

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 179**

Introduced by Kintner, 2; Murante, 49; Price, 3; Smith, 14.  
Read first time January 14, 2013

Committee:

A BILL

1 FOR AN ACT relating to learning communities; to amend sections  
2 11-119, 13-503, 13-508, 13-511, 13-903, 13-2202, 32-567,  
3 77-1601.02, 77-1614, 77-1624, 77-1702, 77-1708, 77-1772,  
4 77-2201, 77-2202, 79-102, 79-407, 79-415, 79-416, 79-433,  
5 79-452, 79-458, 79-458.01, 79-467, 79-468, 79-473,  
6 79-549, 79-760.02, 79-850, 79-979, 79-1074, 79-1075,  
7 79-1083, 79-10,120, 79-10,126, and 79-1210, Reissue  
8 Revised Statutes of Nebraska, and sections 32-546.01,  
9 32-604, 32-1203, 68-907, 70-651.04, 77-1704.01,  
10 77-2704.15, 77-3442, 79-201, 79-215, 79-233, 79-237,  
11 79-238, 79-408, 79-413, 79-527, 79-528, 79-611,  
12 79-760.03, 79-760.05, 79-769, 79-777, 79-1003,  
13 79-1007.05, 79-1007.11, 79-1007.18, 79-1007.22,  
14 79-1008.02, 79-1013, 79-1014, 79-1022, 79-1024, 79-1033,  
15 79-1036, 79-1041, 79-1073, 79-1073.01, 79-1084, 79-1086,  
16 79-1241.03, 81-1203, and 84-1413, Revised Statutes  
17 Cumulative Supplement, 2012; to eliminate learning

1 communities; to harmonize provisions; to provide  
2 operative dates; to repeal the original sections; and to  
3 outright repeal sections 79-4,117, 79-4,118, 79-4,119,  
4 79-4,120, 79-4,121, 79-4,122, 79-4,123, 79-4,124,  
5 79-4,125, 79-4,126, 79-4,127, 79-4,128, 79-4,129,  
6 79-10,126.01, 79-2101, 79-2102, 79-2102.01, 79-2103,  
7 79-2104.01, 79-2107, 79-2114, and 79-2119, Reissue  
8 Revised Statutes of Nebraska, and sections 32-555.01,  
9 79-2104, 79-2104.02, 79-2110, 79-2110.01, 79-2111,  
10 79-2112, 79-2113, 79-2115, 79-2116, 79-2117, 79-2118,  
11 79-2120, and 79-2121, Revised Statutes Cumulative  
12 Supplement, 2012.

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

1           Section 1. On July 1, 2014, the learning community  
2 established pursuant to section 79-2102, as such section existed  
3 immediately prior to such date, for a city of the metropolitan class  
4 which includes all school districts for which the principal office of  
5 the school district is located in the county where the city of the  
6 metropolitan class is located and all school districts for which the  
7 principal office of the school district is located in a county that  
8 has a contiguous border of at least five miles in the aggregate with  
9 such city of the metropolitan class shall be dissolved. All records,  
10 books, papers, funds, and personal property belonging to such  
11 learning community shall be delivered to the State Board of  
12 Education, to be distributed to the school districts which were  
13 members of such learning community immediately prior to its  
14 dissolution as determined by the state board, except that any funds  
15 of such learning community delivered to the state board on such date  
16 shall be distributed by the state board to each member school  
17 district in the same proportion as the taxable valuation of the  
18 taxable real property in such district bears to the total taxable  
19 valuation of the taxable real property within the geographic  
20 boundaries of such learning community.

21           The boundaries of all school districts within such  
22 learning community shall remain as depicted on the map kept by the  
23 county clerk pursuant to section 79-490 as of July 1, 2014, until  
24 changed pursuant to any reorganization entered into by one or more of  
25 such school districts.

1                   Sec. 2. Section 11-119, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   11-119 The following named officers shall execute a bond  
4 with penalties of the following amounts:

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

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

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

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

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

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

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

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

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

24                  (10) Each county treasurer, not less than ten thousand  
25 dollars and not more than the amount of money that may come into his

1 or her hands, to be determined by the county board;

2 (11) Each sheriff, in counties of not more than twenty  
3 thousand inhabitants, five thousand dollars, and in counties over  
4 twenty thousand inhabitants, ten thousand dollars;

5 (12) Each district superintendent of public instruction,  
6 one thousand dollars;

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

8 (14) Each county commissioner or supervisor, in counties  
9 of not more than twenty thousand inhabitants, one thousand dollars,  
10 in counties over twenty thousand and not more than thirty thousand  
11 inhabitants, two thousand dollars, in counties over thirty thousand  
12 and not more than fifty thousand inhabitants, three thousand dollars,  
13 and in counties over fifty thousand inhabitants, five thousand  
14 dollars;

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

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

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

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

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

1 secretary of the district;

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

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

7 (22) In any county, in lieu of the individual bonds  
8 required to be furnished by county officers, a schedule, position, or  
9 blanket bond or undertaking may be given by county officers, or a  
10 single corporate surety fidelity, schedule, position, or blanket bond  
11 or undertaking covering all the officers, including officers required  
12 by law to furnish an individual bond or undertaking, may be  
13 furnished. The county may pay the premium for the bond. The bond  
14 shall be, at a minimum, an aggregate of the amounts fixed by law or  
15 by the person or board authorized by law to fix the amounts, and with  
16 such terms and conditions as may be required by sections 11-101 to  
17 11-130. ; ~~and~~

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

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

24 Sec. 3. Section 13-503, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1                   13-503 For purposes of the Nebraska Budget Act, unless  
2 the context otherwise requires:

3                   (1) Governing body shall mean the governing body of any  
4 county agricultural society, elected county fair board, joint airport  
5 authority formed under the Joint Airport Authorities Act, city or  
6 county airport authority, bridge commission created pursuant to  
7 section 39-868, cemetery district, city, village, municipal county,  
8 community college, community redevelopment authority, county,  
9 drainage or levee district, educational service unit, rural or  
10 suburban fire protection district, historical society, hospital  
11 district, irrigation district, learning community until school fiscal  
12 year 2014-15, natural resources district, nonprofit county historical  
13 association or society for which a tax is levied under subsection (1)  
14 of section 23-355.01, public building commission, railroad  
15 transportation safety district, reclamation district, road  
16 improvement district, rural water district, school district, sanitary  
17 and improvement district, township, offstreet parking district,  
18 transit authority, metropolitan utilities district, Educational  
19 Service Unit Coordinating Council, and political subdivision with the  
20 authority to have a property tax request, with the authority to levy  
21 a toll, or that receives state aid;

22                   (2) Levying board shall mean any governing body which has  
23 the power or duty to levy a tax;

24                   (3) Fiscal year shall mean the twelve-month period used  
25 by each governing body in determining and carrying on its financial

1 and taxing affairs;

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

5 (5) Auditor shall mean the Auditor of Public Accounts;

6 (6) Cash reserve shall mean funds required for the period  
7 before revenue would become available for expenditure but shall not  
8 include funds held in any special reserve fund;

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

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

22 (9) Special reserve fund shall mean any special fund set  
23 aside by the governing body for a particular purpose and not  
24 available for expenditure for any other purpose. Funds created for  
25 (a) the retirement of bonded indebtedness, (b) the funding of



1 employee pension plans, (c) the purposes of the Political  
2 Subdivisions Self-Funding Benefits Act, (d) the purposes of the Local  
3 Option Municipal Economic Development Act, (e) voter-approved sinking  
4 funds, or (f) statutorily authorized sinking funds shall be  
5 considered special reserve funds;

6 (10) Biennial period shall mean the two fiscal years  
7 comprising a biennium commencing in odd-numbered or even-numbered  
8 years used by a city in determining and carrying on its financial and  
9 taxing affairs; and

10 (11) Biennial budget shall mean a budget by a city of the  
11 primary or metropolitan class that adopts a charter provision  
12 providing for a biennial period to determine and carry on the city's  
13 financial and taxing affairs.

14 Sec. 4. Section 13-508, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16 13-508 (1) After publication and hearing thereon and  
17 within the time prescribed by law, each governing body, except as  
18 provided in subsection (3) of this section, shall file with and  
19 certify to the levying board or boards on or before September 20 of  
20 each year and file with the auditor a copy of the adopted budget  
21 statement which complies with sections 13-518 to 13-522 or 79-1023 to  
22 79-1030, together with the amount of the tax required to fund the  
23 adopted budget, setting out separately (a) the amount to be levied  
24 for the payment of principal or interest on bonds issued by the  
25 governing body and (b) the amount to be levied for all other

1 purposes. Proof of publication shall be attached to the statements.  
2 ~~Learning~~ For all school fiscal years before school fiscal year  
3 2014-15, learning communities shall also file a copy of such adopted  
4 budget statement with member school districts on or before September  
5 1. of each year. The governing body, in certifying the amount  
6 required, may make allowance for delinquent taxes not exceeding five  
7 percent of the amount required plus the actual percentage of  
8 delinquent taxes for the preceding tax year and for the amount of  
9 estimated tax loss from any pending or anticipated litigation which  
10 involves taxation and in which tax collections have been or can be  
11 withheld or escrowed by court order. For purposes of this section,  
12 anticipated litigation shall be limited to the anticipation of an  
13 action being filed by a taxpayer who or which filed a similar action  
14 for the preceding year which is still pending. Except for such  
15 allowances, a governing body shall not certify an amount of tax more  
16 than one percent greater or lesser than the amount determined under  
17 section 13-505.

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

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

1                   (b) ~~A—For all school fiscal years before school fiscal~~  
2 year 2014-15, a learning community shall do such filing and  
3 certification on or before September 1. of each year.

4                   Sec. 5. Section 13-511, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6                   13-511 (1) Unless otherwise provided by law, whenever  
7 during the current fiscal year or biennial period it becomes apparent  
8 to a governing body that (a) there are circumstances which could not  
9 reasonably have been anticipated at the time the budget for the  
10 current year or biennial period was adopted, (b) the budget adopted  
11 violated sections 13-518 to 13-522, such that the revenue of the  
12 current fiscal year or biennial period for any fund thereof will be  
13 insufficient, additional expenses will be necessarily incurred, or  
14 there is a need to reduce the budget requirements to comply with  
15 sections 13-518 to 13-522, or (c) the governing body has been  
16 notified by the auditor of a mathematical or accounting error or  
17 noncompliance with the Nebraska Budget Act, such governing body may  
18 propose to revise the previously adopted budget statement and shall  
19 conduct a public hearing on such proposal.

20                   (2) Notice of the time and place of the hearing shall be  
21 published at least five days prior to the date set for hearing in a  
22 newspaper of general circulation within the governing body's  
23 jurisdiction. Such published notice shall set forth (a) the time and  
24 place of the hearing, (b) the amount in dollars of additional or  
25 reduced money required and for what purpose, (c) a statement setting

1 forth the nature of the unanticipated circumstances and, if the  
2 budget requirements are to be increased, the reasons why the  
3 previously adopted budget of expenditures cannot be reduced during  
4 the remainder of the current year or biennial period to meet the need  
5 for additional money in that manner, (d) a copy of the summary of the  
6 originally adopted budget previously published, and (e) a copy of the  
7 summary of the proposed revised budget.

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

11 (4) Upon conclusion of the public hearing on the proposed  
12 revised budget and approval of the proposed revised budget by the  
13 governing body, the governing body shall file with the county clerk  
14 of the county or counties in which such governing body is located,  
15 for all school fiscal years before school fiscal year 2014-15 with  
16 the learning community coordinating council for school districts that  
17 are members of learning communities, and with the auditor, a copy of  
18 the revised budget, as adopted. The governing body may then issue  
19 warrants in payment for expenditures authorized by the adopted  
20 revised budget. Such warrants shall be referred to as registered  
21 warrants and shall be repaid during the next fiscal year or biennial  
22 period from funds derived from taxes levied therefor.

23 (5) Within thirty days after the adoption of the budget  
24 under section 13-506, a governing body may, or within thirty days  
25 after notification of an error by the auditor, a governing body

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

10           Sec. 6. Section 13-903, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           13-903 For purposes of the Political Subdivisions Tort  
13 Claims Act and sections 16-727, 16-728, 23-175, 39-809, and 79-610,  
14 unless the context otherwise requires:

15           (1) Political subdivision shall include villages, cities  
16 of all classes, counties, school districts, learning communities in  
17 existence before July 1, 2014, public power districts, and all other  
18 units of local government, including entities created pursuant to the  
19 Interlocal Cooperation Act or Joint Public Agency Act. Political  
20 subdivision shall not be construed to include any contractor with a  
21 political subdivision;

22           (2) Governing body shall mean the village board of a  
23 village, the city council of a city, the board of commissioners or  
24 board of supervisors of a county, the board of directors of a public  
25 power district, the governing board or other governing body of an

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

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

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

21 Sec. 7. Section 13-2202, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

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

25 (1) Elected and appointed officials and employees shall

1 mean the elected and appointed officials and employees of any local  
2 government;

3           (2) Governing body shall mean, in the case of a city of  
4 any class, the council; in the case of a village, cemetery district,  
5 community hospital for two or more adjoining counties, county  
6 hospital, road improvement district, sanitary drainage district, or  
7 sanitary and improvement district, the board of trustees; in the case  
8 of a county, the county board; in the case of a municipal county, the  
9 council; in the case of a township, the town board; in the case of a  
10 school district, the school board; in the case of a rural or suburban  
11 fire protection district, reclamation district, natural resources  
12 district, or hospital district, the board of directors; in the case  
13 of a health district, the board of health; in the case of an  
14 educational service unit, the board; in the case of a community  
15 college, the Community College Board of Governors for the area the  
16 board serves; in the case of an airport authority, the airport  
17 authority board; in the case of a weed control authority, the board;  
18 and in the case of a county agricultural society, the board of  
19 governors; ~~and in the case of a learning community, the learning~~  
20 ~~community coordinating council;~~

21           (3) Local government shall mean cities of any class,  
22 villages, cemetery districts, community hospitals for two or more  
23 adjoining counties, county hospitals, road improvement districts,  
24 counties, townships, sanitary drainage districts, sanitary and  
25 improvement districts, school districts, rural or suburban fire

1 protection districts, reclamation districts, natural resources  
2 districts, hospital districts, health districts, educational service  
3 units, community colleges, airport authorities, weed control  
4 authorities, and county agricultural societies: ~~, and learning~~  
5 ~~communities;~~

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

9 (5) Public meeting shall mean all regular, special, or  
10 called meetings, formal or informal, of any governing body for the  
11 purposes of briefing, discussion of public business, formation of  
12 tentative policy, or the taking of any action of the governing body;  
13 and

14 (6) Volunteer shall mean a person who is not an elected  
15 or appointed official or an employee of a local government and who,  
16 at the request or with the permission of the local government,  
17 engages in activities related to the purposes or functions of the  
18 local government or for its general benefit.

19 Sec. 8. Section 32-546.01, Revised Statutes Cumulative  
20 Supplement, 2012, is amended to read:

21 32-546.01 (1) Each learning community shall be governed  
22 by a learning community coordinating council consisting of eighteen  
23 voting members, with twelve members elected on a nonpartisan ballot  
24 from six numbered subcouncil districts created pursuant to section  
25 32-555.01, as such section existed immediately prior to July 1, 2014,



1 and with six members appointed from such subcouncil districts  
2 pursuant to this section. Each voter shall be allowed to cast votes  
3 for one candidate at both the primary and general elections to  
4 represent the subcouncil district in which the voter resides. The  
5 four candidates receiving the most votes at the primary election  
6 shall advance to the general election. The two candidates receiving  
7 the most votes at the general election shall be elected. A candidate  
8 shall reside in the subcouncil district for which he or she is a  
9 candidate. Coordinating council members shall be elected on the  
10 nonpartisan ballot.

11 (2) The initial elected members shall be nominated at the  
12 statewide primary election and elected at the statewide general  
13 election immediately following the certification of the establishment  
14 of the learning community, and subsequent members shall be nominated  
15 at subsequent statewide primary elections and elected at subsequent  
16 statewide general elections. Except as provided in this section, such  
17 elections shall be conducted pursuant to the Election Act.

18 (3) Vacancies in office for elected members shall occur  
19 as set forth in section 32-560. Whenever any such vacancy occurs, the  
20 remaining elected members of such council shall appoint an individual  
21 residing within the geographical boundaries of the subcouncil  
22 district for the balance of the unexpired term or until the  
23 dissolution of the learning community, whichever occurs first.

24 (4) Members elected to represent odd-numbered districts  
25 in the first election for the learning community coordinating council

1 shall be elected for two-year terms. Members elected to represent  
2 even-numbered districts in the first election for the learning  
3 community coordinating council shall be elected for four-year terms.  
4 Members elected in subsequent elections shall be elected for four-  
5 year terms and until their successors are elected and qualified or  
6 until the dissolution of the learning community, whichever occurs  
7 first.

8 (5) The appointed members shall be appointed in November  
9 of each even-numbered year after the general election. Appointed  
10 members shall be school board members of school districts in the  
11 learning community either elected to take office the following  
12 January or continuing their current term of office for the following  
13 two years or until the dissolution of the learning community,  
14 whichever occurs first. For learning communities to be established  
15 the following January pursuant to orders issued pursuant to section  
16 79-2102, as such section existed immediately prior to July 1, 2014,  
17 the Secretary of State shall hold a meeting of the school board  
18 members of the school districts in such learning community to appoint  
19 one member from such school boards to represent each of the  
20 subcouncil districts on the coordinating council of such learning  
21 community. For subsequent appointments, the current appointed members  
22 of the coordinating council shall hold a meeting of the school board  
23 members of such school districts to appoint one member from such  
24 school boards to represent each of the subcouncil districts on the  
25 coordinating council of the learning community. The appointed members

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

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

21 (7) Each learning community coordinating council shall  
22 also have a nonvoting member from each member school district which  
23 does not have either an elected or an appointed member who resides in  
24 the school district on the council. Such nonvoting members shall be  
25 appointed by the school board of the school district to be

1 represented to serve for two-year terms or until the dissolution of  
2 the learning community, whichever occurs first, and notice of the  
3 nonvoting member selected shall be submitted to the Secretary of  
4 State by such board prior to December 31 of each even-numbered year.  
5 Each such nonvoting member shall be a resident of the appointing  
6 school district and shall not be a school administrator employed by  
7 such school district. Whenever a vacancy occurs, the school board of  
8 such school district shall appoint a new nonvoting member and submit  
9 notice to the Secretary of State and to the learning community  
10 coordinating council.

11 (8) Members of a learning community coordinating council  
12 shall take office on the first Thursday after the first Tuesday in  
13 January following their election or appointment, except that members  
14 appointed to fill vacancies shall take office immediately following  
15 administration of the oath of office. Each voting member elected or  
16 appointed prior to April 6, 2010, shall be paid a per diem in an  
17 amount determined by such council up to two hundred dollars per day  
18 for official meetings of the council and the achievement subcouncil  
19 for which he or she is a member, for meetings that occur during the  
20 term of office for which the election or appointment of the member  
21 took place prior to April 6, 2010, up to a maximum of twelve thousand  
22 dollars per fiscal year. Each voting member shall be eligible for  
23 reimbursement of reasonable expenses related to service on the  
24 learning community coordinating council. Each nonvoting member shall  
25 be eligible for reimbursement of reasonable expenses related to

1 service on the learning community coordinating council.

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

4 32-567 Vacancies in office shall be filled as follows:

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

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

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

11 (4) In township offices, by the township board or, if  
12 there are two or more vacancies on the township board, by the county  
13 board;

14 (5) In offices in public power and irrigation districts,  
15 according to section 70-615;

16 (6) In offices in natural resources districts, according  
17 to section 2-3215;

18 (7) In offices in community college areas, according to  
19 section 85-1514;

20 (8) In offices in educational service units, according to  
21 section 79-1217;

22 (9) In offices in hospital districts, according to  
23 section 23-3534;

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

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

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

5                   (13) In membership on the council of a municipal county,  
6 by the council; and

7                   (14) For learning community coordinating councils,  
8 according to section 32-546.01.

