

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 161

Introduced by Erdman, 47; Clements, 2; Friesen, 34.

Read first time January 11, 2019

Committee:

1 A BILL FOR AN ACT relating to education; to amend sections 11-119,
2 13-903, 13-2202, 32-546.01, 32-567, 32-604, 32-1203, 68-907,
3 70-651.04, 77-1601.02, 77-1614, 77-1624, 77-1702, 77-1704.01,
4 77-1708, 77-1736.06, 77-1772, 77-2201, 77-2202, 77-2704.15, 77-3442,
5 79-201, 79-2,104, 79-433, 79-458.01, 79-467, 79-468, 79-527, 79-549,
6 79-760.05, 79-777, 79-1007.05, 79-1074, 79-1125.01, 79-1142,
7 79-1210, 79-2404, and 81-1203, Reissue Revised Statutes of Nebraska,
8 and sections 9-812, 13-503, 13-508, 13-511, 79-102, 79-215, 79-233,
9 79-235, 79-235.01, 79-237, 79-238, 79-241, 79-407, 79-408, 79-413,
10 79-415, 79-458, 79-473, 79-528, 79-611, 79-703, 79-760.02,
11 79-760.03, 79-850, 79-979, 79-1003, 79-1005, 79-1005.01, 79-1007.11,
12 79-1007.18, 79-1008.01, 79-1009, 79-1017.01, 79-1022, 79-1024,
13 79-1033, 79-1036, 79-1041, 79-1075, 79-1083, 79-1084, 79-1086,
14 79-10,143, 79-11,155, 79-1241.03, 79-1245, 79-2104, and 79-2605,
15 Revised Statutes Cumulative Supplement, 2018; to provide for
16 termination of learning communities and the learning community
17 coordinating council; to eliminate levy authority; to terminate the
18 Learning Community Reorganization Act; to remove authorization for
19 learning community early childhood education for children in
20 poverty, focus programs, focus schools, and magnet schools; to
21 change provisions and remove obsolete provisions from the Tax Equity
22 and Educational Opportunities Support Act; to harmonize provisions;
23 to provide operative dates; to repeal the original sections; and to

1 outright repeal sections 32-555.01, 79-4,117, 79-4,118, 79-4,120,
2 79-4,127, 79-769, 79-1007.04, 79-1007.17, 79-1007.23, 79-1007.25,
3 79-2101, 79-2102, 79-2102.01, 79-2103, 79-2110.01, 79-2112, 79-2114,
4 79-2116, 79-2118, 79-2119, and 79-2121, Reissue Revised Statutes of
5 Nebraska, and sections 79-4,119, 79-4,121, 79-4,122, 79-4,123,
6 79-4,124, 79-4,125, 79-4,126, 79-4,128, 79-4,129, 79-1008.02,
7 79-1073, 79-10,126.01, 79-10,145, 79-2104, 79-2104.01, 79-2104.02,
8 79-2104.03, 79-2104.04, 79-2110, 79-2111, 79-2113, 79-2115, 79-2117,
9 79-2120, 79-2122, and 79-2123, Revised Statutes Cumulative
10 Supplement, 2018.

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

1 Section 1. (1) On July 1, 2020, any learning community as defined
2 in section 79-2101 shall be dissolved.

3 (2) Each learning community coordinating council shall prepare for
4 such dissolution by transferring all assets to member school districts
5 and performing such other tasks as may be necessary for an orderly
6 dissolution. Any remaining records, books, papers, and personal property
7 belonging to such learning community after such dissolution shall be
8 delivered to the State Board of Education to be distributed, as
9 determined by the state board, to the school districts that were members
10 of such learning community immediately prior to its dissolution. Any
11 liabilities of a learning community remaining after dissolution shall be
12 divided proportionately between former member school districts based on
13 the taxable valuation of such school districts.

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

16 9-812 (1) All money received from the operation of lottery games
17 conducted pursuant to the State Lottery Act in Nebraska shall be credited
18 to the State Lottery Operation Trust Fund, which fund is hereby created.
19 All payments of the costs of establishing and maintaining the lottery
20 games shall be made from the State Lottery Operation Cash Fund. In
21 accordance with legislative appropriations, money for payments for
22 expenses of the division shall be transferred from the State Lottery
23 Operation Trust Fund to the State Lottery Operation Cash Fund, which fund
24 is hereby created. All money necessary for the payment of lottery prizes
25 shall be transferred from the State Lottery Operation Trust Fund to the
26 State Lottery Prize Trust Fund, which fund is hereby created. The amount
27 used for the payment of lottery prizes shall not be less than forty
28 percent of the dollar amount of the lottery tickets which have been sold.

29 (2) A portion of the dollar amount of the lottery tickets which have
30 been sold on an annualized basis shall be transferred from the State
31 Lottery Operation Trust Fund to the Education Innovation Fund, the

1 Nebraska Opportunity Grant Fund, the Nebraska Education Improvement Fund,
2 the Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and
3 the Compulsive Gamblers Assistance Fund as provided in subsection (3) of
4 this section. The dollar amount transferred pursuant to this subsection
5 shall equal the greater of (a) the dollar amount transferred to the funds
6 in fiscal year 2002-03 or (b) any amount which constitutes at least
7 twenty-two percent and no more than twenty-five percent of the dollar
8 amount of the lottery tickets which have been sold on an annualized
9 basis. To the extent that funds are available, the Tax Commissioner and
10 director may authorize a transfer exceeding twenty-five percent of the
11 dollar amount of the lottery tickets sold on an annualized basis.

12 (3) Of the money available to be transferred to the Education
13 Innovation Fund, the Nebraska Opportunity Grant Fund, the Nebraska
14 Education Improvement Fund, the Nebraska Environmental Trust Fund, the
15 Nebraska State Fair Board, and the Compulsive Gamblers Assistance Fund:

16 (a) The first five hundred thousand dollars shall be transferred to
17 the Compulsive Gamblers Assistance Fund to be used as provided in section
18 9-1006;

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

23 (c) Forty-four and one-half percent of the money remaining after the
24 payment of prizes and operating expenses and the initial transfer to the
25 Compulsive Gamblers Assistance Fund shall be transferred to the Nebraska
26 Environmental Trust Fund to be used as provided in the Nebraska
27 Environmental Trust Act;

28 (d) Ten 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 Nebraska State Fair
31 Board if the most populous city within the county in which the fair is

1 located provides matching funds equivalent to ten percent of the funds
2 available for transfer. Such matching funds may be obtained from the city
3 and any other private or public entity, except that no portion of such
4 matching funds shall be provided by the state. If the Nebraska State Fair
5 ceases operations, ten percent of the money remaining after the payment
6 of prizes and operating expenses and the initial transfer to the
7 Compulsive Gamblers Assistance Fund shall be transferred to the General
8 Fund; and

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

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

1 retained in the Nebraska Education Improvement Fund. For fiscal years
2 2017-18 through 2020-21, an amount equal to ten percent of the revenue
3 received by the Nebraska Education Improvement Fund in the prior fiscal
4 year shall be retained in the fund. For fiscal years 2016-17 through
5 2020-21, the remainder of the fund, ~~after payment of any learning~~
6 ~~community transition aid pursuant to section 79-10,145,~~ shall be
7 allocated as follows:

8 (a) One percent of the allocated funds to the Expanded Learning
9 Opportunity Grant Fund to carry out the Expanded Learning Opportunity
10 Grant Program Act;

11 (b) Seventeen percent of the allocated funds to the Department of
12 Education Innovative Grant Fund to be used (i) for competitive innovation
13 grants pursuant to section 79-1054 and (ii) to carry out the purposes of
14 section 79-759;

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

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

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

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

25 (5) Any money in the State Lottery Operation Trust Fund, the State
26 Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, the
27 Nebraska Education Improvement Fund, or the Education Innovation Fund
28 available for investment shall be invested by the state investment
29 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
30 State Funds Investment Act.

31 (6) Unclaimed prize money on a winning lottery ticket shall be

1 retained for a period of time prescribed by rules and regulations. If no
2 claim is made within such period, the prize money shall be used at the
3 discretion of the Tax Commissioner for any of the purposes prescribed in
4 this section.

5 Sec. 3. Section 11-119, Reissue Revised Statutes of Nebraska, is
6 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 Sec. 4. Section 13-503, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

1 be considered special reserve funds;

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

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

14 Sec. 5. Section 13-508, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

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

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

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

17 Sec. 6. Section 13-511, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 13-511 (1) Unless otherwise provided by law, whenever during the
20 current fiscal year or biennial period it becomes apparent to a governing
21 body that (a) there are circumstances which could not reasonably have
22 been anticipated at the time the budget for the current year or biennial
23 period was adopted, (b) the budget adopted violated sections 13-518 to
24 13-522, such that the revenue of the current fiscal year or biennial
25 period for any fund thereof will be insufficient, additional expenses
26 will be necessarily incurred, or there is a need to reduce the budget
27 requirements to comply with sections 13-518 to 13-522, or (c) the
28 governing body has been notified by the auditor of a mathematical or
29 accounting error or noncompliance with the Nebraska Budget Act, such
30 governing body may propose to revise the previously adopted budget
31 statement and shall conduct a public hearing on such proposal. The public

1 hearing requirement shall not apply to emergency expenditures pursuant to
2 section 81-829.51.

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

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

20 (4) Upon conclusion of the public hearing on the proposed revised
21 budget and approval of the proposed revised budget by the governing body,
22 the governing body shall file a copy of the revised budget, as adopted,
23 with the county clerk of the county or counties in which such governing
24 body is located, ~~with the learning community coordinating council for~~
25 ~~fiscal years prior to fiscal year 2017-18 for school districts that are~~
26 ~~members of learning communities,~~ and with the auditor, ~~a copy of the~~
27 ~~revised budget, as adopted.~~ The governing body may then issue warrants in
28 payment for expenditures authorized by the adopted revised budget. Such
29 warrants shall be referred to as registered warrants and shall be repaid
30 during the next fiscal year or biennial period from funds derived from
31 taxes levied therefor.

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

12 Sec. 7. Section 13-903, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 13-903 For purposes of the Political Subdivisions Tort Claims Act
15 and sections 16-727, 16-728, 23-175, 39-809, and 79-610, unless the
16 context otherwise requires:

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

23 (2) Governing body shall mean the village board of a village, the
24 city council of a city, the board of commissioners or board of
25 supervisors of a county, the board of directors of a public power
26 district, the governing board or other governing body of an entity
27 created pursuant to the Interlocal Cooperation Act or Joint Public Agency
28 Act, and any duly elected or appointed body holding the power and
29 authority to determine the appropriations and expenditures of any other
30 unit of local government;

31 (3) Employee of a political subdivision shall mean any one or more

1 officers or employees of the political subdivision or any agency of the
2 subdivision and shall include members of the governing body, duly
3 appointed members of boards or commissions when they are acting in their
4 official capacity, volunteer firefighters, and volunteer rescue squad
5 personnel. Employee shall not be construed to include any contractor with
6 a political subdivision; and

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

15 Sec. 8. Section 13-2202, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 13-2202 For purposes of the Local Government Miscellaneous
18 Expenditure Act:

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

21 (2) Governing body shall mean, in the case of a city of any class,
22 the council; in the case of a village, cemetery district, community
23 hospital for two or more adjoining counties, county hospital, road
24 improvement district, sanitary drainage district, or sanitary and
25 improvement district, the board of trustees; in the case of a county, the
26 county board; in the case of a municipal county, the council; in the case
27 of a township, the town board; in the case of a school district, the
28 school board; in the case of a rural or suburban fire protection
29 district, reclamation district, natural resources district, or hospital
30 district, the board of directors; in the case of a health district, the
31 board of health; in the case of an educational service unit, the board;

1 in the case of a community college, the Community College Board of
2 Governors for the area the board serves; in the case of an airport
3 authority, the airport authority board; in the case of a weed control
4 authority, the board; and in the case of a county agricultural society,
5 the board of governors; ~~and in the case of a learning community, the~~
6 ~~learning community coordinating council;~~

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

16 (4) Public funds shall mean such public funds as defined in section
17 13-503 as are under the direct control of governing bodies of local
18 governments;

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

23 (6) Volunteer shall mean a person who is not an elected or appointed
24 official or an employee of a local government and who, at the request or
25 with the permission of the local government, engages in activities
26 related to the purposes or functions of the local government or for its
27 general benefit.

28 Sec. 9. Section 32-546.01, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 32-546.01 (1) Each learning community shall be governed by a
31 learning community coordinating council. Through June 30, 2020 ~~January 4,~~

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

19 ~~(2) The initial elected members shall be nominated at the statewide~~
20 ~~primary election and elected at the statewide general election~~
21 ~~immediately following the certification of the establishment of the~~
22 ~~learning community, and subsequent members shall be nominated at~~
23 ~~subsequent statewide primary elections and elected at subsequent~~
24 ~~statewide general elections. Except as provided in this section, such~~
25 ~~elections shall be conducted pursuant to the Election Act.~~

26 ~~(2) (3) Vacancies in office for elected members shall occur as set~~
27 ~~forth in section 32-560. Whenever any such vacancy occurs, the remaining~~
28 ~~elected members of such council shall appoint an individual residing~~
29 ~~within the geographical boundaries of the subcouncil district for the~~
30 ~~balance of the unexpired term.~~

31 ~~(3) Except as provided in subsection (2) of this section for~~

1 vacancies in office, members in office on the operative date of this
2 section shall remain in office through June 30, 2020, at which time the
3 term of office for all such members shall expire.

4 ~~(4) Members elected to represent odd-numbered districts in the first~~
5 ~~election for the learning community coordinating council shall be elected~~
6 ~~for two-year terms. Members elected to represent even-numbered districts~~
7 ~~in the first election for the learning community coordinating council~~
8 ~~shall be elected for four-year terms. Members elected in subsequent~~
9 ~~elections shall be elected for four-year terms and until their successors~~
10 ~~are elected and qualified.~~

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

31 ~~(6) Vacancies in office for appointed members shall occur upon the~~

1 ~~resignation, death, or disqualification from office of an appointed~~
2 ~~member. Disqualification from office shall include ceasing membership on~~
3 ~~the school board for which membership qualified the member for the~~
4 ~~appointment to the learning community coordinating council or ceasing to~~
5 ~~reside in the subcouncil district represented by such member of the~~
6 ~~learning community coordinating council. Whenever such vacancy occurs,~~
7 ~~the remaining appointed members shall hold a meeting of the school board~~
8 ~~members of the school districts in such learning community to appoint a~~
9 ~~member from such school boards who lives in the subcouncil district to be~~
10 ~~represented to serve for the balance of the unexpired term.~~

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

24 ~~(4) (8) Members of a learning community coordinating council shall~~
25 ~~take office on the first Thursday after the first Tuesday in January~~
26 ~~following their election, except that members appointed to fill vacancies~~
27 ~~shall take office immediately following administration of the oath of~~
28 ~~office. Each voting member shall be eligible for reimbursement of~~
29 ~~reasonable expenses related to service on the learning community~~
30 ~~coordinating council. Each nonvoting member shall be eligible for~~
31 ~~reimbursement of reasonable expenses related to service on the learning~~

1 ~~community coordinating council.~~

2 (5) This section terminates on July 1, 2020.

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

5 32-567 Vacancies in office shall be filled as follows:

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

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

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

12 (4) In the membership of the city council, according to section
13 32-568 or 32-569, as applicable;

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

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

18 (7) In offices in natural resources districts, according to section
19 2-3215;

20 (8) In offices in community college areas, according to section
21 85-1514;

22 (9) In offices in educational service units, according to section
23 79-1217;

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

25 (11) In offices in metropolitan utilities districts, according to
26 section 14-2104;

27 (12) In membership on airport authority boards, according to section
28 3-502, 3-611, or 3-703, as applicable;

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

31 (14) In membership on the council of a municipal county, by the

1 council, ~~and~~

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

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

6 32-604 (1) Except as provided in subsection (2) or (4) of this
7 section, no person shall be precluded from being elected or appointed to
8 or holding an elective office for the reason that he or she has been
9 elected or appointed to or holds another elective office.

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

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

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

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

30 (6) For purposes of this section, (a) elective office has the
31 meaning found in section 32-109 and includes an office which is filled at

1 an election held in conjunction with the annual meeting of a public body
2 created by an act of the Legislature ~~but does not include a member of a~~
3 ~~learning community coordinating council appointed pursuant to subsection~~
4 ~~(5) or (7) of section 32-546.01 prior to January 5, 2017,~~ and (b) high
5 elective office means a member of the Legislature, an elective office
6 described in Article IV, section 1 or 20, or Article VII, section 3 or
7 10, of the Constitution of Nebraska, or a county, city, community college
8 area, ~~learning community,~~ or school district elective office.

9 Sec. 12. Section 32-1203, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 32-1203 (1) Each city, village, school district, public power
12 district, sanitary and improvement district, metropolitan utilities
13 district, fire district, natural resources district, community college
14 area, ~~learning community coordinating council,~~ educational service unit,
15 hospital district, reclamation district, and library board shall pay for
16 the costs of nominating and electing its officers as provided in
17 subsection (2), (3), or (4) of this section. If a special issue is placed
18 on the ballot at the time of the statewide primary or general election by
19 any political subdivision, the political subdivision shall pay for the
20 costs of the election as provided in subsection (2), (3), or (4) of this
21 section. The districts listed in this subsection shall furnish to the
22 Secretary of State and election commissioner or county clerk any maps and
23 additional information which the election commissioner or county clerk
24 may require in the proper performance of their duties in the conduct of
25 elections and certification of results.

26 (2) The charge for each primary and general election shall be
27 determined by (a) ascertaining the total cost of all chargeable costs as
28 described in section 32-1202, (b) dividing the total cost by the number
29 of precincts participating in the election to fix the cost per precinct,
30 (c) prorating the cost per precinct by the inked ballot inch in each
31 precinct for each political subdivision, and (d) totaling the cost for

1 each precinct for each political subdivision, except that the minimum
2 charge for each primary and general election for each political
3 subdivision shall be one hundred dollars.

