

LEGISLATIVE BILL 688

Approved by the Governor May 27, 1987

Introduced by Education Committee, Withem, 14,
Chairperson, Dierks, 40, Baack, 47,
Nelson, 35, Chizek, 31, Peterson, 21,
McFarland, 28; Miller, 37; Conway, 17;
Smith, 33

AN ACT relating to schools; to amend sections 32-4,101, 32-4,104, 79-2201.01, 79-2202, 79-2203, 79-2203.02, 79-2203.03, 79-2204, 79-2204.01, 79-2205, 79-2206, and 79-2208, Reissue Revised Statutes of Nebraska, 1943, and sections 49-14,103.01, 79-328, 79-2201, and 79-2202.02, Revised Statutes Supplement, 1986; to state intent; to provide a role and mission statement for educational service units; to provide reorganization procedures; to redefine a term; to provide for conflicts of interest relating to contracts and employment for educational service unit officials and board members as prescribed; to provide for additional rules and regulations by the State Board of Education; to specify a penalty; to change and eliminate provisions relating to composition of, exclusion from, and inclusion in educational service units; to harmonize provisions; to provide operative dates; and to repeal the original sections.

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

Section 1. (1) The Legislature declares its intent and purpose to provide a statement of role and mission for the educational service units to serve as educational service providers in the state's system of elementary and secondary education.

(2) The role of the educational service units shall be:

(a) To act primarily as a service agency in providing service to schools as identified and requested by member school districts;

(b) As providers of educational services, to meet minimum accreditation standards set by the State Board of Education that will:

(i) Provide for accountability to taxpayers;

(ii) Assure that educational service units are

assisting and cooperating with local school districts to provide for equitable educational opportunities statewide; and

(iii) Assure a level of quality in educational programs and services provided to the local school districts by the educational service units;

(c) To act, in cooperation with the State Department of Education and local school districts, in a supporting role in the implementation of plans, strategies, and goals for the enhancement of educational opportunities of elementary and secondary education; and

(d) When appropriate and as funds become available, to serve as a repository, clearinghouse, and administrator of federal, state, and private funds on behalf of school districts which choose to participate in special programs, projects, or grants, in order to enhance the quality of education in Nebraska schools.

(3) The mission of the educational service units shall be:

(a) To provide educational services as identified and requested by member school districts;

(b) To provide for economy, efficiency, and cost-effectiveness in the cooperative delivery of educational services;

(c) To provide educational service through leadership, research, and development in elementary and secondary education; and

(d) To develop in cooperation with the State Department of Education and local school districts long-range plans, strategies, and goals for the enhancement of educational opportunities in elementary and secondary education.

(4) Educational service units shall not regulate local school districts.

Sec. 2. The Legislature finds that from time to time there is a need to change the boundaries of educational service units in response to changes in student population and in student and school needs as well as changes in the taxable wealth and financial resources of the educational service units. It is the intent of the Legislature to establish an orderly process for locally initiated reorganization of educational service unit boundaries. The purpose of sections 2 to 7 of this act is to establish the statutory framework for such process and to empower the State Board of Education to make changes in educational service unit boundaries based on statutory criteria.

Sec. 3. On and after January 1, 1989, petitions to the State Board of Education to change

educational service unit boundaries may be initiated by a resolution adopted by a majority vote of any educational service unit board or any board of education or school board. In addition, such boards shall initiate a petition for reorganization upon the receipt of a petition signed by ten per cent of the registered voters of such educational service unit or school district and certified by the county clerk or election commissioner.

Sec. 4. Petitions to the State Board of Education to change educational service unit boundaries shall include a description of the proposed boundaries and shall be accompanied by a plan of reorganization which shall include: (1) A summary of the reasons for the proposed reorganization; (2) a plan for the provision of services to school districts affected by any reorganization plan; and (3) in cases when a petition proposes the dissolution of an entire educational service unit or units for attachment to an existing educational service unit or for the merger of two or more educational service units into a new educational service unit, a summary of the terms on which such reorganization is made, including: (a) Provision for the utilization of existing facilities, equipment, and materials; and (b) provision for the disposition of assets and any unbonded indebtedness of affected educational service units.

Sec. 5. Petitions to reorganize educational service units may include the following:

(1) A transfer of a school district or districts from one established educational service unit to another established educational service unit;

(2) A withdrawal from an established educational service unit by two or more school districts to form a new educational service unit;

(3) An addition of a school district or districts which are not part of an educational service unit to an established or new educational service unit; and

(4) A withdrawal from a new or established educational service unit by a school district or districts.

