

E AND R AMENDMENTS TO LB 1071

Introduced by Enrollment and Review Committee: Nordquist, 7,
Chairperson

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 Section 1. Section 13-509, Revised Statutes Supplement,
4 2009, is amended to read:

5 13-509 (1) On or before August 20 of each year, the
6 county assessor shall ~~(a)~~ certify to each governing body or board
7 empowered to levy or certify a tax levy the current taxable
8 value of the taxable real and personal property subject to the
9 applicable levy. and ~~(b)~~ certify to the State Department of
10 Education the current taxable value of the taxable real and
11 personal property subject to the applicable levy for all school
12 districts. Current taxable value for real property shall mean
13 the value established by the county assessor and equalized by
14 the county board of equalization and the Tax Equalization and
15 Review Commission. Current taxable value for tangible personal
16 property shall mean the net book value reported by the taxpayer and
17 certified by the county assessor.

18 (2) The valuation of any real and personal property
19 annexed by a political subdivision on or after August 1 shall
20 be considered in the taxable valuation of the annexing political
21 subdivision the following year.

22 Sec. 2. Section 79-201, Reissue Revised Statutes of
23 Nebraska, is amended to read:

1 79-201 (1) For purposes of this section, ~~+(a) Prior to~~
2 ~~July 1, 2005, a child is of mandatory attendance age if the child~~
3 ~~(i) has reached seven years of age, (ii) did not reach sixteen~~
4 ~~years of age prior to July 16, 2004, and (iii) has not reached~~
5 ~~eighteen years of age; and (b) On and after July 1, 2005, a child~~
6 is of mandatory attendance age if the child ~~(i)~~ (a) will reach six
7 years of age prior to January 1 of the then-current school year,
8 ~~(ii) did not reach sixteen years of age prior to July 16, 2004, and~~
9 ~~(iii) and (b) has not reached eighteen years of age.~~

10 (2) Except as provided in subsection (3) of this section,
11 every person residing in a school district within the State of
12 Nebraska who has legal or actual charge or control of any child
13 who is of mandatory attendance age or is enrolled in a public
14 school shall cause such child to enroll in, if such child is not
15 enrolled, and attend regularly a public, private, denominational,
16 or parochial day school which meets the requirements for legal
17 operation prescribed in Chapter 79, or a school which elects
18 pursuant to section 79-1601 not to meet accreditation or approval
19 requirements, each day that such school is open and in session,
20 except when excused by school authorities or when illness or severe
21 weather conditions make attendance impossible or impracticable.

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

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

26 (b) Has completed the program of instruction offered by
27 a school which elects pursuant to section 79-1601 not to meet

1 accreditation or approval requirements;

2 ~~(e) Has reached the age of eighteen years;~~

3 ~~(d)~~ (c) Has reached the age of sixteen years and
4 such child's parent or guardian has signed a notarized release
5 discontinuing the enrollment of the child on a form provided by the
6 school;

7 ~~(e)(i)~~ (d)(i) Will reach six years of age prior to
8 January 1 of the then-current school year, but will not reach seven
9 years of age prior to January 1 of such school year, (ii) such
10 child's parent or guardian has signed an affidavit stating that the
11 child is participating in an education program that the parent or
12 guardian believes will prepare the child to enter grade one for the
13 following school year, and (iii) such affidavit has been filed by
14 the parent or guardian with the school district in which the child
15 resides;

16 ~~(f)(i)~~ (e)(i) Will reach six years of age prior to
17 January 1 of the then-current school year but has not reached
18 seven years of age, (ii) such child's parent or guardian has signed
19 an affidavit stating that the parent or guardian intends for the
20 child to participate in a school which has elected or will elect
21 pursuant to section 79-1601 not to meet accreditation or approval
22 requirements and the parent or guardian intends to provide the
23 Commissioner of Education with a statement pursuant to subsection
24 (3) of section 79-1601 on or before the child's seventh birthday,
25 and (iii) such affidavit has been filed by the parent or guardian
26 with the school district in which the child resides; or

27 ~~(g)~~ (f) Will not reach six years of age prior to January

1 1 of the then-current school year and such child was enrolled in a
2 public school and has discontinued the enrollment according to the
3 policy of the school board adopted pursuant to subsection (4) of
4 this section.

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

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

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

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

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

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

24 Sec. 3. Section 79-215, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 79-215 (1) Except as otherwise provided in this section,
27 a student is a resident of the school district where he or she

1 resides ~~or~~ any school district where at least one of his ~~or~~ her
2 ~~parents reside~~ and shall be admitted to any such school district
3 upon request without charge.

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

7 ~~(2)~~ (3) A school board shall admit any homeless student
8 ~~that requests admission upon request~~ without charge.

9 ~~(3)~~ (4) A school board may allow a student whose
10 residency in the district ceases during a school year to continue
11 attending school in such district for the remainder of that school
12 year.

13 ~~(4)~~ (5) A school board may admit nonresident students to
14 the school district pursuant to a contract with the district where
15 the student is a resident and shall collect tuition pursuant to the
16 contract.

17 ~~(5)~~ (6) A school board may admit nonresident students to
18 the school district pursuant to the enrollment option program as
19 authorized by sections 79-232 to 79-246, and such admission shall
20 be without charge.

21 (7) A school board of any school district that is a
22 member of a learning community shall admit nonresident students to
23 the school district pursuant to the open enrollment provisions of
24 a diversity plan in a learning community as authorized by section
25 79-2110, and such admission shall be without charge.

26 ~~(6)~~ (8) A school board may admit a student who is a
27 resident of another state to the school district and collect

1 tuition in advance at a rate determined by the school board.

2 ~~(7)~~ (9) When a student as a ward of the state or as
3 a ward of any court (a) has been placed in a school district
4 other than the district in which he or she resided at the time he
5 or she became a ward and such ward does not reside in a foster
6 family home licensed or approved by the Department of Health and
7 Human Services or a foster home maintained or used pursuant to
8 section 83-108.04 or (b) has been placed in any institution which
9 maintains a special education program which has been approved by
10 the State Department of Education and such institution is not owned
11 or operated by the district in which he or she resided at the
12 time he or she became a ward, the cost of his or her education
13 and the required transportation costs associated with the student's
14 education shall be paid by the state, but not in advance, to
15 the receiving school district or approved institution under rules
16 and regulations prescribed by the Department of Health and Human
17 Services and the student shall remain a resident of the district
18 in which he or she resided at the time he or she became a ward.
19 Any student who is a ward of the state or a ward of any court
20 who resides in a foster family home licensed or approved by the
21 Department of Health and Human Services or a foster home maintained
22 or used pursuant to section 83-108.04 shall be deemed a resident
23 of the district in which he or she resided at the time he or
24 she became a foster child, unless it is determined under section
25 43-1311 or 43-1312 that he or she will not attend such district in
26 which case he or she shall be deemed a resident of the district in
27 which the foster family home or foster home is located.

1 ~~(8)~~ (10) When a student is not a ward of the state
2 or a ward of any court and is residing in a residential setting
3 located in Nebraska for reasons other than to receive an education
4 and the residential setting is operated by a service provider
5 which is certified or licensed by the Department of Health and
6 Human Services or is enrolled in the medical assistance program
7 established pursuant to the Medical Assistance Act and Title XIX
8 or XXI of the federal Social Security Act, as amended, the student
9 shall remain a resident of the district in which he or she
10 resided immediately prior to residing in such residential setting.
11 Upon request by a parent or legal guardian, the resident school
12 district shall contract with the district in which such residential
13 setting is located for the provision of all educational services,
14 including all special education services. If the parent or legal
15 guardian has requested that the resident school district contract
16 with the district in which such residential setting is located,
17 the district in which such residential setting is located shall
18 contract with the resident district and provide all educational
19 services, including all special education services, to the student.
20 If the two districts cannot agree on the amount of the contract,
21 the State Department of Education shall determine the amount
22 to be paid by the resident district to the district in which
23 such residential setting is located based on the needs of the
24 student, approved special education rates, the department's general
25 experience with special education budgets, and the cost per student
26 in the district in which such residential setting is located. Once
27 the contract has been entered into, all legal responsibility for

1 special education and related services shall be transferred to the
2 school district in which the residential setting is located. The
3 resident district for a student who is not a ward of the state or a
4 ward of any court does not change when the student moves from one
5 residential setting to another.

