



Hundredth Legislature - First Session - 2007
Committee Statement
LB 658

Hearing Date: February 20, 2007
Committee On: Education

Introducer(s): (Raikes)

Title: Change provisions relating to Class I and Class VI school districts

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

- | | | |
|---|---------------------|---|
| 8 | Yes | Senators Adams, Ashford, Avery, Burling, Howard, Johnson, Kopplin, and Raikes |
| 0 | No | |
| 0 | Present, not voting | |
| 0 | Absent | |
-

Proponents:

Senator Ron Raikes
James Havelka
Scott J. Norby
Cary Linton
Mary Jo Rupert
Chad Bailey
Renee Jacobson
Robin Stevens
Rob Brigham
Ed Swotek

Representing:

Introducer
Nebraska Rural Community Schools Association
Nebraska State Education Association
Leyton Public Schools Board of Education
Norris Public Schools
Self
Plattsmouth Community Schools
Schuyler Community Schools
Wahoo Public Schools
Self

Opponents:

John F. Recknor
Kenneth J. Myers
George Lauby

Representing:

Class I's United
Gates School
Nebraskans for Local Schools

Neutral:

Cinde Wendell
Kenneth L. O'Mara

Representing:

Holdrege Public Schools
Self

Summary of purpose and/or changes:

LB 658 would allow for the creation of new Class I school districts through a reorganization process that would be initiated by an individual or group of individuals developing a plan describing the proposed district, resident students, facilities plan, staffing plan, estimated budget and a proposed method for dividing assets and liabilities.

The plan would be filed with the affected Class II, III, or IV school district and the State Committee for the Reorganization of Schools Districts. The plan would either be approved or denied by the state committee. If approved, the county clerk or election commissioner would prepare appropriate petitions for the individual or group of individuals to circulate. The petition would have to garner signatures from 15% of the registered voters in the K-12 district and 55% of the registered voters in the proposed Class I. The proposal would then be put on the ballot in the next statewide general election for consideration by the K-12 district voters. If successful, the proposal would take effect the following July 1st.

LB 658 would require that Class I districts be wholly affiliated with a single Class II, III, or IV district and that their budgets be set by the high school district according to minimums and a process established in the act.

LB 658 would also eliminate Class VI districts as a reorganization option and would make all Class I districts wholly part of a K-12 in terms of voting and taxation. All reporting to the Department of Education would be done at the K-12 district level.

Development of a Class I organization plan:

- (1) Any individual or group of individuals residing in a Class II, III, or IV district may propose a plan to create a new Class I school district. The plan shall contain
 - A legal description and a map of the proposed district which must consist of contiguous territory of at least twenty square miles, only territory within a single Class II, III, or IV school district, and territory that does not divide a precinct
 - A list of at least three resident students who will enroll in such district as attested to in writing by a parent or legal guardian;
 - A facilities plan which includes the location of the building, whether an existing building will be transferred from the Class II, III, or IV district and the cost of any proposed facility purchase, construction, or renovation. If the facilities plan would require a capital facility bond, the plan shall include a proposal for a bond issue to be voted upon concurrently with the plan.
 - A staffing plan;
 - An estimated budget;
 - A proposed method for dividing assets and liabilities between the Class II, III, or IV school district and the proposed Class I district.
- (2) The plan shall be filed with the school board of the affected Class II, III, or IV school district and the State Committee for the Reorganization of School Districts on or before January 15 of any even-numbered year. The state committee shall approve the plan if the minimum requirements subsection (1) are met. If they are not met the state committee shall reject the plan with an explanation of the unmet requirements. Such approval or rejection shall be made on or before April 1 of such year.

- (3) If the state committee approves the plan, it shall submit the plan within five days after such approval to the election commissioner or county clerk of the county in which the Class II, III, or IV school district is headquartered.
- (4) If the state committee rejects the plan, the individual or group initiating the plan may appeal the rejection to the State Board of Education on or before April 15. The state board shall consider the appeal at a meeting on or before June 15 and determine if the minimum requirements have been met. The individual or group appealing the decision shall have an opportunity to testify at such meeting. If the state board reverses the decision of the state committee and approves the plan, the state board shall submit the plan to the election commissioner or county clerk with five days after such approval.