Sec. 6. The State Board of Education shall grant or deny any petition to change educational service unit boundaries based upon the following criteria:

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

(2) The economic viability of the proposal as

it relates to affected established educational service units or affected proposed educational service units;

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

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

Sec. 7. The State Board of Education, within sixty days from the receipt of any such petition, shall hold a public hearing on the proposed reorganization plan. Within ninety days from the receipt of such petition, the board shall approve or reject such petition. If the board rejects the petition, it shall clearly state its reasons for such rejection. Approved petitions for reorganization of educational service unit boundaries shall be referred to the appropriate county and educational service unit officials to implement the plan and make the necessary changes in the educational service unit maps and tax records.

Sec. 8. That section 32-4,101, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

32-4,101. Immediately upon the completion of the canvass by the county canvassing board the county clerk or election commissioner shall prepare a copy of the abstract of the votes cast for President, Vice President, United States Senator, Congressman, all state officers, members of the Legislature, members of the State Board of Education, delegates to national conventions in a year in which a president is elected, Regents of the University of Nebraska, Judges of the Supreme Court, district courts, and county courts, all directors of public power and irrigation districts and reclamation districts, directors of natural resources districts, members of boards of technical community colleges, and all questions under the constitution voted upon by the whole people, and all questions submitted under the provisions of section 79-2203, which he or she shall seal up and endorse Abstract of votes of County, and direct to the Secretary of State. The Secretary of State, who shall prepare a tabular sheet of the votes cast for such officers and measures and preserve the same with the abstract of votes from the respective counties for the use of the Legislature in making the official canvass as required by the constitution and for the use of the state canvassing board. The Secretary of State shall deliver to the state ~~chairman~~ chairperson of each political

party, upon request, a separate abstract of votes of the various political contests for national and state offices indicating the total votes received by each candidate and measure.

Sec. 9. That section 32-4,104, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

32-4,104. There shall be a board of state canvassers consisting of the Governor, Secretary of State, Auditor of Public Accounts, State Treasurer, and Attorney General. It shall be the duty of the state board of canvassers to canvass the votes cast for President and Vice President of the United States, United States Senator, Representatives in Congress, all state offices, Regents of the University of Nebraska, directors of public power and irrigation districts and reclamation districts, members of the Legislature, members of the State Board of Education, delegates to the national convention in the year in which a president is elected, public service commissioner, district county judges, members of governing boards of technical community colleges, directors of natural resources districts, judges' retention, and all questions under the constitution voted upon by the whole people, and all questions submitted under the provisions of section 79-2203. Such canvass shall be made after each primary and general election, and certificates of nomination and certificates of election shall be made and delivered pursuant to sections 32-4,101 and 32-534. The canvass of the votes for candidates for President and Vice President of the United States and the return thereof shall be a canvass and return of the votes cast for the presidential electors of the same party or group of petitioners respectively, and the certificate of such election made by the Governor shall be in accord with such return.

Sec. 10. That section 49-14,103.01, Revised Statutes Supplement, 1986, be amended to read as follows:

49-14,103.01. (1) For purposes of sections 49-14,103.01 to 49-14,103.06, unless the context otherwise requires, officer shall mean (a) a member of the board of directors of a natural resources district, (b) a member of any board or commission of any county, school district, city, or village which spends and administers its own funds, who is dealing with a contract made by such board or commission, and (c) any elected county, school district, educational service unit, city, or village official. Officer shall not mean

volunteer firefighters or ambulance drivers with respect to their duties as firefighters or ambulance drivers.

(2) Except as provided in sections 49-1499.01 and 70-624.04, no officer may have an interest in any contract to which his or her governing body, or anyone for its benefit, is a party. The existence of such an interest in any contract shall render the contract voidable by decree of a court of competent jurisdiction as to any person who entered into the contract or took assignment of such contract with actual knowledge of the prohibited conflict. An action to have a contract declared void under this section may be brought by the county attorney, governing body, or any resident within the jurisdiction of the governing body and shall be brought within one year after the contract is signed or assigned. The decree may provide for the reimbursement of any person for the reasonable value of all money, goods, material, labor, or services furnished under the contract, to the extent that the governing body has benefited thereby.

The prohibition in this subsection shall apply only when the officer or his or her parent, spouse, or child (a) has a business association as defined in section 49-1408 with the business involved in the contract or (b) will receive a direct pecuniary fee or commission as a result of the contract.

(3) The provisions in subsection (2) of this section shall not apply if the interested officer:

(a) Makes a declaration on the record to the governing body responsible for approving the contract regarding the nature and extent of his or her interest prior to official consideration of the contract;

(b) Does not vote on the matter of granting the contract, except that if the number of members of the governing body declaring an interest in the contract would prevent the body with all members present from securing a quorum on the issue, then all members may vote on the matter; and

(c) Does not act for the governing body which is party to the contract as to inspection or performance under the contract in which he or she has an interest.

(4) An officer who (a) has no business association as defined in section 49-1408 with the business involved in the contract or (b) will not receive a direct pecuniary fee or commission as a result of the contract shall not be deemed to have an interest within the meaning of this section.