6 ~~(9)~~ (11) In the case of any individual eighteen years
7 of age or younger who is a ward of the state or any court and
8 who is placed in a county detention home established under section
9 43-2,110, the cost of his or her education shall be paid by the
10 state, regardless of the district in which he or she resided at
11 the time he or she became a ward, to the agency or institution
12 which: (a) Is selected by the county board with jurisdiction over
13 such detention home; (b) has agreed or contracted with such county
14 board to provide educational services; and (c) has been approved by
15 the State Department of Education pursuant to rules and regulations
16 prescribed by the State Board of Education.

17 ~~(10)~~ (12) No tuition shall be charged for students who
18 may be by law allowed to attend the school without charge.

19 ~~(11)~~ (13) On a form prescribed by the State Department
20 of Education, an adult with legal or actual charge or control of
21 a student shall provide the name of the student, the name of the
22 adult with legal or actual charge or control of the student, the
23 address where the student is residing, and the telephone number
24 and address where the adult may generally be reached during the
25 school day. If the student is homeless or if the adult does not
26 have a telephone number and address where he or she may generally
27 be reached during the school day, those parts of the form may be

1 left blank and a box may be marked acknowledging that these are the
2 reasons these parts of the form were left blank. The adult with
3 legal or actual charge or control of the student shall also sign
4 the form.

5 ~~(12)~~ (14) The department ~~shall~~ may adopt and
6 promulgate rules and regulations to carry out the department's
7 responsibilities under this section.

8 Sec. 4. Section 79-2,136, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-2,136 Each school board shall allow the part-time
11 enrollment of students who are residents of the school district
12 pursuant to ~~subsection (1)~~ subsections (1) and (2) of section
13 79-215 and who are also enrolled in a private, denominational,
14 or parochial school or in a school which elects pursuant to
15 section 79-1601 not to meet accreditation or approval requirements
16 and shall establish policies and procedures for such part-time
17 enrollment. Such policies and procedures may include provisions
18 permitting the part-time enrollment of such students who are
19 not residents of such school districts and may require part-time
20 students to follow school policies that apply to other students at
21 any time the part-time student is present on school grounds or at
22 a school-sponsored activity or athletic event. Part-time enrollment
23 shall not entitle a student to transportation or transportation
24 reimbursements pursuant to section 79-611. Nothing in this section
25 shall be construed to exempt any student from the compulsory
26 attendance provisions of sections 79-201 to 79-207.

27 Sec. 5. Section 79-318, Revised Statutes Supplement,

1 2009, is amended to read:

2 79-318 The State Board of Education shall:

3 (1) Appoint and fix the compensation of the Commissioner
4 of Education;

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

9 (3) Upon recommendation of the commissioner, appoint and
10 fix the compensation of a deputy commissioner and all professional
11 employees of the board;

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

16 (5) Provide, through the commissioner and his or her
17 professional staff, enlightened professional leadership, guidance,
18 and supervision of the state school system, including educational
19 service units. In order that the commissioner and his or her
20 staff may carry out their duties, the board shall, through the
21 commissioner: (a) Provide supervisory and consultation services
22 to the schools of the state; (b) issue materials helpful in the
23 development, maintenance, and improvement of educational facilities
24 and programs; (c) establish rules and regulations which govern
25 standards and procedures for the approval and legal operation
26 of all schools in the state and for the accreditation of all
27 schools requesting state accreditation. All public, private,

1 denominational, or parochial schools shall either comply with
2 the accreditation or approval requirements prescribed in this
3 section and section 79-703 or, for those schools which elect not
4 to meet accreditation or approval requirements, the requirements
5 prescribed in subsections (2) through (6) of section 79-1601.
6 Standards and procedures for approval and accreditation shall
7 be based upon the program of studies, guidance services, the
8 number and preparation of teachers in relation to the curriculum
9 and enrollment, instructional materials and equipment, science
10 facilities and equipment, library facilities and materials, and
11 health and safety factors in buildings and grounds. Rules and
12 regulations which govern standards and procedures for private,
13 denominational, and parochial schools which elect, pursuant to the
14 procedures prescribed in subsections (2) through (6) of section
15 79-1601, not to meet state accreditation or approval requirements
16 shall be as described in such section; (d) institute a statewide
17 system of testing to determine the degree of achievement and
18 accomplishment of all the students within the state's school
19 systems if it determines such testing would be advisable;
20 (e) prescribe a uniform system of records and accounting for
21 keeping adequate educational and financial records, for gathering
22 and reporting necessary educational data, and for evaluating
23 educational progress; (f) cause to be published laws, rules, and
24 regulations governing the schools and the school lands and funds
25 with explanatory notes for the guidance of those charged with the
26 administration of the schools of the state; (g) approve teacher
27 education programs conducted in Nebraska postsecondary educational

1 institutions designed for the purpose of certificating teachers
2 and administrators; (h) approve ~~teacher~~ certificated-employee
3 evaluation policies and procedures developed by school districts
4 and educational service units; and (i) approve general plans and
5 adopt educational policies, standards, rules, and regulations for
6 carrying out the board's responsibilities and those assigned to the
7 State Department of Education by the Legislature;

8 (6) Adopt and promulgate rules and regulations for
9 the guidance, supervision, accreditation, and coordination of
10 educational service units. Such rules and regulations for
11 accreditation shall include, but not be limited to, (a) a
12 requirement that programs and services offered to school districts
13 by each educational service unit shall be evaluated on a regular
14 basis, but not less than every seven years, to assure that
15 educational service units remain responsive to school district
16 needs and (b) guidelines for the use and management of funds
17 generated from the property tax levy and from other sources of
18 revenue as may be available to the educational service units,
19 to assure that public funds are used to accomplish the purposes
20 and goals assigned to the educational service units by section
21 79-1204. The State Board of Education shall establish procedures to
22 encourage the coordination of activities among educational service
23 units and to encourage effective and efficient educational service
24 delivery on a statewide basis;

25 (7) Submit a biennial report to the Governor and the
26 Clerk of the Legislature covering the actions of the board, the
27 operations of the State Department of Education, and the progress

1 and needs of the schools and recommend such legislation as may be
2 necessary to satisfy these needs;

3 (8) Prepare and distribute reports designed to acquaint
4 school district officers, teachers, and patrons of the schools with
5 the conditions and needs of the schools;

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

10 (10) Make studies, investigations, and reports and
11 assemble information as necessary for the formulation of policies,
12 for making plans, for evaluating the state school program, and for
13 making essential and adequate reports;

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

18 (12) Interpret its own policies, standards, rules, and
19 regulations and, upon reasonable request, hear complaints and
20 disputes arising therefrom;

21 (13) With the advice of the Department of Motor Vehicles,
22 adopt and promulgate rules and regulations containing reasonable
23 standards, not inconsistent with existing statutes, governing: (a)
24 The general design, equipment, color, operation, and maintenance
25 of any vehicle with a manufacturer's rated seating capacity of
26 eleven or more passengers used for the transportation of public,
27 private, denominational, or parochial school students; and (b)

1 the equipment, operation, and maintenance of any vehicle with a
2 capacity of ten or less passengers used for the transportation of
3 public, private, denominational, or parochial school students, when
4 such vehicles are owned, operated, or owned and operated by any
5 public, private, denominational, or parochial school or privately
6 owned or operated under contract with any such school in this
7 state, except for vehicles owned by individuals operating a school
8 which elects pursuant to section 79-1601 not to meet accreditation
9 or approval requirements. Similar rules and regulations shall be
10 adopted and promulgated for operators of such vehicles as provided
11 in section 79-607;

12 (14) Accept, on behalf of the Nebraska Center for the
13 Education of Children who are Blind or Visually Impaired, devises
14 of real property or donations or bequests of other property, or
15 both, if in its judgment any such devise, donation, or bequest
16 is for the best interest of the center or the students receiving
17 services from the center, or both, and irrigate or otherwise
18 improve any such real estate when in the board's judgment it would
19 be advisable to do so; and

20 (15) Upon acceptance of any devise, donation, or bequest
21 as provided in this section, administer and carry out such devise,
22 donation, or bequest in accordance with the terms and conditions
23 thereof. If not prohibited by the terms and conditions of any such
24 devise, donation, or bequest, the board may sell, convey, exchange,
25 or lease property so devised, donated, or bequeathed upon such
26 terms and conditions as it deems best and remit all money derived
27 from any such sale or lease to the State Treasurer for credit to

1 the State Department of Education Trust Fund.

