with such officers for terms of
31 not to exceed three years. The board shall have the power to elect its

1 president and vice president and to select its officers and employees in
2 accordance with rules adopted by the board.

3 Sec. 3. Section 79-594, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 79-594 The school board in a Class II, III, IV, or VI school
6 district may also elect at any regular meeting one superintendent of
7 public instruction with such compensation salary as the board deems best,
8 except that such compensation shall comply with the Superintendent Pay
9 Transparency Act. The board and may enter into contract with the
10 superintendent, him or her at its discretion, for a term not to exceed
11 three years.

12 Sec. 4. Section 79-1219, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 79-1219 Each board of an educational service unit deciding to
15 provide supplementary services shall appoint and fix the ~~compensation and~~
16 duties of an administrator, who shall be a person experienced in public
17 school administration and who shall hold at least a standard
18 administrative certificate. The board shall fix the compensation of the
19 administrator, except that such compensation shall comply with the
20 Superintendent Pay Transparency Act. With the advice of the
21 administrator, the board shall also employ and fix the compensation and
22 duties of such professional and clerical assistants as shall be
23 necessary. No board member of an educational service unit shall be
24 employed by the educational service unit board on which he or she is a
25 board member.

26 Sec. 5. Section 79-2401, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 79-2401 Sections 79-2401 to 79-2405 and sections 6 and 7 of this act
29 shall be known and may be cited as the Superintendent Pay Transparency
30 Act.

31 Sec. 6. For purposes of the Superintendent Pay Transparency Act:

1 (1) Benefit means any amount, not included in salary, to be paid
2 during the contract year or to be paid in the future by a school district
3 or educational service unit in exchange for the personal services
4 performed during such contract year resulting in a benefit for the
5 employee or the family of the employee including, but not limited to, (a)
6 employer contributions pursuant to the School Employees Retirement Act or
7 the Class V School Employees Retirement Act, (b) early retirement
8 inducements as defined in section 79-978 for employees of Class V school
9 districts and as defined in section 79-902 for employees of all other
10 school districts and educational service units, (c) cash awards paid by
11 the school district or educational service unit, (d) severance pay, (e)
12 employer contributions made for the purpose of separation payments to be
13 made at retirement, (f) employer contributions to annuities, (g) employer
14 contributions to group life, health, or disability insurance premiums,
15 (h) payments made to an employee in lieu of employer contributions to
16 insurance premiums, and (i) the maximum cash payment for potential unused
17 leave of any type that could be accrued during such contract year;

18 (2) Compensation means a reasonable estimate of the total amount of
19 salary and benefits to be paid by a school district or educational
20 service unit in exchange for personal services performed during a
21 contract year;

22 (3) Compensation for a beginning teacher means compensation expected
23 to be paid by a school district or educational service unit for the first
24 year of teaching by a certificated teacher assuming such certificated
25 teacher receives the maximum benefits generally available to a teacher
26 who does not receive additional compensation for duties beyond the
27 standard teaching contract; and

28 (4) Salary means gross wages to be paid in exchange for personal
29 services performed during the contract year and includes (a) overtime
30 pay, (b) member contributions pursuant to the School Employees Retirement
31 Act or the Class V School Employees Retirement Act, and (c) amounts

1 contributed to plans under section 125, 403(b), or 457 of the Internal
2 Revenue Code as defined in section 49-801.01 or any other section of the
3 code which defers or excludes such amounts from income.

4 Sec. 7. (1) On and after the effective date of this act, no school
5 district or educational service unit may enter into any contract with a
6 superintendent for services to be rendered to a school district or an
7 administrator for services to be rendered to an educational service unit
8 if such contract will cause, by the terms of such contract or in
9 combination with existing contracts, such school district or educational
10 service unit to pay compensation for any contract year to or on behalf of
11 such superintendent or administrator in excess of five times the
12 compensation for a beginning teacher in such school district or
13 educational service unit for the same contract year.

14 (2) For purposes of this section:

15 (a) If a superintendent of a school district also receives
16 compensation from an educational service unit in which such school
17 district is a member, such compensation shall be deemed compensation from
18 such school district; and

19 (b) If an administrator of an educational service unit receives
20 compensation from a school district which is a member of such educational
21 service unit, such compensation shall be deemed compensation from such
22 educational service unit.

23 (3) Any contract entered into in violation of this section shall be
24 invalid, and money belonging to a school district or educational service
25 unit shall not be expended on such a contract.

26 (4) Any compensation received by a superintendent or administrator
27 in violation of the limitations in this section shall be forfeited by
28 such superintendent or administrator and returned to the school district
29 or educational service unit, and a notice regarding such excess
30 compensation shall be filed with the Commissioner of Education within
31 thirty days after the superintendent, administrator, school board, or

1 board of the educational service unit becomes aware of such violation.

2 Sec. 8. Section 79-2402, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-2402 (1) Before the school board of any school district or the
5 board of any educational service unit approves a proposed contract, or
6 any proposed amendment to an existing contract, for future superintendent
7 services to be rendered to such school district by the current
8 superintendent or future administrator services to be rendered to such
9 educational service unit by the current administrator, the board shall
10 publish a copy of such proposed contract or amendment, ~~and~~ a reasonable
11 estimate and description of all current and future costs to the school
12 district or educational service unit if the proposed contract or
13 amendment were to be approved, and the maximum total compensation allowed
14 for the superintendent or administrator pursuant to section 7 of this act
15 at least three days before the meeting of the board at which such
16 proposed contract or amendment will be considered. Such publication shall
17 also specify the date, time, and place of the public meeting at which the
18 proposed contract or amendment will be considered. Electronic publication
19 on the web site of the school district or educational service unit shall
20 satisfy the requirement of this subsection if such electronic publication
21 is prominently displayed and allows public access to the entire proposed
22 contract or amendment and all other information required by this section.

23 (2) After the school board of any school district or the board of
24 any educational service unit approves a contract for future
25 superintendent services to be rendered to such school district by a new
26 superintendent or future administrator services to be rendered to such
27 educational service unit by a new administrator, the board shall publish
28 a copy of such contract, and a reasonable estimate and description of all
29 current and future costs to the school district or educational service
30 unit that will be incurred as a result of such contract, within two days
31 after the meeting of the board at which such contract was approved.

1 Electronic publication on the web site of the school district or
2 educational service unit shall satisfy the requirement of this subsection
3 if such electronic publication is prominently displayed and allows public
4 access to the entire contract.

5 Sec. 9. Original sections 79-566, 79-567, 79-594, 79-1219, 79-2401,
6 and 79-2402, Reissue Revised Statutes of Nebraska, are repealed.