(5) The receiving of deposits, cashing of checks, and buying and selling of warrants and bonds of

indebtedness of any such governing body by a financial institution shall not be considered a contract for purposes of this section. The ownership of less than five per cent of the outstanding shares of a corporation shall not constitute an interest within the meaning of this section.

(6) If an officer's parent, spouse, or child is an employee of his or her governing body, the officer may vote on all issues of the contract which are generally applicable to (a) all employees or (b) all employees within a classification and do not single out his or her parent, spouse, or child for special action.

(7) Any contract entered into with an interested officer of the governing body shall be subject to applicable competitive bidding requirements and shall be fair and reasonable to the governing body.

(8) Nothing in this section shall prohibit a director of a natural resources district from acting as a participant in any of the conservation or other general district programs which are available for like participation to other residents and landowners of the district or from granting, selling, or otherwise transferring to such district any interest in real property necessary for the exercise of its powers and authorities if the cost of acquisition thereof is equal to or less than that established by a board of three real estate appraisers qualified in accordance with sections 81-8,276 and 81-8,287 or by a court of competent jurisdiction in an eminent domain proceeding.

District payments to a director of a natural resources district of the fair market value for real property owned by him or her and needed for district projects, or for cost sharing for conservation work on such director's land or land in which a director may have an interest, shall not be deemed subject to this section.

Sec. 11. That section 79-328, Revised Statutes Supplement, 1986, be amended to read as follows:

79-328. The State Board of Education shall have the power and it shall be its duty:

(1) To appoint and fix the compensation of the Commissioner of Education;

(2) To remove the commissioner from office at any time for conviction of any crime involving moral turpitude or felonious act, for inefficiency, or for willful and continuous disregard of his or her duties as commissioner or of the directives of the board;

(3) Upon recommendation of the commissioner, to appoint and fix the compensation of a deputy

commissioner and all professional employees of the board;

(4) To organize the State Department of Education into such divisions, branches, or sections as may be necessary or desirable to perform all its proper functions and to render maximum service to the board and to the state school system;

(5) To provide, through the commissioner and his or her professional staff, enlightened professional leadership, guidance, and supervision of the state school system, including educational service units. In order that the commissioner and his or her staff may carry out their duties, the board shall, through the commissioner: (a) Provide supervisory and consultative services to the schools of the state; (b) issue materials helpful in the development, maintenance, and improvement of educational facilities and programs; (c) establish rules and regulations which govern standards and procedures for the approval and legal operation of all schools in the state and for the accreditation of all schools requesting state accreditation. All public, private, denominational, or parochial schools shall either comply with the accreditation or approval requirements prescribed in this section and section 79-1247.02 or, for those schools which elect not to meet accreditation or approval requirements, the requirements prescribed in this section and subsections (2) to (4) of section 79-1701. Such standards and procedures shall be based upon the program of studies, guidance services, the number and preparation of teachers in relation to the curriculum and enrollment, instructional materials and equipment, science facilities and equipment, library facilities and materials, and health and safety factors in buildings and grounds. Rules and regulations which govern procedures and standards for private, denominational, and parochial schools which elect, pursuant to the procedures prescribed in subsections (2) to (4) of section 79-1701, not to meet state accreditation or approval requirements shall be based upon evidence that such schools offer a program of instruction leading to the acquisition of basic skills in the language arts, mathematics, science, social studies, and health. Such rules and regulations may include a provision for the visitation of such schools and regular achievement testing of students attending such schools in order to insure that such schools are offering instruction in the basic skills listed in this subdivision. Any arrangements for visitation or testing shall be made through a parent representative of each

such school. The results of such testing may be used as evidence that such schools are offering instruction in such basic skills, but shall not be used to measure, compare, or evaluate the competency of students at such schools; (d) establish rules for the approval of high schools for the collection of nonresident high school tuition money in accordance with the rules and regulations provided for in this subdivision, except that the State Board of Education shall approve a school for the collection of nonresident high school tuition money when a hardship would result to the students and a substantial effort is being made to comply with the rules and regulations established; (e) institute a statewide system of testing to determine the degree of achievement and accomplishment of all the students within the state's school systems, if it determines such testing would be advisable; (f) prescribe a uniform system of records and accounting for keeping adequate educational and financial records, for gathering and reporting necessary educational data, and for evaluating educational progress; (g) cause to be published laws and regulations governing the schools and the school lands and funds with explanatory notes for the guidance of those charged with the administration of the schools of the state; (h) approve teacher education programs conducted in Nebraska institutions of higher education designed for the purpose of certificating teachers and administrators; (i) approve teacher evaluation policies and procedures developed by school districts and educational service units; and (j) approve general plans and adopt educational policies, standards, rules, and regulations for carrying out the board's responsibilities and those assigned the State Department of Education by the Legislature;