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

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

11 Sec. 13. Section 68-907, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 68-907 For purposes of the Medical Assistance Act:

14 (1) Committee means the Health and Human Services Committee of the
15 Legislature;

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

17 (3) Medicaid Reform Plan means the Medicaid Reform Plan submitted on
18 December 1, 2005, pursuant to the Medicaid Reform Act enacted pursuant to
19 Laws 2005, LB 709;

20 (4) Medicaid state plan means the comprehensive written document,
21 developed and amended by the department and approved by the federal
22 Centers for Medicare and Medicaid Services, which describes the nature
23 and scope of the medical assistance program and provides assurances that
24 the department will administer the program in compliance with federal
25 requirements;

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

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

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

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

1 (c) Is administered by a sponsoring facility;

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

6 (e) Does not perform abortion services or refer or counsel for
7 abortion services and does not dispense, prescribe, or counsel for
8 contraceptive drugs or devices; and

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

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

15 (a) Medical health;

16 (b) Behavioral and mental health;

17 (c) Preventive health; and

18 (d) Oral health;

19 (8) Sponsoring facility means:

20 (a) A hospital;

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

22 (c) A federally qualified health center as defined in section
23 1905(l)(2)(B) of the federal Social Security Act, 42 U.S.C. 1396d(l)(2)
24 (B), as such act and section existed on January 1, 2010;

25 (d) A nonprofit health care entity whose mission is to provide
26 access to comprehensive primary health care services;

27 (e) A school or school district; or

28 (f) A program administered by the Indian Health Service or the
29 federal Bureau of Indian Affairs or operated by an Indian tribe or tribal
30 organization under the federal Indian Self-Determination and Education
31 Assistance Act, or an urban Indian program under Title V of the federal

1 Indian Health Care Improvement Act, as such acts existed on January 1,
2 2010; and

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

7 Sec. 14. Section 70-651.04, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 70-651.04 All payments which are based on retail revenue from each
10 incorporated city or village shall be divided and distributed by the
11 county treasurer to that city or village, to the school districts located
12 in that city or village, ~~to any learning community located in that city~~
13 ~~or village for payments distributed prior to September 1, 2017,~~ and to
14 the county in which may be located any such incorporated city or village
15 in the proportion that their respective property tax levies in the
16 preceding year bore to the total of such levies, ~~except that the only~~
17 ~~learning community levies to be included are the common levies for which~~
18 ~~the proceeds are distributed to member school districts pursuant to~~
19 ~~section 79-1073.~~

20 Sec. 15. Section 77-1601.02, Reissue Revised Statutes of Nebraska,
21 is amended to read:

22 77-1601.02 (1) The property tax request for the prior year shall be
23 the property tax request for the current year for purposes of the levy
24 set by the county board of equalization in section 77-1601 unless the
25 governing body of the county, municipality, school district, ~~learning~~
26 ~~community,~~ sanitary and improvement district, natural resources district,
27 educational service unit, or community college passes by a majority vote
28 a resolution or ordinance setting the tax request at a different amount.
29 Such resolution or ordinance shall only be passed after a special public
30 hearing called for such purpose is held and after notice is published in
31 a newspaper of general circulation in the area of the political

1 subdivision at least five days prior to the hearing. The hearing notice
2 shall contain the following information: The dollar amount of the prior
3 year's tax request and the property tax rate that was necessary to fund
4 that tax request; the property tax rate that would be necessary to fund
5 last year's tax request if applied to the current year's valuation; and
6 the proposed dollar amount of the tax request for the current year and
7 the property tax rate that will be necessary to fund that tax request.
8 Any resolution setting a tax request under this section shall be
9 certified and forwarded to the county clerk on or before October 13 of
10 the year for which the tax request is to apply.

11 (2) Any levy which is not in compliance with this section and
12 section 77-1601 shall be construed as an unauthorized levy under section
13 77-1606.

14 Sec. 16. Section 77-1614, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-1614 All taxes which are uniform, throughout any precinct,
17 township, school district, ~~learning community~~, village, city, county, or
18 other taxing subdivision of a county, shall be formed into a single tax,
19 be entered upon the tax list in a double column, and be denominated a
20 consolidated tax.

21 Sec. 17. Section 77-1624, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 77-1624 It shall be the duty of the county treasurer for each and
24 every county, when collecting personal and real estate taxes being
25 delinquent five years or more, to receipt for such taxes on a receipt for
26 the fifth delinquent year. Such taxes so collected shall be prorated in
27 proportion to the levies applicable for the year levied. All ~~state taxes~~
28 ~~when collected shall be remitted to the State Treasurer and by him or her~~
29 ~~credited to the fund or funds for which the levy or levies were made, and~~
30 ~~all~~ county funds when collected shall be placed to the credit of the
31 county general fund; all municipal, school district, ~~learning community~~,

1 township, precinct, and special funds shall be entered in separate
2 columns. All taxes so consolidated shall be paid in order of priority of
3 delinquency.

4 Sec. 18. Section 77-1702, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 77-1702 State warrants are receivable for the amount payable into
7 the state treasury on account of tax levied for general state purposes.
8 County warrants are receivable for the amount payable into the county
9 treasury for general purposes. City warrants shall be received for the
10 city general tax, village warrants for the village general tax, and town
11 warrants for the town general tax. State, city, village, or township
12 taxes, levied for other special purposes, may be paid by warrants drawn
13 and payable out of the particular fund on account of which they are
14 tendered. Lawful money of the United States, checks, drafts, credit
15 cards, charge cards, debit cards, money orders, electronic funds
16 transfers, or other bills of exchange may be accepted in payment of any
17 state, county, village, township, school district, ~~learning community~~, or
18 other governmental subdivision tax, levy, excise, duty, custom, toll,
19 penalty, fine, license, fee, or assessment of whatever kind or nature,
20 whether general or special.

21 Sec. 19. Section 77-1704.01, Reissue Revised Statutes of Nebraska,
22 is amended to read:

23 77-1704.01 (1) The county treasurer shall include with each tax
24 notice to every taxpayer and with each receipt provided to a taxpayer the
25 following information:

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

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

31 (c) For real property, the amount of taxes reflected on the

1 statement that are levied by the county, city, village, school district,
2 ~~learning community,~~ and other subdivisions for the tax year and for the
3 immediately past year on the same parcel; and

4 (d) For real property that has its taxes divided under section
5 18-2147 as part of a redevelopment project under the Community
6 Development Law, the amount of taxes reflected on the statement that are
7 allocated to the county, city, village, school district, ~~learning~~
8 ~~community,~~ and other subdivisions, the amount of taxes reflected on the
9 statement that are allocated to the redevelopment project, and a
10 statement explaining that taxes on the real property have been divided as
11 part of a redevelopment project under the Community Development Law for a
12 period not to exceed fifteen years. ~~;~~ and

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

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

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

30 Sec. 20. Section 77-1708, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 77-1708 The county treasurer is required to keep a cash book in
2 which he or she shall enter an account of all money received, specifying
3 in proper columns provided for that purpose the date of payment, the
4 number of the receipt issued therefor, and on account of what fund or
5 funds the same was paid, whether state, county, school, ~~learning~~
6 ~~community~~, road, sinking fund or otherwise, each in separate columns, and
7 the total amount for which the receipt was given in another column. The
8 treasurer shall keep the account of money received for and on account of
9 taxes separate and distinct from money received on any other account. He
10 or she shall also keep the account of money received for and on account
11 of taxes levied and assessed for any one year separate and distinct from
12 those levied and assessed for any other year. All entries in the cash
13 book of money received for taxes shall be in the numerical order of the
14 receipts issued therefor.

15 Sec. 21. Section 77-1736.06, Reissue Revised Statutes of Nebraska,
16 is amended to read:

17 77-1736.06 The following procedure shall apply when making a
18 property tax refund:

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

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

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

29 (a) Such receipt shall be applied to satisfy any tax levied or
30 assessed by that political subdivision next falling due from the person
31 holding the receipt after the sixth next succeeding levy is made on

1 behalf of the political subdivision following the final order or other
2 action approving the refund; and

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

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

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

26 (4) When the refund involves property valued by the state, the Tax
27 Commissioner shall be authorized to negotiate a settlement of the amount
28 of the refund or claim due pursuant to this section on behalf of the
29 political subdivision from which such refund or claim is due. Any
30 political subdivision which does not agree with the settlement terms as
31 negotiated may reject such terms, and the refund or claim due from the

1 political subdivision then shall be satisfied as set forth in this
2 section as if no such negotiation had occurred;

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

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

17 Sec. 22. Section 77-1772, Reissue Revised Statutes of Nebraska, is
18 amended to read:

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

29 Sec. 23. Section 77-2201, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-2201 All warrants upon the State Treasurer or the treasurer of

1 any county, city, school district, ~~learning community~~, or other municipal
2 corporation shall be paid in the order of their presentation therefor.

3 Sec. 24. Section 77-2202, Reissue Revised Statutes of Nebraska, is
4 amended to read:

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

14 Sec. 25. Section 77-2704.15, Reissue Revised Statutes of Nebraska,
15 is amended to read:

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

1 to the Interlocal Cooperation Act, the Integrated Solid Waste Management
2 Act, or the Joint Public Agency Act, except for purchases for use in the
3 business of furnishing gas, water, electricity, or heat, or by any
4 irrigation or reclamation district, the irrigation division of any public
5 power and irrigation district, or school district ~~public schools or~~
6 ~~learning communities established under Chapter 79.~~

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

27 (2) The appointment of purchasing agents shall be recognized for the
28 purpose of altering the status of the construction contractor as the
29 ultimate consumer of building materials which are physically annexed to
30 the structure and which subsequently belong to the state or the
31 governmental unit. The appointment of purchasing agents shall be in

1 writing and occur prior to having any building materials annexed to real
2 estate in the construction, improvement, or repair. The contractor who
3 has been appointed as a purchasing agent may apply for a refund of or use
4 as a credit against a future use tax liability the tax paid on inventory
5 items annexed to real estate in the construction, improvement, or repair
6 of a project for the state or a governmental unit.

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

16 Sec. 26. Section 77-3442, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 77-3442 (1) Property tax levies for the support of local governments
19 for fiscal years beginning on or after July 1, 1998, shall be limited to
20 the amounts set forth in this section except as provided in section
21 77-3444.

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

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

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

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

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

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

26 ~~(f)~~ ~~For each fiscal year, learning communities may levy a maximum~~
27 ~~levy of one-half cent on each one hundred dollars of taxable property~~
28 ~~subject to the levy for elementary learning center facility leases, for~~
29 ~~remodeling of leased elementary learning center facilities, and for up to~~
30 ~~fifty percent of the estimated cost for focus school or program capital~~
31 ~~projects approved by the learning community coordinating council pursuant~~

1 ~~to section 79-2111.~~

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

10 (3) For each fiscal year, community college areas may levy the
11 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
12 accordance with the provisions of such subdivisions. A community college
13 area may exceed the levy provided in subdivision (2)(b) of section
14 85-1517 by the amount necessary to retire general obligation bonds
15 assumed by the community college area or issued pursuant to section
16 85-1515 according to the terms of such bonds or for any obligation
17 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

21 (b) Natural resources districts shall also have the power and
22 authority to levy a tax equal to the dollar amount by which their
23 restricted funds budgeted to administer and implement ground water
24 management activities and integrated management activities under the
25 Nebraska Ground Water Management and Protection Act exceed their
26 restricted funds budgeted to administer and implement ground water
27 management activities and integrated management activities for FY2003-04,
28 not to exceed one cent on each one hundred dollars of taxable valuation
29 annually on all of the taxable property within the district.

30 (c) In addition, natural resources districts located in a river
31 basin, subbasin, or reach that has been determined to be fully

1 appropriated pursuant to section 46-714 or designated as overappropriated
2 pursuant to section 46-713 by the Department of Natural Resources shall
3 also have the power and authority to levy a tax equal to the dollar
4 amount by which their restricted funds budgeted to administer and
5 implement ground water management activities and integrated management
6 activities under the Nebraska Ground Water Management and Protection Act
7 exceed their restricted funds budgeted to administer and implement ground
8 water management activities and integrated management activities for
9 FY2005-06, not to exceed three cents on each one hundred dollars of
10 taxable valuation on all of the taxable property within the district for
11 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
12 2017-18.

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

17 (6)(a) Incorporated cities and villages which are not within the
18 boundaries of a municipal county may levy a maximum levy of forty-five
19 cents per one hundred dollars of taxable valuation of property subject to
20 the levy plus an additional five cents per one hundred dollars of taxable
21 valuation to provide financing for the municipality's share of revenue
22 required under an agreement or agreements executed pursuant to the
23 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
24 levy shall include amounts levied to pay for sums to support a library
25 pursuant to section 51-201, museum pursuant to section 51-501, visiting
26 community nurse, home health nurse, or home health agency pursuant to
27 section 71-1637, or statue, memorial, or monument pursuant to section
28 80-202.

29 (b) Incorporated cities and villages which are within the boundaries
30 of a municipal county may levy a maximum levy of ninety cents per one
31 hundred dollars of taxable valuation of property subject to the levy. The

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

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

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

1 dollars of valuation authorized for support of an agreement or agreements
2 to be levied by the political subdivision for the purpose of supporting
3 that political subdivision's share of revenue required under an agreement
4 or agreements executed pursuant to the Interlocal Cooperation Act or the
5 Joint Public Agency Act. If an allocation by a county would cause another
6 county to exceed its levy authority under this section, the second county
7 may exceed the levy authority in order to levy the amount allocated.

8 (9) Municipal counties may levy or authorize a maximum levy of one
9 dollar per one hundred dollars of taxable valuation of property subject
10 to the levy. The municipal county may allocate levy authority to any
11 political subdivision or entity subject to allocation under section
12 77-3443.

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

24 (11) Property tax levies (a) for judgments, except judgments or
25 orders from the Commission of Industrial Relations, obtained against a
26 political subdivision which require or obligate a political subdivision
27 to pay such judgment, to the extent such judgment is not paid by
28 liability insurance coverage of a political subdivision, (b) for
29 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
30 for bonds as defined in section 10-134 approved according to law and
31 secured by a levy on property except as provided in section 44-4317 for

1 bonded indebtedness issued by educational service units and school
2 districts, and (d) for payments by a public airport to retire interest-
3 free loans from the Division of Aeronautics of the Department of
4 Transportation in lieu of bonded indebtedness at a lower cost to the
5 public airport are not included in the levy limits established by this
6 section.

7 (12) The limitations on tax levies provided in this section are to
8 include all other general or special levies provided by law.
9 Notwithstanding other provisions of law, the only exceptions to the
10 limits in this section are those provided by or authorized by sections
11 77-3442 to 77-3444.

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

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

18 (15) For school districts that file a binding resolution on or
19 before May 9, 2008, with the county assessors, county clerks, and county
20 treasurers for all counties in which the school district has territory
21 pursuant to subsection (7) of section 79-458, if the combined levies,
22 except levies for bonded indebtedness approved by the voters of the
23 school district and levies for the refinancing of such bonded
24 indebtedness, are in excess of the greater of (a) one dollar and twenty
25 cents per one hundred dollars of taxable valuation of property subject to
26 the levy or (b) the maximum levy authorized by a vote pursuant to section
27 77-3444, all school district levies, except levies for bonded
28 indebtedness approved by the voters of the school district and levies for
29 the refinancing of such bonded indebtedness, shall be considered
30 unauthorized levies under section 77-1606.

31 Sec. 27. Section 79-102, Revised Statutes Cumulative Supplement,

1 2018, is amended to read:

2 79-102 School districts in this state are classified as follows:

3 (1) Class III includes any school district embracing territory
4 having a population of less than one hundred fifty thousand inhabitants
5 that maintains both elementary and high school grades under the direction
6 of a single school board;

7 (2) Class IV includes any school district embracing territory having
8 a population of one hundred thousand or more inhabitants with a city of
9 the primary class within the territory of the district that maintains
10 both elementary and high school grades under the direction of a single
11 school board; and

12 (3) Class V includes any school district whose employees participate
13 in a retirement system established pursuant to the Class V School
14 Employees Retirement Act and which embraces territory having a city of
15 the metropolitan class within the territory of the district that
16 maintains both elementary grades and high school grades under the
17 direction of a single school board ~~and any school district with territory~~
18 ~~in a city of the metropolitan class created pursuant to the Learning~~
19 ~~Community Reorganization Act and designated as a Class V school district~~
20 ~~in the reorganization plan.~~

21 Sec. 28. Section 79-201, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 79-201 (1) For purposes of this section, a child is of mandatory
24 attendance age if the child (a) will reach six years of age prior to
25 January 1 of the then-current school year and (b) has not reached
26 eighteen years of age.

27 (2) Except as provided in subsection (3) of this section, every
28 person residing in a school district within the State of Nebraska who has
29 legal or actual charge or control of any child who is of mandatory
30 attendance age or is enrolled in a public school shall cause such child
31 to enroll in, if such child is not enrolled, and attend regularly a

1 public, private, denominational, or parochial day school which meets the
2 requirements for legal operation prescribed in Chapter 79, or a school
3 which elects pursuant to section 79-1601 not to meet accreditation or
4 approval requirements, each day that such school is open and in session,
5 except when excused by school authorities or when illness or severe
6 weather conditions make attendance impossible or impracticable.

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

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

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

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

16 (d)(i) Will reach six years of age prior to January 1 of the then-
17 current school year, but will not reach seven years of age prior to
18 January 1 of such school year, (ii) such child's parent or guardian has
19 signed an affidavit stating that the child is participating in an
20 education program that the parent or guardian believes will prepare the
21 child to enter grade one for the following school year, and (iii) such
22 affidavit has been filed by the parent or guardian with the school
23 district in which the child resides;

24 (e)(i) Will reach six years of age prior to January 1 of the then-
25 current school year but has not reached seven years of age, (ii) such
26 child's parent or guardian has signed an affidavit stating that the
27 parent or guardian intends for the child to participate in a school which
28 has elected or will elect pursuant to section 79-1601 not to meet
29 accreditation or approval requirements and the parent or guardian intends
30 to provide the Commissioner of Education with a statement pursuant to
31 subsection (3) of section 79-1601 on or before the child's seventh

1 birthday, and (iii) such affidavit has been filed by the parent or
2 guardian with the school district in which the child resides; or

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

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

11 ~~(5) Each school district that is a member of a learning community~~
12 ~~shall report to the learning community coordinating council on or before~~
13 ~~September 1 of each year for the immediately preceding school year the~~
14 ~~following information:~~

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

17 ~~(b) The results of all investigations conducted pursuant to section~~
18 ~~79-209, including the attendance record that is the subject of the~~
19 ~~investigation and a list of services rendered in the case;~~

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

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

23 Sec. 29. Section 79-215, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 79-215 (1) Except as otherwise provided in this section, a student
26 is a resident of the school district where he or she resides and shall be
27 admitted to any such school district upon request without charge.