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

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

9 Sec. 6. Section 79-4,108, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-4,108 (1) Unified system means two or more Class II or
12 III school districts participating in an interlocal agreement
13 under the Interlocal Cooperation Act with approval from the
14 State Committee for the Reorganization of School Districts. The
15 interlocal agreement may include Class I districts if the entire
16 valuation is included in the unified system. The interlocal
17 agreement shall provide for a minimum term of three school
18 years. The agreement shall provide that all property tax and
19 state aid resources shall be shared by the unified system and
20 that a board composed of school board members, with at least
21 one school board member from each district, shall determine
22 the general fund levy, within the limitations placed on school
23 districts and multiple-district school systems pursuant to section
24 77-3442, to be applied in all participating districts and shall
25 determine the distribution of property tax and state aid resources
26 within the unified system. For purposes of section 77-3442, the
27 multiple-district school system shall include all of the Class I,

1 II, and III districts participating in the unified system and the
2 Class I districts or portions thereof affiliated with any of the
3 participating Class II and III districts. The interlocal agreement
4 shall also provide that certificated staff will be employees
5 of the unified system. For any certificated staff employed by
6 the unified system, tenure and seniority as of the effective
7 date of the interlocal agreement shall be transferred to the
8 unified system and tenure and seniority provisions shall continue
9 in the unified system except as provided in sections 79-850 to
10 79-858. If a district withdraws from the unified system or if
11 the interlocal agreement expires and is not renewed, certificated
12 staff employed by a participating district immediately prior to
13 the unification shall be reemployed by the original district and
14 tenure and seniority as of the effective date of the withdrawal
15 or expiration shall be transferred to the original district. The
16 certificated staff hired by the unified system but not employed
17 by a participating district immediately prior to the unification
18 shall be subject to the reduction-in-force policy of the unified
19 system. The interlocal agreement shall also require participating
20 districts to pay obligations of the unified system pursuant to
21 sections 79-850 to 79-858 on a pro rata basis based on the adjusted
22 valuations if a district withdraws from the unified system or if
23 the interlocal agreement expires and is not renewed. Additional
24 provisions in the interlocal agreement shall be determined by the
25 participating districts and shall encourage cooperation within the
26 unified system.

27 (2) Application for unification shall be made to the

1 state committee. The application shall contain a copy of the
2 interlocal agreement signed by the president of each participating
3 school board. The state committee shall approve or disapprove
4 applications for unification within forty days after receipt
5 of the application. If the interlocal agreement complies with
6 subsection (1) of this section and all school boards of the
7 participating districts have approved the interlocal agreement,
8 the state committee shall approve the application. Unification
9 agreements shall be effective on June 1 following approval from
10 the state committee for status as a unified system or on the date
11 specified in the interlocal agreement, except that the date shall
12 be on or after June 1 and on or before September 1 for a specified
13 year. The board established in the interlocal agreement may begin
14 meeting any time after the application has been approved by the
15 state committee.

16 (3) Upon granting the application for unification,
17 the State Department of Education shall recognize the unified
18 system as a single Class II or III district for state aid,
19 budgeting, accreditation, enrollment of students, state programs,
20 and reporting. ~~except that the department shall require~~
21 ~~such reporting on an individual district basis as necessary to~~
22 ~~calculate formula need pursuant to the Tax Equity and Educational~~
23 ~~Opportunities Support Act separately for each participating~~
24 ~~district beginning with the calculation of state aid for~~
25 ~~school fiscal year 2009-10.~~ Except as otherwise required by
26 the department, the unified system shall submit a single report
27 document for each of the reports required of school districts

1 pursuant to Chapter 79 and shall submit a single budget document
2 pursuant to the Nebraska Budget Act and sections 13-518 to 13-522.
3 The class of district shall be the same as the majority of
4 participating districts, excluding Class I districts. If there are
5 an equal number of Class II and Class III districts in the unified
6 system, the unified system shall be recognized by the department as
7 a Class III district.

8 (4) The school districts participating in a unified
9 system shall retain their separate identities for all purposes
10 except those specified in this section, and participation in a
11 unified system shall not be considered a reorganization.

12 (5) The withdrawal of a participating school district
13 from a unified system or dissolution of a unified system shall
14 occur only if each participating school district in such unified
15 system either will be merged with at least one other school
16 district or will continue participation in such unified system
17 with at least one other participating school district following
18 such withdrawal or dissolution. The withdrawal of a participating
19 school district from a unified system or dissolution of a unified
20 system shall be accomplished and the rights and liabilities of
21 the participating school districts determined through an action for
22 declaratory judgment pursuant to the Uniform Declaratory Judgments
23 Act. An action under the act praying for the withdrawal of a
24 participating school district, dissolution of the unified system,
25 or a declaration of the rights and liabilities of the participating
26 school districts may be brought by the school board of any
27 participating school district. The court shall have jurisdiction

1 to determine all matters relating to the rights and liabilities
2 of the participating school districts, including, but not limited
3 to, the allocation among the participating school districts of
4 (a) the certificated staff employed by the unified system among
5 the participating school districts, (b) the real and personal
6 property acquired by and held in the name of the unified system,
7 (c) the local, state, and federal revenue of the unified system,
8 including state aid to be paid to the unified system for the year
9 following the withdrawal of a participating school district or the
10 dissolution of the unified system, and (d) the liability for the
11 repayment pursuant to subsection (8) of section 79-1010 of any
12 incentive aid received by the unified system and its participating
13 school districts, which liability shall be subtracted from the
14 state aid of the participating school districts to which such
15 repayment is allocated for the school fiscal years following the
16 last school fiscal year of participation of a withdrawing school
17 district or the operation of the dissolved unified system. The
18 State Department of Education shall implement and enforce all terms
19 of any decree of declaratory judgment entered pursuant to this
20 section.

21 (6) After April 3, 2008, the State Committee for the
22 Reorganization of School Districts shall not approve or order into
23 effect any new unified system under this section. The committee
24 may approve and order into effect the addition of school districts
25 to a unified system or the continuation of a unified system if
26 the continuing unified system will consist of at least two school
27 districts which are continuing participation in the unified system.

1 Sec. 7. The State Board of Education shall enter into
2 memoranda of understanding on or before September 1, 2010, with
3 the Board of Regents of the University of Nebraska, the Board of
4 Trustees of the Nebraska State Colleges, and the board of governors
5 of each community college area to adopt a policy to share student
6 data. At a minimum, the policy shall ensure that the exchange of
7 information is conducted in conformance with the requirements of
8 the federal Family Educational Rights and Privacy Act of 1974,
9 as amended, 20 U.S.C. 1232g, and all federal regulations and
10 applicable guidelines adopted in accordance with such act, as such
11 act, regulations, and guidelines existed on January 1, 2010.

12 Sec. 8. Section 79-8,137.01, Revised Statutes Supplement,
13 2009, is amended to read:

14 79-8,137.01 The Enhancing Excellence in Teaching Program
15 is created. For purposes of the Enhancing Excellence in Teaching
16 Program:

17 (1) Department means the State Department of Education;

18 (2) Eligible graduate program means a program of study
19 offered by an eligible institution which results in obtaining a
20 graduate degree;

21 ~~(2)~~ (3) Eligible institution means a not-for-profit
22 college or university which (a) is located in Nebraska, (b)
23 is accredited by the North Central Association of Colleges and
24 Schools, (c) has a teacher education program, and (d) if a
25 privately funded college or university, has not opted out of the
26 program Enhancing Excellence in Teaching Program pursuant to rules
27 and regulations;

1 ~~(3)~~ (4) Eligible student means an individual who (a) is a
2 certificated teacher employed to teach in an approved or accredited
3 school in Nebraska, (b) is enrolled in an eligible ~~institution~~
4 ~~in a graduate teacher education~~ graduate program, (c) if enrolled
5 at a state-funded eligible institution, is a resident student
6 as described in section 85-502 or, if enrolled in a privately
7 funded eligible institution, would be deemed a resident student
8 if enrolled in a state-funded eligible institution, and (d) is
9 majoring in a shortage area, curriculum and instruction, a subject
10 area in which the individual already holds a secular teaching
11 endorsement, or a subject area that will result in an additional
12 secular teaching endorsement which the superintendent of the school
13 district or head administrator of the private, denominational,
14 or parochial school employing the individual believes will be
15 beneficial to the students of such school district or school as
16 evidenced by a statement signed by the superintendent or head
17 administrator;

18 ~~(4)~~ Graduate teacher education program means a program
19 of study approved by the State Board of Education pursuant to
20 subdivision ~~(5)~~~~(g)~~ of section 79-318 which results in obtaining a
21 graduate degree;

22 (5) Majoring in a shortage area or subject area means
23 pursuing a degree which will allow an individual to be properly
24 endorsed to teach in such shortage area or subject area; and

25 (6) Shortage area means a secular field of teaching for
26 which there is a shortage, as determined by the department, of
27 properly endorsed teachers at the time the borrower first receives

1 funds pursuant to the ~~program~~, Enhancing Excellence in Teaching
2 Program.