(6) To adopt and promulgate rules and regulations for the guidance, supervision, accreditation, and coordination of educational service units. Such rules and regulations for accreditation shall include, but not be limited to, (a) a requirement that programs and services offered the school district by each educational service unit shall be evaluated on a regular basis, but not less than every seven years, to assure that educational service units remain responsive to school district needs and (b) guidelines for the use and management of funds, generated from the property tax levy and other sources of revenue as may be available to the educational service units, to assure that public funds are used to accomplish the purposes and goals assigned to the educational service units by section 1

of this act. The State Board of Education shall establish procedures to encourage the coordination of activities among educational service units and to encourage effective and efficient educational service delivery on a statewide basis;

(7) To submit a biennial report to the Governor and the Clerk of the Legislature covering the actions of the board, the operations of the State Department of Education, and the progress and needs of the schools and to recommend such legislation as may be necessary to satisfy these needs;

(8) To cause to be prepared and distributed reports designed to acquaint school district officers, teachers, and patrons of the schools with the conditions and needs of the schools;

(9) To provide for consultation with professional educators and lay leaders for the purpose of securing advice deemed necessary in the formulation of policies and in the effectual discharge of its duties;

(10) To cause such studies, investigations, and reports to be made and such information assembled as are necessary for the formulation of policies, for making plans, for evaluating the state school program, and for the making of essential and adequate reports;

(11) To submit to the Governor and the Legislature a budget necessary to finance the state school program under its jurisdiction, including the internal operation and maintenance of the State Department of Education;

(12) To interpret its own policies, standards, rules, and regulations and, upon reasonable request, hear complaints and disputes arising therefrom;

(13) With the advice of the Department of Motor Vehicles, to adopt reasonable standards, not inconsistent with existing statutes, governing: (a) The general design, equipment, color, operation, and maintenance of any vehicle with a manufacturer's rated seating capacity of eleven or more passengers used for the transportation of school children; and (b) the equipment, operation, and maintenance of any vehicle with a capacity of ten or less passengers used for the transportation of school children, when such vehicles are either owned or operated, or owned and operated, by any school district or privately owned or operated under contract with any school district in this state. Similar standards are to be adopted for operators of such vehicles as to physical and mental qualities, driving skills and practices, and knowledge of traffic

laws and regulations which relate to school bus transportation. Such rules and regulations shall by reference be made a part of any such contract with a school district. Any officer or employee of any school district who violates any of the regulations or fails to include obligations to comply with the regulations in any contract executed by him or her on behalf of a school district shall be guilty of a Class V misdemeanor and shall, upon conviction thereof, be subject to removal from office or employment. Any person operating a school bus under contract with a school district who fails to comply with any of such regulations shall be guilty of breach of contract and such contract shall be canceled after notice and hearing by the responsible officers of such school district;

(14) To accept, on behalf of the Nebraska School for the Visually Handicapped, on behalf of the Nebraska School for the Deaf, or on behalf of any school for children with mental retardation which is exclusively owned by the State of Nebraska and under the control and supervision of the State Department of Education, devises of real property or donations or bequests of other property, or both, if in its judgment any such devise, donation, or bequest is for the best interest of any such school or the students attending thereat, or both, and may cause any such real estate to be irrigated or otherwise improved when in its judgment it would be advisable to do so; and

(15) Upon acceptance of any devise, donation, or bequest as provided in this section, to administer and carry out such devise or bequest in accordance with the terms and conditions thereof. If not prohibited by the terms and conditions of any such devise, donation, or bequest, it may sell, convey, exchange, or lease property so devised, donated, or bequeathed upon such terms and conditions as it deems best and deposit all money derived from any such sale or lease in the State Department of Education Trust Fund.

Each member of the Legislature shall receive a copy of the report required by subdivision (7) of this section by making a request for it to the commissioner.

None of the duties prescribed in this section shall prevent the board from exercising such other duties as in its judgment may be necessary for the proper and legal exercise of its obligations.

Sec. 12. That section 79-2201, Revised Statutes Supplement, 1986, be amended to read as follows:

79-2201. in order (i) to provide

supplementary educational services to local school districts, (2) to aid school districts in meeting approval and accreditation standards and the core curriculum standards adopted and promulgated by the State Board of Education pursuant to sections 79-328, 79-4,140-03, and 79-1247-02 and in otherwise upgrading their staff, curriculum, or equipment, and (3) to assist in the teacher evaluation requirements prescribed in section 79-12,111 and the entry-year assistance program; there There are hereby established seventeen educational service units. The official name of such units shall be Educational Service Unit No. . . . of the State of Nebraska, the individual number thereof to be determined as provided in section 79-2202. The educational service units shall cooperate with the staff of the State Department of Education to promote quality instructional programs in all areas of the state.