9                   Unless otherwise provided by law, all vacancies shall be  
10 filled within forty-five days after the vacancy occurs unless good  
11 cause is shown that the requirement imposes an undue burden or  
12 unless, in the case of a learning community coordinating council, the  
13 learning community will cease to exist within such forty-five-day  
14 period.

15                   Sec. 10. Section 32-604, Revised Statutes Cumulative  
16 Supplement, 2012, is amended to read:

17                   32-604 (1) Except as provided in subsection (2) or (4) of  
18 this section, no person shall be precluded from being elected or  
19 appointed to or holding an elective office for the reason that he or  
20 she has been elected or appointed to or holds another elective  
21 office.

22                   (2) No person serving as a member of the Legislature or  
23 in an elective office described in Article IV, section 1 or 20, or  
24 Article VII, section 3 or 10, of the Constitution of Nebraska shall  
25 simultaneously serve in any other elective office, except that such a

1 person may simultaneously serve in another elective office which is  
2 filled at an election held in conjunction with the annual meeting of  
3 a public body.

4 (3) Whenever an incumbent serving as a member of the  
5 Legislature or in an elective office described in Article IV, section  
6 1 or 20, or Article VII, section 3 or 10, of the Constitution of  
7 Nebraska assumes another elective office, except an elective office  
8 filled at an election held in conjunction with the annual meeting of  
9 a public body, the office first held by the incumbent shall be deemed  
10 vacant.

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

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

19 (6) For purposes of this section, (a) elective office has  
20 the meaning found in section 32-109 and includes an office which is  
21 filled at an election held in conjunction with the annual meeting of  
22 a public body created by an act of the Legislature ~~but does not~~  
23 ~~include a member of a learning community coordinating council~~  
24 ~~appointed pursuant to subsection (5) or (7) of section 32-546.01 and~~  
25 (b) high elective office means a member of the Legislature, an

1 elective office described in Article IV, section 1 or 20, or Article  
2 VII, section 3 or 10, of the Constitution of Nebraska, or a county,  
3 city, community college area, ~~learning community~~, or school district  
4 elective office.

5           Sec. 11. Section 32-1203, Revised Statutes Cumulative  
6 Supplement, 2012, is amended to read:

7           32-1203 (1) Each city, village, school district, public  
8 power district, sanitary and improvement district, metropolitan  
9 utilities district, fire district, natural resources district,  
10 community college area, ~~learning community coordinating council~~,  
11 educational service unit, hospital district, reclamation district,  
12 and library board shall pay for the costs of nominating and electing  
13 its officers as provided in subsection (2), (3), or (4) of this  
14 section. If a special issue is placed on the ballot at the time of  
15 the statewide primary or general election by any political  
16 subdivision, the political subdivision shall pay for the costs of the  
17 election as provided in subsection (2), (3), or (4) of this section.  
18 The districts listed in this subsection shall furnish to the  
19 Secretary of State and election commissioner or county clerk any maps  
20 and additional information which the election commissioner or county  
21 clerk may require in the proper performance of their duties in the  
22 conduct of elections and certification of results.

23           (2) The charge for each primary and general election  
24 shall be determined by (a) ascertaining the total cost of all  
25 chargeable costs as described in section 32-1202, (b) dividing the



1 total cost by the number of precincts participating in the election  
2 to fix the cost per precinct, (c) prorating the cost per precinct by  
3 the inked ballot inch in each precinct for each political  
4 subdivision, and (d) totaling the cost for each precinct for each  
5 political subdivision, except that the minimum charge for each  
6 primary and general election for each political subdivision shall be  
7 fifty dollars.

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

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

16 Sec. 12. Section 68-907, Revised Statutes Cumulative  
17 Supplement, 2012, is amended to read:

18 68-907 For purposes of the Medical Assistance Act:

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

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

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

1           (4) Medicaid state plan means the comprehensive written  
2 document, developed and amended by the department and approved by the  
3 federal Centers for Medicare and Medicaid Services, which describes  
4 the nature and scope of the medical assistance program and provides  
5 assurances that the department will administer the program in  
6 compliance with federal requirements;

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

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

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

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

14           (c) Is administered by a sponsoring facility;

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

19           (e) Does not perform abortion services or refer or  
20 counsel for abortion services and does not dispense, prescribe, or  
21 counsel for contraceptive drugs or devices; and

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

25           (7) School-based health services may include any

1 combination of the following as determined in partnership with a  
2 sponsoring facility, the school district, and the community:

3 (a) Medical health;

4 (b) Behavioral and mental health;

5 (c) Preventive health; and

6 (d) Oral health;

7 (8) Sponsoring facility means:

8 (a) A hospital;

9 (b) A public health department as defined in section  
10 71-1626;

11 (c) A federally qualified health center as defined in  
12 section 1905(1)(2)(B) of the federal Social Security Act, 42 U.S.C.  
13 1396d(1)(2)(B), as such act and section existed on January 1, 2010;

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

16 (e) A school or school district; or

17 (f) A program administered by the Indian Health Service  
18 or the federal Bureau of Indian Affairs or operated by an Indian  
19 tribe or tribal organization under the federal Indian Self-  
20 Determination and Education Assistance Act, or an urban Indian  
21 program under Title V of the federal Indian Health Care Improvement  
22 Act, as such acts existed on January 1, 2010; and

23 (9) Waiver means the waiver of applicability to the state  
24 of one or more provisions of federal law relating to the medical  
25 assistance program based on an application by the department and

1 approval of such application by the federal Centers for Medicare and  
2 Medicaid Services.

3           Sec. 13. Section 70-651.04, Revised Statutes Cumulative  
4 Supplement, 2012, is amended to read:

5           70-651.04 All payments which are based on retail revenue  
6 from each incorporated city or village shall be divided and  
7 distributed by the county treasurer to that city or village, to the  
8 school districts located in that city or village, to any learning  
9 community located in that city or village for all school fiscal years  
10 before school fiscal year 2014-15, and to the county in which may be  
11 located any such incorporated city or village in the proportion that  
12 their respective property tax levies in the preceding year bore to  
13 the total of such levies, except that for all school fiscal years  
14 before school fiscal year 2014-15 the only learning community levies  
15 to be included are the common levies for which the proceeds are  
16 distributed to member school districts pursuant to sections 79-1073  
17 and 79-1073.01.

18           Sec. 14. Section 77-1601.02, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20           77-1601.02 (1) The property tax request for the prior  
21 year shall be the property tax request for the current year for  
22 purposes of the levy set by the county board of equalization in  
23 section 77-1601 unless the governing body of the county,  
24 municipality, school district, ~~learning community,~~ sanitary and  
25 improvement district, natural resources district, educational service

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

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

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

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

1 column, and be denominated a consolidated tax.

2           Sec. 16. Section 77-1624, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           77-1624 It shall be the duty of the county treasurer for  
5 each and every county, when collecting personal and real estate taxes  
6 being delinquent five years or more, to receipt for such taxes on a  
7 receipt for the fifth delinquent year. Such taxes so collected shall  
8 be prorated in proportion to the levies applicable for the year  
9 levied. All state taxes when collected shall be remitted to the State  
10 Treasurer and by him or her credited to the fund or funds for which  
11 the levy or levies were made, and all county funds when collected  
12 shall be placed to the credit of the county general fund; all  
13 municipal, school district, ~~learning community,~~ township, precinct,  
14 and special funds shall be entered in separate columns. All taxes so  
15 consolidated shall be paid in order of priority of delinquency.

16           Sec. 17. Section 77-1702, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18           77-1702 State warrants are receivable for the amount  
19 payable into the state treasury on account of tax levied for general  
20 state purposes. County warrants are receivable for the amount payable  
21 into the county treasury for general purposes. City warrants shall be  
22 received for the city general tax, village warrants for the village  
23 general tax, and town warrants for the town general tax. State, city,  
24 village, or township taxes, levied for other special purposes, may be  
25 paid by warrants drawn and payable out of the particular fund on

1 account of which they are tendered. Lawful money of the United  
2 States, checks, drafts, credit cards, charge cards, debit cards,  
3 money orders, electronic funds transfers, or other bills of exchange  
4 may be accepted in payment of any state, county, village, township,  
5 school district, ~~learning community,~~ or other governmental  
6 subdivision tax, levy, excise, duty, custom, toll, penalty, fine,  
7 license, fee, or assessment of whatever kind or nature, whether  
8 general or special.

9           Sec. 18. Section 77-1704.01, Revised Statutes Cumulative  
10 Supplement, 2012, is amended to read:

11           77-1704.01 (1) The county treasurer shall include with  
12 each tax notice to every taxpayer and with each receipt provided to a  
13 taxpayer the following information:

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

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

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

24           (2) The necessary form for furnishing the information  
25 required by subdivisions (1)(a) and (b) of this section shall be

1 prescribed by the Department of Revenue. The necessary information  
2 required by subdivision (1)(a) of this section shall be furnished to  
3 the county treasurer by the Department of Revenue prior to October 1  
4 of each year. The form prescribed by the Department of Revenue shall  
5 contain the following statement:

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

9 Sec. 19. Section 77-1708, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

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



1                   Sec. 20. Section 77-1772, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   77-1772 Interest collected upon delinquent county, city,  
4 village, school district, or learning community taxes shall be  
5 credited on the books and distributed among the various governmental  
6 subdivisions and municipal corporations in the same proportion as the  
7 principal of the taxes is credited and distributed. In the case of  
8 interest on delinquent learning community taxes if such learning  
9 community is no longer in existence, such interest shall be credited  
10 on the books and distributed among the school districts which were  
11 members of the learning community at the time such taxes were levied  
12 by the learning community in the same proportion as the real property  
13 valuation in each such school district bears to the total real  
14 property valuation of all member school districts in the learning  
15 community at the time the taxes were levied.

16                   Sec. 21. Section 77-2201, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18                   77-2201 All warrants upon the State Treasurer or the  
19 treasurer of any county, city, school district, ~~learning community,~~  
20 or other municipal corporation shall be paid in the order of their  
21 presentation therefor.

22                   Sec. 22. Section 77-2202, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24                   77-2202 The State Treasurer and the treasurer of every  
25 county, city, school district, ~~learning community,~~ or other municipal

1 corporation shall keep a warrant register, which register shall show  
2 in columns arranged for that purpose the number, the date, and the  
3 amount of each warrant presented and registered, the particular fund  
4 upon which the same is drawn, the date of presentation, the name and  
5 address of the person in whose name the warrant is registered, the  
6 date of payment, the amount of interest, and the total amount paid  
7 thereon, with the date when notice to the person in whose name such  
8 warrant is registered is mailed.

9           Sec. 23. Section 77-2704.15, Revised Statutes Cumulative  
10 Supplement, 2012, is amended to read:

11           77-2704.15 (1)(a) Sales and use taxes shall not be  
12 imposed on the gross receipts from the sale, lease, or rental of and  
13 the storage, use, or other consumption in this state of purchases by  
14 the state, including public educational institutions recognized or  
15 established under the provisions of Chapter 85, or by any county,  
16 township, city, village, rural or suburban fire protection district,  
17 city airport authority, county airport authority, joint airport  
18 authority, drainage district organized under sections 31-401 to  
19 31-450, natural resources district, elected county fair board,  
20 housing agency as defined in section 71-1575 except for purchases for  
21 any commercial operation that does not exclusively benefit the  
22 residents of an affordable housing project, cemetery created under  
23 section 12-101, or joint entity or agency formed by any combination  
24 of two or more counties, townships, cities, villages, or other exempt  
25 governmental units pursuant to the Interlocal Cooperation Act, the

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

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

1 will be a party to the lease-purchase agreement, financing lease, or  
2 other instrument as of the end of the governmental unit's prior  
3 fiscal year.

4 (2) The appointment of purchasing agents shall be  
5 recognized for the purpose of altering the status of the construction  
6 contractor as the ultimate consumer of building materials which are  
7 physically annexed to the structure and which subsequently belong to  
8 the state or the governmental unit. The appointment of purchasing  
9 agents shall be in writing and occur prior to having any building  
10 materials annexed to real estate in the construction, improvement, or  
11 repair. The contractor who has been appointed as a purchasing agent  
12 may apply for a refund of or use as a credit against a future use tax  
13 liability the tax paid on inventory items annexed to real estate in  
14 the construction, improvement, or repair of a project for the state  
15 or a governmental unit.

16 (3) Any governmental unit listed in subsection (1) of  
17 this section, except the state, which enters into a contract of  
18 construction, improvement, or repair upon property annexed to real  
19 estate without first issuing a purchasing agent authorization to a  
20 contractor or repairperson prior to the building materials being  
21 annexed to real estate in the project may apply to the Tax  
22 Commissioner for a refund of any sales and use tax paid by the  
23 contractor or repairperson on the building materials physically  
24 annexed to real estate in the construction, improvement, or repair.

25 Sec. 24. Section 77-3442, Revised Statutes Cumulative

1 Supplement, 2012, is amended to read:

2 77-3442 (1) Property tax levies for the support of local  
3 governments for fiscal years beginning on or after July 1, 1998,  
4 shall be limited to the amounts set forth in this section except as  
5 provided in section 77-3444.

6 (2)(a) Except as provided in subdivision (2)(e) of this  
7 section, school districts and multiple-district school systems,  
8 except learning communities and school districts that are members of  
9 learning communities, may levy a maximum levy of one dollar and five  
10 cents per one hundred dollars of taxable valuation of property  
11 subject to the levy.

12 (b) For each school fiscal year before school fiscal year  
13 2014-15, learning communities may levy a maximum levy for the general  
14 fund budgets of member school districts of ninety-five cents per one  
15 hundred dollars of taxable valuation of property subject to the levy.  
16 The proceeds from the levy pursuant to this subdivision shall be  
17 distributed pursuant to section 79-1073.

18 (c) Except as provided in subdivision (2)(e) of this  
19 section, for each fiscal year before school fiscal year 2014-15,  
20 school districts that are members of learning communities may levy  
21 for purposes of such districts' general fund budget and special  
22 building funds a maximum combined levy of the difference of one  
23 dollar and five cents on each one hundred dollars of taxable property  
24 subject to the levy minus the learning community levies pursuant to  
25 subdivisions (2)(b) and (2)(g) of this section for such learning

1 community.

2 (d) Excluded from the limitations in subdivisions (2)(a)  
3 and (2)(c) of this section are amounts levied to pay for sums agreed  
4 to be paid by a school district to certificated employees in exchange  
5 for a voluntary termination of employment and amounts levied to pay  
6 for special building funds and sinking funds established for projects  
7 commenced prior to April 1, 1996, for construction, expansion, or  
8 alteration of school district buildings. For purposes of this  
9 subsection, commenced means any action taken by the school board on  
10 the record which commits the board to expend district funds in  
11 planning, constructing, or carrying out the project.

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

21 (f) For school fiscal year 2002-03 through school fiscal  
22 year 2007-08, school districts and multiple-district school systems  
23 may, upon a three-fourths majority vote of the school board of the  
24 school district, the board of the unified system, or the school board  
25 of the high school district of the multiple-district school system

1 that is not a unified system, exceed the maximum levy prescribed by  
2 subdivision (2)(a) of this section in an amount equal to the net  
3 difference between the amount of state aid that would have been  
4 provided under the Tax Equity and Educational Opportunities Support  
5 Act without the temporary aid adjustment factor as defined in section  
6 79-1003 for the ensuing school fiscal year for the school district or  
7 multiple-district school system and the amount provided with the  
8 temporary aid adjustment factor. The State Department of Education  
9 shall certify to the school districts and multiple-district school  
10 systems the amount by which the maximum levy may be exceeded for the  
11 next school fiscal year pursuant to this subdivision (f) of this  
12 subsection on or before February 15 for school fiscal years 2004-05  
13 through 2007-08.

14 (g) For each school fiscal year before school fiscal year  
15 2014-15, learning communities may levy a maximum levy of two cents on  
16 each one hundred dollars of taxable property subject to the levy for  
17 special building funds for member school districts. The proceeds from  
18 the levy pursuant to this subdivision shall be distributed pursuant  
19 to section 79-1073.01.

20 (h) For each school fiscal year before school fiscal year  
21 2014-15, learning communities may levy a maximum levy of two cents on  
22 each one hundred dollars of taxable property subject to the levy for  
23 elementary learning center facility leases, for remodeling of leased  
24 elementary learning center facilities, and for up to fifty percent of  
25 the estimated cost for focus school or program capital projects

1 approved by the learning community coordinating council, ~~pursuant to~~  
2 ~~section 79-2111.~~

3 (i) For each school fiscal year before school fiscal year  
4 2014-15, learning communities may levy a maximum levy of one cent on  
5 each one hundred dollars of taxable property subject to the levy for  
6 elementary learning center employees, for contracts with other  
7 entities or individuals who are not employees of the learning  
8 community for elementary learning center programs and services, and  
9 for pilot projects, except that no more than ten percent of such levy  
10 may be used for elementary learning center employees.

11 (3)(a) For fiscal years 2011-12 and 2012-13, community  
12 college areas may levy a maximum of ten and one-quarter cents per one  
13 hundred dollars of taxable valuation of property subject to the levy  
14 for operating expenditures and may also levy the additional levies  
15 provided in subdivisions (1)(b) and (c) of section 85-1517.

16 (b) For fiscal year 2013-14 and each fiscal year  
17 thereafter, community college areas may levy the levies provided in  
18 subdivisions (2)(a) through (c) of section 85-1517, in accordance  
19 with the provisions of such subdivisions. A community college area  
20 may exceed the levy provided in subdivision (2)(b) of section 85-1517  
21 by the amount necessary to retire general obligation bonds assumed by  
22 the community college area or issued pursuant to section 85-1515  
23 according to the terms of such bonds or for any obligation pursuant  
24 to section 85-1535 entered into prior to January 1, 1997.

25 (4)(a) Natural resources districts may levy a maximum



1 levy of four and one-half cents per one hundred dollars of taxable  
2 valuation of property subject to the levy.

3 (b) Natural resources districts shall also have the power  
4 and authority to levy a tax equal to the dollar amount by which their  
5 restricted funds budgeted to administer and implement ground water  
6 management activities and integrated management activities under the  
7 Nebraska Ground Water Management and Protection Act exceed their  
8 restricted funds budgeted to administer and implement ground water  
9 management activities and integrated management activities for  
10 FY2003-04, not to exceed one cent on each one hundred dollars of  
11 taxable valuation annually on all of the taxable property within the  
12 district.

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

1 2006-07 and each fiscal year thereafter through fiscal year 2017-18.

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

6 (6)(a) Incorporated cities and villages which are not  
7 within the boundaries of a municipal county may levy a maximum levy  
8 of forty-five cents per one hundred dollars of taxable valuation of  
9 property subject to the levy plus an additional five cents per one  
10 hundred dollars of taxable valuation to provide financing for the  
11 municipality's share of revenue required under an agreement or  
12 agreements executed pursuant to the Interlocal Cooperation Act or the  
13 Joint Public Agency Act. The maximum levy shall include amounts  
14 levied to pay for sums to support a library pursuant to section  
15 51-201, museum pursuant to section 51-501, visiting community nurse,  
16 home health nurse, or home health agency pursuant to section 71-1637,  
17 or statue, memorial, or monument pursuant to section 80-202.