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

30 (3) A school board shall admit any homeless student upon request
31 without charge if the district is the district in which the student (a)

1 is currently located, (b) attended when permanently housed, or (c) was
2 last enrolled.

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

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

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

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

18 (7) ~~(8)~~ A school board may admit a student who is a resident of
19 another state to the school district and collect tuition in advance at a
20 rate determined by the school board.

21 (8) ~~(9)~~ When a student as a ward of the state or as a ward of any
22 court (a) has been placed in a school district other than the district in
23 which he or she resided at the time he or she became a ward and such ward
24 does not reside in a foster family home licensed or approved by the
25 Department of Health and Human Services or a foster home maintained or
26 used pursuant to section 83-108.04 or (b) has been placed in any
27 institution which maintains a special education program which has been
28 approved by the State Department of Education and such institution is not
29 owned or operated by the district in which he or she resided at the time
30 he or she became a ward, the cost of his or her education and the
31 required transportation costs associated with the student's education

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

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

26 (b) If a student is residing in a residential setting as described
27 in subdivision (9)(a) ~~(10)(a)~~ of this section and such residential
28 setting does not maintain an interim-program school as defined in section
29 79-1119.01 or an approved or accredited school, the resident school
30 district shall contract with the district in which such residential
31 setting is located for the provision of all educational services,

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

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

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

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

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

19 (10) ~~(11)~~ In the case of any individual eighteen years of age or
20 younger who is a ward of the state or any court and who is placed in a
21 county detention home established under section 43-2,110, the cost of his
22 or her education shall be paid by the state, regardless of the district
23 in which he or she resided at the time he or she became a ward, to the
24 agency or institution which: (a) Is selected by the county board with
25 jurisdiction over such detention home; (b) has agreed or contracted with
26 such county board to provide educational services; and (c) has been
27 approved by the State Department of Education pursuant to rules and
28 regulations prescribed by the State Board of Education.

29 (11) ~~(12)~~ No tuition shall be charged for students who may be by law
30 allowed to attend the school without charge.

31 (12) ~~(13)~~ On a form prescribed by the State Department of Education,

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

11 ~~(13)~~ ~~(14)~~ The department may adopt and promulgate rules and
12 regulations to carry out the department's responsibilities under this
13 section.

14 Sec. 30. Section 79-233, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 79-233 For purposes of sections 79-232 to 79-246:

17 (1) Enrollment option program means the program established in
18 section 79-234;

19 (2) Option school district means the public school district that an
20 option student chooses to attend instead of his or her resident school
21 district;

22 (3) Option student means a student that has chosen to attend an
23 option school district, including an open enrollment option student ~~or a~~
24 ~~student who resides in a learning community and began attendance as an~~
25 ~~option student in an option school district in such learning community~~
26 ~~prior to the end of the first full school year for which the option~~
27 ~~school district will be a member of such learning community, but, for~~
28 ~~school years prior to school year 2017-18, not including a student who~~
29 ~~resides in a learning community and who attends pursuant to section~~
30 ~~79-2110 another school district in such learning community;~~

31 (4) Open enrollment option student means a student who attends

1 ~~resides in a school district that is a member of a learning community,~~
2 ~~attended a school building in a another school district other than the~~
3 ~~school district where such student resides in such learning community as~~
4 ~~an open enrollment student pursuant to section 79-2110, and attends such~~
5 ~~school building as an open enrollment option student pursuant to section~~
6 79-235.01;

7 (5) Resident school district means the ~~public~~ school district in
8 which a student resides or the school district in which the student is
9 admitted as a resident of the school district pursuant to section 79-215;
10 and

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

14 Sec. 31. Section 79-235, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

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

30 Sec. 32. Section 79-235.01, Revised Statutes Cumulative Supplement,
31 2018, is amended to read:

1 79-235.01 Each student attending a school building outside of the
2 resident school district as an open enrollment student ~~pursuant to~~
3 ~~section 79-2110 for any part of school year 2016-17 shall be~~
4 ~~automatically approved as an open enrollment option student pursuant to~~
5 this section, as it existed immediately prior to the operative date of
6 this section, for beginning with school year 2017-18 shall be and allowed
7 to continue attending such school building as an open enrollment option
8 student without submitting an additional application unless the student
9 has completed the grades offered in such school building or has been
10 expelled and is disqualified pursuant to section 79-266.01. Approval
11 ~~Except as provided in subsection (3) of section 79-2110 for students~~
12 ~~attending a focus school, focus program, or magnet school, approval~~ as an
13 open enrollment option student pursuant to this section does not permit
14 the student to attend another school building within the option school
15 district unless an application meeting the requirements prescribed in
16 section 79-237 is approved by the school board of the option school
17 district. Upon approval of an application meeting the requirements
18 prescribed in section 79-237, a student previously enrolled as an open
19 enrollment student in the option school district shall be treated as an
20 option student of the option school district without regard to his or her
21 former status as an open enrollment student. Except as otherwise provided
22 in this section and sections 79-234, 79-235, 79-237, and 79-238 ~~and~~
23 ~~subsection (3) of section 79-2110~~, open enrollment option students shall
24 be treated as option students of the option school district.

25 Sec. 33. Section 79-237, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 79-237 (1) For a student to begin attendance as an option student in
28 an option school district, the student's parent or legal guardian shall
29 submit an application to the school board of the option school district
30 between September 1 and March 15 for attendance during the following and
31 subsequent school years. Except as provided in subsection (2) of this

1 section, applications submitted after March 15 shall contain a release
2 approval from the resident school district on the application form
3 prescribed and furnished by the State Department of Education pursuant to
4 subsection (7) ~~(8)~~ of this section. A district may not accept or approve
5 any applications submitted after such date without such a release
6 approval. The option school district shall provide the resident school
7 district with the name of the applicant on or before April 1 or, in the
8 case of an application submitted after March 15, within sixty days after
9 submission. The option school district shall notify, in writing, the
10 parent or legal guardian of the student and the resident school district
11 whether the application is accepted or rejected on or before April 1 or,
12 in the case of an application submitted after March 15, within sixty days
13 after submission. ~~An option school district that is a member of a~~
14 ~~learning community may not approve an application pursuant to this~~
15 ~~section for a student who resides in such learning community to attend~~
16 ~~prior to school year 2017-18.~~

17 (2) A student who relocates to a different resident school district
18 after February 1 or whose option school district merges with another
19 district effective after February 1 may submit an application to the
20 school board of an option school district for attendance during the
21 current or immediately following and subsequent school years ~~unless the~~
22 ~~applicant is a resident of a learning community and the application is~~
23 ~~for attendance to begin prior to school year 2017-18 in an option school~~
24 ~~district that is also a member of such learning community.~~ Such
25 application does not require the release approval of the resident school
26 district. The option school district shall accept or reject such
27 application within forty-five days.

28 ~~(3) A parent or guardian may provide information on the application~~
29 ~~for an option school district that is a member of a learning community~~
30 ~~regarding the applicant's potential qualification for free or reduced-~~
31 ~~price lunches. Any such information provided shall be subject to~~

1 ~~verification and shall only be used for the purposes of subsection (4) of~~
2 ~~section 79-238. Nothing in this subsection requires a parent or guardian~~
3 ~~to provide such information. Determinations about an applicant's~~
4 ~~qualification for free or reduced-price lunches for purposes of~~
5 ~~subsection (4) of section 79-238 shall be based on any verified~~
6 ~~information provided on the application. If no such information is~~
7 ~~provided, the student shall be presumed not to qualify for free or~~
8 ~~reduced-price lunches for the purposes of subsection (4) of section~~
9 ~~79-238.~~

10 (3) ~~(4)~~ Applications for students who do not actually attend the
11 option school district may be withdrawn in good standing upon mutual
12 agreement by both the resident and option school districts.

13 (4) ~~(5)~~ No option student shall attend an option school district for
14 less than one school year unless the student relocates to a different
15 resident school district, completes requirements for graduation prior to
16 the end of his or her senior year, transfers to a private or parochial
17 school, or upon mutual agreement of the resident and option school
18 districts cancels the enrollment option and returns to the resident
19 school district.

20 (5) ~~(6)~~ Except as provided in subsection ~~(4)~~ ~~(5)~~ of this section or,
21 for open enrollment option students, in section 79-235.01, the option
22 student shall attend the option school district until graduation unless
23 the student relocates in a different resident school district, transfers
24 to a private or parochial school, or chooses to return to the resident
25 school district.

26 (6) ~~(7)~~ In each case of cancellation pursuant to subsections ~~(4)~~ ~~and~~
27 ~~(5)~~ ~~and~~ ~~(6)~~ of this section, the student's parent or legal guardian shall
28 provide written notification to the school board of the option school
29 district and the resident school district on forms prescribed and
30 furnished by the department under subsection ~~(7)~~ ~~(8)~~ of this section in
31 advance of such cancellation.

1 (7) ~~(8)~~ The application and cancellation forms shall be prescribed
2 and furnished by the State Department of Education.

3 (8) ~~(9)~~ An option student who subsequently chooses to attend a
4 private or parochial school and who is not an open enrollment option
5 student shall be automatically accepted to return to either the resident
6 school district or option school district upon the completion of the
7 grade levels offered at the private or parochial school. If such student
8 chooses to return to the option school district, the student's parent or
9 legal guardian shall submit another application to the school board of
10 the option school district which shall be automatically accepted, and the
11 deadlines prescribed in this section shall be waived.

12 Sec. 34. Section 79-238, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 79-238 (1) Except as provided in this section and sections 79-235.01
15 and 79-240, the school board of the option school district shall adopt by
16 resolution specific standards for acceptance and rejection of
17 applications and for providing transportation for option students.
18 Standards may include the capacity of a program, class, grade level, or
19 school building or the availability of appropriate special education
20 programs operated by the option school district. Capacity ~~For a school~~
21 ~~district that is not a member of a learning community, capacity~~ shall be
22 determined by setting a maximum number of option students that a district
23 will accept in any program, class, grade level, or school building, based
24 upon available staff, facilities, projected enrollment of resident
25 students, projected number of students with which the option school
26 district will contract based on existing contractual arrangements, and
27 availability of appropriate special education programs. ~~To facilitate~~
28 ~~option enrollment within a learning community, member school districts~~
29 ~~shall annually (a) establish and report a maximum capacity for each~~
30 ~~school building under such district's control pursuant to procedures,~~
31 ~~criteria, and deadlines established by the learning community~~

1 ~~coordinating council and (b) provide a copy of the standards for~~
2 ~~acceptance and rejection of applications and transportation policies for~~
3 ~~option students to the learning community coordinating council.~~ Except as
4 otherwise provided in this section, the school board of the option school
5 district may by resolution declare a program, a class, or a school
6 unavailable to option students due to lack of capacity. Standards shall
7 not include previous academic achievement, athletic or other
8 extracurricular ability, disabilities, proficiency in the English
9 language, or previous disciplinary proceedings except as provided in
10 section 79-266.01. False or substantively misleading information
11 submitted by a parent or guardian on an application to an option school
12 district may be cause for the option school district to reject a
13 previously accepted application if the rejection occurs prior to the
14 student's attendance as an option student.

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

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

26 ~~(4) Any option school district that is in a learning community shall~~
27 ~~give first priority for enrollment to siblings of option students~~
28 ~~enrolled in the option school district, second priority for enrollment to~~
29 ~~students who have previously been enrolled in the option school district~~
30 ~~as an open enrollment student, third priority for enrollment to students~~
31 ~~who reside in the learning community and who contribute to the~~

1 ~~socioeconomic diversity of enrollment at the school building to which the~~
2 ~~student will be assigned pursuant to section 79-235, and final priority~~
3 ~~for enrollment to other students who reside in the learning community.~~
4 ~~The option school district shall not be required to accept a student~~
5 ~~meeting the priority criteria in this section if the district is at~~
6 ~~capacity as determined pursuant to subsection (1) of this section except~~
7 ~~as provided in section 79-235.01 or 79-240. For purposes of the~~
8 ~~enrollment option program, a student who contributes to the socioeconomic~~
9 ~~diversity of enrollment at a school building within a learning community~~
10 ~~means (a) a student who does not qualify for free or reduced-price~~
11 ~~lunches when, based upon the certification pursuant to section 79-2120,~~
12 ~~the school building the student will be assigned to attend either has~~
13 ~~more students qualifying for free or reduced-price lunches than the~~
14 ~~average percentage of such students in all school buildings in the~~
15 ~~learning community or provides free meals to all students pursuant to the~~
16 ~~community eligibility provision or (b) a student who qualifies for free~~
17 ~~or reduced-price lunches based on information collected voluntarily from~~
18 ~~parents and guardians pursuant to section 79-237 when, based upon the~~
19 ~~certification pursuant to section 79-2120, the school building the~~
20 ~~student will be assigned to attend has fewer students qualifying for free~~
21 ~~or reduced-price lunches than the average percentage of such students in~~
22 ~~all school buildings in the learning community and does not provide free~~
23 ~~meals to all students pursuant to the community eligibility provision.~~

24 Sec. 35. Section 79-241, Revised Statutes Cumulative Supplement,
25 2018, is amended to read:

26 79-241 (1) Except as otherwise provided in this section, section
27 79-611 does not apply to the transportation of an option student. The
28 parent or legal guardian of the option student shall be responsible for
29 required transportation. A school district may, upon mutual agreement
30 with the parent or legal guardian of an option student, provide
31 transportation to the option student on the same basis as provided for

1 resident students. The school district may charge the parents of each
2 option student transported a fee sufficient to recover the additional
3 costs of such transportation.

4 (2) Option students who qualify for free lunches shall be eligible
5 for either free transportation or transportation reimbursement as
6 described in section 79-611 from the option school district pursuant to
7 policies established by the school district in compliance with this
8 section, except that they shall be reimbursed at the rate of one hundred
9 forty-two and one-half percent of the mandatorily established mileage
10 rate provided in section 81-1176 for each mile actually and necessarily
11 traveled on each day of attendance by which the distance traveled one way
12 from the residence of such student to the schoolhouse exceeds three
13 miles.

14 (3) For open enrollment option students who received free
15 transportation for school year 2016-17 pursuant to subsection (2) of
16 section 79-611 as such subsection existed on July 1, 2016, the school
17 board of the option school district shall continue to provide free
18 transportation for the duration of the student's status as an open
19 enrollment option student ~~or for the duration of the student's enrollment~~
20 ~~in a pathway pursuant to subsection (3) of section 79-2110~~ unless the
21 student relocates to a school district that would have prevented the
22 student from qualifying for free transportation for the 2016-17 school
23 year pursuant to subsection (2) of section 79-611 as such subsection
24 existed on July 1, 2016.

25 (4) For option students verified as having a disability as defined
26 in section 79-1118.01, the transportation services set forth in section
27 79-1129 shall be provided by the resident school district. The State
28 Department of Education shall reimburse the resident school district for
29 the cost of transportation in accordance with section 79-1144.

30 Sec. 36. Section 79-2,104, Reissue Revised Statutes of Nebraska, is
31 amended to read:

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

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

20 (3)(a) This section does not preclude authorized representatives of
21 (i) auditing officials of the United States, (ii) auditing officials of
22 this state, or (iii) state educational authorities from having access to
23 student or other records which are necessary in connection with the audit
24 and evaluation of federally supported or state-supported education
25 programs or in connection with the enforcement of legal requirements
26 which relate to such programs, except that, when collection of personally
27 identifiable data is specifically authorized by law, any data collected
28 by such officials with respect to individual students shall be protected
29 in a manner which shall not permit the personal identification of
30 students and their parents by other than the officials listed in this
31 subsection. Personally identifiable data shall be destroyed when no

1 longer needed for such audit, evaluation, or enforcement of legal
2 requirements.

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

8 (4) The Legislature finds and declares that the sharing of student
9 data, records, and information among school districts, educational
10 service units, ~~learning communities,~~ and the State Department of
11 Education, to the fullest extent practicable and permitted by law, is
12 vital to advancing education in this state. Whenever applicable law
13 permits the sharing of such student data, records, and information, each
14 school district and ~~,~~ educational service unit, ~~and learning community~~
15 shall comply unless otherwise prohibited by law. The State Board of
16 Education shall adopt and promulgate rules and regulations providing for
17 and requiring the uniform sharing of student data, records, and
18 information among school districts, educational service units, ~~learning~~
19 ~~communities,~~ and the department.

20 Sec. 37. Section 79-407, Revised Statutes Cumulative Supplement,
21 2018, is amended to read:

22 79-407 The territory within the corporate limits of each
23 incorporated municipality in the State of Nebraska ~~that is not in part~~
24 ~~within the boundaries of a learning community,~~ together with such
25 additional territory and additions to such municipality as may be added
26 thereto, as declared by ordinances to be boundaries of such municipality,
27 having a population of less than one hundred fifty thousand inhabitants
28 as determined by the most recent federal decennial census or the most
29 recent revised certified count by the United States Bureau of the Census,
30 including such adjacent territory as now is or hereafter may be attached
31 for school purposes, shall constitute a Class III school district, ~~except~~

1 ~~that nothing in this section shall be construed to change the boundaries~~
2 ~~of any school district that is a member of a learning community.~~ The
3 school district shall be a body corporate and possess all the usual
4 powers of a corporation for public purposes and may sue and be sued,
5 purchase, hold, and sell such personal and real property, and control
6 such obligations as are authorized by law.

7 Sec. 38. Section 79-408, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 79-408 The territory now or hereafter embraced within each
10 incorporated city of the metropolitan class or city of the primary class
11 in the State of Nebraska ~~that is not in part within the boundaries of a~~
12 ~~learning community~~, such adjacent territory as now or hereafter may be
13 included therewith for school purposes, and such territory not adjacent
14 thereto as may have been added thereto by law shall constitute a Class IV
15 school district, ~~except that nothing in this section shall be construed~~
16 ~~to change the boundaries of any school district that is a member of a~~
17 ~~learning community~~. A Class IV school district shall be a body corporate
18 and possess all the usual powers of a corporation for public purposes,
19 may sue and be sued, and may purchase, hold, and sell such personal and
20 real estate and contract such obligations as are authorized by law.

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

26 Sec. 39. Section 79-413, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 79-413 (1) The State Committee for the Reorganization of School
29 Districts created under section 79-435 may create a new school district
30 from other districts or change the boundaries of any school district ~~that~~
31 ~~is not a member of a learning community~~ upon receipt of petitions signed

1 by sixty percent of the legal voters of each district affected. If the
2 petitions contain signatures of at least sixty-five percent of the legal
3 voters of each district affected, the state committee shall approve the
4 petitions.