Sec. 13. That section 79-2201.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2201.01. In order to carry out the purposes provided in section ~~79-2201~~ 1 of this act, educational service units may purchase, lease, or lease-purchase real estate, equipment, supplies, and personal property for their own use. Educational service units may, either individually or collectively, purchase, lease, lease-purchase, or act as purchase agent for administrative and instructional supplies, instructional equipment, and personal property for resale only to school districts and state colleges within the territorial boundaries of any educational service unit. When an educational service unit advertises for bids for administrative or instructional materials, acceptance of any bid submitted to the educational service unit shall obligate the educational service unit to award the contract in accordance with the plans and specifications and in the quantities set forth in the bid documents. ~~Except for school districts provided for in subsection (3) of section 79-2203,~~ school districts in those counties which have elected not to be part of an educational service unit shall not benefit from the provisions of this section unless the school district has individually contracted with the board of an educational service unit and pays a dollar amount equivalent to the amount paid by member school districts for full participation in all services of the unit.

Sec. 14. That section 79-2202, Reissue Revised Statutes of Nebraska, 1943, be amended to read

as follows:

79-2202. Until July 1, 1970, the educational service units established by section 79-2201 shall be as follows:

- {1} The counties of Cedar, Dixon, Dakota, Wayne, Knox, and Thurston;
- {2} The counties of Cuming, Burt, Dodge, and Saunders;
- {3} The counties of Washington, Douglas, Sarpy, and Cass;
- {4} The counties of Otoe, Johnson, Nemaha, Pawnee, and Richardson;
- {5} The counties of Thayer, Jefferson, and Gage;
- {6} The counties of York, Seward, Lancaster, Fillmore, and Saline;
- {7} The counties of Greeley, Boone, Platte, Colfax, Nance, Polk, and Butler;
- {8} The counties of Boyd, Holt, Wheeler, Antelope, Pierce, Madison, and Stanton;
- {9} The counties of Adams, Clay, Webster, and Nuckolls;
- {10} The counties of Howard, Merrick, Hall, and Hamilton;
- {11} The counties of Gosper, Phelps, Kearney, Furnas, Harlan, and Franklin;
- {12} The counties of Dawson, Buffalo, and Sherman;
- {13} The counties of Blaine, Loup, Garfield, Custer, and Valley;
- {14} The counties of Keya Paha, Brown, Rock, and Cherry;
- {15} The counties of Chase, Hayes, Frontier, Dundy, Hitchcock, and Red Willow;
- {16} The counties of Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Perkins, and Lincoln;
- {17} The counties of Sioux, Dawes, Box Butte, Sheridan, and Merrill;
- {18} The counties of Scotts Bluff and Banner;
- and
- {19} The counties of Kimball, Garden, Cheyenne, and Deuel;

After July 1, 1970, the The educational service units established by section 79-2201 shall be as follows:

- (1) The counties of Cedar, Dixon, Dakota, Wayne, Knox, and Thurston;
- (2) The counties of Cuming, Burt, Dodge, and Saunders;

- (3) The counties of Washington, Douglas, Sarpy, and Cass;
- (4) The counties of Otoe, Johnson, Nemaha, Pawnee, and Richardson;
- (5) The counties of Thayer, Jefferson, and Gage;
- (6) The counties of York, Seward, Lancaster, Fillmore, and Saline;
- (7) The counties of Boone, Platte, Colfax, Nance, Merrick, Polk, and Butler;
- (8) The counties of Boyd, Holt, Wheeler, Antelope, Pierce, Madison, and Stanton;
- (9) The counties of Adams, Clay, Webster, Nuckolls, Hamilton, and that portion of Hall lying south of the Platte River;
- (10) The counties of Howard, Greeley, Garfield, Loup, Blaine, Custer, Sherman, Dawson, Buffalo, Valley, and that portion of Hall lying north of the Platte River;
- (11) The counties of Gosper, Phelps, Kearney, Furnas, Harlan, and Franklin;
- (12) The counties of Sheridan, Dawes, Sioux, Box Butte, and Morrill;
- (13) The counties of Scotts Bluff and Banner;
- (14) The counties of Kimball, Garden, Cheyenne, and Deuel;
- (15) The counties of Chase, Hayes, Frontier, Dundy, Hitchcock, and Red Willow;
- (16) The counties of Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Perkins, and Lincoln; and
- (17) The counties of Keya Paha, Brown, Rock, and Cherry.

This section shall not be construed as including in an educational service unit a county which previously has been excluded under the provisions of section 79-2203 unless and until such time as such county is readmitted to the educational service unit to which it is assigned in the manner provided by subsection (2) of section 79-2203. No county which has once been excluded from an educational service unit and then readmitted shall be permitted to take any further action to be excluded from an educational service unit.