3 Sec. 9. Section 79-8,137.02, Revised Statutes Supplement,
4 2009, is amended to read:

5 79-8,137.02 The purposes of the Enhancing Excellence in
6 Teaching Program are to:

7 (1) Retain teachers in the accredited or approved public
8 and private schools of Nebraska;

9 (2) Improve the skills of existing teachers in Nebraska
10 through the graduate education programs of Nebraska's postsecondary
11 educational institutions; and

12 (3) Establish a loan contract that requires a borrower
13 to continue employment as a teacher in this state after graduation
14 from a ~~graduate teacher education~~ an eligible graduate program.

15 Sec. 10. Section 79-8,137.03, Revised Statutes
16 Supplement, 2009, is amended to read:

17 79-8,137.03 (1) The department shall administer the
18 Enhancing Excellence in Teaching Program either directly or by
19 contracting with public or private entities.

20 (2) To be eligible for the program, an eligible student
21 shall:

22 (a) Agree to complete a ~~an eligible graduate teacher~~
23 ~~education~~ program at an eligible institution and to complete the
24 major on which the applicant's eligibility is based as determined
25 by the department; and

26 (b) Commit to teach in an accredited or approved public
27 or private school in Nebraska upon successful completion of the

1 eligible graduate teacher education program for which the applicant
2 is applying to the Enhancing Excellence in Teaching Program and to
3 maintaining certification pursuant to sections 79-806 to 79-815.

4 (3) Eligible students may apply on an annual basis for
5 loans in an amount of not more than one hundred seventy-five
6 dollars per credit hour. Loans awarded to individual students shall
7 not exceed a cumulative period exceeding five consecutive years.
8 Loans shall only be awarded through the department. Loans shall be
9 funded pursuant to section 79-8,137.05.

10 Sec. 11. Section 79-8,137.04, Revised Statutes
11 Supplement, 2009, is amended to read:

12 79-8,137.04 (1) Prior to receiving any money from a
13 loan pursuant to the Enhancing Excellence in Teaching Program, an
14 eligible student shall enter into a contract with the department.
15 Such contract shall be exempt from the requirements of sections
16 73-501 to 73-509. The contract shall require that if (a) the
17 borrower is not employed as a full-time teacher teaching in an
18 approved or accredited school in Nebraska for a time period equal
19 to the number of years required for loan forgiveness pursuant
20 to subsection (2) of this section or (b) the borrower does not
21 complete the requirements for graduation within five consecutive
22 years after receiving the initial loan under the program, then the
23 loan shall be repaid, with interest at the rate fixed pursuant
24 to section 45-103 accruing as of the date the borrower signed
25 the contract and actual collection costs as determined by the
26 department. If a borrower fails to remain enrolled at an eligible
27 institution or otherwise fails to meet the requirements of an

1 eligible student, repayment of the loan shall commence within
2 six months after such change in eligibility. The State Board of
3 Education may by rules and regulations provide for exceptions to
4 the conditions of repayment pursuant to this subsection based upon
5 mitigating circumstances.

6 (2) If the borrower (a) successfully completes the
7 ~~teacher education~~ eligible graduate program and major for which
8 the borrower is receiving a forgivable loan pursuant to the
9 ~~program~~ Enhancing Excellence in Teaching Program and maintains
10 certification pursuant to sections 79-806 to 79-815, (b) maintains
11 employment as a teacher in an approved or accredited school in this
12 state, and (c) otherwise meets the requirements of the contract,
13 payments shall be suspended for the number of years that the
14 borrower is required to remain employed as a teacher in this state
15 under the contract. Beginning after the first two years of teaching
16 full-time in Nebraska following graduation for the degree for which
17 the loan was received, for each year that the borrower teaches
18 full-time in Nebraska pursuant to the contract, the loan shall be
19 forgiven in an amount equal to three thousand dollars, except that
20 if the borrower teaches full-time in a school district that is
21 in a local system classified as very sparse as defined in section
22 79-1003, teaches in a school building in which at least forty
23 percent of the students are poverty students as defined in section
24 79-1003, or teaches in an accredited or approved private school in
25 Nebraska in which at least forty percent of the enrolled students
26 qualified for free lunches as determined by the most recent data
27 available from the department, payments shall be forgiven each year

1 in an amount equal to six thousand dollars.

2 Sec. 12. Section 79-1003, Revised Statutes Supplement,
3 2009, as amended by section 3, Legislative Bill 5, One Hundred
4 First Legislature, First Special Session, 2009, is amended to read:

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

7 (1) Adjusted general fund operating expenditures means
8 (a) for school fiscal years before school fiscal year 2007-08,
9 general fund operating expenditures as calculated pursuant to
10 subdivision (21) of this section minus the transportation allowance
11 and minus the special receipts allowance, (b) for school fiscal
12 year 2007-08, general fund operating expenditures as calculated
13 pursuant to subdivision (21) of this section minus the sum of
14 the transportation, special receipts, and distance education
15 and telecommunications allowances, (c) for school fiscal year
16 2008-09, the difference of the product of the general fund
17 operating expenditures as calculated pursuant to subdivision (21)
18 of this section multiplied by the cost growth factor calculated
19 pursuant to section 79-1007.10 minus the transportation allowance,
20 special receipts allowance, poverty allowance, limited English
21 proficiency allowance, distance education and telecommunications
22 allowance, elementary site allowance, elementary class size
23 allowance, summer school allowance, and focus school and program
24 allowance, (d) for school fiscal year 2009-10, the difference
25 of the product of the general fund operating expenditures
26 as calculated pursuant to subdivision (21) of this section
27 multiplied by the cost growth factor calculated pursuant to

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

27 (2) Adjusted valuation means the assessed valuation of

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

11 (3) Allocated income tax funds means the amount of
12 assistance paid to a local system pursuant to section 79-1005.01 or
13 79-1005.02 as adjusted by the minimum levy adjustment pursuant to
14 section 79-1008.02;

15 (4) Average daily attendance of a student who resides on
16 Indian land means average daily attendance of a student who resides
17 on Indian land from the most recent data available on November 1
18 preceding the school fiscal year in which aid is to be paid;

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

25 (6) Base fiscal year means the first school fiscal year
26 following the school fiscal year in which the reorganization or
27 unification occurred;

1 (7) Board means the school board of each school district;

2 (8) Categorical funds means funds limited to a specific
3 purpose by federal or state law, including, but not limited to,
4 Title I funds, Title VI funds, federal vocational education funds,
5 federal school lunch funds, Indian education funds, Head Start
6 funds, and funds from the Education Innovation Fund;

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

10 (10) Department means the State Department of Education;

11 (11) District means any Class I, II, III, IV, V, or
12 VI school district and, beginning with the calculation of state
13 aid for school fiscal year 2011-12 and each school fiscal year
14 thereafter, a unified system as defined in section 79-4,108;

15 (12) Ensuing school fiscal year means the school fiscal
16 year following the current school fiscal year;

17 (13) Equalization aid means the amount of assistance
18 calculated to be paid to a local system pursuant to sections
19 79-1007.11 to 79-1007.23, 79-1008.01 to 79-1022, and 79-1022.02 and
20 section 8 of this act;

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

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

27 (16) Formula students means:

1 (a) For school fiscal years prior to school fiscal year
2 2008-09, (i) for state aid certified pursuant to section 79-1022,
3 the sum of fall membership from the school fiscal year immediately
4 preceding the school fiscal year in which the aid is to be paid,
5 multiplied by the average ratio of average daily membership to fall
6 membership for the second school fiscal year immediately preceding
7 the school fiscal year in which aid is to be paid and the prior
8 two school fiscal years, plus qualified early childhood education
9 fall membership plus tuitioned students from the school fiscal year
10 immediately preceding the school fiscal year in which the aid is
11 to be paid and (ii) for final calculation of state aid pursuant to
12 section 79-1065, the sum of average daily membership plus qualified
13 early childhood education average daily membership plus tuitioned
14 students from the school fiscal year immediately preceding the
15 school fiscal year in which the aid was paid; and

16 (b) For school fiscal year 2008-09 and each school fiscal
17 year thereafter, (i) for state aid certified pursuant to section
18 79-1022, the sum of the product of fall membership from the school
19 fiscal year immediately preceding the school fiscal year in which
20 the aid is to be paid multiplied by the average ratio of average
21 daily membership to fall membership for the second school fiscal
22 year immediately preceding the school fiscal year in which the aid
23 is to be paid and the prior two school fiscal years plus sixty
24 percent of the qualified early childhood education fall membership
25 plus tuitioned students from the school fiscal year immediately
26 preceding the school fiscal year in which aid is to be paid minus
27 the product of the number of students enrolled in kindergarten that