18 (b) Incorporated cities and villages which are within the  
19 boundaries of a municipal county may levy a maximum levy of ninety  
20 cents per one hundred dollars of taxable valuation of property  
21 subject to the levy. The maximum levy shall include amounts paid to a  
22 municipal county for county services, amounts levied to pay for sums  
23 to support a library pursuant to section 51-201, a museum pursuant to  
24 section 51-501, a visiting community nurse, home health nurse, or  
25 home health agency pursuant to section 71-1637, or a statue,

1 memorial, or monument pursuant to section 80-202.

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

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

1 property. The county may allocate to one or more other political  
2 subdivisions subject to allocation of property tax authority by the  
3 county under subsection (1) of section 77-3443 some or all of the  
4 county's five cents per one hundred dollars of valuation authorized  
5 for support of an agreement or agreements to be levied by the  
6 political subdivision for the purpose of supporting that political  
7 subdivision's share of revenue required under an agreement or  
8 agreements executed pursuant to the Interlocal Cooperation Act or the  
9 Joint Public Agency Act. If an allocation by a county would cause  
10 another county to exceed its levy authority under this section, the  
11 second county may exceed the levy authority in order to levy the  
12 amount allocated. Property tax levies for costs of reassumption of  
13 the assessment function pursuant to section 77-1340 or 77-1340.04 are  
14 not included in the levy limits established in this subsection for  
15 fiscal years 2010-11 through 2013-14.

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

21 (10) Property tax levies (a) for judgments, except  
22 judgments or orders from the Commission of Industrial Relations,  
23 obtained against a political subdivision which require or obligate a  
24 political subdivision to pay such judgment, to the extent such  
25 judgment is not paid by liability insurance coverage of a political

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

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

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

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

21 (14) For school districts that file a binding resolution  
22 on or before May 9, 2008, with the county assessors, county clerks,  
23 and county treasurers for all counties in which the school district  
24 has territory pursuant to subsection (7) of section 79-458, if the  
25 combined levies, except levies for bonded indebtedness approved by

1 the voters of the school district and levies for the refinancing of  
2 such bonded indebtedness, are in excess of the greater of (a) one  
3 dollar and twenty cents per one hundred dollars of taxable valuation  
4 of property subject to the levy or (b) the maximum levy authorized by  
5 a vote pursuant to section 77-3444, all school district levies,  
6 except levies for bonded indebtedness approved by the voters of the  
7 school district and levies for the refinancing of such bonded  
8 indebtedness, shall be considered unauthorized levies under section  
9 77-1606.

10           Sec. 25. Section 79-102, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           79-102 School districts in this state are classified as  
13 follows:

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

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

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

24           (4) Class IV includes any school district embracing  
25 territory having a population of one hundred thousand or more

1 inhabitants with a city of the primary class within the territory of  
2 the district that maintains both elementary and high school grades  
3 under the direction of a single school board;

4 (5) Class V includes any school district whose employees  
5 participate in a retirement system established pursuant to the Class  
6 V School Employees Retirement Act and which embraces territory having  
7 a city of the metropolitan class within the territory of the district  
8 that maintains both elementary grades and high school grades under  
9 the direction of a single school board; and ~~and any school district~~  
10 ~~with territory in a city of the metropolitan class created pursuant~~  
11 ~~to the Learning Community Reorganization Act and designated as a~~  
12 ~~Class V school district in the reorganization plan; and~~

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

17 Sec. 26. Section 79-201, Revised Statutes Cumulative  
18 Supplement, 2012, is amended to read:

19 79-201 (1) For purposes of this section, a child is of  
20 mandatory attendance age if the child (a) will reach six years of age  
21 prior to January 1 of the then-current school year and (b) has not  
22 reached eighteen years of age.

23 (2) Except as provided in subsection (3) of this section,  
24 every person residing in a school district within the State of  
25 Nebraska who has legal or actual charge or control of any child who

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

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

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

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

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

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



1 guardian with the school district in which the child resides;

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

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

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

21 (5) ~~Each~~ For all school years before school year 2014-15,  
22 each school district that is a member of a learning community shall  
23 report to the learning community coordinating council on or before  
24 September 1 of each year for the immediately preceding school year  
25 the following information:

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

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

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

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

12           Sec. 27. Section 79-215, Revised Statutes Cumulative  
13 Supplement, 2012, is amended to read:

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

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

21           (3) A school board shall admit any homeless student upon  
22 request without charge.

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

1                   (5) A school board may admit nonresident students to the  
2 school district pursuant to a contract with the district where the  
3 student is a resident and shall collect tuition pursuant to the  
4 contract.

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

9                   (7) ~~A-For all school years before school year 2014-15, a~~  
10 school board of any school district that is a member of a learning  
11 community shall admit nonresident students to the school district  
12 pursuant to the open enrollment provisions of a diversity plan in a  
13 learning community as authorized by section 79-2110, as such section  
14 existed immediately prior to July 1, 2014, and such admission shall  
15 be without charge.

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

19                   (9) When a student as a ward of the state or as a ward of  
20 any court (a) has been placed in a school district other than the  
21 district in which he or she resided at the time he or she became a  
22 ward and such ward does not reside in a foster family home licensed  
23 or approved by the Department of Health and Human Services or a  
24 foster home maintained or used pursuant to section 83-108.04 or (b)  
25 has been placed in any institution which maintains a special

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

20 (10)(a) When a student is not a ward of the state or a  
21 ward of any court and is residing in a residential setting located in  
22 Nebraska for reasons other than to receive an education and the  
23 residential setting is operated by a service provider which is  
24 certified or licensed by the Department of Health and Human Services  
25 or is enrolled in the medical assistance program established pursuant

1 to the Medical Assistance Act and Title XIX or XXI of the federal  
2 Social Security Act, as amended, the student shall remain a resident  
3 of the district in which he or she resided immediately prior to  
4 residing in such residential setting. The resident district for a  
5 student who is not a ward of the state or a ward of any court does  
6 not change when the student moves from one residential setting to  
7 another.

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

1 needs of the student, approved special education rates, the  
2 department's general experience with special education budgets, and  
3 the cost per student in the district in which such residential  
4 setting is located. Once the contract has been entered into, all  
5 legal responsibility for special education and related services shall  
6 be transferred to the school district in which the residential  
7 setting is located.

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

25 (d) If a school district pays a school district in which

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

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

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

1 Board of Education.

2 (12) No tuition shall be charged for students who may be  
3 by law allowed to attend the school without charge.

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

16 (14) The department may adopt and promulgate rules and  
17 regulations to carry out the department's responsibilities under this  
18 section.

19 Sec. 28. Section 79-233, Revised Statutes Cumulative  
20 Supplement, 2012, is amended to read:

21 79-233 For purposes of sections 79-232 to 79-246:

22 (1) Enrollment option program means the program  
23 established in section 79-234;

24 (2) Option school district means the public school  
25 district that an option student chooses to attend instead of his or



1 her resident school district;

2 (3) Option student means a student that has chosen to  
3 attend an option school district. For all school years before school  
4 year 2014-15, option student includes, ~~including~~ a student who  
5 resides in a learning community and began attendance as an option  
6 student in an option school district in such learning community prior  
7 to the end of the first full school year for which the option school  
8 district will be a member of such learning community, but not  
9 including a student who resides in a learning community and who  
10 attends pursuant to section 79-2110, as such section existed  
11 immediately before July 1, 2014, another school district in such  
12 learning community;

13 (4) Resident school district means the public school  
14 district in which a student resides or the school district in which  
15 the student is admitted as a resident of the school district pursuant  
16 to section 79-215; and

17 (5) Siblings means all children residing in the same  
18 household on a permanent basis who have the same mother or father or  
19 who are stepbrother or stepsister to each other.

20 Sec. 29. Section 79-237, Revised Statutes Cumulative  
21 Supplement, 2012, is amended to read:

22 79-237 (1) ~~For~~ Except as provided in subsection (2) of  
23 this section, for a student to begin attendance as an option student  
24 in an option school district, ~~which is not in a learning community in~~  
25 ~~which the student resides,~~ the student's parent or legal guardian

1 shall submit an application to the school board of the option school  
2 district between September 1 and March 15 for attendance during the  
3 following and subsequent school years. Applications submitted after  
4 March 15 shall contain a release approval from the resident school  
5 district on the application form prescribed and furnished by the  
6 State Department of Education pursuant to subsection (7) of this  
7 section. A district may not accept or approve any applications  
8 submitted after such date without such a release approval. The option  
9 school district shall provide the resident school district with the  
10 name of the applicant on or before April 1 or, in the case of an  
11 application submitted after March 15, within sixty days after  
12 submission. The option school district shall notify, in writing, the  
13 parent or legal guardian of the student, the resident school  
14 district, and the State Department of Education whether the  
15 application is accepted or rejected on or before April 1 or, in the  
16 case of an application submitted after March 15, within sixty days  
17 after submission.

18 (2) For all school years before school year 2014-15, for  
19 a student who resides in a learning community to begin attendance in  
20 an option school district which is a member of such learning  
21 community, the student's parent or legal guardian shall submit an  
22 application to the school board of the option school district ~~(a) for~~  
23 ~~any learning community established prior to February 13, 2009,~~  
24 ~~between February 13, 2009, and April 1, 2009, or (b) for any learning~~  
25 ~~community established thereafter, between September 1 and March 15.~~

1 Applications submitted after such deadlines shall be accompanied by a  
2 written release from the resident school district. Students who  
3 reside in a learning community shall only begin attendance in an  
4 option school district which is a member of such learning community  
5 prior to the end of the first full school year for which the option  
6 school district is a member of such learning community. The option  
7 school district shall provide the resident school district with the  
8 name of the applicant within five days after the applicable deadline.  
9 The option school district shall notify, in writing, the parent or  
10 legal guardian of the student, the resident school district, and the  
11 State Department of Education whether the application is accepted or  
12 rejected on or before April 10 for applications submitted for school  
13 year 2009-10 and on or before April 1 for applications submitted for  
14 any school year thereafter. A parent or guardian may provide  
15 information on the application regarding the applicant's potential  
16 qualification for free or reduced-price lunches. Any such information  
17 provided shall be subject to verification and shall only be used for  
18 the purposes of subsection (4) of section 79-238. Nothing in this  
19 subsection requires a parent or guardian to provide such information.  
20 Determinations about an applicant's qualification for free or  
21 reduced-price lunches for purposes of subsection (4) of section  
22 79-238 shall be based on any verified information provided on the  
23 application. If no such information is provided, the student shall be  
24 presumed not to qualify for free or reduced-price lunches for the  
25 purposes of subsection (4) of section 79-238.

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

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

11           (5) Except as provided in subsection (4) of this section,  
12 the option student shall attend the option school district until  
13 graduation unless the student relocates in a different resident  
14 school district, transfers to a private or parochial school, or  
15 chooses to return to the resident school district.

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

22           (7) The application and cancellation forms shall be  
23 prescribed and furnished by the State Department of Education.

24           (8) An option student who subsequently chooses to attend  
25 a private or parochial school shall be automatically accepted to

1 return to either the resident school district or option school  
2 district upon the completion of the grade levels offered at the  
3 private or parochial school. If such student chooses to return to the  
4 option school district, the student's parent or legal guardian shall  
5 submit another application to the school board of the option school  
6 district which shall be automatically accepted, and the deadlines  
7 prescribed in this section shall be waived.

8           Sec. 30. Section 79-238, Revised Statutes Cumulative  
9 Supplement, 2012, is amended to read:

10           79-238 (1) Except as provided in section 79-240, the  
11 school board of the option school district shall adopt by resolution  
12 specific standards for acceptance and rejection of applications.  
13 Standards may include the capacity of a program, class, grade level,  
14 or school building or the availability of appropriate special  
15 education programs operated by the option school district. Capacity  
16 shall be determined by setting a maximum number of option students  
17 that a district will accept in any program, class, grade level, or  
18 school building, based upon available staff, facilities, projected  
19 enrollment of resident students, projected number of students with  
20 which the option school district will contract based on existing  
21 contractual arrangements, and availability of appropriate special  
22 education programs. The school board of the option school district  
23 may by resolution declare a program, a class, or a school unavailable  
24 to option students due to lack of capacity. Standards shall not  
25 include previous academic achievement, athletic or other

1 extracurricular ability, disabilities, proficiency in the English  
2 language, or previous disciplinary proceedings except as provided in  
3 section 79-266.01. False or substantively misleading information  
4 submitted by a parent or guardian on an application to an option  
5 school district may be cause for the option school district to reject  
6 a previously accepted application if the rejection occurs prior to  
7 the student's attendance as an option student.

8 (2) The school board of every school district shall also  
9 adopt standards and conditions for acceptance or rejection of a  
10 request for release of a resident student submitting an application  
11 to an option school district after March 15 under subsection (1) of  
12 section 79-237.

13 (3) Any option school district shall give first priority  
14 for enrollment to siblings of option students, except that the option  
15 school district shall not be required to accept the sibling of an  
16 option student if the district is at capacity except as provided in  
17 subsection (1) of section 79-240.

18 (4) ~~Any~~ For any school year before school year 2014-15,  
19 any option school district that is in a learning community shall give  
20 second priority for enrollment to students who reside in the learning  
21 community and who contribute to the socioeconomic diversity of  
22 enrollment as defined in section 79-2110, as such section existed  
23 immediately prior to July 1, 2014, at the school building to which  
24 the student will be assigned pursuant to section 79-235.

25 Sec. 31. Section 79-407, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           79-407 The territory within the corporate limits of each  
3 incorporated city or village in the State of Nebraska, ~~that is not in~~  
4 ~~part within the boundaries of a learning community,~~ together with  
5 such additional territory and additions to such city or village as  
6 may be added thereto, as declared by ordinances to be boundaries of  
7 such city or village, having a population of more than one thousand  
8 and less than one hundred fifty thousand inhabitants, including such  
9 adjacent territory as now is or hereafter may be attached for school  
10 purposes, shall constitute a Class III school district., ~~except that~~  
11 ~~nothing in this section shall be construed to change the boundaries~~  
12 ~~of any school district that is a member of a learning community.~~ The  
13 school district shall be a body corporate and possess all the usual  
14 powers of a corporation for public purposes and may sue and be sued,  
15 purchase, hold, and sell such personal and real property, and control  
16 such obligations as are authorized by law.

17           Sec. 32. Section 79-408, Revised Statutes Cumulative  
18 Supplement, 2012, is amended to read:

19           79-408 The territory now or hereafter embraced within  
20 each incorporated city of the primary class in the State of Nebraska,  
21 ~~that is not in part within the boundaries of a learning community,~~  
22 such adjacent territory as now or hereafter may be included therewith  
23 for school purposes, and such territory not adjacent thereto as may  
24 have been added thereto by law shall constitute a Class IV school  
25 district., ~~except that nothing in this section shall be construed to~~

1 ~~change the boundaries of any school district that is a member of a~~  
2 ~~learning community.~~ A Class IV school district shall be a body  
3 corporate and possess all the usual powers of a corporation for  
4 public purposes, may sue and be sued, and may purchase, hold, and  
5 sell such personal and real estate and contract such obligations as  
6 are authorized by law. The powers of a Class IV district include, but  
7 are not limited to, the power to adopt, administer, and amend from  
8 time to time such retirement, annuity, insurance, and other benefit  
9 plans for its present and future employees after their retirement, or  
10 any reasonable classification thereof, as may be deemed proper by the  
11 board of education. The board of education shall not establish a  
12 retirement system for new employees supplemental to the School  
13 Employees Retirement System of the State of Nebraska.

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

19           In the discretion of the board of education, funds  
20 accumulated in connection with a retirement plan may be transferred  
21 to and administered by a trustee or trustees to be selected by the  
22 board of education, or if the retirement plan is in the form of  
23 annuity or insurance contracts, such funds, or any part thereof, may  
24 be paid to a duly licensed insurance carrier or carriers selected by  
25 the board of education. Funds accumulated in connection with any such



1 retirement plan, and any other funds of the school district which are  
2 not immediately required for current needs or expenses, may be  
3 invested and reinvested by the board of education or by its authority  
4 in securities of a type permissible either for the investment of  
5 funds of a domestic legal reserve life insurance company or for the  
6 investment of trust funds, according to the laws of the State of  
7 Nebraska.

8           Sec. 33. Section 79-413, Revised Statutes Cumulative  
9 Supplement, 2012, is amended to read:

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

23           Any petition of the legal voters of a Class I district in  
24 which no city or village is situated which is commenced after January  
25 1, 1996, and proposes the dissolution of the Class I district and the

1 attachment of a portion of it to two or more districts shall require  
2 signatures of more than fifty percent of the legal voters of such  
3 Class I district. If the state committee determines that such  
4 petition contains valid signatures of more than fifty percent of the  
5 legal voters of such Class I district, the state committee shall  
6 grant the petition.

7 (2)(a) Petitions proposing to change the boundaries of  
8 existing school districts ~~that are not members of a learning~~  
9 ~~community~~ through the transfer of a parcel of land, not to exceed six  
10 hundred forty acres, shall be approved by the state committee when  
11 the petitions involve the transfer of land between Class I, II, III,  
12 or IV school districts or when there would be an exchange of parcels  
13 of land between Class I, II, III, or IV school districts and the  
14 petitions have the approval of at least sixty-five percent of the  
15 school board of each affected district. If the transfer of the parcel  
16 of land is from a Class I school district to one or more Class II,  
17 III, IV, V, or VI school districts of which the parcel is not a part  
18 or with which the parcel is not affiliated, any Class II, III, IV, V,  
19 or VI school district of which the parcel is not a part or with which  
20 the parcel is affiliated shall be deemed an affected district.

21 (b) The state committee shall not approve a change of  
22 boundaries pursuant to this section relating to affiliation of school  
23 districts if twenty percent or more of any tract of land under common  
24 ownership which is proposing to affiliate is not contiguous to the  
25 high school district with which affiliation is proposed unless (i)

1 one or more resident students of the tract of land under common  
2 ownership has attended the high school program of the high school  
3 district within the immediately preceding ten-year period or (ii)  
4 approval of the petition or plan would allow siblings of such  
5 resident students to attend the same school as the resident students  
6 attended.

7 (3)(a) Petitions proposing to create a new school  
8 district, to change the boundary lines of existing school districts,  
9 ~~that are not members of a learning community,~~ to create an affiliated  
10 school system, or to affiliate a Class I district in part and to join  
11 such district in part with a Class VI district, any of which involves  
12 the transfer of more than six hundred forty acres, shall, when signed  
13 by at least sixty percent of the legal voters in each district  
14 affected, be submitted to the state committee. In the case of a  
15 petition for affiliation or a petition to affiliate in part and in  
16 part to join a Class VI district, the state committee shall review  
17 the proposed affiliation subject to sections 79-425 and 79-426. The  
18 state committee shall, within forty days after receipt of the  
19 petition, hold one or more public hearings and review and approve or  
20 disapprove such proposal.

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

1           (c) If the bond election held in conjunction with the  
2 petition is unsuccessful, no further action on the petition is  
3 required. If the bond election is successful, within fifteen days  
4 after receipt of the certification of the bond election results, the  
5 state committee shall approve the petition and notify the county  
6 clerk to effect the changes in district boundary lines as set forth  
7 in the petitions.

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

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

20           Sec. 34. Section 79-415, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22           79-415 (1) In addition to the petitions of legal voters  
23 pursuant to section 79-413, changes in boundaries and the creation of  
24 a new school district from other districts may be initiated and  
25 accepted by the school board or board of education of any district.