Sec. 15. That section 79-2202.02, Revised Statutes Supplement, 1986, be amended to read as follows:

79-2202.02. Commencing June 1, 1987 January 1, 1988, and ending December 31, 1988, any school district may, by a majority vote of the local board of

education, decide to remove itself from the educational service unit of which it is a member under section 79-2202. Such election shall be communicated to the educational service unit not later than February 1, 1988, and shall become effective on the last day of the current fiscal year of the educational service unit. An ~~7~~ ~~except that an election communicated after June 1, 1987, and before June 30~~ February 1, 1987 ~~1988~~, shall become effective the last day of the educational service unit's subsequent fiscal year. After the effective date of the election: (1) The property within the school district shall be exempt from taxes levied for the educational service unit under section 79-2210; ~~and~~ (2) the school district shall only be obligated for its proportionate share of the indebtedness incurred by the educational service unit prior to the date of the election and for contractual commitments between the educational service unit and the school district; ~~(3) notwithstanding the provisions of section 79-2204.01, no school district which has, pursuant to this section, opted to remove itself from an educational service unit shall have any claim on any of the real or personal property of the educational service unit from which it has withdrawn; and (4) any school district which has, pursuant to this section, opted to remove itself from an educational service unit shall be entitled to enter into contracts to receive services offered by any educational service unit. The educational service unit shall not arbitrarily refuse to sell its services to such school district and shall not sell such services at an unreasonable cost. Any school district which has opted to remove itself from an educational service unit may appeal any decision of such educational service unit to deny services or to charge an unreasonable fee for such services to the district court of the county in which the administrative office of the educational service unit is located.~~

Sec. 16. That section 79-2203, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2203. (1) Each educational service unit shall be governed by a board to be known as the Board of Educational Service Unit No. The educational service unit board shall consist of one member from each county and four members at large, all of whom shall reside within the geographical boundaries of the educational service unit, but no more than two of the members at large shall be appointed or elected from the same county unless any one county within the educational

service unit has a population in excess of one hundred fifty thousand inhabitants or the educational service unit consists of only one county. Successors to the members initially appointed shall be elected for terms of four years. County candidates shall file their written applications with the county clerk or election ~~commissioner~~ commissioner no later than August 1 prior to the general election. Candidates for the position of members at large shall file their written applications with the Secretary of State no later than August 1 prior to the general election. No filing fee shall be required. Vacancies in office shall occur as set forth in section 32-1037. Whenever any vacancy occurs on the board, the remaining members of such board shall appoint an individual residing within the geographical boundaries of the educational service unit to fill such vacancy for the balance of the unexpired term. Members of the board shall receive no compensation for their services but shall be reimbursed for the actual and necessary expenses incurred in the performance of their duties under sections 79-2201 to ~~79-2212~~ 79-2224 and sections 1 to 7 and 17 of this act as provided in sections 84-306.01 to 84-306.05 for state employees.

(2) The provisions of Chapter 32, article 7, shall apply as nearly as may be practicable to proceedings under the provisions of this subsection. Any county which has been excluded from an educational service unit under prior provisions of this section may be readmitted in the manner provided by this section. No later than March 31 prior to any general election petitions may be filed with the Secretary of State seeking such readmission. Such petitions shall be signed by at least twenty per cent of the registered voters in each county. Upon the filing of such petitions, the Secretary of State shall order the question placed on the ballot at the next general election to be held in the county. If a majority of the voters voting on the issue vote for readmission, the county shall be readmitted.

(3) (2) Any local joint school district located in two or more counties shall be considered a part of the educational service unit in which the greater number of school-age children of such joint school district reside. All qualified electors of any such joint school district shall be eligible to hold office as the county representative of the county in which the greater number of school-age children reside. Any qualified elector of any joint school district shall be eligible to hold office as the at-large

representative if such elector resides within the geographical boundary of the school district comprising the educational service unit.

(4) (3) The administrator of each educational service unit, prior to March 1 of each year in which a state primary election is to be held, shall certify to the county clerk of each county located within the unit the names and numbers of each school district located within the county. If a school district is a joint district located in two or more counties or two or more educational service units, the administrator shall certify to each county clerk the unit or county of which the district is considered to be a part.

Sec. 17. On and after January 1, 1988, any county which has been excluded from an educational service unit shall be reincluded in an educational service unit as prescribed in section 79-2202.