5 (2) Petitions proposing to change the boundaries of existing school
6 districts ~~that are not members of a learning community~~ through the
7 transfer of a parcel of land, not to exceed six hundred forty acres,
8 shall be approved by the state committee when the petitions involve the
9 transfer of land between Class III or IV school districts or when there
10 would be an exchange of parcels of land between Class III or IV school
11 districts and the petitions have the approval of at least sixty-five
12 percent of the school board of each affected district.

13 (3)(a) Petitions proposing to create a new school district or to
14 change the boundary lines of existing school districts ~~that are not~~
15 ~~members of a learning community~~, any of which involves the transfer of
16 more than six hundred forty acres, shall, when signed by at least sixty
17 percent of the legal voters in each district affected, be submitted to
18 the state committee. The state committee shall, within forty days after
19 receipt of the petition, hold one or more public hearings and review and
20 approve or disapprove such proposal.

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

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

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

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

12 Sec. 40. Section 79-415, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 79-415 In addition to the petitions of legal voters pursuant to
15 section 79-413, changes in boundaries and the creation of a new school
16 district from other districts may be initiated and accepted by the school
17 board or board of education of any school district ~~that is not a member~~
18 ~~of a learning community.~~

19 Sec. 41. Section 79-433, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-433 For purposes of the Reorganization of School Districts Act,
22 unless the context otherwise requires:

23 (1) Reorganization of school districts means the formation of new
24 school districts, the alteration of boundaries of established school
25 ~~districts that are not members of a learning community, the affiliation~~
26 ~~of school districts,~~ and the dissolution or disorganization of
27 established school districts through or by means of any one or
28 combination of the methods set out in section 79-434; and

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

31 Sec. 42. Section 79-458, Revised Statutes Cumulative Supplement,

1 2018, is amended to read:

2 79-458 (1) Any freeholder or freeholders, person in possession or
3 constructive possession as vendee pursuant to a contract of sale of the
4 fee, holder of a school land lease under section 72-232, or entrant upon
5 government land who has not yet received a patent therefor may file a
6 petition on or before June 1 for all other years with a board consisting
7 of the county assessor, county clerk, and county treasurer, asking to
8 have any tract or tracts of land described in the petition set off from
9 an existing school district in which the land is situated and attached to
10 a different school district which is contiguous to such tract or tracts
11 of land if:

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

16 (ii) Such Class III school district has voted pursuant to section
17 77-3444 to exceed the maximum levy established pursuant to subdivision
18 (2)(a) of section 77-3442, which vote is effective for the school fiscal
19 year in which the petition is filed or for the following school fiscal
20 year; and

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

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

25 (b) Except as provided in subsection (7) of this section, the school
26 district in which the land is situated, regardless of the class of school
27 district, has approved a budget for the school fiscal year in which the
28 petition is filed that will cause the combined levies for such school
29 fiscal year, except levies for bonded indebtedness approved by the voters
30 of such school district and levies for the refinancing of such bonded
31 indebtedness, to exceed the greater of (i) one dollar and twenty cents

1 per one hundred dollars of taxable valuation of property subject to the
2 levy or (ii) the maximum levy authorized by a vote pursuant to section
3 77-3444.

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

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

19 (3) The petition shall be verified by the oath of each petitioner.
20 Notice of the filing of the petition and of the hearing on such petition
21 before the board constituted as prescribed in subsection (1) or (4) of
22 this section shall be given at least ten days prior to the date of such
23 hearing by one publication in a legal newspaper of general circulation in
24 each district and by posting a notice on the outer door of the
25 schoolhouse in each district affected thereby, and such notice shall
26 designate the territory to be transferred. Following the filing of a
27 petition pursuant to this section, such board shall hold a public hearing
28 on the petition and shall approve or disapprove the petition on or before
29 July 15 following the filing of the petition based on a determination of
30 whether the petitioner has complied with all requirements of this
31 section. If such board approves the petition, such board shall change the

1 boundaries of the school districts so as to set off the land described in
2 the petition and attach it to such district pursuant to the petition with
3 an effective date of August 15 following the filing of the petition,
4 which actions shall cause such transfer to be in effect for levies set
5 for the year in which such transfer takes effect.

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

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

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

27 (7) For school districts that have approved a budget for school
28 fiscal year 2007-08 that will cause the combined levies, except levies
29 for bonded indebtedness approved by the voters of the school district and
30 levies for the refinancing of such bonded indebtedness, to exceed the
31 greater of (a) one dollar and twenty cents per one hundred dollars of

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

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

18 Sec. 43. Section 79-458.01, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 79-458.01 Any landowner or group of landowners whose property is a
21 part of a school district and is encapsulated by another school district
22 may, upon filing a notarized affidavit with the county assessor, have
23 such property become a part of the school district by which it is
24 encapsulated ~~if neither school district is a member of a learning~~
25 ~~community~~. The transfer shall take place on January 1 next following the
26 filing of the affidavit. Any student resident of such property shall be
27 counted as a resident of the district from which the property was
28 transferred until the close of the school year in which the transfer
29 becomes effective.

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

31 Sec. 44. Section 79-467, Reissue Revised Statutes of Nebraska, is

1 amended to read:

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

22 Sec. 45. Section 79-468, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 79-468 (1) Whenever a city of the second class, a village, or a ward
25 of a city of the second class or village is consolidated according to law
26 with a city of the primary class, the territory so consolidated shall
27 become annexed to and merged into the school district of such city of the
28 primary class ~~if such territory is in a school district that is not a~~
29 ~~member of a learning community and the school district of such city of~~
30 ~~the primary class is not a member of a learning community.~~ All laws,
31 rules, and regulations governing the school district and schools of such

1 city of the primary class shall apply to the district and schools within
2 the territory annexed to it. The school district into which the others in
3 whole or in part are merged shall succeed to all the property, contracts,
4 and obligations of each and all of the school districts so merged into
5 it, in whole or in part, and shall assume all of their valid contracts
6 and obligations.

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

16 Sec. 46. Section 79-473, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 79-473 (1) If the territory annexed by a change of boundaries of a
19 city or village which lies within a Class III school district as provided
20 in section 79-407 has been part of a Class IV or Class V school district
21 prior to such annexation, a merger of the annexed territory with the
22 Class III school district shall become effective only if the merger is
23 approved by a majority of the members of the school board of the Class IV
24 or V school district and a majority of the members of the school board of
25 the Class III school district within ninety days after the effective date
26 of the annexation ordinance, ~~except that a merger shall not become~~
27 ~~effective pursuant to this section if such merger involves a school~~
28 ~~district that is a member of a learning community.~~

29 (2) Notwithstanding subsection (1) of this section, when territory
30 which lies within a Class III school district or which does not lie
31 within a Class IV or V school district is annexed by a city or village

1 pursuant to section 79-407, the affected school board of the city or
2 village school district and the affected school board or boards serving
3 the territory subject to the annexation ordinance shall meet within
4 thirty days after the effective date of the annexation ordinance ~~if~~
5 ~~neither school district is a member of a learning community~~ and negotiate
6 in good faith as to which school district shall serve the annexed
7 territory and the effective date of any transfer. During the process of
8 negotiation, the affected boards shall consider the following criteria:

9 (a) The educational needs of the students in the affected school
10 districts;

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

12 (c) Any common interests between the annexed or platted area and the
13 affected school districts and the community which has zoning jurisdiction
14 over the area; and

15 (d) Community educational planning.

16 If no agreement has been reached within ninety days after the
17 effective date of the annexation ordinance, the territory shall transfer
18 to the school district of the annexing city or village ten days after the
19 expiration of such ninety-day period unless an affected school district
20 petitions the district court within the ten-day period and obtains an
21 order enjoining the transfer and requiring the boards of the affected
22 school districts to continue negotiation. The court shall issue the order
23 upon a finding that the affected board or boards have not negotiated in
24 good faith based on one or more of the criteria listed in this
25 subsection. The district court shall require no bond or other surety as a
26 condition for any preliminary injunctive relief. If no agreement is
27 reached after such order by the district court and additional
28 negotiations, the annexed territory shall become a part of the school
29 district of the annexing city or village.

30 (3) Whenever an application for approval of a final plat or replat
31 is filed for territory which lies within the zoning jurisdiction of a

1 city of the first or second class and does not lie within the boundaries
2 of a Class IV or V school district, ~~the boundaries of a school district~~
3 ~~that is a member of a learning community~~, the boundaries of any county in
4 which a city of the metropolitan class is located, or the boundaries of
5 any county that has a contiguous border with a city of the metropolitan
6 class, the affected school board of the school district within the city
7 of the first or second class or its representative and the affected board
8 or boards serving the territory subject to the final plat or replat or
9 their representative shall meet within thirty days after such application
10 and negotiate in good faith as to which school district shall serve the
11 platted or replatted territory and the effective date of any transfer
12 based upon the criteria prescribed in subsection (2) of this section.

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

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

31 (4) Notwithstanding any other provisions of this section, all

1 negotiated agreements relative to boundaries or to real or personal
2 property of school districts reached by the affected school boards shall
3 be valid and binding, ~~except that such agreements shall not be binding on~~
4 ~~reorganization plans pursuant to the Learning Community Reorganization~~
5 ~~Act.~~

6 Sec. 47. Section 79-527, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-527 (1) The superintendent or head administrator of a public
9 school district or a nonpublic school system shall annually report to the
10 Commissioner of Education in such detail and on such date as required by
11 the commissioner the number of students who have dropped out of school.
12 ~~School districts that are members of learning communities shall also~~
13 ~~provide the learning community coordinating council with a copy of such~~
14 ~~report on or before the date the report is due to the commissioner.~~

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

18 Sec. 48. Section 79-528, Revised Statutes Cumulative Supplement,
19 2018, is amended to read:

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

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

28 (2) On or before June 30 the superintendent of each school district
29 shall file with the Commissioner of Education a report described as an
30 end-of-the-school-year annual statistical summary showing (a) the number
31 of children attending school during the year under five years of age, (b)

1 the length of time the school has been taught during the year by a
2 qualified teacher, (c) the length of time taught by each substitute
3 teacher, and (d) such other information as the Commissioner of Education
4 directs.

5 (3) On or before November 1 the superintendent of each school
6 district shall submit to the Commissioner of Education a report described
7 as the annual financial report showing (i) the amount of money received
8 from all sources during the year and the amount of money expended by the
9 school district during the year, (ii) the amount of bonded indebtedness,
10 (iii) such other information as shall be necessary to fulfill the
11 requirements of the Tax Equity and Educational Opportunities Support Act
12 and section 79-1114, and (iv) such other information as the Commissioner
13 of Education directs.

14 (4)(a) On or before October 15 of each year, the superintendent of
15 each school district shall file with the commissioner the fall school
16 district membership report, which report shall include the number of
17 children from birth through twenty years of age enrolled in the district
18 on October 1 of a given school year. The report shall enumerate (i)
19 students by grade level, (ii) school district levies and total assessed
20 valuation for the current fiscal year, (iii) students enrolled in the
21 district as option students, resident students enrolled in another
22 district as option students, students enrolled in the district as open
23 enrollment students, and resident students enrolled in another district
24 as open enrollment students, and (iv) such other information as the
25 Commissioner of Education directs.

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

31 (b) (e) When any school district fails to submit its fall membership

1 report by November 1, the commissioner shall, after notice to the
2 district and an opportunity to be heard, direct that any state aid
3 granted pursuant to the Tax Equity and Educational Opportunities Support
4 Act be withheld until such time as the report is received by the
5 department. In addition, the commissioner shall direct the county
6 treasurer to withhold all school money belonging to the school district
7 until such time as the commissioner notifies the county treasurer of
8 receipt of such report. The county treasurer shall withhold such money.

9 Sec. 49. Section 79-549, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 79-549 (1) The school board of any Class III school district ~~that is~~
12 ~~a member of a learning community~~ may place before the legal voters of the
13 school district the issue of whether to begin to have a caucus for
14 nominations by adopting a resolution to place the issue before the legal
15 voters and certifying the issue to the election commissioner or county
16 clerk prior to September 1 for placement on the ballot at the next
17 statewide general election. The legal voters of the school district may
18 also have the issue placed on the ballot at the statewide general
19 election by circulating a petition and gathering the signatures of the
20 legal voters residing within the school district at least equal to seven
21 percent of the number of persons registered to vote in the school
22 district at the last statewide primary election. The petitions shall be
23 filed with the election commissioner or county clerk for signature
24 verification on or before August 15 prior to a statewide general
25 election. If the election commissioner or county clerk determines that
26 the appropriate number of legal voters signed the petition, he or she
27 shall place the issue on the ballot for the next statewide general
28 election. The issue shall not be placed on the ballot again within four
29 years after voting on the issue at a statewide general election.

30 (2) Any Class III school district that nominated school board
31 members by caucus pursuant to this section as it existed immediately

1 before July 14, 2006, shall continue such procedure until the legal
2 voters of the district vote not to continue to have a caucus for
3 nominations pursuant to subsection (3) of this section. A caucus shall be
4 held pursuant to subsection (5) of this section not less than seventy
5 days prior to the holding of the election to nominate two or more
6 candidates for each vacancy to be voted upon at the election to be held
7 in conjunction with the statewide primary election pursuant to subsection
8 (1) of section 32-543. No candidate nominated shall have his or her name
9 placed upon the ballot for the general election unless, not more than ten
10 days after his or her nomination, he or she files with the secretary of
11 the school board a written statement accepting the nomination. The
12 secretary of the school board shall certify the names of the candidates
13 to the election commissioner or county clerk who shall prepare the
14 official ballot listing the names as certified and without any area
15 designation. All legal voters residing within the school district shall
16 be permitted to vote at such election.

17 (3) The school board may place before the legal voters of the school
18 district the issue of whether to continue to have a caucus for
19 nominations by adopting a resolution to place the issue before the legal
20 voters and certifying the issue to the election commissioner or county
21 clerk prior to September 1 for placement on the ballot at the next
22 statewide general election. The legal voters of the school district may
23 also have the issue placed on the ballot at the statewide general
24 election by circulating a petition and gathering the signatures of the
25 legal voters residing within the school district at least equal to seven
26 percent of the number of persons registered to vote in the school
27 district at the last statewide primary election. The petitions shall be
28 filed with the election commissioner or county clerk for signature
29 verification on or before August 15 prior to a statewide general
30 election. If the election commissioner or county clerk determines that
31 the appropriate number of legal voters signed the petition, he or she

1 shall place the issue on the ballot for the next statewide general
2 election. The issue shall not be placed on the ballot again within four
3 years after voting on the issue at a statewide general election.

4 (4) If the legal voters vote not to continue to have a caucus, the
5 school board shall determine the number of members to be nominated and
6 elected as provided in subsection (2) of section 32-543. The terms of the
7 members in office at the time of the vote shall be extended to the first
8 Thursday after the first Tuesday in January after the expiration of their
9 terms. At the first general election following the vote, a number of
10 members receiving the greatest number of votes shall be elected for a
11 term of four years and a number of members receiving the next greatest
12 number of votes shall be elected for a term of two years so that
13 approximately one-half of the school board members are elected every two
14 years.

15 (5) A school district which uses a caucus for nominations shall
16 develop rules and procedures for conducting the caucus which will ensure:

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

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

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

27 (d) Equal access to all legal voters of the school district,
28 including the presence of an interpreter at the caucus at the expense of
29 the school district and ballots for the blind and visually impaired to
30 provide access to the process by all legal voters of the school district;

31 (e) Adequate time and opportunity for legal voters of the school

1 district to exercise their right to vote; and

2 (f) Notification of nomination to the candidates and to the
3 secretary of the school board.

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

6 Sec. 50. Section 79-611, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 79-611 (1) The school board of any school district shall provide
9 free transportation, partially provide free transportation, or pay an
10 allowance for transportation in lieu of free transportation as follows:

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

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

21 (c) When a student attends a secondary school in his or her own
22 Class III school district and lives more than four miles from the public
23 schoolhouse as measured by the shortest route that must actually and
24 necessarily be traveled by motor vehicle to reach the student's
25 residence. This subdivision does not apply to any elementary-only school
26 district that merged with a high-school-only school district to form a
27 new Class III school district on or after January 1, 1997, and before
28 June 16, 2006; and

29 (d) When a student, other than a student in grades ten through
30 twelve in a Class V district, attends an elementary or junior high school
31 in his or her own Class V district and lives more than four miles from

1 the public schoolhouse in such district as measured by the shortest route
2 that must actually and necessarily be traveled by motor vehicle to reach
3 the student's residence.

4 ~~(2)(a) For school years prior to school year 2017-18 and as required~~
5 ~~pursuant to subsection (3) of section 79-241, the school board of any~~
6 ~~school district that is a member of a learning community shall provide~~
7 ~~free transportation for a student who resides in such learning community~~
8 ~~and attends school in such school district if (i) the student is~~
9 ~~transferring pursuant to the open enrollment provisions of section~~
10 ~~79-2110, qualifies for free or reduced-price lunches, lives more than one~~
11 ~~mile from the school to which he or she transfers, and is not otherwise~~
12 ~~disqualified under subdivision (2)(c) of this section, (ii) the student~~
13 ~~is transferring pursuant to the open enrollment provisions of section~~
14 ~~79-2110, is a student who contributes to the socioeconomic diversity of~~
15 ~~enrollment at the school building he or she attends, lives more than one~~
16 ~~mile from the school to which he or she transfers, and is not otherwise~~
17 ~~disqualified under subdivision (2)(c) of this section, (iii) the student~~
18 ~~is attending a focus school or program and lives more than one mile from~~
19 ~~the school building housing the focus school or program, or (iv) the~~
20 ~~student is attending a magnet school or program and lives more than one~~
21 ~~mile from the magnet school or the school housing the magnet program.~~

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

27 ~~(c) For any student who resides within a learning community and~~
28 ~~transfers to another school building pursuant to the open enrollment~~
29 ~~provisions of section 79-2110 and who had not been accepted for open~~
30 ~~enrollment into any school building within such district prior to~~
31 ~~September 6, 2013, the school board is exempt from the requirement of~~

1 ~~subdivision (2)(a) of this section if (i) the student is transferring to~~
2 ~~another school building within his or her home school district or (ii)~~
3 ~~the student is transferring to a school building in a school district~~
4 ~~that does not share a common border with his or her home school district.~~

5 (2) ~~(3)~~ The transportation allowance which may be paid to the
6 parent, custodial parent, or guardian of students qualifying for free
7 transportation pursuant to subsection (1) ~~or (2)~~ of this section shall
8 equal two hundred eighty-five percent of the mileage rate provided in
9 section 81-1176, multiplied by each mile actually and necessarily
10 traveled, on each day of attendance, beyond which the one-way distance
11 from the residence of the student to the schoolhouse exceeds three miles.
12 ~~Such transportation allowance does not apply to students residing in a~~
13 ~~learning community who qualify for free or reduced-price lunches.~~

14 (3) ~~(4)~~ Whenever students from more than one family travel to school
15 in the same vehicle, the transportation allowance prescribed in
16 subsection (2) ~~(3)~~ of this section shall be payable as follows:

17 (a) To the parent, custodial parent, or guardian providing
18 transportation for students from other families, one hundred percent of
19 the amount prescribed in subsection (2) ~~(3)~~ of this section for the
20 transportation of students of such parent's, custodial parent's, or
21 guardian's own family and an additional five percent for students of each
22 other family not to exceed a maximum of one hundred twenty-five percent
23 of the amount determined pursuant to subsection (2) ~~(3)~~ of this section;
24 and

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

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

15 (5) ~~(6)~~ The board may authorize school-provided transportation to
16 any student who does not qualify under the mileage requirements of
17 subsection (1) of this section and may charge a fee to the parent or
18 guardian of the student for such service. No transportation payments
19 shall be made to a family for mileage not actually traveled by such
20 family. The number of days the student has attended school shall be
21 reported monthly by the teacher to the board of such public school
22 district.