1 ~~that is not a member of a learning community.~~

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

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

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

10 Sec. 35. Section 79-416, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

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

24 Sec. 36. Section 79-433, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1                   79-433 For purposes of the Reorganization of School  
2 Districts Act, unless the context otherwise requires:

3                   (1) Reorganization of school districts means the  
4 formation of new school districts, the alteration of boundaries of  
5 established school districts, ~~that are not members of a learning~~  
6 ~~community,~~ the affiliation of school districts, and the dissolution  
7 or disorganization of established school districts through or by  
8 means of any one or combination of the methods set out in section  
9 79-434; and

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

12                   Sec. 37. Section 79-452, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14                   79-452 A proposal to dissolve a Class I or II school  
15 district, except a Class I school district which is partly or wholly  
16 within a Class VI school district, and attach it to one or more  
17 existing Class II, III, or IV school districts ~~that are not members~~  
18 ~~of a learning community~~ may be initiated by filing with the State  
19 Committee for the Reorganization of School Districts a petition or  
20 petitions signed by at least twenty-five percent of the legal voters  
21 of the district, together with an affidavit from the county clerk or  
22 election commissioner listing all legal voters of the district and a  
23 determination by the county clerk or election commissioner that the  
24 signatures are sufficient. The petition shall contain a plan of the  
25 proposed reorganization, an effective date, and a statement whether

1 any existing bonded indebtedness shall remain on the property of the  
2 district which incurred it or be assumed by the enlarged district.  
3 The petition may also contain provisions for the holding of school  
4 within existing buildings in the proposed reorganized district, and  
5 when so provided, the holding of school within such buildings shall  
6 be maintained from the date of reorganization unless either the legal  
7 voters served by the school or the school board of the reorganized  
8 district votes by a majority vote for discontinuance of the school.  
9 In case of conflicting votes between the legal voters and the school  
10 board on such issue, the decision of the legal voters shall prevail.  
11 A signing petitioner shall not be permitted to withdraw his or her  
12 name from the petition after the petition has been filed. The school  
13 board of each Class II, III, or IV district to which the merger is  
14 proposed shall also submit to the state committee a statement to the  
15 effect that a majority of the board members approve the proposal  
16 contained in the petition.

17           Sec. 38. Section 79-458, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19           79-458 (1) Any freeholder or freeholders, person in  
20 possession or constructive possession as vendee pursuant to a  
21 contract of sale of the fee, holder of a school land lease under  
22 section 72-232, or entrant upon government land who has not yet  
23 received a patent therefor may file a petition on or before June 1  
24 for all other years with a board consisting of the county assessor,  
25 county clerk, and county treasurer, asking to have any tract or

1 tracts of land described in the petition set off from an existing  
2 school district in which the land is situated and attached to a  
3 different school district which is contiguous to such tract or tracts  
4 of land if:

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

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

15 (iii) The high school in such Class II or III school  
16 district is within fifteen miles on a maintained public highway or  
17 maintained public road of another public high school; ~~and or~~

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

20 (b) Except as provided in subsection (7) of this section,  
21 the school district in which the land is situated, regardless of the  
22 class of school district, has approved a budget for the school fiscal  
23 year in which the petition is filed that will cause the combined  
24 levies for such school fiscal year, except levies for bonded  
25 indebtedness approved by the voters of such school district and



1 levies for the refinancing of such bonded indebtedness, to exceed the  
2 greater of (i) one dollar and twenty cents per one hundred dollars of  
3 taxable valuation of property subject to the levy or (ii) the maximum  
4 levy authorized by a vote pursuant to section 77-3444.

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

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

21 (3) The petition shall be verified by the oath of each  
22 petitioner. Notice of the filing of the petition and of the hearing  
23 on such petition before the board constituted as prescribed in  
24 subsection (1) or (4) of this section shall be given at least ten  
25 days prior to the date of such hearing by one publication in a legal

1 newspaper of general circulation in each district and by posting a  
2 notice on the outer door of the schoolhouse in each district affected  
3 thereby, and such notice shall designate the territory to be  
4 transferred. Following the filing of a petition pursuant to this  
5 section, such board shall hold a public hearing on the petition and  
6 shall approve or disapprove the petition on or before July 15  
7 following the filing of the petition based on a determination of  
8 whether the petitioner has complied with all requirements of this  
9 section. If such board approves the petition, such board shall change  
10 the boundaries of the school districts so as to set off the land  
11 described in the petition and attach it to such district pursuant to  
12 the petition with an effective date of August 15 following the filing  
13 of the petition, which actions shall cause such transfer to be in  
14 effect for levies set for the year in which such transfer takes  
15 effect.

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

23 (5) Appeals may be taken from the action of such board  
24 or, when such board fails to act on the petition, on or before August  
25 1 following the filing of the petition, to the district court of the

1 county in which the land is located on or before August 10 following  
2 the filing of the petition, in the same manner as appeals are now  
3 taken from the action of the county board in the allowance or  
4 disallowance of claims against the county. If an appeal is taken from  
5 the action of the board approving the petition or failing to act on  
6 the petition, the transfer shall occur effective August 15 following  
7 the filing of the petition, which actions shall cause such transfer  
8 to be in effect for levies set for the year in which such transfer  
9 takes effect, unless action by the district court prevents such  
10 transfer.

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

14 (7) For school districts that have approved a budget for  
15 school fiscal year 2007-08 that will cause the combined levies,  
16 except levies for bonded indebtedness approved by the voters of the  
17 school district and levies for the refinancing of such bonded  
18 indebtedness, to exceed the greater of (a) one dollar and twenty  
19 cents per one hundred dollars of taxable valuation of property  
20 subject to the levy or (b) the maximum levy authorized by a vote  
21 pursuant to section 77-3444, the school boards of such school  
22 districts may adopt a binding resolution stating that the combined  
23 levies, except levies for bonded indebtedness approved by the voters  
24 of the school district and levies for the refinancing of such bonded  
25 indebtedness, for school fiscal year 2008-09 shall not exceed the

1 greater of (i) one dollar and twenty cents per one hundred dollars of  
2 taxable valuation of property subject to the levy or (ii) the maximum  
3 levy authorized by a vote pursuant to section 77-3444. On or before  
4 May 9, 2008, such binding resolutions shall be filed with the Auditor  
5 of Public Accounts and the county assessors, county clerks, and  
6 county treasurers for all counties in which the school district has  
7 territory. If such binding resolution is filed on or before May 9,  
8 2008, land shall not be set off and attached to another district  
9 pursuant to subdivision (2)(b) of this section in 2008.

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

12 Sec. 39. Section 79-458.01, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14 79-458.01 Any landowner or group of landowners whose  
15 property is a part of a school district and is encapsulated by  
16 another school district may, upon filing a notarized affidavit with  
17 the county assessor, have such property become a part of the school  
18 district by which it is encapsulated. ~~if neither school district is a~~  
19 ~~member of a learning community.~~ The transfer shall take place on  
20 January 1 next following the filing of the affidavit. Any student  
21 resident of such property shall be counted as a resident of the  
22 district from which the property was transferred until the close of  
23 the school year in which the transfer becomes effective.

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

1           Sec. 40. Section 79-467, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

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

25           Sec. 41. Section 79-468, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           79-468 (1) Whenever a city of the second class, a  
3 village, or a ward of a city of the second class or village is  
4 consolidated according to law with a city of the primary class, the  
5 territory so consolidated shall become annexed to and merged into the  
6 school district of such city of the primary class. ~~if such territory  
7 is in a school district that is not a member of a learning community  
8 and the school district of such city of the primary class is not a  
9 member of a learning community.~~ All laws, rules, and regulations  
10 governing the school district and schools of such city of the primary  
11 class shall apply to the district and schools within the territory  
12 annexed to it. The school district into which the others in whole or  
13 in part are merged shall succeed to all the property, contracts, and  
14 obligations of each and all of the school districts so merged into  
15 it, in whole or in part, and shall assume all of their valid  
16 contracts and obligations.

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

1 territory has been detached.

2 Sec. 42. Section 79-473, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4 79-473 (1) If the territory annexed by a change of  
5 boundaries of a city or village which lies within a Class III school  
6 district as provided in section 79-407 has been part of a Class IV or  
7 Class V school district prior to such annexation, a merger of the  
8 annexed territory with the Class III school district shall become  
9 effective only if the merger is approved by a majority of the members  
10 of the school board of the Class IV or V school district and a  
11 majority of the members of the school board of the Class III school  
12 district within ninety days after the effective date of the  
13 annexation ordinance., ~~except that a merger shall not become~~  
14 ~~effective pursuant to this section if such merger involves a school~~  
15 ~~district that is a member of a learning community.~~

16 (2) Notwithstanding subsection (1) of this section, when  
17 territory which lies within a Class III school district, Class VI  
18 school district, or Class I school district which is attached to a  
19 Class VI school district or which does not lie within a Class IV or V  
20 school district is annexed by a city or village pursuant to section  
21 79-407, the affected school board of the city or village school  
22 district and the affected school board or boards serving the  
23 territory subject to the annexation ordinance shall meet within  
24 thirty days after the effective date of the annexation ordinance ~~if~~  
25 ~~neither school district is a member of a learning community and~~

1 negotiate in good faith as to which school district shall serve the  
2 annexed territory and the effective date of any transfer. During the  
3 process of negotiation, the affected boards shall consider the  
4 following criteria:

5 (a) The educational needs of the students in the affected  
6 school districts;

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

9 (c) Any common interests between the annexed or platted  
10 area and the affected school districts and the community which has  
11 zoning jurisdiction over the area; and

12 (d) Community educational planning.

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



1 territory shall become a part of the school district of the annexing  
2 city or village.

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

14 (4) Whenever an application for approval of a final plat  
15 or replat is filed for territory which lies within the zoning  
16 jurisdiction of a city of the first or second class and does not lie  
17 within the boundaries of a Class IV or V school district, ~~the~~  
18 ~~boundaries of a school district that is a member of a learning~~  
19 ~~community,~~ the boundaries of any county in which a city of the  
20 metropolitan class is located, or the boundaries of any county that  
21 has a contiguous border with a city of the metropolitan class, the  
22 affected school board of the school district within the city of the  
23 first or second class or its representative and the affected board or  
24 boards serving the territory subject to the final plat or replat or  
25 their representative shall meet within thirty days after such

1 application and negotiate in good faith as to which school district  
2 shall serve the platted or replatted territory and the effective date  
3 of any transfer based upon the criteria prescribed in subsection (2)  
4 of this section.

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

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

24           (5) Notwithstanding any other provisions of this section,  
25 all negotiated agreements relative to boundaries or to real or

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

5 Sec. 43. Section 79-527, Revised Statutes Cumulative  
6 Supplement, 2012, is amended to read:

7 79-527 (1) The superintendent or head administrator of a  
8 public school district or a nonpublic school system shall annually  
9 report to the Commissioner of Education in such detail and on such  
10 date as required by the commissioner the number of students who have  
11 dropped out of school. ~~School~~ For all school years before school year  
12 2014-15, school districts that are members of learning communities  
13 shall also provide the learning community coordinating council with a  
14 copy of such report on or before the date the report is due to the  
15 commissioner.

16 (2) The superintendent or head administrator of a public  
17 school district or a nonpublic school system shall report on a  
18 monthly basis to the Commissioner of Education as directed by the  
19 commissioner regarding the number of and reason for any long-term  
20 suspension, expulsion, or excessive absenteeism of a student;  
21 referral of a student to the office of the county attorney for  
22 excessive absenteeism; or contacting of law enforcement officials,  
23 other than law enforcement officials employed by or contracted with  
24 the school district as school resource officers, by the district or  
25 system relative to a student enrolled in the district or system. A

1 For all school years before school year 2014-15, a school district  
2 that is a member of a learning community shall also provide the  
3 learning community coordinating council with a copy of such report on  
4 or before the date the report is due to the commissioner.

5           Sec. 44. Section 79-528, Revised Statutes Cumulative  
6 Supplement, 2012, is amended to read:

7           79-528 (1)(a) On or before July 20 in all school  
8 districts, the superintendent shall file with the State Department of  
9 Education a report showing the number of children from five through  
10 eighteen years of age belonging to the school district according to  
11 the census taken as provided in sections 79-524 and 79-578. ~~On~~For  
12 all school years before school year 2014-15, on or before August 31,  
13 the department shall issue to each learning community coordinating  
14 council a report showing the number of children from five through  
15 eighteen years of age belonging to the learning community based on  
16 the member school districts according to the school district reports  
17 filed with the department.

18           (b) Each Class I school district which is part of a Class  
19 VI school district offering instruction (i) in grades kindergarten  
20 through five shall report children from five through ten years of  
21 age, (ii) in grades kindergarten through six shall report children  
22 from five through eleven years of age, and (iii) in grades  
23 kindergarten through eight shall report children from five through  
24 thirteen years of age.

25           (c) Each Class VI school district offering instruction

1 (i) in grades six through twelve shall report children who are eleven  
2 through eighteen years of age, (ii) in grades seven through twelve  
3 shall report children who are twelve through eighteen years of age,  
4 and (iii) in grades nine through twelve shall report children who are  
5 fourteen through eighteen years of age.

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

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

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

16 (2) On or before June 30 the superintendent of each  
17 school district shall file with the Commissioner of Education a  
18 report described as an end-of-the-school-year annual statistical  
19 summary showing (a) the number of children attending school during  
20 the year under five years of age, (b) the length of time the school  
21 has been taught during the year by a qualified teacher, (c) the  
22 length of time taught by each substitute teacher, and (d) such other  
23 information as the Commissioner of Education directs. ~~On~~ For all  
24 school years before school year 2014-15, on or before July 31, the  
25 commissioner shall issue to each learning community coordinating

1 council an end-of-the-school-year annual statistical summary for the  
2 learning community based on the member school districts according to  
3 the school district reports filed with the commissioner.

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

13 (b) ~~On~~ For all school years before school year 2014-15,  
14 on or before December 15, the commissioner shall issue to each  
15 learning community coordinating council an annual financial report  
16 for the learning community based on the member school districts  
17 according to the annual financial reports filed with the  
18 commissioner, showing (i) the aggregate amount of money received from  
19 all sources during the year for all member school districts and the  
20 aggregate amount of money expended by member school districts during  
21 the year, (ii) the aggregate amount of bonded indebtedness for all  
22 member school districts, (iii) such other aggregate information as  
23 shall be necessary to fulfill the requirements of the Tax Equity and  
24 Educational Opportunities Support Act and section 79-1114 for all  
25 member school districts, and (iv) such other aggregate information as

1 the Commissioner of Education directs for all member school  
2 districts.

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

12 (b) ~~On~~ For all school years before school year 2014-15,  
13 on or before October 15 of each year, each learning community  
14 coordinating council shall issue to the department a report which  
15 enumerates the learning community levies pursuant to subdivisions (2)  
16 (b) and (g) of section 77-3442 and total assessed valuation for the  
17 current fiscal year.

18 (c) ~~On~~ For all school years before school year 2014-15,  
19 on or before November 15 of each year, the department shall issue to  
20 each learning community coordinating council the fall learning  
21 community membership report, which report shall include the aggregate  
22 number of children from birth through twenty years of age enrolled in  
23 the member school districts on the last Friday in September of a  
24 given school year for all member school districts. The report shall  
25 enumerate (i) the aggregate students by grade level for all member

1 school districts, (ii) school district levies and total assessed  
2 valuation for the current fiscal year, and (iii) such other  
3 information as the Commissioner of Education directs for all member  
4 school districts.

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

15 Sec. 45. Section 79-549, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17 ~~79-549 (1) The school board of any Class III school~~  
18 ~~district that is a member of a learning community may place before~~  
19 ~~the legal voters of the school district the issue of whether to begin~~  
20 ~~to have a caucus for nominations by adopting a resolution to place~~  
21 ~~the issue before the legal voters and certifying the issue to the~~  
22 ~~election commissioner or county clerk prior to September 1 for~~  
23 ~~placement on the ballot at the next statewide general election. The~~  
24 ~~legal voters of the school district may also have the issue placed on~~  
25 ~~the ballot at the statewide general election by circulating a~~



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

12           ~~(2)~~(1) Any Class III school district that nominated  
13 school board members by caucus pursuant to this section as it existed  
14 immediately before July 14, 2006, the operative date of this section  
15 shall continue such procedure until the legal voters of the district  
16 vote not to continue to have a caucus for nominations pursuant to  
17 subsection ~~(3)~~(2) of this section. A caucus shall be held pursuant  
18 to subsection ~~(5)~~(4) of this section not less than seventy days  
19 prior to the holding of the election to nominate two or more  
20 candidates for each vacancy to be voted upon at the election to be  
21 held in conjunction with the statewide primary election pursuant to  
22 subsection (1) of section 32-543. No candidate nominated shall have  
23 his or her name placed upon the ballot for the general election  
24 unless, not more than ten days after his or her nomination, he or she  
25 files with the secretary of the school board a written statement

1 accepting the nomination. The secretary of the school board shall  
2 certify the names of the candidates to the election commissioner or  
3 county clerk who shall prepare the official ballot listing the names  
4 as certified and without any area designation. All legal voters  
5 residing within the school district shall be permitted to vote at  
6 such election.

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

1           ~~(4)~~(3) If the legal voters vote not to continue to have  
2 a caucus, candidates shall be nominated and elected as provided in  
3 subsection (2) of section 32-543. The terms of the members in office  
4 at the time of the vote shall be extended to the first Thursday after  
5 the first Tuesday in January after the expiration of their terms. At  
6 the first general election following the vote, the member receiving  
7 the greatest number of votes shall be elected for a term of four  
8 years and the member receiving the next greatest number of votes  
9 shall be elected for a term of two years.

10           ~~(5)~~(4) A school district which uses a caucus for  
11 nominations shall develop rules and procedures for conducting the  
12 caucus which will ensure:

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

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

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

24           (d) Equal access to all legal voters of the school  
25 district, including the presence of an interpreter at the caucus at

1 the expense of the school district and ballots for the blind and  
2 visually impaired to provide access to the process by all legal  
3 voters of the school district;

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

6 (f) Notification of nomination to the candidates and to  
7 the secretary of the school board.

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

10 Sec. 46. Section 79-611, Revised Statutes Cumulative  
11 Supplement, 2012, is amended to read:

12 79-611 (1) The school board of any school district shall  
13 provide free transportation, partially provide free transportation,  
14 or pay an allowance for transportation in lieu of free transportation  
15 as follows:

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

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

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

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

15           ~~(2)(a) The school board of any school district that is a~~  
16 ~~member of a learning community shall provide free transportation for~~  
17 ~~a student who resides in such learning community and attends school~~  
18 ~~in such school district if (i) the student is transferring pursuant~~  
19 ~~to the open enrollment provisions of section 79-2110, qualifies for~~  
20 ~~free or reduced price lunches, and lives more than one mile from the~~  
21 ~~school to which he or she transfers, (ii) the student is transferring~~  
22 ~~pursuant to such open enrollment provisions, is a student who~~  
23 ~~contributes to the socioeconomic diversity of enrollment at the~~  
24 ~~school building he or she attends, and lives more than one mile from~~  
25 ~~the school to which he or she transfers, (iii) the student is~~

1 ~~attending a focus school or program and lives more than one mile from~~  
2 ~~the school building housing the focus school or program, or (iv) the~~  
3 ~~student is attending a magnet school or program and lives more than~~  
4 ~~one mile from the magnet school or the school housing the magnet~~  
5 ~~program.~~

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

12 ~~(3)-(2)~~ The transportation allowance which may be paid to  
13 the parent, custodial parent, or guardian of students qualifying for  
14 free transportation pursuant to subsection (1) ~~or (2)~~ of this section  
15 shall equal two hundred eighty-five percent of the mileage rate  
16 provided in section 81-1176, multiplied by each mile actually and  
17 necessarily traveled, on each day of attendance, beyond which the  
18 one-way distance from the residence of the student to the schoolhouse  
19 exceeds three miles.

20 ~~(4)-(3)~~ Whenever students from more than one family  
21 travel to school in the same vehicle, the transportation allowance  
22 prescribed in subsection ~~(3)-(2)~~ of this section shall be payable as  
23 follows:

24 (a) To the parent, custodial parent, or guardian  
25 providing transportation for students from other families, one

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

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

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

1 actually and necessarily traveled, on each day of attendance, beyond  
2 which the one-way distance from the residence of the student to the  
3 location where the student must be picked up and dropped off exceeds  
4 three miles.