Sec. 18. That section 79-2203.02, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2203.02. Members of boards of educational service units existing prior to approval of any plan of reorganization and prior to the reinclusion of counties in an educational service unit as required in section 17 of this act on September 29, 1969 shall serve as board members of educational service units which are reorganized pursuant to sections 79-2201 to 79-2204 and 79-2210 sections 2 to 7 and 17 of this act until the expiration of their original terms. Such persons shall be members of the board of the reorganized educational service unit in which they reside. Within thirty days after September 29, 1969 approval of any plan of reorganization by the State Board of Education and within thirty days following January 1, 1988, in the case of counties reincluded in an educational service unit as required in section 17 of this act, the Commissioner of Education shall call a meeting of board members of each educational service unit being reorganized pursuant to sections 79-2201 to 79-2204 and 79-2210 2 to 7 and 17 of this act. At such meeting, members of each such board shall appoint one member from each county not having representation on such board to serve until the next general election. The board shall take all necessary action to prepare for operation of the reorganized educational service unit commencing July 1, 1970 one year following approval of any plan of reorganization by the State Board of Education and not later than January 1, 1989, in the case of counties reincluded in an educational service unit as required in

section 17 of this act. Expenses incurred by such board prior to July 1, 1970; such times shall be prorated between the counties comprising the educational service unit on the basis of the assessed valuation of such counties.

Sec. 19. That section 79-2203.03, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2203.03. The After July 1, 1970, the board of any reorganized educational service unit pursuant to sections 2 to 7 and 17 of this act is authorized to issue warrants in an amount necessary for the following purposes: (1) To pay its expenses from July 1, 1970, until July 1, 1971, for a one-year period beginning one year after approval of any plan of reorganization by the State Board of Education or for a one-year period beginning January 1, 1989, in the case of counties reincluded in an educational service unit as required in section 17 of this act; and (2) to finance the programs and services of the reorganized educational service unit after July 1, 1970, beginning one year after the approval of any plan of reorganization by the State Board of Education or beginning January 1, 1989, in the cases of counties reincluded as required in section 17 of this act until the distribution of the proceeds of its first tax levy less the amount of cash on hand and to be received during such period. Whenever any board of a reorganized educational service unit shall issue warrants, such board shall make a tax levy at the next tax-levying period after January 1, 1970, sufficient to pay the same and the interest thereon. Such warrants shall bear interest at the rate of not more than six per cent per annum, and shall be recorded by the treasurer of the board and redeemed as provided in Chapter 77, article 22, and amendments thereto.

Sec. 20. That section 79-2204, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2204. The board of each reorganized educational service unit shall meet within ten days after its initial meeting provided for in section 79-2203 and organize by naming one of its members as president, one as vice president, and one as secretary. The board shall employ a treasurer who shall be paid a salary to be fixed by the board.

It shall be the function of the board of the educational service unit to determine the participation of the educational service unit in providing supplementary educational services. If the board of the

educational service unit does not provide supplementary educational services, it shall meet during each succeeding January to determine the participation in providing supplementary educational services for that calendar year.

Sec. 21. That section 79-2204.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2204.01. (1) When a reorganized educational service unit has been formed pursuant to the provisions of sections 79-2201 to 79-2204 and 79-2210 or the act of which sections 79-2201 to 79-2204, and 79-2210 are amendatory in part from one or more existing educational service units the county treasurer of the county in which the principal office of the existing educational service unit is located, with the assistance and cooperation of the boards of the appropriate educational service units, shall by June 30, 1970, ascertain, determine, and transfer to the educational service unit treasurer the amount of property and money on hand justly due the board of each reorganized educational service unit or units of which the existing educational service unit is a part. The amount shall be ascertained and determined as nearly as practicable according to the relative value of the taxable property in the respective counties of such existing educational service unit with the whole value thereof.

(2) Subject to the provisions of subsection (1) of this section, whenever a reorganized educational service unit has been formed pursuant to the provisions of sections 79-2201 to 79-2204 and 79-2210 or the act of which sections 79-2201 to 79-2204 and 79-2210 are amendatory, and there shall be any unbonded indebtedness of any existing educational service unit, such unbonded indebtedness shall be taken into account in estimating the sum due from property and money in the existing educational service unit to the reorganized educational service unit or units, and the new educational service unit shall be entitled to only the value of its proportionate share of such property and money after deducting its like share of the unbonded indebtedness.

(3) On July 1, 1970 (1) Within one year from the date of approval of any plan of reorganization or not later than January 1, 1989, in the case of counties being reincluded as required by section 17 of this act, the county treasurer of each county shall adjust the tax list of the educational service unit in accordance with the changes in boundaries of the educational service units pursuant to sections 79-2201 to 79-2204 and

79-2210 or the act of which sections 79-2201 to 79-2204 and 79-2210 are amendatory 2 to 7 and 17 of this act so that the uncollected taxes levied upon property that has been transferred to another educational service unit shall when collected be placed to the credit of the reorganized educational service unit to which the property is a part.