23 (6) ~~(7)~~ No more than one allowance shall be made to a family
24 irrespective of the number of students in a family being transported to
25 school.

26 (7) ~~(8)~~ No student shall be exempt from school attendance on account
27 of distance from the public schoolhouse.

28 Sec. 51. Section 79-703, Revised Statutes Cumulative Supplement,
29 2018, is amended to read:

30 79-703 (1) To ensure both equality of opportunity and quality of
31 programs offered, all public schools in the state shall be required to

1 meet quality and performance-based approval or accreditation standards as
2 prescribed by the State Board of Education. The board shall establish a
3 core curriculum standard, which shall include multicultural education and
4 vocational education courses, for all public schools in the state.
5 Accreditation and approval standards shall be designed to assure
6 effective schooling and quality of instructional programs regardless of
7 school size, wealth, or geographic location. ~~Accreditation standards for~~
8 ~~school districts that are members of a learning community shall include~~
9 ~~participation in the community achievement plan for the learning~~
10 ~~community as approved by the board.~~ The board shall recognize and
11 encourage the maximum use of cooperative programs and may provide for
12 approval or accreditation of programs on a cooperative basis, including
13 the sharing of administrative and instructional staff, between school
14 districts for the purpose of meeting the approval and accreditation
15 requirements established pursuant to this section and section 79-318.

16 (2) The Commissioner of Education shall appoint an accreditation
17 committee which shall be representative of the educational institutions
18 and agencies of the state and shall include as a member the director of
19 admissions of the University of Nebraska.

20 (3) The accreditation committee shall be responsible for: (a)
21 Recommending appropriate standards and policies with respect to the
22 accreditation and classification of schools; and (b) making
23 recommendations annually to the commissioner relative to the
24 accreditation and classification of individual schools. No school shall
25 be considered for accreditation status which has not first fulfilled all
26 requirements for an approved school.

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

29 (5) It is the intent of the Legislature that all public school
30 students shall have access to all educational services required of
31 accredited schools. Such services may be provided through cooperative

1 programs or alternative methods of delivery.

2 Sec. 52. Section 79-760.02, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 79-760.02 In accordance with timelines that are adopted by the State
5 Board of Education, but in no event later than one year following the
6 adoption or modification of state standards, each school district shall
7 adopt measurable quality academic content standards in the subject areas
8 of reading, writing, mathematics, science, and social studies. The
9 standards may be the same as, or may be equal to or exceed in rigor, the
10 measurable academic content standards adopted by the state board and
11 shall cover at least the same grade levels. School districts may work
12 collaboratively with educational service units, ~~with learning~~
13 ~~communities,~~ or through interlocal agreements to develop such standards.

14 Sec. 53. Section 79-760.03, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 79-760.03 (1) For school year 2009-10 and each school year
17 thereafter, the State Board of Education shall implement a statewide
18 system for the assessment of student learning and for reporting the
19 performance of school districts ~~and learning communities~~ pursuant to this
20 section. The assessment and reporting system shall measure student
21 knowledge of subject matter materials covered by measurable academic
22 content standards selected by the state board.

23 (2) The state board shall adopt a plan for an assessment and
24 reporting system and implement and maintain the assessment and reporting
25 system according to such plan. The plan shall be submitted annually to
26 the State Department of Education, the Governor, the chairperson of the
27 Education Committee of the Legislature, and the Clerk of the Legislature.
28 The plan submitted to the committee and the Clerk of the Legislature
29 shall be submitted electronically. The state board shall select grade
30 levels for assessment and reporting required pursuant to subsections (4)
31 through (7) of this section. The purposes of the system are to:

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

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

6 (c) Provide information for the public and policymakers on the
7 performance of public schools; and

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

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

26 (4) Through school year 2016-17, the state board shall prescribe a
27 statewide assessment of writing that relies on writing samples in each of
28 three grades selected by the state board. Each year at least one of the
29 three selected grades shall participate in the statewide writing
30 assessment with each selected grade level participating at least once
31 every three years.

1 (5) For school year 2009-10 and for each school year thereafter, the
2 state board shall prescribe a statewide assessment of reading. The
3 statewide assessment of reading shall include assessment instruments for
4 each of the grade levels three through eight and for one grade in high
5 school and standards adopted by the state board pursuant to section
6 79-760.01. For school year 2017-18 and each school year thereafter, the
7 statewide assessment of reading shall include a component of writing as
8 determined by the state board.

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

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

23 (8) The department shall conduct studies to verify the technical
24 quality of assessment instruments and demonstrate the comparability of
25 assessment instrument results required by the act. The department shall
26 annually report such findings to the Governor, the Legislature, and the
27 state board. The report submitted to the Legislature shall be submitted
28 electronically.

29 (9) The state board shall recommend national assessment instruments
30 for the purpose of national comparison. Beginning with school year
31 2017-18, the state board shall select a national assessment instrument

1 that is also used as a standard college admission test which shall be
2 administered to students in the eleventh grade in every public high
3 school in each school district. Each school district shall report
4 individual student data for scores and sub-scores according to procedures
5 established by the state board and the department pursuant to section
6 79-760.05.

7 (10) The aggregate results of assessment instruments and national
8 assessment instruments shall be reported by the district on a building
9 basis to the public in that district, ~~to the learning community~~
10 ~~coordinating council if such district is a member of a learning~~
11 ~~community,~~ and to the department. Each ~~learning community shall also~~
12 ~~report the aggregate results of any assessment instruments and national~~
13 ~~assessment instruments to the public in that learning community and to~~
14 ~~the department.~~ The department shall report the aggregate results of any
15 assessment instruments and national assessment instruments on a school
16 ~~learning community,~~ district, and school building basis as part of the
17 statewide assessment and reporting system.

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

19 (i) Provide for the confidentiality of the results of individual
20 students; and

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

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

25 The department may determine appropriate accommodations for the
26 assessment of students with disabilities or any student receiving special
27 education programs and services pursuant to section 79-1139. Alternate
28 academic achievement standards in reading, mathematics, and science and
29 alternate assessment instruments aligned with the standards may be among
30 the accommodations for students with severe cognitive disabilities.

31 (12) The state board may select additional grade levels, subject

1 areas, or assessment instruments for statewide assessment consistent with
2 federal requirements.

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

6 (14) The state board may appoint committees of teachers, from each
7 appropriate subject area, and administrators to assist in the development
8 of statewide assessment instruments required by the act.

9 Sec. 54. Section 79-760.05, Reissue Revised Statutes of Nebraska, is
10 amended to read:

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

27 (2) The department shall annually analyze and report on student
28 achievement for the state, each school district, and each public school,
29 ~~and each learning community~~ aggregated by the demographic characteristics
30 described in subsection (1) of this section. The department shall report
31 the findings to the Governor, the Legislature, each school district, and

1 ~~each districts,~~ educational service unit ~~units,~~ ~~and each learning~~
2 ~~community.~~ The report submitted to the Legislature shall be submitted
3 electronically. Such analysis shall include aggregated data that would
4 indicate differences in achievement due to available educational input
5 characteristics described in subsection (1) of this section. Such
6 analysis shall include indicators of progress toward state achievement
7 goals for students in poverty, limited English proficient students, and
8 highly mobile students.

9 Sec. 55. Section 79-777, Reissue Revised Statutes of Nebraska, is
10 amended to read:

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

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

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

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

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

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

30 (4) The department shall define standards and criteria for (a) the
31 establishment, evaluation, and continuing approval of career academies,

1 (b) career-based curriculum utilized by career academies, (c) the
2 necessary data elements and collection of data pertaining to career
3 academies, including, but not limited to, the number of students enrolled
4 in a career academy and their grade levels, and (d) the establishment of
5 advisory boards consisting of business and education representatives to
6 provide guidance and direction for the operation of career academies.

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

9 Sec. 56. Section 79-850, Revised Statutes Cumulative Supplement,
10 2018, is amended to read:

11 79-850 For purposes of sections 79-850 to 79-858:

12 (1) Reorganized school district means: (a) Any expanded or altered
13 school district, organized or altered by any of the means provided by
14 Nebraska law including, but not limited to, the methods provided by the
15 Reorganization of School Districts Act, ~~the Learning Community~~
16 ~~Reorganization Act~~, or section 79-407, 79-413, 79-415, or 79-473; or (b)
17 any school district to be formed in the future if the petition or plan
18 for such reorganized school district has been approved pursuant to any of
19 the methods set forth in subdivision (1)(a) of this section when the
20 effective date of such reorganization is prospective. For purposes of
21 this subdivision, a petition or plan shall be deemed approved when the
22 last legal action has been taken, as prescribed in section 79-413 or
23 79-450, necessary to effect the changes in boundaries as set forth in the
24 petition or plan; and

25 (2) Unified system means a unified system as defined in section
26 79-4,108 recognized by the State Department of Education pursuant to
27 subsection (3) of such section, which employs certificated staff.

28 Sec. 57. Section 79-979, Revised Statutes Cumulative Supplement,
29 2018, is amended to read:

30 79-979 (1) Prior to September 13, 1997, in each Class V school
31 district in the State of Nebraska there is hereby established a separate

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

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

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

24 Sec. 58. Section 79-1003, Revised Statutes Cumulative Supplement,
25 2018, is amended to read:

26 79-1003 For purposes of the Tax Equity and Educational Opportunities
27 Support Act:

28 (1) Adjusted general fund operating expenditures means (a) ~~for~~
29 ~~school fiscal years 2013-14 through 2015-16, the difference of the~~
30 ~~general fund operating expenditures as calculated pursuant to subdivision~~
31 ~~(23) of this section increased by the cost growth factor calculated~~

1 ~~pursuant to section 79-1007.10, minus the transportation allowance,~~
2 ~~special receipts allowance, poverty allowance, limited English~~
3 ~~proficiency allowance, distance education and telecommunications~~
4 ~~allowance, elementary site allowance, summer school allowance,~~
5 ~~instructional time allowance, teacher education allowance, and focus~~
6 ~~school and program allowance, (b) for school fiscal years 2016-17 through~~
7 ~~2018-19, the difference of the general fund operating expenditures as~~
8 ~~calculated pursuant to subdivision (23) of this section increased by the~~
9 ~~cost growth factor calculated pursuant to section 79-1007.10, minus the~~
10 ~~transportation allowance, special receipts allowance, poverty allowance,~~
11 ~~limited English proficiency allowance, distance education and~~
12 ~~telecommunications allowance, elementary site allowance, summer school~~
13 ~~allowance, and focus school and program allowance, (b) and (c) for school~~
14 ~~fiscal years 2019-20, 2020-21, and 2021-22 year 2019-20 and each school~~
15 ~~fiscal year thereafter, the difference of the general fund operating~~
16 ~~expenditures as calculated pursuant to subdivision (23) of this section~~
17 ~~increased by the cost growth factor calculated pursuant to section~~
18 ~~79-1007.10, minus the transportation allowance, special receipts~~
19 ~~allowance, poverty allowance, limited English proficiency allowance,~~
20 ~~distance education and telecommunications allowance, elementary site~~
21 ~~allowance, summer school allowance, community achievement plan allowance,~~
22 ~~and focus school and program allowance, and (c) for school fiscal year~~
23 2022-23 and each school fiscal year thereafter, the difference of the
24 general fund operating expenditures as calculated pursuant to subdivision
25 (23) of this section increased by the cost growth factor calculated
26 pursuant to section 79-1007.10, minus the transportation allowance,
27 special receipts allowance, poverty allowance, limited English
28 proficiency allowance, distance education and telecommunications
29 allowance, elementary site allowance, and summer school allowance;

30 (2) Adjusted valuation means the assessed valuation of taxable
31 property of each local system in the state, adjusted pursuant to the

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

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

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

18 (5) Base fiscal year means the first school fiscal year following
19 the school fiscal year in which the reorganization or unification
20 occurred;

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

22 (7) Categorical funds means funds limited to a specific purpose by
23 federal or state law, including, but not limited to, Title I funds, Title
24 VI funds, federal vocational education funds, federal school lunch funds,
25 Indian education funds, Head Start funds, and funds from the Education
26 Innovation Fund;

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

30 (9) Converted contract means an expired contract that was in effect
31 for at least fifteen school years beginning prior to school year 2012-13

1 for the education of students in a nonresident district in exchange for
2 tuition from the resident district when the expiration of such contract
3 results in the nonresident district educating students, who would have
4 been covered by the contract if the contract were still in effect, as
5 option students pursuant to the enrollment option program established in
6 section 79-234;

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

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

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

16 (13) Ensuing school fiscal year means the school fiscal year
17 following the current school fiscal year;

18 (14) Equalization aid means the amount of assistance calculated to
19 be paid to a local system pursuant to section ~~sections 79-1007.11 to~~
20 ~~79-1007.23, 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;~~

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

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

27 (17) Formula students means:

28 (a) For state aid certified pursuant to section 79-1022, the sum of
29 the product of fall membership from the school fiscal year immediately
30 preceding the school fiscal year in which the aid is to be paid
31 multiplied by the average ratio of average daily membership to fall

1 membership for the second school fiscal year immediately preceding the
2 school fiscal year in which the aid is to be paid and the prior two
3 school fiscal years plus sixty percent of the qualified early childhood
4 education fall membership plus tuitioned students from the school fiscal
5 year immediately preceding the school fiscal year in which aid is to be
6 paid minus the product of the number of students enrolled in kindergarten
7 that is not full-day kindergarten from the fall membership multiplied by
8 0.5; and

9 (b) For the final calculation of state aid pursuant to section
10 79-1065, the sum of average daily membership plus sixty percent of the
11 qualified early childhood education average daily membership plus
12 tuitioned students minus the product of the number of students enrolled
13 in kindergarten that is not full-day kindergarten from the average daily
14 membership multiplied by 0.5 from the school fiscal year immediately
15 preceding the school fiscal year in which aid was paid;

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

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

1 the most recent school fiscal year for which the school did not provide
2 free meals to all students pursuant to the community eligibility
3 provision or one hundred ten percent of the product of the students who
4 qualified for free meals at such school pursuant to the community
5 eligibility provision multiplied by the identified student percentage
6 calculated pursuant to such federal provision, except that the free lunch
7 and free milk students calculated for any school pursuant to subdivision
8 (18)(b)(ii) of this section shall not exceed one hundred percent of the
9 students qualified for free meals at such school pursuant to the
10 community eligibility provision;

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

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

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

24 (22) General fund expenditures means all expenditures from the
25 general fund;

26 (23) General fund operating expenditures means for state aid
27 calculated for school fiscal years 2012-13 and each school fiscal year
28 thereafter, as reported on the annual financial report for the second
29 school fiscal year immediately preceding the school fiscal year in which
30 aid is to be paid, the total general fund expenditures minus (a) the
31 amount of all receipts to the general fund, to the extent that such

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

1 (f)(i) expenditures to pay for employer contributions pursuant to
2 subsection (2) of section 79-958 to the School Employees Retirement
3 System of the State of Nebraska to the extent that such expenditures
4 exceed the employer contributions under such subsection that would have
5 been made at a contribution rate of seven and thirty-five hundredths
6 percent or (ii) expenditures to pay for school district contributions
7 pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
8 retirement system established pursuant to the Class V School Employees
9 Retirement Act to the extent that such expenditures exceed the school
10 district contributions under such subdivision that would have been made
11 at a contribution rate of seven and thirty-seven hundredths percent, and
12 (g) any amounts paid by the district for lobbyist fees and expenses
13 reported to the Clerk of the Legislature pursuant to section 49-1483.