Approved Plan and Petition Process:

An election commissioner or county clerk receiving an approved plan shall put the plan into petition form on or before July 15 following receipt of the plan. The petition form shall be based on a standard form developed by the Secretary of State for such purpose. The petition shall contain a legal description of the proposed district, a map of the proposed district, and the other elements of the plan required by such section. The individual or group of individuals initiating the plan shall be responsible for gathering sufficient signatures on such petitions in order for the plan to be placed on the ballot at the next statewide general election. In order for the plan to be placed on the ballot, such petitions shall contain the signatures of not less than fifteen percent of the registered voters residing in the affected Class II, III, or IV district, which total shall include not less than fifty-five percent of the registered voters residing in the proposed Class I school district, verified as provided in section 32-631. The petitions shall be filed with the election commissioner or county clerk for signature verification on or before the immediately following August 15. If the election commissioner or county clerk determines that the appropriate number of registered voters signed the petitions, he or she shall place the issue on the ballot for the next statewide general election. Petition circulators and signers shall conform to the requirements of sections 32-629 and 32-630.

Election Process:

If the petitions submitted contain sufficient verified signatures, the plan shall be certified by the election commissioner or county clerk who received the petitions and shall be placed on the ballot for the following statewide general election in accordance with the Election Act. The ballot language shall be based on a standard form developed by the Secretary of State for such purpose and shall contain the description of the boundaries of the proposed Class school district and the affected Class II, III, or IV school district or districts as contained in the petition. A map of the proposed Class I school district and the affected Class II, III, or IV school district which is identical to the map contained in the petitions shall be prominently displayed at each polling place. The prorated share of costs of such election shall be paid by the affected Class II, III, or IV school district pursuant to sections 32-1201 to 32-1208. Only the registered voters of the affected Class II, III, or IV school district may vote in such election.

Upon a Successful Election to organize a new Class I district:

If a majority of the persons voting on the ballot question submitted vote in favor of creating the Class I school district described in the petition, the State Committee for the Reorganization of School Districts shall issue an order on or before December 31 of the same year. The provisions

of section 79-492 to 79-495 relating to school district organization shall apply to such class I school district.

The order of the State Committee for the Reorganization of School District creating a new Class I school district shall:

- (1) Designate an effective date of the following July 1 for the creation of the new Class I school district;
- (2) Contains the description of the proposed boundaries of the new Class I school district and the affected Class II, III, or IV school district and a map of such boundaries, as provided in the plan approved pursuant to section 2 of this act;
- (3) Affiliate the Class I school district with the affected Class II, III, or IV school district;
- (4) Provide a method for dividing the assets and liabilities of the Class II, III, or IV school district as provided in such plan; and
- (5) Appoint an initial school board of three residents of the Class I school district who shall begin serving immediately and who shall serve until the first annual meeting of the new Class I school district.

Local System Requirements:

The State Department of Education shall recognize a local system as defined in section 79-1003 consisting of a Class II, III, or IV school district and the affiliated Class I school district as a single Class II, III, or IV school district for state aid, budgeting, accreditation, enrollment of students, state programs, and reporting. The local system shall submit a single report document for each of the reports required of school districts pursuant to Chapter 79 and shall submit a single budget document pursuant to the Nebraska Budget Act and sections 13-518 to 13-522.

Upon the effective date of an order creating a Class I school district, the residents of any such Class I school district shall also be deemed residents of the affiliated Class II, III, or IV school district and deemed registered voters in both school districts. On and after January 1, 2008, all new bonded indebtedness for such school districts shall be voted on by registered voters of the entire local system and the entire territory of the local system shall be subject to taxation for repayment of such bonded indebtedness if approved.

Special Election to Retain or Dissolve Class I District:

The school board of a Class II, III, or IV school district may call for a special election of the voters of an affiliated Class I school district to determine if such Class I school district shall be retained. Only the registered voters of the Class I school district shall be eligible to vote in such election. If less than fifty percent of the registered voters of such Class I school district vote to retain the Class I school district, the Class I school district shall be dissolved. If the Class I school district is required to be dissolved as a result of such election, the State Committee for the Reorganization of School Districts shall issue an order merging such Class I school district into such Class II, III, or IV school district with an effective date of July 1 following such special election, except that if the special election is held between January 1 and July 1, the effective date shall be July 1 of the following calendar year. Such special election may not be held more than once every two calendar years. Such special election shall not be held by mail, and the cost of such election shall be paid by the Class II, III, or IV school district. Except as otherwise provided in this section, the provisions of the Election Act governing special elections apply to a special election held under this section.