5 ~~(6)~~—(5) The board may authorize school-provided  
6 transportation to any student who does not qualify under the mileage  
7 requirements of subsection (1) of this section and may charge a fee  
8 to the parent or guardian of the student for such service. An  
9 affiliated high school district may provide free transportation or  
10 pay the allowance described in this section for high school students  
11 residing in an affiliated Class I district. No transportation  
12 payments shall be made to a family for mileage not actually traveled  
13 by such family. The number of days the student has attended school  
14 shall be reported monthly by the teacher to the board of such public  
15 school district.

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



1 among the school districts involved.

2 ~~(8)-(7)~~ No student shall be exempt from school attendance  
3 on account of distance from the public schoolhouse.

4 Sec. 47. Section 79-760.02, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

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

19 Sec. 48. Section 79-760.03, Revised Statutes Cumulative  
20 Supplement, 2012, is amended to read:

21 79-760.03 (1) For school year 2009-10 and each school  
22 year thereafter, the State Board of Education shall implement a  
23 statewide system for the assessment of student learning and for  
24 reporting the performance of school districts ~~and learning~~  
25 ~~communities~~ pursuant to this section. The assessment and reporting

1 system shall measure student knowledge of subject matter materials  
2 covered by measurable academic content standards selected by the  
3 state board.

4 (2) The state board shall adopt a plan for an assessment  
5 and reporting system and implement and maintain the assessment and  
6 reporting system according to such plan. The plan shall be submitted  
7 annually to the State Department of Education, the Governor, the  
8 chairperson of the Education Committee of the Legislature, and the  
9 Clerk of the Legislature. The plan submitted to the committee and the  
10 Clerk of the Legislature shall be submitted electronically. The state  
11 board shall select grade levels for assessment and reporting required  
12 pursuant to subsections (4) through (7) of this section. The purposes  
13 of the system are to:

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

17 (b) Report the performance of public schools based upon  
18 the results of state assessment instruments and national assessment  
19 instruments;

20 (c) Provide information for the public and policymakers  
21 on the performance of public schools; and

22 (d) Provide for the comparison among Nebraska public  
23 schools and the comparison of Nebraska public schools to public  
24 schools elsewhere.

25 (3) The Governor shall appoint a technical advisory

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

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

23 (5) For school year 2009-10 and for each school year  
24 thereafter, the state board shall prescribe a statewide assessment of  
25 reading. The statewide assessment of reading shall include assessment

1 instruments for each of the grade levels three through eight and for  
2 one grade in high school and standards adopted by the state board  
3 pursuant to section 79-760.01.

4 (6) For no later than school year 2010-11 and for each  
5 school year thereafter, the state board shall prescribe a statewide  
6 assessment of mathematics. The statewide assessment of mathematics  
7 shall include assessment instruments for each of the grade levels  
8 three through eight and for one grade in high school and standards  
9 adopted by the state board pursuant to section 79-760.01. If no  
10 statewide assessment of mathematics is administered in school year  
11 2009-10, school districts shall report mathematics assessment results  
12 in the same manner as such information was reported in school year  
13 2008-09.

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

22 (8) The department shall conduct studies to verify the  
23 technical quality of assessment instruments and demonstrate the  
24 comparability of assessment instrument results required by the act.  
25 The department shall annually report such findings to the Governor,

1 the Legislature, and the state board. The report submitted to the  
2 Legislature shall be submitted electronically.

3 (9) The state board shall recommend national assessment  
4 instruments for the purpose of national comparison. Each school  
5 district shall report individual student data for scores and sub-  
6 scores according to procedures established by the state board and the  
7 department pursuant to section 79-760.05.

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

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

21 (i) Provide for the confidentiality of the results of  
22 individual students; and

23 (ii) Include all public schools and all public school  
24 students.

25 (b) The state board shall adopt criteria for the

1 inclusion of students with disabilities, students entering the school  
2 for the first time, and students with limited English proficiency.

3           The department may determine appropriate accommodations  
4 for the assessment of students with disabilities or any student  
5 receiving special education programs and services pursuant to section  
6 79-1139. Alternate academic achievement standards in reading,  
7 mathematics, and science and alternate assessment instruments aligned  
8 with the standards may be among the accommodations for students with  
9 severe cognitive disabilities.

10           (12) The state board may select additional grade levels  
11 and additional subject areas for statewide assessment instruments to  
12 comply with federal requirements.

13           (13) The state board shall not require school districts  
14 to administer assessments or assessment instruments other than as  
15 prescribed by the act.

16           (14) The state board shall appoint committees of  
17 teachers, from each appropriate subject area, and administrators to  
18 assist in the development of statewide assessment instruments  
19 required by the act.

20           Sec. 49. Section 79-760.05, Revised Statutes Cumulative  
21 Supplement, 2012, is amended to read:

22           79-760.05 (1) The State Board of Education shall  
23 implement a statewide system for tracking individual student  
24 achievement, using the student identifier system of the State  
25 Department of Education, that can be aggregated to track student

1 progress by demographic characteristics, including, but not limited  
2 to, race, poverty, high mobility, attendance, and limited English  
3 proficiency, on available measures of student achievement which  
4 include, but need not be limited to, national assessment instruments,  
5 state assessment instruments, and the indicators used in the  
6 accountability system required pursuant to section 79-760.06. Such a  
7 system shall be designed so as to aggregate student data by available  
8 educational input characteristics, which may include class size,  
9 teacher education, teacher experience, special education, early  
10 childhood programs, federal programs, and other targeted education  
11 programs. School districts shall provide the department with  
12 individual student achievement data from assessment instruments  
13 required pursuant to section 79-760.03 in order to implement the  
14 statewide system.

15 (2) The department shall annually analyze and report on  
16 student achievement for the state, each school district, and each  
17 public school, ~~and each learning community~~ aggregated by the  
18 demographic characteristics described in subsection (1) of this  
19 section. The department shall report the findings to the Governor,  
20 the Legislature, school districts, and educational service units. ~~and each learning community.~~  
21 ~~The report submitted to the Legislature~~  
22 shall be submitted electronically. Such analysis shall include  
23 aggregated data that would indicate differences in achievement due to  
24 available educational input characteristics described in subsection  
25 (1) of this section. Such analysis shall include indicators of

1 progress toward state achievement goals for students in poverty,  
2 limited English proficient students, and highly mobile students.

3 Sec. 50. Section 79-769, Revised Statutes Cumulative  
4 Supplement, 2012, is amended to read:

5 79-769 (1) ~~Any one or more member school districts of a~~  
6 ~~learning community school district or any two or more school~~  
7 ~~districts forming a joint entity pursuant to subsection (3) of this~~  
8 ~~section~~ may establish one or more focus programs, focus schools, or  
9 magnet schools. ~~If included as part of the diversity plan of a~~  
10 ~~learning community, the~~ A focus school or focus program shall be  
11 eligible for a focus school and program allowance pursuant to section  
12 79-1007.05.

13 (2) Focus schools, focus programs, and magnet schools may  
14 be included in pathways across member school districts. A student who  
15 will complete the grades offered at a focus program, focus school, or  
16 magnet school that is part of a pathway shall be allowed to attend  
17 the focus program, focus school, or magnet school offering the next  
18 grade level as part of the pathway as a continuing student. A student  
19 who completes the grades offered at a focus program, focus school, or  
20 magnet school shall be allowed to attend a school offering the next  
21 grade level in the school district responsible for the focus program,  
22 focus school, or magnet school as a continuing student. A student who  
23 attended a program or school in the school year immediately preceding  
24 the first school year for which the program or school will operate as  
25 a focus program or focus school meeting the requirements of this



1 section and who has not completed the grades offered at the focus  
2 program or focus school shall be a continuing student in the focus  
3 program or focus school. pursuant to the diversity plan developed by  
4 the learning community coordinating council pursuant to section  
5 79-2104.

6 (3) If multiple ~~member~~ school districts collaborate on a  
7 focus program, focus school, or magnet school, the school districts  
8 shall form a joint entity pursuant to the Interlocal Cooperation Act  
9 for the purpose of creating, implementing, and operating such focus  
10 program, focus school, or magnet school. The agreement creating such  
11 joint entity shall address legal, financial, and academic  
12 responsibilities and the assignment to participating school districts  
13 of students enrolled in such focus program, focus school, or magnet  
14 school who reside in nonparticipating school districts.

15 (4) For purposes of this section:

16 (a) Focus program means a program that does not have an  
17 attendance area, whose enrollment is designed so that the  
18 socioeconomic diversity of the students attending the focus program  
19 reflects as nearly as possible the socioeconomic diversity of the  
20 student body of the ~~learning community, school district or districts~~  
21 establishing the focus program, which has a unique curriculum with  
22 specific learning goals or teaching techniques different from the  
23 standard curriculum, which may be housed in a building with other  
24 public school programs, and which may consist of either the complete  
25 education program for participating students or part of the education

1 program for participating students;

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

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

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

20 Sec. 51. Section 79-777, Revised Statutes Cumulative  
21 Supplement, 2012, is amended to read:

22 79-777 (1) Any school district, with the approval of the  
23 State Department of Education, may establish and operate a career  
24 academy. The purpose of a career academy is to provide students with  
25 a career-based educational curriculum. A school district may partner

1 with another school district, an educational service unit, ~~a learning~~  
2 ~~community,~~ a postsecondary educational institution, or a private  
3 entity in the establishment and operation of a career academy.

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

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

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

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

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

18 (4) The department shall define standards and criteria  
19 for (a) the establishment, evaluation, and continuing approval of  
20 career academies, (b) career-based curriculum utilized by career  
21 academies, (c) the necessary data elements and collection of data  
22 pertaining to career academies, including, but not limited to, the  
23 number of students enrolled in a career academy and their grade  
24 levels, and (d) the establishment of advisory boards consisting of  
25 business and education representatives to provide guidance and

1 direction for the operation of career academies.

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

4 Sec. 52. Section 79-850, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6 79-850 For purposes of sections 79-850 to 79-858:

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

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

25 Sec. 53. Section 79-979, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           79-979 (1) Prior to September 13, 1997, in each Class V  
3 school district in the State of Nebraska there is hereby established  
4 a separate retirement system for all regular employees of such school  
5 district. Such system shall be for the purpose of providing  
6 retirement benefits for all regular employees of the school district  
7 as provided in the Class V School Employees Retirement Act. The  
8 system shall be known as School Employees' Retirement System of  
9 (corporate name of the school district as described in section  
10 79-405). All of its business shall be transacted, all of its funds  
11 shall be invested, and all of its cash and securities and other  
12 property shall be held in trust by such name for the purposes set  
13 forth in the act. Such funds shall be kept separate from all other  
14 funds of the school district and shall be used for no other purpose.

15           (2) ~~Except as provided in subsection (3) of this section,~~  
16 ~~if~~ If any new Class V school districts are formed after September 13,  
17 1997, such new Class V school district shall elect to become or  
18 remain a part of the retirement system established pursuant to the  
19 School Employees Retirement Act.

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

1 ~~established pursuant to the Class V School Employees Retirement Act.~~

2           Sec. 54. Section 79-1003, Revised Statutes Cumulative  
3 Supplement, 2012, is amended to read:

4           79-1003 For purposes of the Tax Equity and Educational  
5 Opportunities Support Act:

6           (1) Adjusted general fund operating expenditures means  
7 (a) for school fiscal years 2010-11 through 2012-13, the difference  
8 of the general fund operating expenditures as calculated pursuant to  
9 subdivision (22) of this section increased by, or for aid calculated  
10 for school fiscal year 2010-11 multiplied by, the cost growth factor  
11 calculated pursuant to section 79-1007.10, minus the transportation  
12 allowance, special receipts allowance, poverty allowance, limited  
13 English proficiency allowance, distance education and  
14 telecommunications allowance, elementary site allowance, elementary  
15 class size allowance, summer school allowance, instructional time  
16 allowance, teacher education allowance, and focus school and program  
17 allowance, and (b) for school fiscal year 2013-14 and each school  
18 fiscal year thereafter, the difference of the general fund operating  
19 expenditures as calculated pursuant to subdivision (22) of this  
20 section increased by the cost growth factor calculated pursuant to  
21 section 79-1007.10, minus the transportation allowance, special  
22 receipts allowance, poverty allowance, limited English proficiency  
23 allowance, distance education and telecommunications allowance,  
24 elementary site allowance, summer school allowance, instructional  
25 time allowance, teacher education allowance, and focus school and

1 program allowance;

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

12 (3) Allocated income tax funds means the amount of  
13 assistance paid to a local system pursuant to section 79-1005.01 as  
14 adjusted by the minimum levy adjustment pursuant to section  
15 79-1008.02;

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

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

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

25 (7) Categorical funds means funds limited to a specific

1 purpose by federal or state law, including, but not limited to, Title  
2 I funds, Title VI funds, federal vocational education funds, federal  
3 school lunch funds, Indian education funds, Head Start funds, and  
4 funds from the Education Innovation Fund. Categorical funds does not  
5 include funds received pursuant to section 79-1028.02 or 79-1028.04;

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

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

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

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

25 (12) District means any Class I, II, III, IV, V, or VI



1 school district and, beginning with the calculation of state aid for  
2 school fiscal year 2011-12 and each school fiscal year thereafter, a  
3 unified system as defined in section 79-4,108;

4 (13) Ensuing school fiscal year means the school fiscal  
5 year following the current school fiscal year;

6 (14) Equalization aid means the amount of assistance  
7 calculated to be paid to a local system pursuant to sections  
8 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,  
9 79-1022.02, 79-1028.02, and 79-1028.04;

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

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

16 (17) Formula students means:

17 (a) For state aid certified pursuant to section 79-1022,  
18 the sum of the product of fall membership from the school fiscal year  
19 immediately preceding the school fiscal year in which the aid is to  
20 be paid multiplied by the average ratio of average daily membership  
21 to fall membership for the second school fiscal year immediately  
22 preceding the school fiscal year in which the aid is to be paid and  
23 the prior two school fiscal years plus sixty percent of the qualified  
24 early childhood education fall membership plus tuitioned students  
25 from the school fiscal year immediately preceding the school fiscal

1 year in which aid is to be paid minus the product of the number of  
2 students enrolled in kindergarten that is not full-day kindergarten  
3 from the fall membership multiplied by 0.5; and

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

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

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

18 (20) General fund budget of expenditures means the total  
19 budget of disbursements and transfers for general fund purposes as  
20 certified in the budget statement adopted pursuant to the Nebraska  
21 Budget Act, except that for purposes of the limitation imposed in  
22 section 79-1023 and the calculation pursuant to subdivision (2) of  
23 section 79-1027.01, the general fund budget of expenditures does not  
24 include any special grant funds, exclusive of local matching funds,  
25 received by a district;

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

3                   (22) General fund operating expenditures means:

4                   (a) For state aid calculated for school fiscal years  
5 2010-11 and 2011-12, as reported on the annual financial report for  
6 the second school fiscal year immediately preceding the school fiscal  
7 year in which aid is to be paid, the total general fund expenditures  
8 minus (i) the amount of all receipts to the general fund, to the  
9 extent that such receipts are not included in local system formula  
10 resources, from early childhood education tuition, summer school  
11 tuition, educational entities as defined in section 79-1201.01 for  
12 providing distance education courses through the Educational Service  
13 Unit Coordinating Council to such educational entities, private  
14 foundations, individuals, associations, charitable organizations, the  
15 textbook loan program authorized by section 79-734, federal impact  
16 aid, and levy override elections pursuant to section 77-3444, (ii)  
17 the amount of expenditures for categorical funds, tuition paid,  
18 transportation fees paid to other districts, adult education,  
19 community services, redemption of the principal portion of general  
20 fund debt service, retirement incentive plans authorized by section  
21 79-855, and staff development assistance authorized by section  
22 79-856, (iii) the amount of any transfers from the general fund to  
23 any bond fund and transfers from other funds into the general fund,  
24 (iv) any legal expenses in excess of fifteen-hundredths of one  
25 percent of the formula need for the school fiscal year in which the

1 expenses occurred, (v) expenditures to pay for sums agreed to be paid  
2 by a school district to certificated employees in exchange for a  
3 voluntary termination occurring prior to July 1, 2009, and (vi)(A)  
4 expenditures in school fiscal years 2009-10 through 2013-14 to pay  
5 for employer contributions pursuant to subsection (2) of section  
6 79-958 to the School Employees Retirement System of the State of  
7 Nebraska to the extent that such expenditures exceed the employer  
8 contributions under such subsection that would have been made at a  
9 contribution rate of seven and thirty-five hundredths percent or (B)  
10 expenditures in school fiscal years 2009-10 through 2013-14 to pay  
11 for school district contributions pursuant to subdivision (1)(c)(i)  
12 of section 79-9,113 to the retirement system established pursuant to  
13 the Class V School Employees Retirement Act to the extent that such  
14 expenditures exceed the school district contributions under such  
15 subdivision that would have been made at a contribution rate of seven  
16 and thirty-seven hundredths percent; and

17 (b) For state aid calculated for school fiscal years  
18 2012-13 and each school fiscal year thereafter, as reported on the  
19 annual financial report for the second school fiscal year immediately  
20 preceding the school fiscal year in which aid is to be paid, the  
21 total general fund expenditures minus (i) the amount of all receipts  
22 to the general fund, to the extent that such receipts are not  
23 included in local system formula resources, from early childhood  
24 education tuition, summer school tuition, educational entities as  
25 defined in section 79-1201.01 for providing distance education

1 courses through the Educational Service Unit Coordinating Council to  
2 such educational entities, private foundations, individuals,  
3 associations, charitable organizations, the textbook loan program  
4 authorized by section 79-734, federal impact aid, and levy override  
5 elections pursuant to section 77-3444, (ii) the amount of  
6 expenditures for categorical funds, tuition paid, transportation fees  
7 paid to other districts, adult education, community services,  
8 redemption of the principal portion of general fund debt service,  
9 retirement incentive plans authorized by section 79-855, and staff  
10 development assistance authorized by section 79-856, (iii) the amount  
11 of any transfers from the general fund to any bond fund and transfers  
12 from other funds into the general fund, (iv) any legal expenses in  
13 excess of fifteen-hundredths of one percent of the formula need for  
14 the school fiscal year in which the expenses occurred, (v)  
15 expenditures to pay for sums agreed to be paid by a school district  
16 to certificated employees in exchange for a voluntary termination  
17 occurring prior to July 1, 2009, or occurring on or after the last  
18 day of the 2010-11 school year and prior to the first day of the  
19 2013-14 school year, (vi)(A) expenditures in school fiscal years  
20 2009-10 through 2016-17 to pay for employer contributions pursuant to  
21 subsection (2) of section 79-958 to the School Employees Retirement  
22 System of the State of Nebraska to the extent that such expenditures  
23 exceed the employer contributions under such subsection that would  
24 have been made at a contribution rate of seven and thirty-five  
25 hundredths percent or (B) expenditures in school fiscal years 2009-10

1 through 2016-17 to pay for school district contributions pursuant to  
2 subdivision (1)(c)(i) of section 79-9,113 to the retirement system  
3 established pursuant to the Class V School Employees Retirement Act  
4 to the extent that such expenditures exceed the school district  
5 contributions under such subdivision that would have been made at a  
6 contribution rate of seven and thirty-seven hundredths percent, and  
7 (vii) any amounts paid by the district for lobbyist fees and expenses  
8 reported to the Clerk of the Legislature pursuant to section 49-1483.