(2) (4) The board of every existing educational service unit that is to become reorganized pursuant to sections 79-2201 to 79-2204 and 79-2210 or the act of which sections 79-2201 to 79-2204 and 79-2210 are amendatory 2 to 7 of this act shall not employ any person for a term extending beyond June 30, 1970 greater than one year. Any contract or lease made by such a governing body is hereby declared to be null and void beyond June 30, 1970, if it extends for a period greater than one year unless validated by the board of the reorganized educational service unit. Nothing in this subsection shall be deemed inconsistent with or negate any rights of any educational service unit certificated employees to continued employment pursuant to sections 79-1254.05 to 79-1254.08 and sections 79-2216 to 79-2221, nor shall the provisions of this subsection negate any previously negotiated collective-bargaining agreements between educational service unit certificated employees and the educational service unit covering a period of time greater than one year.

(3) Any certificated employee who, in the year immediately preceding a reorganization, has been employed one half time or more by an educational service unit which is affected by an approved petition to change educational service unit boundaries shall, upon the effective date of the reorganization of the educational service unit boundaries pursuant to sections 2 to 7 of this act, have the option, for purposes of reduction in force, to be considered an employee of either the educational service unit at which he or she has been employed or the educational service unit which will provide services to the affected school district. If such employee elects to be considered an employee of the educational service unit which will serve the affected school district, the employee shall not lose any right of seniority or tenure status after the transfer. If the certificated employee in the year immediately preceding reorganization is assigned less than one half time to a school district petitioning or a school district in an educational service unit petitioning for reorganization, then such certificated employee shall continue to be an employee of the educational service

unit existing prior to reorganization.

~~(5)~~ (4) All official records of existing educational service units which shall be reorganized in whole or in part pursuant to the provisions of sections 79-2201 to 79-2204 and 79-2210 or the act of which sections 79-2201 to 79-2204 and 79-2210 are amendatory sections 2 to 7 of this act shall be transferred to the office of the Commissioner of Education for storage.

Sec. 22. That section 79-2205, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2205. Each board of an educational service unit deciding to provide supplementary services shall appoint and fix the compensation and duties of an administrator, who shall be a person experienced in public school administration and who shall hold at least a standard administrative certificate. With the advice of the administrator, the board shall also employ and fix the compensation and duties of such professional and clerical assistants as shall be necessary. No board member of an educational service unit shall be employed by the educational service unit board on which he or she is a board member.

Sec. 23. That section 79-2206, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2206. (1) The board shall determine the location within the educational service unit of its principal office and may, if necessary for the performance of its duties under sections 79-2201 to 79-2212 79-2224 and sections 1 to 7 and 17 of this act, establish one or more other offices at such locations as it shall determine within the educational service unit. The board may acquire office space by purchase out of funds appropriated to it for educational purposes or may rent or lease such space as may be necessary. The board shall also acquire the personal property necessary for the performance of its duties.

(2) When due to boundary changes provided for in sections 2 to 7 of this act the principal office of an educational service unit is no longer located within the boundaries of the educational service unit, then the affected educational service unit may maintain its principal office outside the boundaries of the unit.

Sec. 24. That section 79-2208, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-2208. When requested in writing by local boards of education or school boards, on forms

prescribed by the Commissioner of Education, the board of each educational service unit may, at its discretion and within the limitations imposed by sections 79-2209 and 79-2210, (1) provide supplementary services to (a) the requesting school systems within its geographical area, (b) requesting school systems not within its geographical area to the extent allowed under section ~~79-2201.01~~, and ~~subsection (3) of section 79-2203 79-2202.02~~, and (c) any other educational service unit, (2) plan and coordinate educational services within its geographical area whenever such services are offered on a cooperating basis between local school districts, and (3) contract for educational services with the board of any other educational service unit, any school district, any other educational agency, or ~~with~~ any appropriate state or federal officer or agency, except ; PROVIDED, that within that area of the service unit wherein there exists, or is hereinafter formed, an organized, full-time, approved city-county, multicounty, or regional health department with health services available, the educational service unit, if health services are provided, shall first seek to contract for school health services with such department for an amount of compensation agreeable to both such unit and board. The board of each educational service unit may charge for a portion or all of the costs of the additional services authorized by this section. If an educational service unit on December 25, 1969, has a health service facility, nothing in this section shall prevent the continued use by the unit of such facility. The educational service unit may contract with such health department to provide school health services for that area of the educational service unit not served by such city-county, multicounty, or regional health department.

Sec. 25. Sections 2 to 7, 21, 23, and 26 of this act shall become operative on January 1, 1989. The remaining sections of this act shall become operative on January 1, 1988.

Sec. 26. That original sections 79-2204.01 and 79-2206, Reissue Revised Statutes of Nebraska, 1943, are repealed.

Sec. 27. That original sections 32-4,101, 32-4,104, 79-2201.01, 79-2202, 79-2203, 79-2203.02, 79-2203.03, 79-2204, 79-2205, and 79-2208, Reissue Revised Statutes of Nebraska, 1943, and sections 49-14,103.01, 79-328, 79-2201, and 79-2202.02, Revised Statutes Supplement, 1986, are repealed.