1 is not full-day kindergarten from the fall membership multiplied by
2 0.5 and (ii) for final calculation of state aid pursuant to section
3 79-1065, the sum of average daily membership plus sixty percent of
4 the qualified early childhood education average daily membership
5 plus tuitioned students minus the product of the number of students
6 enrolled in kindergarten that is not full-day kindergarten from the
7 average daily membership multiplied by 0.5 from the school fiscal
8 year immediately preceding the school fiscal year in which aid was
9 paid;

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

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

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

25 (20) General fund expenditures means all expenditures
26 from the general fund;

27 (21) General fund operating expenditures means:

1 (a) For state aid calculated for school fiscal years
2 prior to school fiscal year 2008-09, the total general fund
3 expenditures minus categorical funds, tuition paid, transportation
4 fees paid to other districts, adult education, summer school,
5 community services, redemption of the principal portion of general
6 fund debt service, retirement incentive plans, staff development
7 assistance, and transfers from other funds into the general fund
8 for the second school fiscal year immediately preceding the school
9 fiscal year in which aid is to be paid as reported on the annual
10 financial report prior to December 1 of the school fiscal year
11 immediately preceding the school fiscal year in which aid is to be
12 paid;

13 (b) For state aid calculated for school fiscal year
14 2008-09, as reported for the second school fiscal year immediately
15 preceding the school fiscal year in which aid is to be paid
16 on the annual financial report submitted prior to December
17 1 of the school fiscal year immediately preceding the school
18 fiscal year in which aid is to be paid, the total general
19 fund expenditures minus (i) the amount of all receipts to
20 the general fund, to the extent that such receipts are not
21 included in local system formula resources, from early childhood
22 education tuition, summer school tuition, educational entities as
23 defined in section 79-1201.01 for providing distance education
24 courses through the Educational Service Unit Coordinating Council
25 to such educational entities, private foundations, individuals,
26 associations, charitable organizations, the textbook loan program
27 authorized by section 79-734, and federal impact aid, (ii)

1 the amount of expenditures for categorical funds, tuition paid,
2 transportation fees paid to other districts, adult education,
3 community services, redemption of the principal portion of general
4 fund debt service, retirement incentive plans authorized by section
5 79-855, and staff development assistance authorized by section
6 79-856, and (iii) the amount of any transfers from the general fund
7 to any bond fund and transfers from other funds into the general
8 fund;

9 (c) For state aid calculated for school fiscal year
10 2009-10, as reported on the annual financial report for the second
11 school fiscal year immediately preceding the school fiscal year
12 in which aid is to be paid, the total general fund expenditures
13 minus (i) the amount of all receipts to the general fund, to the
14 extent that such receipts are not included in local system formula
15 resources, from early childhood education tuition, summer school
16 tuition, educational entities as defined in section 79-1201.01
17 for providing distance education courses through the Educational
18 Service Unit Coordinating Council to such educational entities,
19 private foundations, individuals, associations, charitable
20 organizations, the textbook loan program authorized by section
21 79-734, and federal impact aid, (ii) the amount of expenditures
22 for categorical funds, tuition paid, transportation fees paid to
23 other districts, adult education, community services, redemption
24 of the principal portion of general fund debt service, retirement
25 incentive plans authorized by section 79-855, and staff development
26 assistance authorized by section 79-856, (iii) the amount of any
27 transfers from the general fund to any bond fund and transfers from

1 other funds into the general fund, and (iv) any legal expenses in
2 excess of fifteen-hundredths of one percent of the formula need for
3 the school fiscal year in which the expenses occurred; and

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

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

16 For purposes of this subdivision (21) of this section,
17 receipts from levy override elections shall equal ninety-nine
18 percent of the difference of the total general fund levy minus
19 a levy of one dollar and five cents per one hundred dollars of
20 taxable valuation multiplied by the assessed valuation for school
21 districts that have voted pursuant to section 77-3444 to override
22 the maximum levy provided pursuant to section 77-3442;

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

25 (23) Income tax liability means the amount of the
26 reported income tax liability for resident individuals pursuant
27 to the Nebraska Revenue Act of 1967 less all nonrefundable credits

1 earned and refunds made;

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

5 (25) Limited English proficiency students means (a) for
6 school fiscal years prior to school fiscal year 2009-10, the number
7 of students with limited English proficiency in a district from
8 the most recent data available on November 1 of the school fiscal
9 year preceding the school fiscal year in which aid is to be paid
10 and (b) for school fiscal year 2009-10 and each school fiscal year
11 thereafter, the number of students with limited English proficiency
12 in a district from the most recent data available on November 1 of
13 the school fiscal year preceding the school fiscal year in which
14 aid is to be paid plus the difference of such students with limited
15 English proficiency minus the average number of limited English
16 proficiency students for such district, prior to such addition,
17 for the three immediately preceding school fiscal years if such
18 difference is greater than zero;

19 (26) Local system means a learning community for purposes
20 of calculation of state aid for the second full school fiscal
21 year after becoming a learning community and each school fiscal
22 year thereafter, a unified system, a Class VI district and the
23 associated Class I districts, or a Class II, III, IV, or V
24 district and any affiliated Class I districts or portions of
25 Class I districts. The membership, expenditures, and resources of
26 Class I districts that are affiliated with multiple high school
27 districts will be attributed to local systems based on the percent

1 of the Class I valuation that is affiliated with each high school
2 district;

3 (27) Low-income child means (a) for school fiscal years
4 prior to 2008-09, a child under nineteen years of age living in
5 a household having an annual adjusted gross income of fifteen
6 thousand dollars or less for the second calendar year preceding
7 the beginning of the school fiscal year for which aid is being
8 calculated and (b) for school fiscal year 2008-09 and each school
9 fiscal year thereafter, a child under nineteen years of age living
10 in a household having an annual adjusted gross income for the
11 second calendar year preceding the beginning of the school fiscal
12 year for which aid is being calculated equal to or less than the
13 maximum household income that would allow a student from a family
14 of four people to be a free lunch and free milk student during the
15 school fiscal year immediately preceding the school fiscal year for
16 which aid is being calculated;

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

22 (29) Most recently available complete data year means
23 the most recent single school fiscal year for which the annual
24 financial report, fall school district membership report, annual
25 statistical summary, Nebraska income tax liability by school
26 district for the calendar year in which the majority of the school
27 fiscal year falls, and adjusted valuation data are available;

1 (30) Poverty students means (a) for school fiscal years
2 prior to school fiscal year 2009-10, the number of low-income
3 students or the number of students who are free lunch and free milk
4 students in a district, whichever is greater, and (b) for school
5 fiscal year 2009-10 and each school fiscal year thereafter, the
6 number of low-income students or the number of students who are
7 free lunch and free milk students in a district plus the difference
8 of the number of low-income students or the number of students
9 who are free lunch and free milk students in a district, whichever
10 is greater, minus the average number of poverty students for
11 such district, prior to such addition, for the three immediately
12 preceding school fiscal years if such difference is greater than
13 zero;

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

1 programs receiving an expansion grant;

2 (32) Qualified early childhood education fall membership
3 means the product of membership on the last Friday in September
4 2006 and each year thereafter of students who will be eligible
5 to attend kindergarten the following school year and are enrolled
6 in an early childhood education program approved by the department
7 pursuant to section 79-1103 for such school district for such
8 school year multiplied by the ratio of the planned instructional
9 hours of the program divided by one thousand thirty-two if: (a)
10 The program is receiving a grant pursuant to such section for the
11 third year; (b) the program has already received grants pursuant to
12 such section for three years; or (c) the program has been approved
13 pursuant to subsection (5) of section 79-1103 for such school year
14 and the two preceding school years, including any such students in
15 portions of any of such programs receiving an expansion grant;

16 (33) Regular route transportation means the
17 transportation of students on regularly scheduled daily routes to
18 and from the attendance center;

19 (34) Reorganized district means any district involved
20 in a consolidation and currently educating students following
21 consolidation;

22 (35) School year or school fiscal year means the fiscal
23 year of a school district as defined in section 79-1091;

24 (36) Sparse local system means a local system that is not
25 a very sparse local system but which meets the following criteria:

26 (a)(i) Less than two students per square mile in the
27 county in which each high school is located, based on the school

1 district census, (ii) less than one formula student per square
2 mile in the local system, and (iii) more than ten miles between
3 each high school attendance center and the next closest high school
4 attendance center on paved roads;