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

16 (23) High school district means a school district  
17 providing instruction in at least grades nine through twelve;

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

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

25 (26) Limited English proficiency students means the

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

9 (27) Local system means ~~a learning community for purposes~~  
10 ~~of calculation of state aid for the second full school fiscal year~~  
11 ~~after becoming a learning community and each school fiscal year~~  
12 ~~thereafter,~~ a unified system, a Class VI district and the associated  
13 Class I districts, or a Class II, III, IV, or V district and any  
14 affiliated Class I districts or portions of Class I districts. The  
15 membership, expenditures, and resources of Class I districts that are  
16 affiliated with multiple high school districts will be attributed to  
17 local systems based on the percent of the Class I valuation that is  
18 affiliated with each high school district. For all school fiscal  
19 years before school fiscal year 2014-15, local system also means a  
20 learning community;

21 (28) Low-income child means a child under nineteen years  
22 of age living in a household having an annual adjusted gross income  
23 for the second calendar year preceding the beginning of the school  
24 fiscal year for which aid is being calculated equal to or less than  
25 the maximum household income that would allow a student from a family

1 of four people to be a free lunch and free milk student during the  
2 school fiscal year immediately preceding the school fiscal year for  
3 which aid is being calculated;

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

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

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

23 (32) Qualified early childhood education average daily  
24 membership means the product of the average daily membership for  
25 school fiscal year 2006-07 and each school fiscal year thereafter of



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

13 (33) Qualified early childhood education fall membership  
14 means the product of membership on the last Friday in September 2006  
15 and each year thereafter of students who will be eligible to attend  
16 kindergarten the following school year and are enrolled in an early  
17 childhood education program approved by the department pursuant to  
18 section 79-1103 for such school district for such school year  
19 multiplied by the ratio of the planned instructional hours of the  
20 program divided by one thousand thirty-two if: (a) The program is  
21 receiving a grant pursuant to such section for the third year; (b)  
22 the program has already received grants pursuant to such section for  
23 three years; or (c) the program has been approved pursuant to  
24 subsection (5) of section 79-1103 for such school year and the two  
25 preceding school years, including any such students in portions of

1 any of such programs receiving an expansion grant;

2 (34) Regular route transportation means the  
3 transportation of students on regularly scheduled daily routes to and  
4 from the attendance center;

5 (35) Reorganized district means any district involved in  
6 a consolidation and currently educating students following  
7 consolidation;

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

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

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

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

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

25 (d)(i) Less than two formula students per square mile in

1 the local system and (ii) the local system includes an area equal to  
2 ninety-five percent or more of the square miles in the largest county  
3 in which a high school attendance center is located in the local  
4 system;

5 (38) Special education means specially designed  
6 kindergarten through grade twelve instruction pursuant to section  
7 79-1125, and includes special education transportation;

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

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

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

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

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

1           (44) Statewide average general fund operating  
2 expenditures per formula student means the statewide total general  
3 fund operating expenditures for all districts divided by the  
4 statewide total formula students for all districts;

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

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

18           (47) Tuition receipts from converted contracts means  
19 tuition receipts received by a district from another district in the  
20 most recently available complete data year pursuant to a converted  
21 contract prior to the expiration of the contract;

22           (48) Tuitioned students means students in kindergarten  
23 through grade twelve of the district whose tuition is paid by the  
24 district to some other district or education agency; and

25           (49) Very sparse local system means a local system that

1 has:

2 (a)(i) Less than one-half student per square mile in each  
3 county in which each high school attendance center is located based  
4 on the school district census, (ii) less than one formula student per  
5 square mile in the local system, and (iii) more than fifteen miles  
6 between the high school attendance center and the next closest high  
7 school attendance center on paved roads; or

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

13 Sec. 55. Section 79-1007.05, Revised Statutes Cumulative  
14 Supplement, 2012, is amended to read:

15 79-1007.05 (1)(a) For school fiscal ~~year-years~~ 2008-09  
16 ~~and each through~~ school fiscal year thereafter, ~~2013-14,~~ the  
17 department shall determine the focus school and program allowance for  
18 each school district in a learning community which submits the  
19 information required for the calculation on a form prescribed by the  
20 department on or before October 15 of the school fiscal year  
21 preceding the school fiscal year for which aid is being calculated.  
22 Such form may require confirmation from a learning community official  
23 that the focus school or program has been approved by the learning  
24 community coordinating council for the school fiscal year for which  
25 the allowance is being calculated. The focus school and program

1 allowance for each school district in a learning community shall  
2 equal the sum of the allowances calculated pursuant to this section  
3 for each focus school and focus program operated by the school  
4 district for the school fiscal year for which aid is being  
5 calculated.

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

15           (c) For the school fiscal year containing the majority of  
16 the second school year that a school or program will be in operation  
17 as a focus school or program approved by the learning community and  
18 meeting the requirements of section 79-769, the focus school and  
19 program allowance for such focus school or program shall equal the  
20 statewide average general fund operating expenditures per formula  
21 student multiplied by 0.10 then multiplied by ~~(1)~~(i) for state aid  
22 certified pursuant to section 79-1022, the difference of the product  
23 of two multiplied by the number of students participating in the  
24 focus school or program as reported on the fall membership report  
25 from the school fiscal year immediately preceding the school fiscal

1 year in which the aid is to be paid minus the estimated number of  
2 students used in the certification of state aid pursuant to section  
3 79-1022 for the school fiscal year immediately preceding the school  
4 fiscal year in which the aid is to be paid and ~~(2)-(ii)~~ for the final  
5 calculation of state aid pursuant to section 79-1065, the difference  
6 of the product of two multiplied by the number of students  
7 participating in the focus school or program as reported on the  
8 annual statistical summary report from the school fiscal year  
9 immediately preceding the school fiscal year in which the aid was  
10 paid minus the estimated number of students used in the final  
11 calculation of state aid pursuant to section 79-1065 for the school  
12 fiscal year immediately preceding the school fiscal year in which the  
13 aid is to be paid.

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

1 report from the school fiscal year immediately preceding the school  
2 fiscal year in which the aid was paid for the final calculation of  
3 state aid pursuant to section 79-1065.

4 (2)(a) For school fiscal year 2014-15 and each school  
5 fiscal year thereafter, the department shall determine the focus  
6 school and program allowance for each school district or joint entity  
7 formed pursuant to section 79-769 which submits the information  
8 required for the calculation on a form prescribed by the department  
9 on or before October 15 of the school fiscal year preceding the  
10 school fiscal year for which aid is being calculated. The focus  
11 school and program allowance for each school district or joint entity  
12 shall equal the sum of the allowances calculated pursuant to this  
13 section for each focus school and focus program operated by the  
14 school district or joint entity for the school fiscal year for which  
15 aid is being calculated.

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

25 (c) For the school fiscal year containing the majority of



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

23 (d) For the school fiscal year containing the majority of  
24 the third school year that a school or program will be in operation  
25 as a focus school or program meeting the requirements of section

1 79-769 and for each school fiscal year thereafter, the focus school  
2 and program allowance for such focus school or program shall equal  
3 the statewide average general fund operating expenditures per formula  
4 student multiplied by 0.10 then multiplied by the number of students  
5 participating in the focus school or program as reported on the fall  
6 membership report from the school fiscal year immediately preceding  
7 the school fiscal year in which the aid is to be paid for state aid  
8 certified pursuant to section 79-1022 and as reported on the annual  
9 statistical summary report from the school fiscal year immediately  
10 preceding the school fiscal year in which the aid was paid for the  
11 final calculation of state aid pursuant to section 79-1065.

12           Sec. 56. Section 79-1007.11, Revised Statutes Cumulative  
13 Supplement, 2012, is amended to read:

14           79-1007.11 (1) Except as otherwise provided in this  
15 section, for school fiscal year 2010-11, each school district's  
16 formula need shall equal the difference of the sum of the school  
17 district's basic funding, poverty allowance, limited English  
18 proficiency allowance, elementary class size allowance, focus school  
19 and program allowance, summer school allowance, special receipts  
20 allowance, transportation allowance, elementary site allowance,  
21 instructional time allowance, teacher education allowance, distance  
22 education and telecommunications allowance, averaging adjustment, new  
23 learning community transportation adjustment, student growth  
24 adjustment, and new school adjustment, minus the sum of the limited  
25 English proficiency allowance correction, poverty allowance

1 correction, and local choice adjustment.

2 (2) Except as otherwise provided in this section, for  
3 school fiscal years 2011-12 and 2012-13, each school district's  
4 formula need shall equal the difference of the sum of the school  
5 district's basic funding, poverty allowance, limited English  
6 proficiency allowance, elementary class size allowance, focus school  
7 and program allowance, summer school allowance, special receipts  
8 allowance, transportation allowance, elementary site allowance,  
9 instructional time allowance, teacher education allowance, distance  
10 education and telecommunications allowance, averaging adjustment, new  
11 learning community transportation adjustment, student growth  
12 adjustment, any positive student growth adjustment correction, and  
13 new school adjustment, minus the sum of the limited English  
14 proficiency allowance correction, poverty allowance correction, any  
15 negative student growth adjustment correction, and local choice  
16 adjustment.

17 (3) Except as otherwise provided in this section, for  
18 school fiscal year 2013-14, ~~and each school fiscal year thereafter,~~  
19 each school district's formula need shall equal the difference of the  
20 sum of the school district's basic funding, poverty allowance,  
21 limited English proficiency allowance, focus school and program  
22 allowance, summer school allowance, special receipts allowance,  
23 transportation allowance, elementary site allowance, instructional  
24 time allowance, teacher education allowance, distance education and  
25 telecommunications allowance, averaging adjustment, new learning

1 community transportation adjustment, student growth adjustment, any  
2 positive student growth adjustment correction, and new school  
3 adjustment, minus the sum of the limited English proficiency  
4 allowance correction, poverty allowance correction, any negative  
5 student growth adjustment correction, and local choice adjustment.

6 (4) Except as otherwise provided in this section, for  
7 school fiscal year 2014-15 and each school fiscal year thereafter,  
8 each school district's formula need shall equal the difference of the  
9 sum of the school district's basic funding, poverty allowance,  
10 limited English proficiency allowance, focus school and program  
11 allowance, summer school allowance, special receipts allowance,  
12 transportation allowance, elementary site allowance, instructional  
13 time allowance, teacher education allowance, distance education and  
14 telecommunications allowance, averaging adjustment, student growth  
15 adjustment, any positive student growth adjustment correction, and  
16 new school adjustment, minus the sum of the limited English  
17 proficiency allowance correction, poverty allowance correction, any  
18 negative student growth adjustment correction, and local choice  
19 adjustment.

20 ~~(4)~~(5) For state aid calculated for all school fiscal  
21 years except school fiscal year 2011-12, if the formula need  
22 calculated for a school district pursuant to subsections (1) through  
23 ~~(3)~~(4) of this section is less than one hundred percent of the  
24 formula need for such district for the school fiscal year immediately  
25 preceding the school fiscal year for which aid is being calculated,

1 the formula need for such district shall equal one hundred percent of  
2 the formula need for such district for the school fiscal year  
3 immediately preceding the school fiscal year for which aid is being  
4 calculated. For state aid calculated for school fiscal year 2011-12,  
5 if the formula need calculated for a school district pursuant to  
6 subsection (2) of this section is less than ninety-five percent of  
7 the formula need for such district for the school fiscal year  
8 immediately preceding the school fiscal year for which aid is being  
9 calculated, the formula need for such district shall equal ninety-  
10 five percent of the formula need for such district for the school  
11 fiscal year immediately preceding the school fiscal year for which  
12 aid is being calculated.

13 ~~(5)-(6)~~ For state aid calculated for school fiscal years  
14 except school fiscal year 2011-12, except as provided in subsection  
15 ~~(7)-(8)~~ of this section, if the formula need calculated for a school  
16 district pursuant to subsections (1) through ~~(3)-(4)~~ of this section  
17 is more than one hundred twelve percent of the formula need for such  
18 district for the school fiscal year immediately preceding the school  
19 fiscal year for which aid is being calculated, the formula need for  
20 such district shall equal one hundred twelve percent of the formula  
21 need for such district for the school fiscal year immediately  
22 preceding the school fiscal year for which aid is being calculated,  
23 except that the formula need shall not be reduced pursuant to this  
24 subsection for any district receiving a student growth adjustment for  
25 the school fiscal year for which aid is being calculated. For state

1 aid calculated for school fiscal year 2011-12, except as provided in  
2 subsection ~~(7)~~(8) of this section, if the formula need calculated  
3 for a school district pursuant to subsection (2) of this section is  
4 more than one hundred seven percent of the formula need for such  
5 district for the school fiscal year immediately preceding the school  
6 fiscal year for which aid is being calculated, the formula need for  
7 such district shall equal one hundred seven percent of the formula  
8 need for such district for the school fiscal year immediately  
9 preceding the school fiscal year for which aid is being calculated,  
10 except that the formula need shall not be reduced pursuant to this  
11 subsection for any district receiving a student growth adjustment for  
12 the school fiscal year for which aid is being calculated.

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

1 to the department.

2 ~~(7) For~~ (8) For all school fiscal years before school  
3 fiscal year 2014-15, for state aid calculated for the first full  
4 school fiscal year of a new learning community, if the formula need  
5 calculated for a member school district pursuant to subsections (1)  
6 through ~~(4)~~ (3) and (5) of this section is less than the sum of the  
7 school district's state aid certified for the school fiscal year  
8 immediately preceding the first full school fiscal year of the  
9 learning community plus the school district's other actual receipts  
10 included in local system formula resources pursuant to section  
11 79-1018.01 for such school fiscal year plus the product of the school  
12 district's general fund levy for such school fiscal year up to one  
13 dollar and five cents multiplied by the school district's assessed  
14 valuation for such school fiscal year, the formula need for such  
15 school district for the school fiscal year for which aid is being  
16 calculated shall equal such sum.

17 Sec. 57. Section 79-1007.18, Revised Statutes Cumulative  
18 Supplement, 2012, is amended to read:

19 79-1007.18 (1) The department shall calculate an  
20 averaging adjustment for districts if the basic funding per formula  
21 student is less than the averaging adjustment threshold and the  
22 general fund levy for the school fiscal year immediately preceding  
23 the school fiscal year for which aid is being calculated was at least  
24 one dollar per one hundred dollars of taxable valuation. For all  
25 school fiscal years before school fiscal year 2014-15, for school

1 districts that are members of a learning community, the general fund  
2 levy for purposes of this section includes both the common general  
3 fund levy and the school district general fund levy authorized  
4 pursuant to subdivisions (2)(b) and (2)(c) of section 77-3442. The  
5 averaging adjustment shall equal the district's formula students  
6 multiplied by the percentage specified in this section for such  
7 district of the difference between the averaging adjustment threshold  
8 minus such district's basic funding per formula student.

9 (2)(a) For school fiscal year 2010-11, the averaging  
10 adjustment threshold shall equal the lesser of (i) the averaging  
11 adjustment threshold for the school fiscal year immediately preceding  
12 the school fiscal year for which aid is being calculated increased by  
13 the sum of the basic allowable growth rate plus five-tenths of one  
14 percent or (ii) the statewide average basic funding per formula  
15 student for the school fiscal year for which aid is being calculated.

16 (b) For school fiscal year 2011-12, the averaging  
17 adjustment threshold shall equal ninety-five percent of the lesser of  
18 (i) the averaging adjustment threshold for school fiscal year 2010-11  
19 increased by the basic allowable growth rate or (ii) the statewide  
20 average basic funding per formula student for school fiscal year  
21 2011-12.

22 (c) For school fiscal year 2012-13 and each school fiscal  
23 year thereafter, the averaging adjustment threshold shall equal the  
24 lesser of (i) the averaging adjustment threshold for the school  
25 fiscal year immediately preceding the school fiscal year for which



1 aid is being calculated increased by the basic allowable growth rate  
2 or (ii) the statewide average basic funding per formula student for  
3 the school fiscal year for which aid is being calculated.

4 (3) The percentage to be used in the calculation of an  
5 averaging adjustment shall be based on the general fund levy for the  
6 school fiscal year immediately preceding the school fiscal year for  
7 which aid is being calculated.

8 (4) The percentages to be used in the calculation of  
9 averaging adjustments shall be as follows:

10 (a) If such levy was at least one dollar per one hundred  
11 dollars of taxable valuation but less than one dollar and one cent  
12 per one hundred dollars of taxable valuation, the percentage shall be  
13 fifty percent;

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

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

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

1           (e) If such levy was at least one dollar and four cents  
2 per one hundred dollars of taxable valuation, the percentage shall be  
3 ninety percent.

4           Sec. 58. Section 79-1007.22, Revised Statutes Cumulative  
5 Supplement, 2012, is amended to read:

6           79-1007.22 (1) For all school fiscal years before school  
7 fiscal year 2014-15, for state aid calculated for each of the second  
8 and third full school fiscal years of a new learning community, each  
9 member school district may apply to the department for a new learning  
10 community transportation adjustment, on a form prescribed by the  
11 department, on or before October 15 of the school fiscal year  
12 immediately preceding the school fiscal year for which the new  
13 learning community transportation adjustment would be included in the  
14 calculation of state aid. Such form shall require evidence supporting  
15 estimates of increased transportation costs for the district due to  
16 the provisions of ~~subsection (2) of~~ section 79-611. On or before the  
17 immediately following December 1, the department shall approve the  
18 estimate of increased transportation costs for use in the adjustment,  
19 approve a modified estimate of increased transportation costs for use  
20 in the adjustment, or deny the application based on the requirements  
21 of this section, the evidence submitted on the application, and any  
22 other information provided by the department. The state board shall  
23 establish procedures for appeal of decisions of the department to the  
24 state board for final determination.

25           (2) ~~The~~ For all school fiscal years before school fiscal

1 year 2014-15, the new learning community transportation adjustment  
2 shall equal the approved estimate of increased transportation costs  
3 due to the provisions of ~~subsection (2) of~~ section 79-611. School  
4 districts shall submit evidence of the actual increase in  
5 transportation costs due to the provisions of ~~subsection (2) of~~  
6 section 79-611, and the department shall recalculate the adjustment  
7 using such actual costs pursuant to section 79-1065.

8           Sec. 59. Section 79-1008.02, Revised Statutes Cumulative  
9 Supplement, 2012, is amended to read:

10           79-1008.02 A-(1)(a) For all school fiscal years before  
11 school fiscal year 2014-15, a minimum levy adjustment shall be  
12 calculated and applied to any local system that has a general fund  
13 common levy for the fiscal year during which aid is certified that is  
14 less than the maximum levy, for such fiscal year for such local  
15 system, allowed pursuant to subdivision (2)(a) or (b) of section  
16 77-3442 without a vote pursuant to section 77-3444 less five cents  
17 for learning communities and less ten cents for all other local  
18 systems.

19           (b) For school fiscal year 2014-15 and each school fiscal  
20 year thereafter, a minimum levy adjustment shall be calculated and  
21 applied to any local system that has a general fund common levy for  
22 the fiscal year during which aid is certified that is less than the  
23 maximum levy, for such fiscal year for such local system, allowed  
24 pursuant to subdivision (2)(a) of section 77-3442 without a vote  
25 pursuant to section 77-3444 less ten cents.

1           (2) To calculate the minimum levy adjustment, the  
2 department shall subtract the local system general fund common levy  
3 for such fiscal year for such local system from the maximum levy  
4 allowed pursuant to subdivision (2)(a) or (b) of section 77-3442  
5 without a vote pursuant to section 77-3444 less ~~five cents for~~  
6 ~~learning communities and less ten cents for all other local systems~~  
7 the number of cents specified in subdivision (1)(a) or (b) of this  
8 section and multiply the result by the local system's adjusted  
9 valuation divided by one hundred. The minimum levy adjustment shall  
10 be added to the formula resources of the local system for the  
11 determination of equalization aid pursuant to section 79-1008.01. If  
12 the minimum levy adjustment is greater than or equal to the allocated  
13 income tax funds calculated pursuant to section 79-1005.01, the local  
14 system shall not receive allocated income tax funds. If the minimum  
15 levy adjustment is less than the allocated income tax funds  
16 calculated pursuant to section 79-1005.01, the local system shall  
17 receive allocated income tax funds in the amount of the difference  
18 between the allocated income tax funds calculated pursuant to section  
19 79-1005.01 and the minimum levy adjustment.