The school board of a Class I school district created pursuant to sections 1 to 7 of the act may vote to dissolve such Class I school district by resolution of the board with an effective date stated in the resolution of July 1 following the adoption of the resolution or the following July 1. Such resolution shall be delivered to the Class II, III, or IV school district with which the Class I school district is affiliated and to the State committee for the Reorganization of School Districts. Within ten days after its adoption by the board. The state committee shall issue an order merging such Class I school district into such Class II, III, or IV school district with the effective date state in the resolution.

Class I Budget Authority:

Section 77 of LB 658: Section 79-1083.03 would be amended to strike references to primary high school districts, Class VI districts and multi-affiliated Class I districts. The section would also be amended to establish a minimum budget authority certified to a Class I that would equal:

- The greater of fifty-thousand dollars or the cost grouping cost per student for the local system's cost grouping multiplied by the adjusted weighted formula students attributed to the Class I school district.
- For new Class I school districts, the minimum budget authority for the general fund budget of expenditures minus the special education budget of expenditures shall equal the greater of fifty thousand dollars or the cost grouping cost per student for the local system's cost grouping multiplied by the estimated number of students included in the plan pursuant to section 1 of this act.
- The high school district shall approve or deny the request for additional budget authority. Or the high school district may modify the request prior to approval, except that the total allowable general fund budget of expenditures shall not be less than the minimum except that it can be denied and then would be set at zero.

Removal of References to Class VI and multi-affiliated Class I districts:

LB 658 would remove all references to Class VI and multi-affiliated Class I districts. Sections 9 through 76 and 78 through 85 primarily deal with the removal of those references. Additionally several sections outright repealed are due to the specific references to Class VI school districts.

Sections outright repealed: 32-546, 79-523, 79-553, 79-563, 79-568, 79-585, 79-5,108, 79-717, 79-1078, 79-404, 79-410, 79-411, 79-417, 79-424, 79-425, 79-426, 79-477, 79-478, 79-4,109, 79-4,110, and 79-4,111.

Explanation of amendments, if any:

The Committee Amendments would add a requirement for plans and petitions creating new Class I school districts to include a statement of the reason for creating the new Class I, a requirement for local systems to have a single collective-bargaining agreement for teachers, and a new allowance for elementary attendance centers in the standard cost group that are at least 7 miles from another elementary attendance center in the same district.

In the provisions for the creation of new Class I school districts, each plan would be required to contain a statement providing the reason for the request to create the proposed district. The

requirement would be repeated for petitions to be circulated following approval of the plan by the State Committee for the Reorganization of School Districts.

A new provision would require local systems containing Class I school districts to have a single collective bargaining agreement, negotiated by the Class II, III, or IV school district, covering all of the teachers in the local system. The financial responsibility for providing compensation and benefits would remain with the school district employing the teacher. For purposes of reduction in force, a teacher would be considered a teacher of the district employing the teacher, but the teacher would be given full credit for the years of teaching experience in the local system and tenure or permanent status rights if hired by another school district in the same local system. This provision would not apply to local systems that do not contain Class I school districts.

A new section would require the calculation of a remote elementary allowance for each qualifying local system beginning with aid calculated for 2008-09. To qualify, local systems must be in the standard cost grouping, have at least one qualifying remote elementary attendance center, and submit information required for the calculation. The information must be submitted on a form prescribed by the Department of Education on or before October 15 for the certification of state aid and on or before June 30 for the final calculation of aid. A qualifying remote elementary attendance center would be an elementary attendance center, in a district with multiple elementary attendance centers, which does not have another elementary attendance center within 7 miles in the same school district and which is not the elementary attendance center with the greatest number of formula students in the school district. The allowance would equal 50% of the statewide average general fund operating expenditures per formula student multiplied by the K-6 formula students attributed to the qualifying elementary attendance centers.

Section 79-1001 would be amended by adding the provisions for the remote elementary allowance to the Tax Equity and Educational Opportunities Support Act.

The provisions of § 79-1003 in the original proposal would be amended by including the remote elementary allowance in the allowances to be subtracted from the general fund operating expenditures to arrive at the adjusted general fund operating expenditures beginning with the calculation of aid for 2008-09.

Section 79-1007.02 would be amended by including the remote elementary allowance in the calculation of formula need for school fiscal year 2008-09 and each school fiscal year thereafter.

Senator Ron Raikes, Chairperson