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

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

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

17 (37) Special education means specially designed
18 kindergarten through grade twelve instruction pursuant to section
19 79-1125, and includes special education transportation;

20 (38) Special grant funds means the budgeted receipts for
21 grants, including, but not limited to, Title I funds, Title VI
22 funds, funds from the Education Innovation Fund, reimbursements
23 for wards of the court, short-term borrowings including, but
24 not limited to, registered warrants and tax anticipation notes,
25 interfund loans, insurance settlements, and reimbursements to
26 county government for previous overpayment. The state board shall
27 approve a listing of grants that qualify as special grant funds;

1 (39) State aid means the amount of assistance paid to a
2 district pursuant to the Tax Equity and Educational Opportunities
3 Support Act;

4 (40) State board means the State Board of Education;

5 (41) State support means all funds provided to districts
6 by the State of Nebraska for the general fund support of elementary
7 and secondary education;

8 (42) Statewide average basic funding per formula student
9 means the statewide total basic funding for all districts divided
10 by the statewide total formula students for all districts;

11 (43) Statewide average general fund operating
12 expenditures per formula student means the statewide total
13 general fund operating expenditures for all districts divided by
14 the statewide total formula students for all districts;

15 (44) Teacher has the definition found in section 79-101;

16 (45) Temporary aid adjustment factor means (a) for school
17 fiscal years before school fiscal year 2007-08, one and one-fourth
18 percent of the sum of the local system's transportation allowance,
19 the local system's special receipts allowance, and the product
20 of the local system's adjusted formula students multiplied by
21 the average formula cost per student in the local system's
22 cost grouping and (b) for school fiscal year 2007-08, one and
23 one-fourth percent of the sum of the local system's transportation
24 allowance, special receipts allowance, and distance education and
25 telecommunications allowance and the product of the local system's
26 adjusted formula students multiplied by the average formula cost
27 per student in the local system's cost grouping;

1 (46) Tuitioned students means students in kindergarten
2 through grade twelve of the district whose tuition is paid by the
3 district to some other district or education agency; and

4 (47) Very sparse local system means a local system that
5 has:

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

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

17 Sec. 13. Section 79-1003.01, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-1003.01 (1) For school fiscal year 2008-09, the
20 department shall calculate a summer school allowance for each
21 district equal to two and one-half percent of the summer school
22 student units for such district multiplied by eighty-five percent
23 of the statewide average general fund operating expenditures per
24 formula student. For purposes of this subsection, summer school
25 student unit means one student enrolled in summer school in a
26 school district, whether or not the student is in the membership
27 of the school district, for (a) at least three hours but fewer

1 than six hours per day and (b) at least twelve days but fewer
2 than twenty-four days. Each school district shall receive a summer
3 school student unit for each qualified time period for which a
4 student is enrolled, up to six units per student per summer.

5 (2) For school fiscal year 2009-10 and each school fiscal
6 year thereafter, the department shall calculate a summer school
7 allowance for each district which submits the information required
8 for the calculation on a form prescribed by the department on
9 or before October 15 of the school fiscal year preceding the
10 school fiscal year for which aid is being calculated. A summer
11 school allowance shall be equal to two and one-half percent of
12 the summer school student units for such district multiplied by
13 eighty-five percent of the statewide average general fund operating
14 expenditures per formula student. Summer school student units shall
15 be calculated for each student enrolled in summer school in a
16 school district who attends such summer school for at least twelve
17 days, whether or not the student is in the membership of the school
18 district. The initial number of units for each such student shall
19 equal the sum of the ratios, each rounded down to the nearest whole
20 number, of the number of days for which the student attended summer
21 school classes in such district for at least three hours and less
22 than six hours per day divided by twelve days and of two times the
23 number of days for which the student attended summer school classes
24 in such district for six or more hours per day divided by twelve
25 days.

26 (3) Each school district shall receive an additional
27 summer school student unit for each summer school student unit

1 attributed to remedial math or reading programs. Each school
2 district shall also receive an additional summer school student
3 unit for each summer school student unit attributed to a free
4 lunch and free milk student. This section does not prevent school
5 districts from requiring and collecting fees for summer school,
6 except that summer school student units shall not be calculated for
7 school districts which collect fees for summer school from students
8 who qualify for free or reduced-price lunches under United States
9 Department of Agriculture child nutrition programs.

10 Sec. 14. Section 79-1007.04, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-1007.04 (1) For school fiscal years 2008-09 through
13 2012-13, the department shall determine the elementary class size
14 allowance for each school district from information submitted by a
15 school district on a form prescribed by the department on or before
16 October 15 of the school fiscal year preceding the school fiscal
17 year for which aid is being calculated.

18 (2) For school fiscal year 2008-09, the allowance shall
19 equal the statewide average general fund operating expenditures per
20 formula student multiplied by 0.20 then multiplied by the number of
21 students in the school district in kindergarten through grade eight
22 who qualify for free or reduced-price lunches and who spend at
23 least fifty percent of the school day in a classroom with a minimum
24 of ten students and a maximum of twenty students as reported on
25 the fall membership report from the school fiscal year immediately
26 preceding the school fiscal year in which the aid is to be paid.

27 (3) For school fiscal years 2009-10 through 2012-13, the

1 allowance shall equal the statewide average general fund operating
2 expenditures per formula student multiplied by twenty percent of
3 the number of students in the school district in kindergarten
4 through grade three who spend at least fifty percent of the school
5 day in one or more classrooms with a minimum of ten students and
6 a maximum of twenty students as reported on the fall membership
7 report from the school fiscal year immediately preceding the
8 school fiscal year in which the aid is to be paid for state aid
9 certified pursuant to section 79-1022 and as reported on the annual
10 statistical summary report from the school fiscal year immediately
11 preceding the school fiscal year in which the aid was paid for the
12 final calculation of state aid pursuant to section 79-1065.

13 Sec. 15. Section 79-1007.05, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1007.05 For school fiscal year 2008-09 and each
16 school fiscal year thereafter, the department shall determine
17 the focus school and program allowance for each school district
18 in a learning community which submits the information required
19 for the calculation on a form prescribed by the department on or
20 before October 15 of the school fiscal year preceding the school
21 fiscal year for which aid is being calculated. The focus school
22 and program allowance shall equal the statewide average general
23 fund operating expenditures per formula student multiplied by 0.10
24 then multiplied by the number of students participating in a focus
25 school or program as reported on the fall membership report from
26 the school fiscal year immediately preceding the school fiscal year
27 in which the aid is to be paid for state aid certified pursuant to

1 section 79-1022 and as reported on the annual statistical summary
2 report from the school fiscal year immediately preceding the school
3 fiscal year in which the aid was paid for the final calculation of
4 state aid pursuant to section 79-1065.

5 Sec. 16. Section 79-1007.23, Revised Statutes Supplement,
6 2009, as amended by section 9, Legislative Bill 5, One Hundred
7 First Legislature, First Special Session, 2009, is amended to read:

8 79-1007.23 For state aid calculated for school fiscal
9 year 2009-10 and each school fiscal year thereafter:

10 (1) The department shall calculate an instructional time
11 allowance for each district which submits the information required
12 for the calculation on a form prescribed by the department on or
13 before October 15 of the school fiscal year preceding the school
14 fiscal year for which aid is being calculated. The instructional
15 time allowance shall be equal to the product of the formula
16 students of such district multiplied by the instructional time
17 factor for such district multiplied by eighty-five percent of the
18 statewide average general fund operating expenditures per formula
19 student;

20 (2) The instructional time factor shall equal the
21 difference of the ratio of the district's average hours of
22 instruction for each full-time student during the regular school
23 year for the most recently available complete data year divided by:

24 (a) For state aid calculated for school fiscal year 2009-10, the
25 comparison group average hours of instruction for each full-time
26 student during the regular school year for the most recently
27 available complete data year minus one; or (b) for state aid

1 calculated for school fiscal year 2010-11 and each school fiscal
2 year thereafter, the statewide average hours of instruction for
3 each full-time student during the regular school year for the most
4 recently available complete data year minus one, except that if
5 the result is less than zero, the instructional time factor shall
6 equal zero;

7 (3) For school fiscal years 2009-10 and 2010-11, the
8 comparison group average hours of instruction for each full-time
9 student shall be an average of the averages for all school
10 districts in the comparison group. The average hours of instruction
11 shall be defined by the department and shall not include
12 extracurricular activities outside of the regular school day or
13 time designated for students to eat lunch. The statewide average
14 hours of instruction for each full-time student shall be an average
15 of the averages for all school districts; and

16 (4) For school fiscal year 2011-12 and each school
17 fiscal year thereafter, the average hours of instruction shall be
18 defined by the department and shall be based on scheduled time for
19 courses and the number of students participating in such courses as
20 reported to the department for the most recently available complete
21 data year. Hours of instruction shall not include extracurricular
22 activities outside of the regular school day or time designated for
23 students to eat lunch. The statewide average hours of instruction
24 for each student shall be an average of the averages for all school
25 districts.