20           (3) This section does not apply to the calculation of aid  
21 for a local system containing a learning community for the first  
22 school fiscal year for which aid is calculated for such local system.

23           Sec. 60. Section 79-1013, Revised Statutes Cumulative  
24 Supplement, 2012, is amended to read:

25           79-1013 (1) On or before October 15 of each year, each

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

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

19 (a) Attendance, including absence followup and  
20 transportation for students qualifying for free or reduced-price  
21 lunches who reside more than one mile from the attendance center;

22 (b) Student mobility, including transportation to allow a  
23 student to continue attendance at the same school if the student  
24 moves to another attendance area within the same school district; ~~or~~  
25 ~~within the same learning community;~~

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

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

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

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

11                   (g) Access to early childhood education programs for  
12 children in poverty;

13                   (h) Student access to social workers;

14                   (i) Access to summer school, extended-school-day  
15 programs, or extended-school-year programs;

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

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

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

22                   ~~(m)-(1)~~ An evaluation to determine the effectiveness of  
23 the elements of the poverty plan.

24                   (3) The state board shall establish a procedure for  
25 appeal of decisions of the department ~~and of learning community~~

1 ~~coordinating councils~~ to the state board for a final determination.

2           Sec. 61. Section 79-1014, Revised Statutes Cumulative  
3 Supplement, 2012, is amended to read:

4           79-1014 (1) On or before October 15 of each year, each  
5 school district designating a maximum limited English proficiency  
6 allowance greater than zero dollars shall submit a limited English  
7 proficiency plan for the next school fiscal year to the department,  
8 ~~and to the learning community coordinating council of any learning~~  
9 ~~community of which the school district is a member.~~ On or before the  
10 immediately following December 1, ~~(a) the department shall approve or~~  
11 ~~disapprove such plans, for school districts that are not members of a~~  
12 ~~learning community,~~ based on the inclusion of the elements required  
13 pursuant to this section. ~~and (b) the learning community coordinating~~  
14 ~~council, and, as to the applicable portions thereof, each achievement~~  
15 ~~subcouncil, shall approve or disapprove such plan for school~~  
16 ~~districts that are members of such learning community, based on the~~  
17 ~~inclusion of such elements. On or before the immediately following~~  
18 ~~December 5, each learning community coordinating council shall~~  
19 ~~certify to the department the approval or disapproval of the limited~~  
20 ~~English proficiency plan for each member school district.~~

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

25           (a) Identification of students with limited English

1 proficiency;

2 (b) Instructional approaches;

3 (c) Assessment of such students' progress toward  
4 mastering the English language; and

5 (d) An evaluation to determine the effectiveness of the  
6 elements of the limited English proficiency plan.

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

10 Sec. 62. Section 79-1022, Revised Statutes Cumulative  
11 Supplement, 2012, is amended to read:

12 79-1022 (1) On or before March 10, 2010, and March 1,  
13 2011, for school fiscal year 2010-11, on or before July 1, 2011, for  
14 school fiscal year 2011-12, on or before May 1, 2012, for school  
15 fiscal year 2012-13, and on or before March 1 of each year thereafter  
16 for each ensuing fiscal year, the department shall determine the  
17 amounts to be distributed to each local system and each district  
18 pursuant to the Tax Equity and Educational Opportunities Support Act  
19 and shall certify the amounts to the Director of Administrative  
20 Services, the Auditor of Public Accounts, ~~each learning community,~~  
21 and each district. The amount to be distributed to each district ~~that~~  
22 ~~is not a member of a learning community~~ from the amount certified for  
23 a local system shall be proportional based on the formula students  
24 attributed to each district in the local system. ~~The amount to be~~  
25 ~~distributed to each district that is a member of a learning community~~



1 ~~from the amount certified for the local system shall be proportional~~  
2 ~~based on the formula needs calculated for each district in the local~~  
3 ~~system.~~ On or before March 1, 2011, for school fiscal year 2010-11,  
4 on or before July 1, 2011, for school fiscal year 2011-12, on or  
5 before May 1, 2012, for school fiscal year 2012-13, and on or before  
6 March 1 of each year thereafter for each ensuing fiscal year, the  
7 department shall report the necessary funding level to the Governor,  
8 the Appropriations Committee of the Legislature, and the Education  
9 Committee of the Legislature. The report submitted to the committees  
10 of the Legislature shall be submitted electronically. Except as  
11 otherwise provided in this subsection, certified state aid amounts,  
12 including adjustments pursuant to section 79-1065.02, shall be shown  
13 as budgeted non-property-tax receipts and deducted prior to  
14 calculating the property tax request in the district's general fund  
15 budget statement as provided to the Auditor of Public Accounts  
16 pursuant to section 79-1024. Increases in state aid for school fiscal  
17 year 2010-11 from the first certification in 2010 to the second  
18 certification on or before March 1, 2011, shall not require a school  
19 district to revise its previously adopted budget statement pursuant  
20 to section 13-511 for school fiscal year 2010-11 unless expenditures  
21 are increased in such school fiscal year as a result of such  
22 increases in state aid. The amount of such increased state aid that  
23 has not been included in an amended budget for school fiscal year  
24 2010-11 shall be included in the unencumbered cash balance pursuant  
25 to section 13-504 for the school fiscal year 2011-12 budget for each

1 school district.

2 (2) Except as provided in this subsection, subsection (8)  
3 of section 79-1016, and sections 79-1033 and 79-1065.02, the amounts  
4 certified pursuant to subsection (1) of this section shall be  
5 distributed in ten as nearly as possible equal payments on the last  
6 business day of each month beginning in September of each ensuing  
7 school fiscal year and ending in June of the following year, except  
8 that when a school district is to receive a monthly payment of less  
9 than one thousand dollars, such payment shall be one lump-sum payment  
10 on the last business day of December during the ensuing school fiscal  
11 year. For school fiscal year 2010-11, payments shall be based on the  
12 amounts certified pursuant to subsection (1) of this section on March  
13 10, 2010, except that on the last business day of April, the  
14 department shall make federal Education Jobs Fund allocations  
15 available pursuant to section 79-1028.04 equal to any increases in  
16 state aid for school fiscal year 2010-11 from the first certification  
17 in 2010 to the second certification on or before March 1, 2011,  
18 rounded to the nearest whole dollar.

19 Sec. 63. Section 79-1024, Revised Statutes Cumulative  
20 Supplement, 2012, is amended to read:

21 79-1024 (1) The department may require each district to  
22 submit to the department a duplicate copy of such portions of the  
23 district's budget statement as the Commissioner of Education directs.  
24 The department may verify any data used to meet the requirements of  
25 the Tax Equity and Educational Opportunities Support Act. The Auditor

1 of Public Accounts shall review each district's budget statement for  
2 statutory compliance, make necessary changes in the budget documents  
3 for districts to effectuate the budget limitations imposed pursuant  
4 to sections 79-1023 to 79-1030, and notify the Commissioner of  
5 Education of any district failing to submit to the auditor the budget  
6 documents required pursuant to this subsection by the date  
7 established in subsection (1) of section 13-508 or failing to make  
8 any corrections of errors in the documents pursuant to section 13-504  
9 or 13-511.

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

1 treasurer of receipt of the required budget documents or corrections  
2 of errors. The county treasurer shall withhold such money. For all  
3 school fiscal years before school fiscal year 2014-15 for school  
4 districts that are members of learning communities, a determination  
5 of school money belonging to the district shall be based on the  
6 proportionate share of property tax receipts allocated to the school  
7 district by the learning community coordinating council, and the  
8 county treasurer shall withhold any such school money in the  
9 possession of the county treasurer from the school district. If the  
10 school district does not comply with this section prior to the end of  
11 the state's biennium following the biennium which included the fiscal  
12 year for which state aid was calculated, the state aid funds shall  
13 revert to the General Fund. The amount of any reverted funds shall be  
14 included in data provided to the Governor in accordance with section  
15 79-1031. The board of any district failing to submit to the  
16 department or the auditor the budget documents required pursuant to  
17 this section by the date established in subsection (1) of section  
18 13-508 or failing to make any corrections of errors in the documents  
19 pursuant to section 13-504 or 13-511 shall be liable to the school  
20 district for all school money which such district may lose by such  
21 failing.

22           Sec. 64. Section 79-1033, Revised Statutes Cumulative  
23 Supplement, 2012, is amended to read:

24           79-1033 (1) Except as otherwise provided in the Tax  
25 Equity and Educational Opportunities Support Act, state aid payable

1 pursuant to the act for each school fiscal year shall be based upon  
2 data found in applicable reports for the most recently available  
3 complete data year. The annual financial reports and the annual  
4 statistical summary of all school districts shall be submitted to the  
5 Commissioner of Education pursuant to the dates prescribed in section  
6 79-528. If a school district fails to timely submit its reports, the  
7 commissioner, after notice to the district and an opportunity to be  
8 heard, shall direct that any state aid granted pursuant to the act be  
9 withheld until such time as the reports are received by the  
10 department. In addition, the commissioner shall direct the county  
11 treasurer to withhold all school money belonging to the school  
12 district until such time as the commissioner notifies the county  
13 treasurer of receipt of such reports. The county treasurer shall  
14 withhold such money. For all school fiscal years before school fiscal  
15 year 2014-15, for school districts that are members of learning  
16 communities, a determination of school money belonging to the  
17 district shall be based on the proportionate share of state aid and  
18 property tax receipts allocated to the school district by the  
19 learning community coordinating council, and the county treasurer  
20 shall withhold any such school money in the possession of the county  
21 treasurer from the school district. If the school district does not  
22 comply with this section prior to the end of the state's biennium  
23 following the biennium which included the school fiscal year for  
24 which state aid was calculated, the state aid funds shall revert to  
25 the General Fund. The amount of any reverted funds shall be included

1 in data provided to the Governor in accordance with section 79-1031.

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

25 Sec. 65. Section 79-1036, Revised Statutes Cumulative

1 Supplement, 2012, is amended to read:

2           79-1036 (1) In making the apportionment under section  
3 79-1035, the Commissioner of Education shall distribute from the  
4 school fund for school purposes, to any and all learning communities  
5 and school districts which are not members of a learning community,  
6 in which there are situated school lands which have not been sold and  
7 transferred by deed or saline lands owned by the state, which lands  
8 are being used for a public purpose, an amount in lieu of tax money  
9 that would be raised by school district levies and for school fiscal  
10 years before school fiscal year 2014-15, learning community common  
11 levies for which the proceeds are distributed to member school  
12 districts pursuant to sections 79-1073 and 79-1073.01, if such lands  
13 were taxable, to be ascertained in accordance with subsection (2) of  
14 this section, except that:

15           (a) For Class I districts or portions thereof which are  
16 affiliated and in which there are situated school or saline lands,  
17 38.6207 percent of the in lieu of land tax money calculated pursuant  
18 to subsection (2) of this section, based on the affiliated school  
19 system tax levy computed pursuant to section 79-1077, shall be  
20 distributed to the affiliated high school district and the remainder  
21 shall be distributed to the Class I district;

22           (b) For Class I districts or portions thereof which are  
23 part of a Class VI district which offers instruction in grades nine  
24 through twelve and in which there are situated school or saline  
25 lands, 38.6207 percent of the in lieu of land tax money calculated

1 pursuant to subsection (2) of this section, based on the Class VI  
2 school system levy computed pursuant to section 79-1078, shall be  
3 distributed to the Class VI district and the remainder shall be  
4 distributed to the Class I district;

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

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

21 (2) The county assessor shall certify to the Commissioner  
22 of Education the tax levies of each school district and any learning  
23 community in which school land or saline land is located and the last  
24 appraised value of such school land, which value shall be the same  
25 percentage of the appraised value as the percentage of the assessed



1 value is of market value in subsection (2) of section 77-201 for the  
2 purpose of applying the applicable tax levies for each district and  
3 any learning community in determining the distribution to the  
4 districts of such amounts. The school board of any school district  
5 and the learning community coordinating council of any learning  
6 community in which there is located any leased or undeeded school  
7 land or saline land subject to this section may appeal to the Board  
8 of Educational Lands and Funds for a reappraisalment of such school  
9 land if such school board or learning community coordinating council  
10 deems the land not appraised in proportion to the value of adjoining  
11 land of the same or similar value. The Board of Educational Lands and  
12 Funds shall proceed to investigate the facts involved in such appeal  
13 and, if the contention of the school board or learning community  
14 coordinating council is correct, make the proper reappraisalment. The  
15 value calculation in this subsection shall be used by the  
16 Commissioner of Education for making distributions in each school  
17 fiscal year.

18 Sec. 66. Section 79-1041, Revised Statutes Cumulative  
19 Supplement, 2012, is amended to read:

20 79-1041 ~~Each~~ For all school years before school year  
21 2014-15 each county treasurer of a county with territory in a  
22 learning community shall distribute any funds collected by such  
23 county treasurer from the common general fund levy and the common  
24 building fund levy of such learning community to each member school  
25 district pursuant to sections 79-1073 and 79-1073.01 at least once

1 each month.

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

6 Sec. 67. Section 79-1073, Revised Statutes Cumulative  
7 Supplement, 2012, is amended to read:

8 79-1073 On or before September 1 for each school year  
9 before school year 2014-15, each learning community coordinating  
10 council shall determine the expected amounts to be distributed by the  
11 county treasurers to each member school district from general fund  
12 property tax receipts pursuant to subdivision (2)(b) of section  
13 77-3442 and shall certify such amounts to each member school  
14 district, the county treasurer for each county containing territory  
15 in the learning community, and the State Department of Education.  
16 Such property tax receipts shall be divided among member school  
17 districts proportionally based on the difference of the school  
18 district's formula need calculated pursuant to section 79-1007.11  
19 minus the sum of the state aid certified pursuant to section 79-1022  
20 and the other actual receipts included in local system formula  
21 resources pursuant to section 79-1018.01 for the school fiscal year  
22 for which the distribution is being made.

23 Each time the county treasurer distributes property tax  
24 receipts from the common general fund levy to member school  
25 districts, the amount to be distributed to each district shall be

1 proportional based on the total amounts to be distributed to each  
2 member school district for the school fiscal year. Each time the  
3 county treasurer certifies a property tax refund pursuant to section  
4 77-1736.06 based on the common general fund levy for member school  
5 districts or any entity issues an in lieu of property tax  
6 reimbursement based on the common general fund levy for member school  
7 districts, including amounts paid pursuant to sections 70-651.01 and  
8 79-1036, the amount to be certified or reimbursed to each district  
9 shall be proportional on the same basis as property tax receipts from  
10 such levy are distributed to member school districts.

11 Sec. 68. Section 79-1073.01, Revised Statutes Cumulative  
12 Supplement, 2012, is amended to read:

13 79-1073.01 ~~Amounts~~ For all school years before school  
14 year 2014-15, amounts levied by learning communities for special  
15 building funds for member school districts pursuant to subdivision  
16 (2)(g) of section 77-3442 shall be distributed by the county  
17 treasurer collecting such levy proceeds to all member school  
18 districts proportionally based on the formula students used in the  
19 most recent certification of state aid pursuant to section 79-1022.  
20 Each time the county treasurer certifies a property tax refund  
21 pursuant to section 77-1736.06 based on the levy of a learning  
22 community for special building funds for members school districts or  
23 any entity issues an in lieu of property tax reimbursement based on  
24 the levy of a learning community for special building funds for  
25 member school districts, including amounts paid pursuant to sections

1 70-651.01 and 79-1036, the amount to be certified or reimbursed to  
2 each district shall be proportional on the same basis as property tax  
3 receipts from such levy are distributed to member school districts.

4 Any amounts distributed pursuant to this section shall be  
5 used by the member school districts for special building funds.

6 Sec. 69. Section 79-1074, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 79-1074 (1) The county clerk of any county in which a  
9 part of a joint school district ~~or learning community~~ is located  
10 shall, on or before the date prescribed in section 13-509, certify  
11 the taxable valuation of all taxable property of such part of the  
12 joint district ~~or learning community~~ to the clerk of the headquarters  
13 county in which the schoolhouse or the administrative office of the  
14 school district ~~or learning community~~ is located.

15 (2) The county clerk of any county in which a part of a  
16 joint affiliated school system ~~or learning community~~ is located  
17 shall, on or before the date prescribed in section 13-509, certify  
18 the taxable valuation of all taxable property of such part of the  
19 joint affiliated school system ~~or learning community~~ to the clerk of  
20 the headquarters county in which the schoolhouse or the  
21 administrative office of the high school district ~~or learning~~  
22 ~~community~~ is located.

23 Sec. 70. Section 79-1075, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25 79-1075 (1) The county board of the county in which is

1 located the schoolhouse or the administrative office of any joint  
2 school district ~~or learning community~~ shall make a levy for the  
3 school district, ~~or learning community, as may be necessary,~~ and the  
4 county clerk of that headquarters county shall certify the levy, on  
5 or before the date prescribed in section 77-1601, to the county clerk  
6 of each county in which is situated any portion of the joint school  
7 district. ~~or learning community.~~ This section shall apply to all  
8 taxes levied on behalf of school districts, including, but not  
9 limited to, taxes authorized by sections 10-304, 10-711, 10-716.01,  
10 77-1601, 79-747, 79-1077, 79-1084, 79-1085, 79-1086, 79-10,100,  
11 79-10,110, 79-10,118, 79-10,120, 79-10,122, and 79-10,126.

12 (2) The county board of the county in which is located  
13 the schoolhouse or the administrative office of the high school  
14 district of a joint affiliated school system shall make a levy for  
15 the joint affiliated school system, as may be necessary, and the  
16 county clerk of that headquarters county shall certify the levy, on  
17 or before the date prescribed in section 77-1601, to the county clerk  
18 of each county in which is situated any portion of the joint  
19 affiliated school system. This section shall apply to all taxes  
20 levied on behalf of affiliated school systems, including, but not  
21 limited to, taxes authorized by sections 10-716.01, 79-1077, and  
22 79-10,110.

23 Sec. 71. Section 79-1083, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25 79-1083 At the time the budget statement is certified to

1 the levying board, each school board shall deliver to the county  
2 clerk of the headquarters county a copy of its adopted budget  
3 statement. ~~If the school district is a member of a learning~~  
4 ~~community, the school board shall also deliver to the learning~~  
5 ~~community coordinating council a copy of the adopted budget~~  
6 ~~statement.~~

7 Sec. 72. Section 79-1084, Revised Statutes Cumulative  
8 Supplement, 2012, is amended to read:

9 79-1084 The school board of a Class III school district  
10 shall annually, on or before September 20, report in writing to the  
11 county board ~~and the learning community coordinating council if the~~  
12 ~~school district is a member of a learning community~~ the entire  
13 revenue raised by taxation and all other sources and received by the  
14 school board for the previous school fiscal year and a budget for the  
15 ensuing school fiscal year broken down generally as follows: (1) The  
16 amount of funds required for the support of the schools during the  
17 ensuing school fiscal year; (2) the amount of funds required for the  
18 purchase of school sites; (3) the amount of funds required for the  
19 erection of school buildings; (4) the amount of funds required for  
20 the payment of interest upon all bonds issued for school purposes;  
21 and (5) the amount of funds required for the creation of a sinking  
22 fund for the payment of such indebtedness. The secretary shall  
23 publish, within ten days after the filing of such budget, a copy of  
24 the fund summary pages of the budget one time at the legal rate  
25 prescribed for the publication of legal notices in a legal newspaper

1 published in and of general circulation in such city or village or,  
2 if none is published in such city or village, in a legal newspaper of  
3 general circulation in the city or village. The secretary of the  
4 school board failing or neglecting to comply with this section shall  
5 be deemed guilty of a Class V misdemeanor and, in the discretion of  
6 the court, the judgment of conviction may provide for the removal  
7 from office of such secretary for such failure or neglect. ~~For Class~~  
8 ~~III school districts that are not members of a learning community,~~  
9 ~~the~~ The county board shall levy and collect such taxes as are  
10 necessary to provide the amount of revenue from property taxes as  
11 indicated by all the data contained in the budget and the certificate  
12 prescribed by this section, at the time and in the manner provided in  
13 section 77-1601.