14 For purposes of this subdivision (23) of this section, receipts from
15 levy override elections shall equal ninety-nine percent of the difference
16 of the total general fund levy minus a levy of one dollar and five cents
17 per one hundred dollars of taxable valuation multiplied by the assessed
18 valuation for school districts that have voted pursuant to section
19 77-3444 to override the maximum levy provided pursuant to section
20 77-3442;

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

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

27 (26) Limited English proficiency students means the number of
28 students with limited English proficiency in a district from the most
29 recent data available on November 1 of the school fiscal year preceding
30 the school fiscal year in which aid is to be paid plus the difference of
31 such students with limited English proficiency minus the average number

1 of limited English proficiency students for such district, prior to such
2 addition, for the three immediately preceding school fiscal years if such
3 difference is greater than zero;

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

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

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

30 (30) Most recently available complete data year means the most
31 recent single school fiscal year for which the annual financial report,

1 fall school district membership report, annual statistical summary,
2 Nebraska income tax liability by school district for the calendar year in
3 which the majority of the school fiscal year falls, and adjusted
4 valuation data are available;

5 (31) Poverty students means (a) for school fiscal years prior to
6 2016-17, the number of low-income students or the number of students who
7 are free lunch and free milk students in a district plus the difference
8 of the number of low-income students or the number of students who are
9 free lunch and free milk students in a district, whichever is greater,
10 minus the average number of poverty students for such district, prior to
11 such addition, for the three immediately preceding school fiscal years if
12 such difference is greater than zero and (b) for school fiscal year
13 2016-17 and each school fiscal year thereafter, the unadjusted poverty
14 students plus the difference of such unadjusted poverty students minus
15 the average number of poverty students for such district, prior to such
16 addition, for the three immediately preceding school fiscal years if such
17 difference is greater than zero;

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

1 (33) Qualified early childhood education fall membership means the
2 product of membership on October 1 of each school year of students who
3 will be eligible to attend kindergarten the following school year and are
4 enrolled in an early childhood education program approved by the
5 department pursuant to section 79-1103 for such school district for such
6 school year multiplied by the ratio of the planned instructional hours of
7 the program divided by one thousand thirty-two if: (a) The program is
8 receiving a grant pursuant to such section for the third year; (b) the
9 program has already received grants pursuant to such section for three
10 years; or (c) the program has been approved pursuant to subsection (5) of
11 section 79-1103 for such school year and the two preceding school years,
12 including any such students in portions of any of such programs receiving
13 an expansion grant;

14 (34) Regular route transportation means the transportation of
15 students on regularly scheduled daily routes to and from the attendance
16 center;

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

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

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

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

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

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

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

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

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

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

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

21 (42) State support means all funds provided to districts by the
22 State of Nebraska for the general fund support of elementary and
23 secondary education;

24 (43) Statewide average basic funding per formula student means the
25 statewide total basic funding for all districts divided by the statewide
26 total formula students for all districts;

27 (44) Statewide average general fund operating expenditures per
28 formula student means the statewide total general fund operating
29 expenditures for all districts divided by the statewide total formula
30 students for all districts;

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

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

12 ~~(46)~~ (47) Tuition receipts from converted contracts means tuition
13 receipts received by a district from another district in the most
14 recently available complete data year pursuant to a converted contract
15 prior to the expiration of the contract;

16 ~~(47)~~ (48) Tuitioned students means students in kindergarten through
17 grade twelve of the district whose tuition is paid by the district to
18 some other district or education agency;

19 ~~(48)~~ (49) Unadjusted poverty students means, for school fiscal year
20 2016-17 and each school fiscal year thereafter, the greater of the number
21 of low-income students or the free lunch and free milk calculated
22 students in a district; and

23 ~~(49)~~ (50) Very sparse local system means a local system that has:

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

30 (b)(i) More than four hundred fifty square miles in the local
31 system, (ii) less than one-half student per square mile in the local

1 system, and (iii) more than fifteen miles between each high school
2 attendance center and the next closest high school attendance center on
3 paved roads.

4 Sec. 59. Section 79-1005, Revised Statutes Cumulative Supplement,
5 2018, is amended to read:

6 79-1005 (1) For school fiscal years 2017-18 through 2019-20 year
7 ~~2017-18 and each school fiscal year thereafter~~, the department shall
8 determine the community achievement plan aid to be paid to each school
9 district that will participate in a community achievement plan approved
10 by the State Board of Education ~~pursuant to section 79-2122~~ for such
11 school fiscal year. For the first two school fiscal years a school
12 district will participate in such plan, a new community achievement plan
13 adjustment equal to the community achievement aid shall be included in
14 the calculation of formula need for such school district. For all other
15 school fiscal years through fiscal year 2019-20, a community achievement
16 plan allowance equal to the community achievement aid shall be included
17 in the calculation of formula need for school districts qualifying for
18 community achievement plan aid. Community achievement plan aid shall be
19 included as a formula resource pursuant to section 79-1017.01.

20 (2) For school fiscal years 2017-18 through 2019-20, community
21 ~~Community~~ achievement plan aid shall equal 0.4643 percent of the product
22 of the statewide average general fund operating expenditures per formula
23 student multiplied by the total formula students for all of the member
24 school districts in such learning community. The community achievement
25 plan aid for each learning community shall be divided proportionally
26 among the member school districts based on the sum of two percent of the
27 poverty allowance calculated pursuant to section 79-1007.06, two percent
28 of the limited English proficiency allowance calculated pursuant to
29 section 79-1007.08, and, for school districts with poverty students
30 greater than forty percent of the formula students, except as otherwise
31 provided in this section, three percent of the product of the statewide

1 average general fund operating expenditures per formula student
2 multiplied by the difference of the poverty students minus forty percent
3 of the formula students for such school district.

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

19 (4) For school fiscal year 2020-21, the community achievement plan
20 allowance shall equal the amount of community achievement plan aid
21 received for school fiscal year 2018-19 for purposes of calculating the
22 adjusted general fund operating expenditures for each school district
23 that received community achievement plan aid for such school fiscal year.
24 Any community achievement plan allowance determined pursuant to this
25 subsection shall not otherwise be included in the calculation of formula
26 need.

27 (5) For school fiscal year 2021-22, the community achievement plan
28 allowance shall equal the amount of community achievement plan aid
29 received for school fiscal year 2019-20 for purposes of calculating the
30 adjusted general fund operating expenditures for each school district
31 that received community achievement plan aid for such school fiscal year.

1 Any community achievement plan allowance determined pursuant to this
2 subsection shall not otherwise be included in the calculation of formula
3 need.

4 (6) This section shall terminate on July 1, 2023.

5 Sec. 60. Section 79-1005.01, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 79-1005.01 (1) Not later than November 15 of each year, the Tax
8 Commissioner shall certify to the department for the preceding tax year
9 the income tax liability of resident individuals for each local system.

10 (2) For school fiscal years prior to 2017-18, one hundred two
11 million two hundred eighty-nine thousand eight hundred seventeen dollars
12 which is equal to the amount appropriated to the School District Income
13 Tax Fund for distribution in school fiscal year 1992-93 shall be
14 disbursed as option payments as determined under section 79-1009 and as
15 allocated income tax funds as determined in this section and sections
16 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, ~~except as provided in~~
17 ~~section 79-1008.02 for school fiscal years prior to school fiscal year~~
18 ~~2017-18. For school fiscal years prior to school fiscal year 2017-18,~~
19 ~~funds not distributed as allocated income tax funds due to minimum levy~~
20 ~~adjustments shall not increase the amount available to local systems for~~
21 ~~distribution as allocated income tax funds.~~

22 (3) Using the data certified by the Tax Commissioner pursuant to
23 subsection (1) of this section, the department shall calculate the
24 allocation percentage and each local system's allocated income tax funds.
25 The allocation percentage shall be the amount stated in subsection (2) of
26 this section minus the total amount paid for option students pursuant to
27 section 79-1009, with the difference divided by the aggregate statewide
28 income tax liability of all resident individuals certified pursuant to
29 subsection (1) of this section. Each local system's allocated income tax
30 funds shall be calculated by multiplying the allocation percentage times
31 the local system's income tax liability certified pursuant to subsection

1 (1) of this section.

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

7 Sec. 61. Section 79-1007.05, Reissue Revised Statutes of Nebraska,
8 is amended to read:

9 79-1007.05 (1) For school fiscal years through school fiscal year
10 2019-20 ~~year 2008-09 and each school fiscal year thereafter,~~ the
11 department shall determine the focus school and program allowance for
12 each school district in a learning community which submits the
13 information required for the calculation on a form prescribed by the
14 department on or before October 15 of the school fiscal year preceding
15 the school fiscal year for which aid is being calculated. Such form may
16 require confirmation from a learning community official that the focus
17 school or program has been approved by the learning community
18 coordinating council for the school fiscal year for which the allowance
19 is being calculated. The focus school and program allowance for each
20 school district in a learning community shall equal the sum of the
21 allowances calculated pursuant to this section for each focus school and
22 focus program operated by the school district for the school fiscal year
23 for which aid is being calculated.

24 For the school fiscal year containing the majority of the first
25 school year that a school or program will be in operation as a focus
26 school or program approved by the learning community ~~and meeting the~~
27 ~~requirements of section 79-769,~~ the focus school and program allowance
28 for such focus school or program shall equal the statewide average
29 general fund operating expenditures per formula student multiplied by
30 0.10 then multiplied by the estimated number of students who will be
31 participating in the focus school or program as reported on the form

1 required pursuant to this section.

2 For the school fiscal year containing the majority of the second
3 school year that a school or program will be in operation as a focus
4 school or program approved by the learning community ~~and meeting the~~
5 ~~requirements of section 79-769~~, the focus school and program allowance
6 for such focus school or program shall equal the statewide average
7 general fund operating expenditures per formula student multiplied by
8 0.10 then multiplied by (a) ~~(1)~~ for state aid certified pursuant to
9 section 79-1022, the difference of the product of two multiplied by the
10 number of students participating in the focus school or program as
11 reported on the fall membership report from the school fiscal year
12 immediately preceding the school fiscal year in which the aid is to be
13 paid minus the estimated number of students used in the certification of
14 state aid pursuant to section 79-1022 for the school fiscal year
15 immediately preceding the school fiscal year in which the aid is to be
16 paid and (b) ~~(2)~~ for the final calculation of state aid pursuant to
17 section 79-1065, the difference of the product of two multiplied by the
18 number of students participating in the focus school or program as
19 reported on the annual statistical summary report from the school fiscal
20 year immediately preceding the school fiscal year in which the aid was
21 paid minus the estimated number of students used in the final calculation
22 of state aid pursuant to section 79-1065 for the school fiscal year
23 immediately preceding the school fiscal year in which the aid is to be
24 paid.

25 For the school fiscal year containing the majority of the third
26 school year that a school or program will be in operation as a focus
27 school or program approved by the learning community ~~and meeting the~~
28 ~~requirements of section 79-769~~ and each school fiscal year thereafter,
29 the focus school and program allowance for such focus school or program
30 shall equal the statewide average general fund operating expenditures per
31 formula student multiplied by 0.10 then multiplied by the number of

1 students participating in the focus school or program as reported on the
2 fall membership report from the school fiscal year immediately preceding
3 the school fiscal year in which the aid is to be paid for state aid
4 certified pursuant to section 79-1022 and as reported on the annual
5 statistical summary report from the school fiscal year immediately
6 preceding the school fiscal year in which the aid was paid for the final
7 calculation of state aid pursuant to section 79-1065.

8 (2) For school fiscal year 2020-21, the focus school and program
9 allowance shall equal the focus school and program allowance for school
10 fiscal year 2018-19 for purposes of calculating the adjusted general fund
11 operating expenditures for each school district that received a focus
12 school and program allowance for such school fiscal year. Any focus
13 school and program allowance determined pursuant to this subsection shall
14 not otherwise be included in the calculation of formula need.

15 (3) For school fiscal year 2021-22, the focus school and program
16 allowance shall equal the focus school and program allowance for school
17 fiscal year 2019-20 for purposes of calculating the adjusted general fund
18 operating expenditures for each school district that received a focus
19 school and program allowance for such school fiscal year. Any focus
20 school and program allowance determined pursuant to this subsection shall
21 not otherwise be included in the calculation of formula need.

22 (4) This section shall terminate on July 1, 2023.

23 Sec. 62. Section 79-1007.11, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 ~~79-1007.11 (1) Except as otherwise provided in this section, for~~
26 ~~school fiscal years 2013-14 through 2015-16, each school district's~~
27 ~~formula need shall equal the difference of the sum of the school~~
28 ~~district's basic funding, poverty allowance, limited English proficiency~~
29 ~~allowance, focus school and program allowance, summer school allowance,~~
30 ~~special receipts allowance, transportation allowance, elementary site~~
31 ~~allowance, instructional time allowance, teacher education allowance,~~

1 ~~distance education and telecommunications allowance, averaging~~
2 ~~adjustment, new learning community transportation adjustment, student~~
3 ~~growth adjustment, any positive student growth adjustment correction, and~~
4 ~~new school adjustment, minus the sum of the limited English proficiency~~
5 ~~allowance correction, poverty allowance correction, and any negative~~
6 ~~student growth adjustment correction.~~

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

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

31 ~~(2) (4)~~ Except as otherwise provided in this section, for school

1 ~~fiscal year 2019-20 and each school fiscal year thereafter~~, each school
2 district's formula need shall equal the difference of the sum of the
3 school district's basic funding, poverty allowance, limited English
4 proficiency allowance, focus school and program allowance, summer school
5 allowance, special receipts allowance, transportation allowance,
6 elementary site allowance, distance education and telecommunications
7 allowance, community achievement plan allowance, averaging adjustment,
8 new community achievement plan 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 (3) Except as otherwise provided in this section, for school fiscal
14 year 2020-21 and each school fiscal year thereafter, the formula need for
15 each school district shall equal the difference of the sum of the basic
16 funding, poverty allowance, limited English proficiency allowance, summer
17 school allowance, special receipts allowance, transportation allowance,
18 elementary site allowance, distance education and telecommunications
19 allowance, averaging adjustment, new community achievement plan
20 adjustment, student growth adjustment, any positive student growth
21 adjustment correction, and new school adjustment minus the sum of the
22 limited English proficiency allowance correction, poverty allowance
23 correction, and any negative student growth adjustment correction for
24 such school district.

25 (4) (5) If the formula need calculated for a school district
26 pursuant to subsections (1) through (3) (4) of this section is less than
27 one hundred percent of the formula need for such district for the school
28 fiscal year immediately preceding the school fiscal year for which aid is
29 being calculated, the formula need for such district shall equal one
30 hundred percent of the formula need for such district for the school
31 fiscal year immediately preceding the school fiscal year for which aid is

1 being calculated.

2 ~~(5) (6)~~ If the formula need calculated for a school district
3 pursuant to subsections (1) through ~~(3) (4)~~ of this section is more than
4 one hundred twelve percent of the formula need for such district for the
5 school fiscal year immediately preceding the school fiscal year for which
6 aid is being calculated, the formula need for such district shall equal
7 one hundred twelve percent of the formula need for such district for the
8 school fiscal year immediately preceding the school fiscal year for which
9 aid is being calculated, except that the formula need shall not be
10 reduced pursuant to this subsection for any district receiving a student
11 growth adjustment for the school fiscal year for which aid is being
12 calculated.

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

26 Sec. 63. Section 79-1007.18, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 79-1007.18 ~~(1) For school fiscal years prior to school fiscal year~~
29 ~~2017-18:~~

30 ~~(a) The department shall calculate an averaging adjustment for~~
31 ~~districts if the basic funding per formula student is less than the~~

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

14 ~~(b) The averaging adjustment threshold shall equal the aggregate~~
15 ~~basic funding for all districts with nine hundred or more formula~~
16 ~~students divided by the aggregate formula students for all districts with~~
17 ~~nine hundred or more formula students for the school fiscal year for~~
18 ~~which aid is being calculated; and~~

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

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

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

30 ~~(iii) If such levy was at least one dollar and two cents per one~~
31 ~~hundred dollars of taxable valuation but less than one dollar and three~~

1 ~~cents per one hundred dollars of taxable valuation, the percentage shall~~
2 ~~be seventy percent;~~

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

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

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

22 Sec. 64. Section 79-1008.01, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 79-1008.01 Except as provided in ~~section 79-1008.02 for school~~
25 ~~fiscal years prior to school fiscal year 2017-18 and section 79-1009,~~
26 each local system shall receive equalization aid in the amount that the
27 total formula need of each local system, as determined pursuant to
28 sections 79-1007.06 to 79-1007.21 ~~79-1007.04 to 79-1007.23~~ and
29 ~~79-1007.25~~, exceeds its total formula resources as determined pursuant to
30 sections 79-1015.01 to 79-1018.01.

31 Sec. 65. Section 79-1009, Revised Statutes Cumulative Supplement,

1 2018, is amended to read:

2 79-1009 (1)(a) A district shall receive net option funding if (i)
3 option students as defined in section 79-233 were actually enrolled in
4 the school year immediately preceding the school year in which the aid is
5 to be paid or ~~7~~ (ii) option students as defined in such section will be
6 enrolled in the school year in which the aid is to be paid as converted
7 contract option students, ~~or (iii) for the calculation of aid for school~~
8 ~~fiscal year 2017-18 for school districts that are members of a learning~~
9 ~~community, open enrollment students were actually enrolled for school~~
10 ~~year 2016-17 pursuant to section 79-2110.~~

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

26 (c) Except as otherwise provided in this subsection, net number of
27 option students means the difference of the number of option students
28 enrolled in the district minus the number of students residing in the
29 district but enrolled in another district as option students. ~~For~~
30 ~~purposes of the calculation of aid for school fiscal year 2017-18 for~~
31 ~~school districts that are members of a learning community, net number of~~

1 ~~option students means the difference of the number of students residing~~
2 ~~in another school district who are option students or open enrollment~~
3 ~~students enrolled in the district minus the number of students residing~~
4 ~~in the district but enrolled in another district as option students or~~
5 ~~open enrollment students.~~

6 (2)(a) For all school fiscal years except school fiscal years
7 2017-18 and 2018-19, net option funding shall be the product of the net
8 number of option students multiplied by the statewide average basic
9 funding per formula student.

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

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

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

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

21 Sec. 66. Section 79-1017.01, Revised Statutes Cumulative Supplement,
22 2018, is amended to read:

23 79-1017.01 ~~(1) For state aid calculated for school fiscal years~~
24 ~~2014-15 and 2015-16, local system formula resources includes other actual~~
25 ~~receipts determined pursuant to section 79-1018.01, net option funding~~
26 ~~determined pursuant to section 79-1009, teacher education aid determined~~
27 ~~pursuant to section 79-1007.25, instructional time aid determined~~
28 ~~pursuant to subsection (2) of section 79-1007.23, allocated income tax~~
29 ~~funds determined pursuant to section 79-1005.01, and minimum levy~~
30 ~~adjustments determined pursuant to section 79-1008.02 and is reduced by~~
31 ~~amounts paid by the district in the most recently available complete data~~

1 ~~year as property tax refunds pursuant to or in the manner prescribed by~~
2 ~~section 77-1736.06.~~

3 (1) ~~(2)~~ For state aid calculated for school fiscal years through
4 ~~year 2016-17 and each school fiscal year 2019-20 thereafter~~, local system
5 formula resources includes other actual receipts determined pursuant to
6 section 79-1018.01, net option funding determined pursuant to section
7 79-1009, allocated income tax funds determined pursuant to section
8 79-1005.01, and community achievement plan aid determined pursuant to
9 ~~section 79-1005, and minimum levy adjustments determined pursuant to~~
10 ~~section 79-1008.02 for school fiscal years prior to school fiscal year~~
11 ~~2017-18~~, and is reduced by amounts paid by the district in the most
12 recently available complete data year as property tax refunds pursuant to
13 or in the manner prescribed by section 77-1736.06.