26 Sec. 17. Section 79-1013, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 79-1013 (1) On or before October ~~10~~ 15 of each year, each
2 school district designating a maximum poverty allowance greater
3 than zero dollars shall submit a poverty plan for the next school
4 fiscal year to the department and to the learning community
5 coordinating council of any learning community of which the school
6 district is a member. On or before the immediately following
7 December 1, (a) the department shall approve or disapprove such
8 plan for school districts that are not members of a learning
9 community based on the inclusion of the elements required pursuant
10 to this section and (b) the learning community coordinating council
11 and, as to the applicable portions thereof, each achievement
12 subcouncil, shall approve or disapprove such plan for school
13 districts that are members of such learning community based on
14 the inclusion of such elements. On or before the immediately
15 following December 5, each learning community coordinating council
16 shall certify to the department the approval or disapproval of the
17 poverty plan for each member school district.

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

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

25 (b) Student mobility, including transportation to allow a
26 student to continue attendance at the same school if the student
27 moves to another attendance area within the same school district or

1 within the same learning community;

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

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

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

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

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

14 (h) Student access to social workers;

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

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

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

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

23 (m) An evaluation to determine the effectiveness of the
24 elements of the poverty plan.

25 (3) The state board shall establish a procedure for
26 appeal of decisions of the department and of learning community
27 coordinating councils to the state board for a final determination.

1 Sec. 18. Section 79-1014, Revised Statutes Supplement,
2 2009, is amended to read:

3 79-1014 (1) On or before October ~~10~~ 15 of each year, each
4 school district designating a maximum limited English proficiency
5 allowance greater than zero dollars shall submit a limited English
6 proficiency plan for the next school fiscal year to the department
7 and to the learning community coordinating council of any learning
8 community of which the school district is a member. On or before
9 the immediately following December 1, (a) the department shall
10 approve or disapprove such plans for school districts that are not
11 members of a learning community, based on the inclusion of the
12 elements required pursuant to this section and (b) the learning
13 community coordinating council, and, as to the applicable portions
14 thereof, each achievement subcouncil, shall approve or disapprove
15 such plan for school districts that are members of such learning
16 community, based on the inclusion of such elements. On or before
17 the immediately following December 5, each learning community
18 coordinating council shall certify to the department the approval
19 or disapproval of the limited English proficiency plan for each
20 member school district.

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

25 (a) Identification of students with limited English
26 proficiency;

27 (b) Instructional approaches;

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

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

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

8 Sec. 19. Section 79-1022, Revised Statutes Supplement,
9 2009, is amended to read:

10 79-1022 (1) On ~~or before June 1, 2009, or~~ or before March
11 ~~1, 10, 2010, on or before April 1, 2011,~~ and on or before ~~February~~
12 March 1 of each year thereafter, the department shall determine the
13 amounts to be distributed to each local system and each district
14 pursuant to the Tax Equity and Educational Opportunities Support
15 Act and shall certify the amounts to the Director of Administrative
16 Services, the Auditor of Public Accounts, each learning community,
17 and each district. The amount to be distributed to each district
18 that is not a member of a learning community from the amount
19 certified for a local system shall be proportional based on: (a)
20 For school fiscal years prior to school fiscal year 2008-09, the
21 weighted formula students attributed to each district in the local
22 system; and (b) for school fiscal year 2008-09 and each school
23 fiscal year thereafter, the formula students attributed to each
24 district in the local system. The amount to be distributed to each
25 district that is a member of a learning community from the amount
26 certified for the local system shall be proportional based on the
27 formula needs calculated for each district in the local system.

1 On ~~or before June 1, 2009,~~ ~~or~~ or before March ~~1, 10,~~ 2010, on
2 or before April 1, 2011, and on or before ~~February~~ March 1 of
3 each year thereafter, the department shall report the necessary
4 funding level to the Governor, the Appropriations Committee of
5 the Legislature, and the Education Committee of the Legislature.
6 Certified state aid amounts, including adjustments pursuant to
7 section 79-1065.02, shall be shown as budgeted non-property-tax
8 receipts and deducted prior to calculating the property tax request
9 in the district's general fund budget statement as provided to the
10 Auditor of Public Accounts pursuant to section 79-1024.

11 (2) Except as provided in subsection (8) of section
12 79-1016 and sections 79-1033 and 79-1065.02, the amounts certified
13 pursuant to subsection (1) of this section shall be distributed in
14 ten as nearly as possible equal payments on the last business day
15 of each month beginning in September of each ensuing school fiscal
16 year and ending in June of the following year, except that when a
17 school district is to receive a monthly payment of less than one
18 thousand dollars, such payment shall be one lump-sum payment on
19 the last business day of December during the ensuing school fiscal
20 year.

21 Sec. 20. Section 79-1023, Revised Statutes Supplement,
22 2009, as amended by section 11, Legislative Bill 5, One Hundred
23 First Legislature, First Special Session, 2009, is amended to read:

24 79-1023 (1) On ~~or before June 1, 2009,~~ ~~or~~ or before March
25 ~~1, 10,~~ 2010, on or before April 1, 2011, and on or before ~~February~~
26 March 1 of each year thereafter, the department shall determine and
27 certify to each school district the maximum general fund budget of

1 expenditures minus the special education budget of expenditures for
2 the immediately following school fiscal year.

3 (2) Except as provided in section 79-1028.01, no
4 school district shall have a general fund budget of expenditures
5 minus special grant funds and the special education budget of
6 expenditures more than the greater of (a) the product of the
7 difference of the general fund budget of expenditures minus special
8 grant funds and the special education budget of expenditures
9 for the immediately preceding school fiscal year multiplied by
10 (i) except as otherwise provided in subdivision (a)(ii) of this
11 subsection, the sum of one plus the local system's applicable
12 allowable growth rate or (ii) for school fiscal year 2010-11, the
13 sum of one plus seventy-five hundredths of one percent plus the
14 local system's applicable allowable growth rate or (b)(i) except as
15 otherwise provided in subdivision (b)(ii) of this subsection, the
16 difference of one hundred twenty percent of formula need for such
17 school fiscal year minus the product of the sum of one plus the
18 basic allowable growth rate for such school fiscal year multiplied
19 by the special education budget of expenditures as filed on the
20 school district budget statement on or before September 20 for
21 the immediately preceding school fiscal year or (ii) for school
22 fiscal years 2009-10 and 2010-11, the difference of one hundred
23 sixteen and fifteen-hundredths percent of formula need for such
24 school fiscal year minus the product of the sum of one plus the
25 basic allowable growth rate for such school fiscal year multiplied
26 by the special education budget of expenditures as filed on the
27 school district budget statement on or before September 20 for the

1 immediately preceding school fiscal year.

2 Sec. 21. Section 79-1026.01, Revised Statutes Supplement,
3 2009, is amended to read:

4 79-1026.01 For school fiscal year 2008-09 and each school
5 fiscal year thereafter, ~~on or before June 1, 2009,~~ on or before
6 March ~~1, 10,~~ 2010, on or before April 1, 2011, and on or before
7 ~~February~~ March 1 of each year thereafter, the department shall
8 determine and certify to each Class II, III, IV, or V district an
9 applicable allowable growth rate carried out at least four decimal
10 places as follows:

11 (1) The department shall establish a target budget level
12 range of general fund operating expenditure levels for each school
13 fiscal year for each school district which shall begin at twenty
14 percent less than the school district's formula need and end at the
15 school district's formula need. The beginning point of the range
16 shall be assigned a number equal to the maximum allowable growth
17 rate established in section 79-1025, and the end point of the range
18 shall be assigned a number equal to the basic allowable growth rate
19 as prescribed in such section such that the lower end of the range
20 shall be assigned the maximum allowable growth rate and the higher
21 end of the range shall be assigned the basic allowable growth rate;
22 and

23 (2) For each school fiscal year, each school district's
24 general fund operating expenditures shall be compared to its target
25 budget level along the range described in subdivision (1) of
26 this section to arrive at an applicable allowable growth rate
27 as follows: If each school district's general fund operating

1 expenditures fall below the lower end of the range, such applicable
2 allowable growth rate shall be the maximum growth rate identified
3 in section 79-1025. If each school district's general fund
4 operating expenditures are greater than the higher end of the
5 range, the school district's allowable growth rate shall be the
6 basic allowable growth rate identified in such section. If each
7 school district's general fund operating expenditures fall between
8 the lower end and the higher end of the range, the department shall
9 use a linear interpolation calculation between the end points of
10 the range to arrive at the applicable allowable growth rate for the
11 school district.