14           Sec. 73. Section 79-1086, Revised Statutes Cumulative  
15 Supplement, 2012, is amended to read:

16           79-1086 (1) ~~The~~ Except as provided in subsection (2) of  
17 this section, the board of education of a Class V school district  
18 ~~that is not a member of a learning community~~ shall annually during  
19 the month of July estimate the amount of resources likely to be  
20 received for school purposes, including the amounts available from  
21 fines, licenses, and other sources. Before the county board of  
22 equalization makes its levy each year, the board of education shall  
23 report to the county clerk the rate of tax deemed necessary to be  
24 levied upon the taxable value of all the taxable property of the  
25 district subject to taxation during the fiscal year next ensuing for

1 (a) the support of the schools, (b) the purchase of school sites, (c)  
2 the erection, alteration, equipping, and furnishing of school  
3 buildings and additions to school buildings, (d) the payment of  
4 interest upon all bonds issued for school purposes, and (e) the  
5 creation of a sinking fund for the payment of such indebtedness. The  
6 county board of equalization shall levy the rate of tax so reported  
7 and demanded by the board of education and collect the tax in the  
8 same manner as other taxes are levied and collected.

9 (2) ~~The~~ For all school fiscal years before school fiscal  
10 year 2014-15, the school board of a Class V school district that is a  
11 member of a learning community shall annually, on or before September  
12 20, report in writing to the county board and the learning community  
13 coordinating council the entire revenue raised by taxation and all  
14 other sources and received by the school board for the previous  
15 school fiscal year and a budget for the ensuing school fiscal year  
16 broken down generally as follows: (a) The amount of funds required  
17 for the support of the schools during the ensuing school fiscal year;  
18 (b) the amount of funds required for the purchase of school sites;  
19 (c) the amount of funds required for the erection of school  
20 buildings; (d) the amount of funds required for the payment of  
21 interest upon all bonds issued for school purposes; and (e) the  
22 amount of funds required for the creation of a sinking fund for the  
23 payment of such indebtedness. The secretary shall publish, within ten  
24 days after the filing of such budget, a copy of the fund summary  
25 pages of the budget one time at the legal rate prescribed for the



1 publication of legal notices in a legal newspaper published in and of  
2 general circulation in such city or village or, if none is published  
3 in such city or village, in a legal newspaper of general circulation  
4 in the city or village. The secretary of the school board failing or  
5 neglecting to comply with this section shall be deemed guilty of a  
6 Class V misdemeanor and, in the discretion of the court, the judgment  
7 of conviction may provide for the removal from office of such  
8 secretary for such failure or neglect.

9           Sec. 74. Section 79-10,120, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11           79-10,120 The school board or board of education of a  
12 Class II, III, IV, V, or VI school district may establish a special  
13 fund for purposes of acquiring sites for school buildings or  
14 teacherages, purchasing existing buildings for use as school  
15 buildings or teacherages, including the sites upon which such  
16 buildings are located, and the erection, alteration, equipping, and  
17 furnishing of school buildings or teacherages and additions to school  
18 buildings for elementary and high school grades and for no other  
19 purpose. ~~For school districts that are not members of learning~~  
20 ~~communities, the~~ The fund shall be established from the proceeds of  
21 an annual levy, to be determined by the board, of not to exceed  
22 fourteen cents on each one hundred dollars upon the taxable value of  
23 all taxable property in the district which shall be in addition to  
24 any other taxes authorized to be levied for school purposes. Such tax  
25 shall be levied and collected as are other taxes for school purposes.

1 ~~For school districts that are members of a learning community, such~~  
2 ~~fund shall be established from the proceeds of the learning community~~  
3 ~~special building funds levy directed to the school district for such~~  
4 ~~purpose pursuant to subdivision (2)(g) of section 77-3442 and the~~  
5 ~~proceeds of any school district special building fund levy pursuant~~  
6 ~~to subdivision (2)(c) of section 77-3442.~~

7           Sec. 75. Section 79-10,126, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           79-10,126 A Class V school district ~~that is not a member~~  
10 ~~of a learning community~~ shall establish (1) for the general operation  
11 of the schools, such fund as will result from an annual levy of such  
12 rate of tax upon the taxable value of all the taxable property in  
13 such school district as the board of education determines to be  
14 necessary for such purpose, (2) a fund resulting from an annual  
15 amount of tax to be determined by the board of education of not to  
16 exceed fourteen cents on each one hundred dollars upon the taxable  
17 value of all the taxable property in the district for the purpose of  
18 acquiring sites of school buildings and the erection, alteration,  
19 equipping, and furnishing of school buildings and additions to school  
20 buildings, which tax levy shall be used for no other purposes, and  
21 (3) a further fund resulting from an annual amount of tax to be  
22 determined by the board of education to pay interest on and retiring,  
23 funding, or servicing of bonded indebtedness of the district.

24           Sec. 76. Section 79-1210, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1                   79-1210 The State Board of Education shall grant or deny  
2 any petition to change educational service unit boundaries based upon  
3 the following criteria:

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

6                   (2) The economic viability of the proposal as it relates  
7 to affected established educational service units or affected  
8 proposed educational service units;

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

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

14                   (5) Compliance with the requirements of the Educational  
15 Service Units Act; and

16                   (6) In the dissolution of one or more entire educational  
17 service units, evidence of consent from each educational service unit  
18 board and two-thirds of the school boards or boards of education of  
19 member school districts representing a majority of students in each  
20 affected educational service unit.

21                   ~~For petitions that change educational service unit~~  
22 ~~boundaries by transferring a learning community member district from~~  
23 ~~one educational service unit to another educational service unit with~~  
24 ~~existing territory in such learning community, the requirements of~~  
25 ~~subdivisions (1), (2), (3), and (4) of this section shall be deemed~~

1 ~~to have been met if the affected educational service units will each~~  
2 ~~have at least two member school districts after such transfer.~~

3           Sec. 77. Section 79-1241.03, Revised Statutes Cumulative  
4 Supplement, 2012, is amended to read:

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

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

25           (b) The base allocation of each educational service unit

1 shall equal two and one-half percent of the funds appropriated for  
2 distribution pursuant to this section.

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

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

20 (e) The adjusted valuation for each educational service  
21 unit shall equal the total adjusted valuation of the member school  
22 districts pursuant to section 79-1016 used for the calculation of  
23 state aid for school districts pursuant to the act for the school  
24 fiscal year for which the distribution is being calculated pursuant  
25 to this section, except that such adjusted valuation for member

1 school districts that are also member districts of a learning  
2 community shall be reduced by fifty percent for school fiscal years  
3 2008-09 and 2009-10, thirty percent for school fiscal year 2010-11,  
4 and ten percent for ~~each school fiscal year thereafter.~~ school fiscal  
5 years 2011-12, 2012-13, and 2013-14. The adjusted valuation for each  
6 learning community shall equal fifty percent, for school fiscal years  
7 2008-09 and 2009-10, thirty percent, for school fiscal year 2010-11,  
8 and ten percent, for ~~each school fiscal year thereafter,~~ school  
9 fiscal years 2011-12, 2012-13, and 2013-14, of the total adjusted  
10 valuation of the member school districts pursuant to section 79-1016  
11 used for the calculation of state aid for school districts pursuant  
12 to the act for the school fiscal year for which the distribution is  
13 being calculated pursuant to this section.

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

16 (g) The statewide student allocation shall equal the  
17 difference of the sum of the amount appropriated for distribution  
18 pursuant to this section plus the product of the statewide adjusted  
19 valuation multiplied by the local effort rate minus the distance  
20 education and telecommunications allowance, base allocation, and  
21 satellite office allocation for all educational service units and  
22 minus any adjustments required by subsection (5) of this section.

23 (h) The sparsity adjustment for each educational service  
24 unit and learning community shall equal the sum of one plus one-tenth  
25 of the ratio of the square miles within the boundaries of the

1 educational service unit divided by the fall membership of the member  
2 school districts for the school fiscal year immediately preceding the  
3 school fiscal year for which the distribution is being calculated  
4 pursuant to this section.

5 (i) The adjusted students for each multidistrict  
6 educational service unit shall equal the fall membership for the  
7 school fiscal year immediately preceding the school fiscal year for  
8 which aid is being calculated of the member school districts that  
9 will not be members of a learning community and ninety percent of the  
10 fall membership for such school fiscal year of the member school  
11 districts that will be members of a learning community pursuant to  
12 this section multiplied by the sparsity adjustment for the  
13 educational service unit. The adjusted students for each single-  
14 district educational service unit shall equal ninety-five percent of  
15 the fall membership for the school fiscal year immediately preceding  
16 the school fiscal year for which aid is being calculated if the  
17 member school district will not be a member of a learning community  
18 and eighty-five percent of the fall membership for such school fiscal  
19 year if the member school district will be a member of a learning  
20 community pursuant to this section, multiplied by the sparsity  
21 adjustment for the educational service unit. The adjusted students  
22 for each learning community shall equal ten percent of the fall  
23 membership for such school fiscal year of the member school districts  
24 multiplied by the sparsity adjustment for the learning community.

25 (j) The per student allocation shall equal the statewide

1 student allocation divided by the total adjusted students for all  
2 educational service units and learning communities.

3 (k) The student allocation for each educational service  
4 unit and learning community shall equal the per student allocation  
5 multiplied by the adjusted students for the educational service unit  
6 or learning community.

7 (l) The needs for each educational service unit shall  
8 equal the sum of the distance education and telecommunications  
9 allowance, base allocation, satellite office allocation, and student  
10 allocation for the educational service unit and the needs for each  
11 learning community shall equal the student allocation for the  
12 learning community.

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

19 (3) If an educational service unit is the result of a  
20 merger or received new member school districts from another  
21 educational service unit, the educational service unit shall be  
22 considered a new educational service unit for purposes of this  
23 section. For each new educational service unit, the needs minus the  
24 distance education and telecommunications allowance for such new  
25 educational service unit shall, for each of the three fiscal years



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

1 districts multiplied by a ratio equal to the valuation that was  
2 transferred to the new educational service unit for which the minimum  
3 is being calculated divided by the total valuation of the educational  
4 service unit transferring the territory.

5 (4) For fiscal years 2010-11 through 2013-14, each  
6 educational service unit shall have needs minus the distance  
7 education and telecommunications allowance equal to an amount not  
8 less than ninety-five percent of the needs minus the distance  
9 education and telecommunications allowance for the immediately  
10 preceding fiscal year, except that if the total amount available to  
11 be distributed pursuant to subsections (2) through (6) of this  
12 section for the year for which needs are being calculated is less  
13 than the total amount distributed pursuant to such subsections for  
14 the immediately preceding fiscal year, the minimum needs minus the  
15 distance education and telecommunications allowance for each  
16 educational service unit pursuant to this subsection shall be reduced  
17 by a percentage equal to the ratio of such difference divided by the  
18 total amount distributed pursuant to subsections (2) through (6) of  
19 this section.

20 (5) If the minimum needs minus the distance education and  
21 telecommunications allowance pursuant to subsection (3) or (4) of  
22 this section for any educational service unit exceeds the amount that  
23 would otherwise be calculated for such educational service unit  
24 pursuant to subsection (2) of this section, the statewide student  
25 allocation shall be reduced such that the total amount to be

1 distributed pursuant to this section equals the appropriation for  
2 core services and technology infrastructure funds and no educational  
3 service unit has needs minus the distance education and  
4 telecommunications allowance less than the greater of any minimum  
5 amounts calculated for such educational service unit pursuant to  
6 subsections (3) and (4) of this section.

7           (6) The State Department of Education shall certify the  
8 distribution of core services and technology infrastructure funds  
9 pursuant to subsections (2) through (6) of this section to each  
10 educational service unit and learning community on or before July 1  
11 of each year for the following school fiscal year. Except as  
12 otherwise provided in this subsection, any funds appropriated for  
13 distribution pursuant to this section shall be distributed in ten as  
14 nearly as possible equal payments on the first business day of each  
15 month beginning in September of each school fiscal year and ending in  
16 June. Funds to be distributed to a learning community in school  
17 fiscal year 2010-11 shall be distributed in ten payments on the first  
18 business day of each month beginning in September 2010 and ending in  
19 June 2011, with each of the first five payments equal as nearly as  
20 possible to seventeen percent of the amount to be distributed and  
21 with each of the last five payments equal as nearly as possible to  
22 three percent of the amount to be distributed. Funds distributed to  
23 educational service units pursuant to this section shall be used for  
24 core services and technology infrastructure with the approval of  
25 representatives of two-thirds of the member school districts of the

1 educational service unit, representing a majority of the adjusted  
2 students in the member school districts used in calculations pursuant  
3 to this section for such funds. The valuation of individual school  
4 districts shall not be considered in the utilization of such core  
5 services or technology infrastructure funds by member school  
6 districts for funds received after July 1, 2010. Funds distributed to  
7 learning communities on or before January 15, 2011, shall be used for  
8 learning community purposes with the approval of the learning  
9 community coordinating council. Funds distributed to learning  
10 communities after January 15, 2011, and before July 1, 2014, shall be  
11 used for evaluation and research pursuant to section 79-2104.02 with  
12 the approval of the learning community coordinating council.

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

17 (8) It is the intent of the Legislature that:

18 (a) Funding for core services and technology  
19 infrastructure for each educational service unit consist of both  
20 amounts received pursuant to this section and an amount greater than  
21 or equal to the product of the adjusted valuation for the educational  
22 service unit multiplied by the local effort rate; and

23 (b) Each multidistrict educational service unit use an  
24 amount equal to at least five percent of such funding for core  
25 services and technology infrastructure for cooperative projects

1 between member school districts and that each such educational  
2 service unit use an amount equal to at least five percent of such  
3 funding for core services and technology infrastructure for statewide  
4 projects managed by the Educational Service Unit Coordinating  
5 Council.

6 Sec. 78. Section 81-1203, Revised Statutes Cumulative  
7 Supplement, 2012, is amended to read:

8 81-1203 (1) A business applying for a job training grant,  
9 other than a grant provided under subsection (3) of section  
10 81-1201.21, shall submit a business plan to the Department of  
11 Economic Development which includes, but is not limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25                   (c) The nature of the business and the number of

1 positions available or to be created;

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

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

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

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

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

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

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

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

25 (a) The percentage of trainees who have successfully

1 completed the training;

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

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

5 (d) A copy of the training curriculum.

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

8 (a) High-poverty area means an area consisting of one or  
9 more contiguous census tracts, as determined by the most recent  
10 federal decennial census, which contain a percentage of persons with  
11 incomes below the poverty line of greater than thirty percent, and  
12 all census tracts contiguous to such tract or tracts, as determined  
13 by the most recent federal decennial census; and

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

17 Sec. 79. Section 84-1413, Revised Statutes Cumulative  
18 Supplement, 2012, is amended to read:

19 84-1413 (1) Each public body shall keep minutes of all  
20 meetings showing the time, place, members present and absent, and the  
21 substance of all matters discussed.

22 (2) Any action taken on any question or motion duly moved  
23 and seconded shall be by roll call vote of the public body in open  
24 session, and the record shall state how each member voted or if the  
25 member was absent or not voting. The requirements of a roll call or



1 viva voce vote shall be satisfied by a municipality, a county, a  
2 ~~learning community~~, a joint entity created pursuant to the Interlocal  
3 Cooperation Act, a joint public agency created pursuant to the Joint  
4 Public Agency Act, or an agency formed under the Municipal  
5 Cooperative Financing Act which utilizes an electronic voting device  
6 which allows the yeas and nays of each member of such city council,  
7 village board, county board, or governing body to be readily seen by  
8 the public.

9 (3) The vote to elect leadership within a public body may  
10 be taken by secret ballot, but the total number of votes for each  
11 candidate shall be recorded in the minutes.

12 (4) The minutes of all meetings and evidence and  
13 documentation received or disclosed in open session shall be public  
14 records and open to public inspection during normal business hours.

15 (5) Minutes shall be written and available for inspection  
16 within ten working days or prior to the next convened meeting,  
17 whichever occurs earlier, except that cities of the second class and  
18 villages may have an additional ten working days if the employee  
19 responsible for writing the minutes is absent due to a serious  
20 illness or emergency.

21 Sec. 80. Sections 2, 7, 10, 11, 12, 14, 15, 16, 17, 18,  
22 19, 21, 22, 23, 25, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42,  
23 45, 46, 47, 48, 49, 50, 51, 52, 53, 60, 61, 62, 69, 70, 71, 72, 74,  
24 75, 76, 78, 79, 81, and 83 of this act become operative on July 1,  
25 2014. The other sections of this act become operative on their

1 effective date.

2           Sec. 81. Original sections 11-119, 13-2202, 77-1601.02,  
3 77-1614, 77-1624, 77-1702, 77-1708, 77-2201, 77-2202, 79-102, 79-407,  
4 79-415, 79-416, 79-433, 79-452, 79-458, 79-458.01, 79-467, 79-468,  
5 79-473, 79-549, 79-760.02, 79-850, 79-979, 79-1074, 79-1075, 79-1083,  
6 79-10,120, 79-10,126, and 79-1210, Reissue Revised Statutes of  
7 Nebraska, and sections 32-604, 32-1203, 68-907, 77-1704.01,  
8 77-2704.15, 79-408, 79-413, 79-611, 79-760.03, 79-760.05, 79-769,  
9 79-777, 79-1013, 79-1014, 79-1022, 79-1084, 81-1203, and 84-1413,  
10 Revised Statutes Cumulative Supplement, 2012, are repealed.

11           Sec. 82. Original sections 13-503, 13-508, 13-511,  
12 13-903, 32-567, and 77-1772, Reissue Revised Statutes of Nebraska,  
13 and sections 32-546.01, 70-651.04, 77-3442, 79-201, 79-215, 79-233,  
14 79-237, 79-238, 79-527, 79-528, 79-1003, 79-1007.05, 79-1007.11,  
15 79-1007.18, 79-1007.22, 79-1008.02, 79-1024, 79-1033, 79-1036,  
16 79-1041, 79-1073, 79-1073.01, 79-1086, and 79-1241.03, Revised  
17 Statutes Cumulative Supplement, 2012, are repealed.

18           Sec. 83. The following sections are outright repealed:  
19 Sections 79-4,117, 79-4,118, 79-4,119, 79-4,120, 79-4,121, 79-4,122,  
20 79-4,123, 79-4,124, 79-4,125, 79-4,126, 79-4,127, 79-4,128, 79-4,129,  
21 79-10,126.01, 79-2101, 79-2102, 79-2102.01, 79-2103, 79-2104.01,  
22 79-2107, 79-2114, and 79-2119, Reissue Revised Statutes of Nebraska,  
23 and sections 32-555.01, 79-2104, 79-2104.02, 79-2110, 79-2110.01,  
24 79-2111, 79-2112, 79-2113, 79-2115, 79-2116, 79-2117, 79-2118,  
25 79-2120, and 79-2121, Revised Statutes Cumulative Supplement, 2012.