14 (2) For state aid calculated for school fiscal year 2020-21 and each
15 school fiscal year thereafter, local system formula resources includes
16 other actual receipts determined pursuant to section 79-1018.01, net
17 option funding determined pursuant to section 79-1009, and allocated
18 income tax funds determined pursuant to section 79-1005.01, and is
19 reduced by amounts paid by the district in the most recently available
20 complete data year as property tax refunds pursuant to or in the manner
21 prescribed by section 77-1736.06.

22 Sec. 67. Section 79-1022, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 79-1022 (1) On or before June 1, 2017, and on or before March 1 of
25 each year thereafter, for each ensuing fiscal year, the department shall
26 determine the amounts to be distributed to each local system and each
27 district for the ensuing school fiscal year pursuant to the Tax Equity
28 and Educational Opportunities Support Act and shall certify the amounts
29 to the Director of Administrative Services, the Auditor of Public
30 Accounts, ~~each learning community for school fiscal years prior to school~~
31 ~~fiscal year 2017-18~~, and each school district. Except as otherwise

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

19 (2) Except as provided in this subsection, subsection (8) of section
20 79-1016, and sections ~~79-1005~~, 79-1033, and 79-1065.02, the amounts
21 certified pursuant to subsection (1) of this section shall be distributed
22 in ten as nearly as possible equal payments on the last business day of
23 each month beginning in September of each ensuing school fiscal year and
24 ending in June of the following year, except that when a school district
25 is to receive a monthly payment of less than one thousand dollars, such
26 payment shall be one lump-sum payment on the last business day of
27 December during the ensuing school fiscal year.

28 Sec. 68. Section 79-1024, Revised Statutes Cumulative Supplement,
29 2018, is amended to read:

30 79-1024 (1) The department may require each district to submit to
31 the department a duplicate copy of such portions of the district's budget

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

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

1 ~~district by the learning community coordinating council for school fiscal~~
2 ~~years prior to school fiscal year 2017-18, and the county treasurer shall~~
3 ~~withhold any such school money in the possession of the county treasurer~~
4 ~~from the school district.~~ If the school district does not comply with
5 this section prior to the end of the state's biennium following the
6 biennium which included the fiscal year for which state aid was
7 calculated, the state aid funds shall revert to the General Fund. The
8 amount of any reverted funds shall be included in data provided to the
9 Governor in accordance with section 79-1031. The board of any district
10 failing to submit to the department or the auditor the budget documents
11 required pursuant to this section by the date established in subsection
12 (1) of section 13-508 or failing to make any corrections of errors in the
13 documents pursuant to section 13-504 or 13-511 shall be liable to the
14 school district for all school money which such district may lose by such
15 failing.

16 Sec. 69. Section 79-1033, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 79-1033 (1) Except as otherwise provided in the Tax Equity and
19 Educational Opportunities Support Act, state aid payable pursuant to the
20 act for each school fiscal year shall be based upon data found in
21 applicable reports for the most recently available complete data year.
22 The annual financial reports and the annual statistical summary of all
23 school districts shall be submitted to the Commissioner of Education
24 pursuant to the dates prescribed in section 79-528. If a school district
25 fails to timely submit its reports, the commissioner, after notice to the
26 district and an opportunity to be heard, shall direct that any state aid
27 granted pursuant to the act be withheld until such time as the reports
28 are received by the department. In addition, the commissioner shall
29 direct the county treasurer to withhold all school money belonging to the
30 school district until such time as the commissioner notifies the county
31 treasurer of receipt of such reports. The county treasurer shall withhold

1 such money. For ~~school districts that are members of learning~~
2 ~~communities, a determination of school money belonging to the district~~
3 ~~shall be based on the proportionate share of state aid and property tax~~
4 ~~receipts allocated to the school district by the learning community~~
5 ~~coordinating council for school fiscal years prior to school fiscal year~~
6 ~~2017-18, and the county treasurer shall withhold any such school money in~~
7 ~~the possession of the county treasurer from the school district. If the~~
8 school district does not comply with this section prior to the end of the
9 state's biennium following the biennium which included the school fiscal
10 year for which state aid was calculated, the state aid funds shall revert
11 to the General Fund. The amount of any reverted funds shall be included
12 in data provided to the Governor in accordance with section 79-1031.

13 (2) A district which receives, or has received in the most recently
14 available complete data year or in either of the two school fiscal years
15 preceding the most recently available complete data year, federal funds
16 in excess of twenty-five percent of its general fund budget of
17 expenditures may apply for early payment of state aid paid pursuant to
18 the act when such federal funds are not received in a timely manner. Such
19 application may be made at any time by a district suffering such
20 financial hardship and may be for any amount up to fifty percent of the
21 remaining amount to which the district is entitled during the current
22 school fiscal year. The state board may grant the entire amount applied
23 for or any portion of such amount if the state board finds that a
24 financial hardship exists in the district. The state board shall notify
25 the Director of Administrative Services of the amount of funds to be paid
26 in lump sum and the reduced amount of the monthly payments. The Director
27 of Administrative Services shall, at the time of the next state aid
28 payment made pursuant to section 79-1022, draw a warrant for the lump-sum
29 amount from appropriated funds and forward such warrant to the district.
30 For purposes of this subsection, financial hardship means a situation in
31 which income to a district is exceeded by liabilities to such a degree

1 that if early payment is not received it will be necessary for the
2 district to discontinue vital services or functions.

3 Sec. 70. Section 79-1036, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 79-1036 (1) In making the apportionment under section 79-1035, the
6 Commissioner of Education shall distribute from the school fund for
7 school purposes to ~~(a) for school fiscal years prior to school fiscal~~
8 ~~year 2017-18, any and all learning communities and school districts which~~
9 ~~are not members of a learning community, and (b) for school fiscal year~~
10 ~~2017-18 and each school fiscal year thereafter,~~ all school districts in
11 which there are situated school lands which have not been sold and
12 transferred by deed or saline lands owned by the state, which lands are
13 being used for a public purpose, an amount in lieu of tax money that
14 would be raised by school district levies if such lands were taxable, to
15 be ascertained in accordance with subsection (2) of this section.

16 (2) The county assessor shall certify to the Commissioner of
17 Education the tax levies of each school district ~~and, for levies~~
18 ~~certified prior to January 1, 2017, learning community~~ in which school
19 land or saline land is located and the last appraised value of such
20 school land, which value shall be the same percentage of the appraised
21 value as the percentage of the assessed value is of market value in
22 subsection (2) of section 77-201 for the purpose of applying the
23 applicable tax levies for each school district ~~and, for levies certified~~
24 ~~prior to January 1, 2017, learning community~~ in determining the
25 distribution to the districts of such amounts. The school board of any
26 school district ~~and, for levies certified prior to January 1, 2017, the~~
27 ~~learning community coordinating council of any learning community~~ in
28 which there is located any leased or undeeded school land or saline land
29 subject to this section may appeal to the Board of Educational Lands and
30 Funds for a reappraisal of such school land if such school board ~~or~~
31 ~~learning community coordinating council~~ deems the land not appraised in

1 proportion to the value of adjoining land of the same or similar value.
2 The Board of Educational Lands and Funds shall proceed to investigate the
3 facts involved in such appeal and, if the contention of the school board
4 ~~or learning community coordinating council~~ is correct, make the proper
5 reappraisalment. The value calculation in this subsection shall be used by
6 the Commissioner of Education for making distributions in each school
7 fiscal year.

8 Sec. 71. Section 79-1041, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 79-1041 ~~Each county treasurer of a county with territory in a~~
11 ~~learning community shall distribute any funds collected by such county~~
12 ~~treasurer from the common general fund levy of such learning community to~~
13 ~~each member school district pursuant to section 79-1073 at least once~~
14 ~~each month.~~

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

19 Sec. 72. Section 79-1074, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-1074 ~~(1)~~ The county clerk of any county in which a part of a
22 joint school district ~~or learning community~~ is located shall, on or
23 before the date prescribed in section 13-509, certify the taxable
24 valuation of all taxable property of such part of the joint district ~~or~~
25 ~~learning community~~ to the clerk of the headquarters county in which the
26 schoolhouse or the administrative office of the school district ~~or~~
27 ~~learning community~~ is located.

28 ~~(2) The county clerk of any county in which a part of a joint~~
29 ~~affiliated school system or learning community is located shall, on or~~
30 ~~before the date prescribed in section 13-509, certify the taxable~~
31 ~~valuation of all taxable property of such part of the joint affiliated~~

1 ~~school system or learning community to the clerk of the headquarters~~
2 ~~county in which the schoolhouse or the administrative office of the high~~
3 ~~school district or learning community is located.~~

4 Sec. 73. Section 79-1075, Revised Statutes Cumulative Supplement,
5 2018, is amended to read:

6 79-1075 ~~(1)~~ The county board of the county in which is located the
7 schoolhouse or the administrative office of any joint school district ~~or,~~
8 ~~for years prior to 2017, learning community~~ shall make a levy for the
9 school district ~~or, for years prior to 2017, learning community,~~ as may
10 be necessary, and the county clerk of that headquarters county shall
11 certify the levy, on or before the date prescribed in section 77-1601, to
12 the county clerk of each county in which is situated any portion of the
13 joint school district ~~or learning community.~~ This section shall apply to
14 all taxes levied on behalf of school districts, including, but not
15 limited to, taxes authorized by sections 10-304, 10-711, 77-1601,
16 77-3442, 77-3444, 79-747, 79-1084, 79-1085, 79-1086, 79-10,100,
17 79-10,110, 79-10,110.02, 79-10,118, 79-10,120, and 79-10,126.

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

28 Sec. 74. Section 79-1083, Revised Statutes Cumulative Supplement,
29 2018, is amended to read:

30 79-1083 At the time the budget statement is certified to the levying
31 board, each school board shall deliver to the county clerk of the

1 headquarters county a copy of its adopted budget statement. ~~If the school~~
2 ~~district is a member of a learning community, the school board shall also~~
3 ~~deliver to the learning community coordinating council a copy of the~~
4 ~~adopted budget statement for school fiscal years prior to school fiscal~~
5 ~~year 2017-18.~~

6 Sec. 75. Section 79-1084, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 79-1084 The school board of a Class III school district shall
9 annually, on or before September 20, report in writing to the county
10 board and, ~~for years prior to 2017, the learning community coordinating~~
11 ~~council if the school district is a member of a learning community the~~
12 entire revenue raised by taxation and all other sources and received by
13 the school board for the previous school fiscal year and a budget for the
14 ensuing school fiscal year broken down generally as follows: (1) The
15 amount of funds required for the support of the schools during the
16 ensuing school fiscal year; (2) the amount of funds required for the
17 purchase of school sites; (3) the amount of funds required for the
18 erection of school buildings; (4) the amount of funds required for the
19 payment of interest upon all bonds issued for school purposes; and (5)
20 the amount of funds required for the creation of a sinking fund for the
21 payment of such indebtedness. The secretary shall publish, within ten
22 days after the filing of such budget, a copy of the fund summary pages of
23 the budget one time at the legal rate prescribed for the publication of
24 legal notices in a legal newspaper published in and of general
25 circulation in such city or village or, if none is published in such city
26 or village, in a legal newspaper of general circulation in the city or
27 village. The secretary of the school board failing or neglecting to
28 comply with this section shall be deemed guilty of a Class V misdemeanor
29 and, in the discretion of the court, the judgment of conviction may
30 provide for the removal from office of such secretary for such failure or
31 neglect. For Class III school districts ~~that are not members of a~~

1 ~~learning community~~, the county board shall levy and collect such taxes as
2 are necessary to provide the amount of revenue from property taxes as
3 indicated by all the data contained in the budget and the certificate
4 prescribed by this section, at the time and in the manner provided in
5 section 77-1601.

6 Sec. 76. Section 79-1086, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 79-1086 ~~(1)~~ The board of education of a Class V school district
9 ~~that is not a member of a learning community~~ shall annually during the
10 month of July estimate the amount of resources likely to be received for
11 school purposes, including the amounts available from fines, licenses,
12 and other sources. Before the county board of equalization makes its levy
13 each year, the board of education shall report to the county clerk the
14 rate of tax deemed necessary to be levied upon the taxable value of all
15 the taxable property of the district subject to taxation during the
16 fiscal year next ensuing for (1) ~~(a)~~ the support of the schools, (2) ~~(b)~~
17 the purchase of school sites, (3) ~~(c)~~ the erection, alteration,
18 equipping, and furnishing of school buildings and additions to school
19 buildings, (4) ~~(d)~~ the payment of interest upon all bonds issued for
20 school purposes, and (5) ~~(e)~~ the creation of a sinking fund for the
21 payment of such indebtedness. The county board of equalization shall levy
22 the rate of tax so reported and demanded by the board of education and
23 collect the tax in the same manner as other taxes are levied and
24 collected.

25 ~~(2) The school board of a Class V school district that is a member~~
26 ~~of a learning community shall annually, on or before September 20 of each~~
27 ~~year prior to 2017, report in writing to the county board and the~~
28 ~~learning community coordinating council the entire revenue raised by~~
29 ~~taxation and all other sources and received by the school board for the~~
30 ~~previous school fiscal year and a budget for the ensuing school fiscal~~
31 ~~year broken down generally as follows: (a) The amount of funds required~~

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

17 Sec. 77. Section 79-10,143, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-10,143 A parent or guardian of any student enrolled in, or in the
20 process of enrolling in, any school district in the state may voluntarily
21 provide information on any application submitted pursuant to Nebraska
22 law, rules, and regulations regarding the applicant's potential to meet
23 the qualifications for free or reduced-price lunches solely for
24 determining eligibility pursuant to ~~subsection (4) of section 79-238,~~
25 subsection (2) of section 79-241, section 79-2,131, section 79-2,133,
26 ~~subsection (2) of section 79-611, subdivision (1)(c) and subsection (3)~~
27 ~~of section 79-2110,~~ or section 85-2104. Each school district shall
28 process information provided pursuant to this section in the same manner
29 as the district would to determine the qualification status of the
30 student for free or reduced-price meals. Each school district shall
31 comply with the federal Family Educational Rights and Privacy Act of

1 1974, 20 U.S.C. 1232g, as such act and section existed on January 1,
2 2015, and regulations adopted thereunder with regard to any information
3 collected pursuant to this section. If no such information is provided
4 pursuant to this section or on an application for free or reduced-price
5 meals, the student shall be presumed not to qualify for free or reduced-
6 price lunches.

7 Sec. 78. Section 79-1125.01, Reissue Revised Statutes of Nebraska,
8 is amended to read:

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

24 Sec. 79. Section 79-1142, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-1142 (1) Level I services refers to services provided to children
27 with disabilities who require an aggregate of not more than three hours
28 per week of special education services and support services and includes
29 all administrative, diagnostic, consultative, and vocational-adjustment
30 counselor services.

31 (2) The total allowable reimbursable cost for support services shall

1 not exceed a percentage, established by the State Board of Education, of
2 the school district's or approved cooperative's total allowable
3 reimbursable cost for all special education programs and support
4 services. The percentage established by the State Board of Education for
5 support services shall not exceed the difference of ten percent minus the
6 percentage of the appropriations for special education approved by the
7 Legislature set aside for reimbursements for support services pursuant to
8 subsection (5) of this section.

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

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

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

25 Sec. 80. Section 79-11,155, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 79-11,155 The Commissioner of Education shall appoint a student
28 achievement coordinator, subject to confirmation by a majority vote of
29 the members of the State Board of Education. The coordinator shall have a
30 background and training in addressing the unique educational needs of
31 low-achieving students, including students in poverty, limited English

1 proficient students, and highly mobile students.

2 The coordinator shall evaluate and coordinate existing resources for
3 effective programs to increase achievement for such students across the
4 state.

5 ~~The coordinator or other department staff designated by the~~
6 ~~Commissioner of Education shall also consult with learning communities,~~
7 ~~educational service units, and school districts on the development,~~
8 ~~implementation, and evaluation of community achievement plans. In~~
9 ~~addition, the coordinator or other department staff designated by the~~
10 ~~commissioner shall conduct an initial review of submitted community~~
11 ~~achievement plans and return the plans with any suggestions or comments~~
12 ~~prior to the final submission of the plan for approval by the State Board~~
13 ~~of Education.~~

14 Sec. 81. Section 79-1210, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 79-1210 The State Board of Education shall grant or deny any
17 petition to change educational service unit boundaries based upon the
18 following criteria:

19 (1) The educational needs of students in the affected school
20 districts and the affected educational service units;

21 (2) The economic viability of the proposal as it relates to affected
22 established educational service units or affected proposed educational
23 service units;

24 (3) Any community of interest among affected school districts and
25 affected educational service units;

26 (4) Geographic proximity as such would affect the ability of
27 affected educational service units to deliver service in a cost-effective
28 manner;

29 (5) Compliance with the requirements of the Educational Service
30 Units Act; and

31 (6) In the dissolution of one or more entire educational service

1 units, evidence of consent from each educational service unit board and
2 two-thirds of the school boards or boards of education of member school
3 districts representing a majority of students in each affected
4 educational service unit.

5 ~~For petitions that change educational service unit boundaries by~~
6 ~~transferring a learning community member district from one educational~~
7 ~~service unit to another educational service unit with existing territory~~
8 ~~in such learning community, the requirements of subdivisions (1), (2),~~
9 ~~(3), and (4) of this section shall be deemed to have been met if the~~
10 ~~affected educational service units will each have at least two member~~
11 ~~school districts after such transfer.~~

12 Sec. 82. Section 79-1241.03, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 79-1241.03 (1) Two percent of the funds appropriated for core
15 services and technology infrastructure shall be transferred to the
16 Educational Service Unit Coordinating Council. The remainder of such
17 funds shall be distributed pursuant to subsections (2) through (5) of
18 this section.

19 (2)(a) The distance education and telecommunications allowance for
20 each educational service unit shall equal eighty-five percent of the
21 difference of the costs for telecommunications services, for access to
22 data transmission networks that transmit data to and from the educational
23 service unit, and for the transmission of data on such networks paid by
24 the educational service unit as reported on the annual financial report
25 for the most recently available complete data year minus the receipts
26 from the federal Universal Service Fund pursuant to 47 U.S.C. 254, as
27 such section existed on January 1, 2007, for the educational service unit
28 as reported on the annual financial report for the most recently
29 available complete data year and minus any receipts from school districts
30 or other educational entities for payment of such costs as reported on
31 the annual financial report of the educational service unit.

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

4 (c) The satellite office allocation for each educational service
5 unit shall equal one percent of the funds appropriated for distribution
6 pursuant to this section for each office of the educational service unit,
7 except the educational service unit headquarters, up to the maximum
8 number of satellite offices. The maximum number of satellite offices used
9 for the calculation of the satellite office allocation for any
10 educational service unit shall equal the difference of the ratio of the
11 number of square miles within the boundaries of the educational service
12 unit divided by four thousand minus one with the result rounded to the
13 closest whole number.

14 (d) The statewide adjusted valuation shall equal the total adjusted
15 valuation for all member districts of educational service units pursuant
16 to section 79-1016 used for the calculation of state aid for school
17 districts pursuant to the Tax Equity and Educational Opportunities
18 Support Act for the school fiscal year for which the distribution is
19 being calculated pursuant to this section.

20 (e) The adjusted valuation for each educational service unit shall
21 equal the total adjusted valuation of the member school districts
22 pursuant to section 79-1016 used for the calculation of state aid for
23 school districts pursuant to the act for the school fiscal year for which
24 the distribution is being calculated pursuant to this section,~~—except~~
25 ~~that such adjusted valuation for member school districts that are also~~
26 ~~member districts of a learning community shall be reduced by ten percent.~~
27 ~~The adjusted valuation for each learning community shall equal ten~~
28 ~~percent of the total adjusted valuation of the member school districts~~
29 ~~pursuant to section 79-1016 used for the calculation of state aid for~~
30 ~~school districts pursuant to the act for the school fiscal year for which~~
31 ~~the distribution is being calculated pursuant to this section.~~

1 (f) The local effort rate shall equal \$0.0135 per one hundred
2 dollars of adjusted valuation.

3 (g) The statewide student allocation shall equal the difference of
4 the sum of the amount appropriated for distribution pursuant to this
5 section plus the product of the statewide adjusted valuation multiplied
6 by the local effort rate minus the distance education and
7 telecommunications allowance, base allocation, and satellite office
8 allocation for all educational service units and minus any adjustments
9 required by subsection (4) of this section.

10 (h) The sparsity adjustment for each educational service unit ~~and~~
11 ~~learning community~~ shall equal the sum of one plus one-tenth of the ratio
12 of the square miles within the boundaries of the educational service unit
13 divided by the fall membership of the member school districts for the
14 school fiscal year immediately preceding the school fiscal year for which
15 the distribution is being calculated pursuant to this section.

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

1 ~~community shall equal ten percent of the fall membership for such school~~
2 ~~fiscal year of the member school districts multiplied by the sparsity~~
3 ~~adjustment for the learning community.~~

4 (j) The per student allocation shall equal the statewide student
5 allocation divided by the total adjusted students for all educational
6 service units ~~and learning communities.~~

7 (k) The student allocation for each educational service unit ~~and~~
8 ~~learning community~~ shall equal the per student allocation multiplied by
9 the adjusted students for the educational service unit ~~or learning~~
10 ~~community.~~

11 (l) The needs for each educational service unit shall equal the sum
12 of the distance education and telecommunications allowance, base
13 allocation, satellite office allocation, and student allocation for the
14 educational service unit ~~and the needs for each learning community shall~~
15 ~~equal the student allocation for the learning community.~~

16 (m) The distribution of core services and technology infrastructure
17 funds for each educational service unit ~~and learning community~~ shall
18 equal the needs for each educational service unit ~~or learning community~~
19 minus the product of the adjusted valuation for the educational service
20 unit ~~or learning community~~ multiplied by the local effort rate.

21 (3) If an educational service unit is the result of a merger or
22 received new member school districts from another educational service
23 unit, the educational service unit shall be considered a new educational
24 service unit for purposes of this section. For each new educational
25 service unit, the needs minus the distance education and
26 telecommunications allowance for such new educational service unit shall,
27 for each of the three fiscal years following the fiscal year in which the
28 merger takes place or the new member school districts are received, equal
29 an amount not less than the needs minus the distance education and
30 telecommunications allowance for the portions of the educational service
31 units transferred to the new educational service unit for the fiscal year

1 immediately preceding the merger or receipt of new member school
2 districts, except that if the total amount available to be distributed
3 pursuant to subsections (2) through (5) of this section for the year for
4 which needs are being calculated is less than the total amount
5 distributed pursuant to such subsections for the fiscal year immediately
6 preceding the merger or receipt of new member school districts, the
7 minimum needs minus the distance education and telecommunications
8 allowance for each educational service unit pursuant to this subsection
9 shall be reduced by a percentage equal to the ratio of such difference
10 divided by the total amount distributed pursuant to subsections (2)
11 through (5) of this section for the fiscal year immediately preceding the
12 merger or receipt of new member school districts. The needs minus the
13 distance education and telecommunications allowance for the portions of
14 educational service units transferred to the new educational service unit
15 for the fiscal year immediately preceding a merger or receipt of new
16 member school districts shall equal the needs minus the distance
17 education and telecommunications allowance calculated for such fiscal
18 year pursuant to subsections (2) through (5) of this section for any
19 educational service unit affected by the merger or the transfer of school
20 districts multiplied by a ratio equal to the valuation that was
21 transferred to the new educational service unit for which the minimum is
22 being calculated divided by the total valuation of the educational
23 service unit transferring the territory.

24 (4) If the minimum needs minus the distance education and
25 telecommunications allowance pursuant to subsection (3) of this section
26 for any educational service unit exceeds the amount that would otherwise
27 be calculated for such educational service unit pursuant to subsection
28 (2) of this section, the statewide student allocation shall be reduced
29 such that the total amount to be distributed pursuant to this section
30 equals the appropriation for core services and technology infrastructure
31 funds and no educational service unit has needs minus the distance

1 education and telecommunications allowance less than the greater of any
2 minimum amounts calculated for such educational service unit pursuant to
3 subsection (3) of this section.

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

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

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

29 (a) Funding for core services and technology infrastructure for each
30 educational service unit consist of both amounts received pursuant to
31 this section and an amount greater than or equal to the product of the

1 adjusted valuation for the educational service unit multiplied by the
2 local effort rate; and

3 (b) Each multidistrict educational service unit use an amount equal
4 to at least five percent of such funding for core services and technology
5 infrastructure for cooperative projects between member school districts
6 and that each such educational service unit use an amount equal to at
7 least five percent of such funding for core services and technology
8 infrastructure for statewide projects managed by the Educational Service
9 Unit Coordinating Council.

10 Sec. 83. Section 79-1245, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 79-1245 (1) The Educational Service Unit Coordinating Council is
13 created. The council shall be composed of one administrator from each
14 educational service unit ~~and beginning July 1, 2017, one nonvoting~~
15 ~~administrator from each learning community~~. The council shall be funded
16 from two percent of the core services and technology infrastructure
17 funding appropriated pursuant to section 79-1241.03, appropriations by
18 the Legislature for distance education, and fees established for services
19 provided to educational entities.

20 (2) The council is a political subdivision and a public body
21 corporate and politic of this state, exercising public powers separate
22 from the participating educational service units. The council shall have
23 the duties, privileges, immunities, rights, liabilities, and disabilities
24 of a political subdivision and a public body corporate and politic but
25 shall not have taxing power.

26 (3) The council shall have power (a) to sue and be sued, (b) to have
27 a seal and alter the same at will or to dispense with the necessity
28 thereof, (c) to make and execute contracts and other instruments, (d) to
29 receive, hold, and use money and real and personal property, (e) to hire
30 and compensate employees, including certificated employees, (f) to act as
31 a fiscal agent for statewide initiatives being implemented by employees

1 of one or more educational service units, and (g) from time to time, to
2 make, amend, and repeal bylaws, rules, and regulations not inconsistent
3 with sections 79-1245 to 79-1249. Such power shall only be used as
4 necessary or convenient to carry out and effectuate the powers and
5 purposes of the council.

6 Sec. 84. Section 79-2404, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-2404 If the school board of any school district or the board of
9 any educational service unit fails to timely file a copy of an approved
10 contract, or contract amendment, for superintendent services or
11 educational service unit administrator services with the State Department
12 of Education as required in section 79-2403, the Commissioner of
13 Education, after notice to the board president and either the
14 superintendent or educational service unit administrator and an
15 opportunity to be heard, shall direct that any state aid granted pursuant
16 to the Tax Equity and Educational Opportunities Support Act to the school
17 district or core services and technology infrastructure funds granted
18 pursuant to section 79-1241.03 to the educational service unit be
19 withheld until such time as the contract or amendment is received by the
20 department. In addition, the commissioner shall direct each county
21 treasurer of a county with territory in the school district or
22 educational service unit to withhold all money belonging to the school
23 district or educational service unit until such time as the commissioner
24 notifies such county treasurer of receipt of such contract or amendment.
25 Each such county treasurer shall withhold such money. ~~For school~~
26 ~~districts that are members of learning communities, a determination of~~
27 ~~school money belonging to the school district shall be based on the~~
28 ~~proportionate share of property tax receipts allocated to the school~~
29 ~~district pursuant to section 79-1073 in addition to the other property~~
30 ~~tax receipts belonging to the school district.~~ If the board does not
31 comply with this section prior to October 1 following the school fiscal

1 year for which the state aid or core services and technology
2 infrastructure funding was calculated, the funds shall revert to the
3 General Fund. The amount of any reverted funds shall be included in data
4 provided to the Governor, the Appropriations Committee of the
5 Legislature, and the Education Committee of the Legislature in accordance
6 with section 79-1031.

7 Sec. 85. Section 79-2605, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 79-2605 (1) Each school district shall provide a supplemental
10 reading intervention program for the purpose of ensuring that students
11 can read at or above grade level at the end of third grade. School
12 districts may work collaboratively with a reading specialist at the State
13 Department of Education, with educational service units, ~~with learning~~
14 ~~communities,~~ or through interlocal agreements to develop and provide such
15 supplemental reading intervention programs. Each supplemental reading
16 intervention program shall:

17 (a) Be provided to any student identified as having a reading
18 deficiency;

19 (b) Be implemented during regular school hours in addition to
20 regularly scheduled reading instruction unless otherwise agreed to by a
21 parent or guardian; and

22 (c) Make available a summer reading program each summer for any
23 student who has been enrolled in grade one or higher and is identified as
24 continuing to have a reading deficiency at the conclusion of the school
25 year preceding such summer reading program. Such summer reading program
26 may be held in conjunction with existing summer programs in the school
27 district or in a community reading program not affiliated with the school
28 district or may be offered online.

29 (2) The supplemental reading intervention program may also include:

30 (a) Reading intervention techniques that are based on scientific
31 research and best practices;

1 (b) Diagnostic assessments to frequently monitor student progress
2 throughout the school year and adjust instruction accordingly;

3 (c) Intensive intervention using strategies selected from the
4 following list to match the weaknesses identified in the diagnostic
5 assessment:

6 (i) Development in phonemic awareness, phonics, fluency, vocabulary,
7 and reading comprehension;

8 (ii) Explicit and systematic instruction with detailed explanations,
9 extensive opportunities for guided practice, and opportunities for error
10 corrections and feedback; or

11 (iii) Daily targeted individual or small-group reading intervention
12 based on student needs as determined by diagnostic assessment data
13 subject to planned extracurricular school activities;

14 (d) Strategies and resources to assist with reading skills at home,
15 including parent-training workshops and suggestions for parent-guided
16 home reading; or

17 (e) Access to before-school or after-school supplemental reading
18 intervention with a teacher or tutor who has specialized training in
19 reading intervention.

20 Sec. 86. Section 81-1203, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 81-1203 (1) A business applying for a job training grant, other than
23 a grant provided under subsection (3) of section 81-1201.21, shall submit
24 a business plan to the Department of Economic Development which includes,
25 but is not limited to:

26 (a) The number of jobs to be created or the number of existing
27 positions that will be retrained;

28 (b) The nature of the business and the type of jobs to be created or
29 positions to be retrained;

30 (c) The estimated wage levels of the jobs to be created or positions
31 to be retrained; and

1 (d) A program schedule for the job training project.

2 (2) A business applying for a job training grant, other than a grant
3 provided under subsection (3) of section 81-1201.21, must demonstrate
4 that the job training project to be conducted pursuant to the grant meets
5 the following criteria:

6 (a) The wage level of the jobs created will meet the local
7 prevailing average;

8 (b) The jobs created will diversify the local economy;

9 (c) The goods or services produced by the company will be export-
10 oriented;

11 (d) Seventy-five percent of the jobs created will be full-time jobs;
12 and

13 (e) The new jobs will be created within three calendar years.

14 (3) A business applying for a training grant under subsection (3) of
15 section 81-1201.21 may partner with a postsecondary educational
16 institution; a private, nonprofit organization holding a certificate of
17 exemption under section 501(c)(3) of the Internal Revenue Code; or a
18 ~~learning community coordinating council~~ or school district that has
19 partnered with a private, nonprofit organization. The application shall
20 specify the role of the partnering entity in identifying and training
21 potential job applicants for the applicant business.

22 (4) A business applying for a training grant under subsection (3) of
23 section 81-1201.21 may apply as a business that has established a program
24 under which residents of rural areas or high-poverty areas are trained
25 for employment or potential employment by documenting:

26 (a) That the business has established a program designed to fill a
27 minimum of four positions in rural areas and a minimum of eight positions
28 in high-poverty areas for such business;

29 (b) A program schedule for the training project;

30 (c) The nature of the business and the number of positions available
31 or to be created;

1 (d) That the wage level of the positions available or to be created
2 will meet the local prevailing average;

3 (e) The value of the positions available or to be created in
4 diversifying the local economy;

5 (f) That a minimum of seventy-five percent of the positions
6 available or to be created will be full-time jobs;

7 (g) That the business will accept funding on behalf of trainees and
8 will provide a match of a minimum of twenty-five percent of the value of
9 the grant, either monetarily or through in-kind services, as part of the
10 training for each trainee;

11 (h) That any new position created will be done within three calendar
12 years;

13 (i) That the number of trainees will not exceed one hundred twenty-
14 five percent of the number of positions that will be available at the
15 time of application; and

16 (j) That the goods or services produced by the business are
17 generally exportable in nature resulting in additional money to the
18 community or the state and the positions available or to be created are
19 not local retail positions.

20 (5) Each business participating in a training grant under subsection
21 (3) of section 81-1201.21 shall be subject to an audit by the Department
22 of Economic Development and shall annually report or provide to the
23 department the following information:

24 (a) The percentage of trainees who have successfully completed the
25 training;

26 (b) The percentage of trainees that such business hired;

27 (c) An itemized description of such business's match including
28 expenditures per trainee; and

29 (d) A copy of the training curriculum.

30 (6) For purposes of subsections (3) through (5) of this section:

31 (a) High-poverty area means an area consisting of one or more

1 contiguous census tracts, as determined by the most recent federal
2 decennial census, which contain a percentage of persons with incomes
3 below the poverty line of greater than thirty percent, and all census
4 tracts contiguous to such tract or tracts, as determined by the most
5 recent federal decennial census; and

6 (b) Private, nonprofit organization means an organization whose
7 purpose is providing basic job and life skills training to individuals in
8 need of such training in rural or high-poverty areas.

9 Sec. 87. Sections 82 and 88 of this act become operative on January
10 1, 2020. Sections 2, 3, 4, 7, 8, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20,
11 23, 24, 25, 26, 27, 28, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42,
12 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 64, 65, 67,
13 68, 69, 71, 72, 75, 77, 78, 80, 81, 83, 84, 85, 86, 89, and 91 of this
14 act become operative on July 1, 2020. The other sections of this act
15 become operative on their effective date.

16 Sec. 88. Original section 79-1241.03, Revised Statutes Cumulative
17 Supplement, 2018, is repealed.

18 Sec. 89. Original sections 11-119, 13-903, 13-2202, 32-567, 32-604,
19 32-1203, 68-907, 77-1601.02, 77-1614, 77-1624, 77-1702, 77-1704.01,
20 77-1708, 77-2201, 77-2202, 77-2704.15, 77-3442, 79-201, 79-2,104, 79-433,
21 79-458.01, 79-467, 79-468, 79-527, 79-549, 79-760.05, 79-777, 79-1074,
22 79-1125.01, 79-1210, 79-2404, and 81-1203, Reissue Revised Statutes of
23 Nebraska, and sections 9-812, 13-503, 79-102, 79-235, 79-235.01, 79-237,
24 79-238, 79-241, 79-407, 79-408, 79-413, 79-415, 79-458, 79-473, 79-528,
25 79-611, 79-703, 79-760.02, 79-760.03, 79-850, 79-979, 79-1008.01,
26 79-1009, 79-1022, 79-1024, 79-1033, 79-1041, 79-1084, 79-10,143,
27 79-11,155, 79-1245, and 79-2605, Revised Statutes Cumulative Supplement,
28 2018, are repealed.

29 Sec. 90. Original sections 32-546.01, 70-651.04, 77-1736.06,
30 77-1772, 79-1007.05, and 79-1142, Reissue Revised Statutes of Nebraska,
31 and sections 13-508, 13-511, 79-215, 79-233, 79-1003, 79-1005,

1 79-1005.01, 79-1007.11, 79-1007.18, 79-1017.01, 79-1036, 79-1075,
2 79-1083, and 79-1086, Revised Statutes Cumulative Supplement, 2018, are
3 repealed.

4 Sec. 91. The following sections are outright repealed: Sections
5 79-4,117, 79-4,118, 79-4,120, 79-4,127, 79-769, 79-1007.04, 79-1007.17,
6 79-1007.23, 79-1007.25, 79-2101, 79-2103, 79-2110.01, 79-2112, 79-2114,
7 79-2116, 79-2118, 79-2119, and 79-2121, Reissue Revised Statutes of
8 Nebraska, and sections 79-4,119, 79-4,121, 79-4,122, 79-4,123, 79-4,124,
9 79-4,125, 79-4,126, 79-4,128, 79-4,129, 79-1008.02, 79-1073,
10 79-10,126.01, 79-10,145, 79-2104, 79-2104.01, 79-2104.02, 79-2104.03,
11 79-2104.04, 79-2110, 79-2111, 79-2113, 79-2115, 79-2117, 79-2122, and
12 79-2123, Revised Statutes Cumulative Supplement, 2018.

13 Sec. 92. The following sections are outright repealed: Sections
14 32-555.01, 79-2102, and 79-2102.01, Reissue Revised Statutes of Nebraska,
15 and section 79-2120, Revised Statutes Cumulative Supplement, 2018.