12 Sec. 22. Section 79-1027, Revised Statutes Supplement,
13 2009, is amended to read:

14 79-1027 No district shall adopt a budget, which includes
15 total requirements of depreciation funds, necessary employee
16 benefit fund cash reserves, and necessary general fund cash
17 reserves, exceeding the applicable allowable reserve percentages
18 of total general fund budget of expenditures as specified in the
19 schedule set forth in this section.

20	Average daily	Allowable
21	membership of	reserve
22	district	percentage
23	0 - 471	45
24	471.01 - 3,044	35
25	3,044.01 - 10,000	25
26	10,000.01 and over	20

27 On ~~or before June 1, 2009,~~ ~~or~~ or before March 1, 10,

1 2010, on or before April 1, 2011, and on or before ~~February~~ March
2 1 each year thereafter, the department shall determine and certify
3 each district's applicable allowable reserve percentage.

4 Each district with combined necessary general fund cash
5 reserves, total requirements of depreciation funds, and necessary
6 employee benefit fund cash reserves less than the applicable
7 allowable reserve percentage specified in this section may,
8 notwithstanding the district's applicable allowable growth rate,
9 increase its necessary general fund cash reserves such that the
10 total necessary general fund cash reserves, total requirements
11 of depreciation funds, and necessary employee benefit fund
12 cash reserves do not exceed such applicable allowable reserve
13 percentage.

14 Sec. 23. Section 79-1030, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-1030 A Class II, III, IV, V, or VI district may choose
17 not to increase its general fund budget of expenditures by the full
18 amount of ~~its applicable allowable growth rate.~~ budget authority
19 as calculated pursuant to sections 79-1023 and 79-1026.01. In such
20 cases, the department shall calculate the amount of unused budget
21 authority which shall be carried forward to future budget years so
22 a Class II, III, IV, V, or VI district may increase its general
23 fund budget of expenditures in future budget years by the amount of
24 such total unused budget authority. ~~in addition to its applicable~~
25 ~~allowable growth rate for the specific budget year.~~

26 Sec. 24. Section 79-1031.01, Revised Statutes Supplement,
27 2009, is amended to read:

1 79-1031.01 The Appropriations Committee of the
2 Legislature shall annually include the amount necessary to fund the
3 state aid that will be certified to school districts ~~on or before~~
4 ~~June 17, 2009,~~ on or before March ~~17,~~ 10, 2010, on or before April
5 1, 2011, and on or before ~~February~~ March 1 for each school year
6 thereafter in its recommendations to the Legislature to carry out
7 the requirements of the Tax Equity and Educational Opportunities
8 Support Act.

9 Sec. 25. Section 79-1103, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-1103 (1)(a) The State Department of Education shall
12 establish and administer the Early Childhood Education Grant
13 Program. Upon the effective date of an endowment agreement,
14 administration of the Early Childhood Education Grant Program
15 with respect to programs for children from birth to age three
16 shall transfer to the board of trustees. If there is no endowment
17 agreement in effect, the department shall request proposals in
18 accordance with this section for all early childhood education
19 programs from school districts, individually or in cooperation
20 with other school districts or educational service units, working
21 in cooperation with existing nonpublic programs which meet the
22 requirements of subsection (2) of section 79-1104. If there is
23 an endowment agreement in effect, the board of trustees shall
24 administer the Early Childhood Education Grant Program with respect
25 to programs for children from birth to age three pursuant to
26 section 79-1104.02 and the department shall continue to administer
27 the Early Childhood Education Grant Program with respect to

1 other prekindergarten programs pursuant to sections 79-1101 to
2 79-1104.05. All administrative procedures of the board of trustees,
3 including, but not limited to, rules, grant applications, and
4 funding mechanisms, shall harmonize with those established by the
5 department for other prekindergarten programs.

6 (b) The first priority shall be for (i) continuation
7 grants for programs that received grants in the prior school
8 fiscal year and for which the state aid calculation pursuant to
9 the Tax Equity and Educational Opportunities Support Act does not
10 include early childhood education students, in an amount equal
11 to the amount of such grant, except that if the grant was a
12 first-year grant the amount shall be reduced by thirty-three
13 percent, (ii) continuation grants for programs for which the
14 state aid calculation pursuant to the act includes early childhood
15 education students, in an amount equal to the amount of the grant
16 for the school fiscal year prior to the first school fiscal year
17 for which early childhood education students were included in the
18 state aid calculation for the school district's local system minus
19 the calculated state aid amount, and (iii) for school fiscal year
20 2007-08, continuation grants for programs for which the state aid
21 calculation pursuant to the act includes early childhood education
22 students, but such state aid calculation does not result in the
23 school district receiving any equalization aid, in an amount equal
24 to the amount of the grant received in school fiscal year 2006-07.
25 The calculated state aid amount shall be calculated by multiplying
26 the basic funding per formula student for the school district by
27 the formula students attributed to the early childhood education

1 programs pursuant to the Tax Equity and Educational Opportunities
2 Support Act.

3 (c) The second priority shall be for new grants and
4 expansion grants for programs that will serve at-risk children who
5 will be eligible to attend kindergarten the following school year.
6 New grants may be given for up to three years in an amount up to
7 one-half of the total budget of the program per year. Expansion
8 grants may be given for one year in an amount up to one-half
9 of the budget for expanding the capacity of the program to serve
10 additional children.

11 (d) The third priority shall be for new grants, expansion
12 grants, and continuation grants for programs serving children
13 younger than those who will be eligible to attend kindergarten
14 the following school year. New grants may be given for up to
15 three years in an amount up to one-half the total budget of the
16 program per year. Expansion grants may be given for one year in
17 an amount up to one-half the budget for expanding the capacity of
18 the program to serve additional children. Continuation grants under
19 this priority may be given annually in an amount up to one-half the
20 total budget of the program per year minus any continuation grants
21 received under the first priority.

22 (e) Programs serving children who will be eligible to
23 attend kindergarten the following school year shall be accounted
24 for separately for grant purposes from programs serving younger
25 children, but the two types of programs may be combined within the
26 same classroom to serve multi-age children. Programs that receive
27 grants for school fiscal years prior to school fiscal year 2005-06

1 to serve both children who will be eligible to attend kindergarten
2 the following school year and younger children shall account for
3 the two types of programs separately for grant purposes beginning
4 with school year 2005-06 and shall be deemed to have received
5 grants prior to school fiscal year 2005-06 for each year that
6 grants were received for the types of programs representing the age
7 groups of the children served.

8 (2) Each program proposal which is approved by the
9 department shall include (a) a planning period, (b) an agreement
10 to participate in periodic evaluations of the program to be
11 specified by the department, (c) evidence that the program will
12 be coordinated or contracted with existing programs, including
13 those listed in subdivision (d) of this subsection and nonpublic
14 programs which meet the requirements of subsection (2) of section
15 79-1104, (d) a plan to coordinate and use a combination of
16 local, state, and federal funding sources, including, but not
17 limited to, programs for children with disabilities below five
18 years of age funded through the Special Education Act, the Early
19 Intervention Act, funds available through the flexible funding
20 provisions under the Special Education Act, the federal Head
21 Start program, 42 U.S.C. 9831 et seq., the federal Even Start
22 Family Literacy Program, 20 U.S.C. 6361 et seq., Title I of
23 the federal Improving America's Schools Act of 1994, 20 U.S.C.
24 6301 et seq., and child care assistance through the Department
25 of Health and Human Services, (e) a plan to use sliding fee
26 scales and the funding sources included in subdivision (d) of
27 this subsection to maximize the participation of economically and

1 categorically diverse groups and to ensure that participating
2 children and families have access to comprehensive services, (f)
3 the establishment of an advisory body which includes families
4 and community members, (g) the utilization of appropriately
5 qualified staff, (h) an appropriate child-to-staff ratio, (i)
6 appropriate group size, (j) compliance with minimum health and
7 safety standards, (k) appropriate facility size and equipment,
8 (l) a strong family development and support component recognizing
9 the central role of parents in their children's development, (m)
10 developmentally and culturally appropriate curriculum, practices,
11 and assessment, (n) sensitivity to the economic and logistical
12 needs and circumstances of families in the provision of services,
13 (o) integration of children of diverse social and economic
14 characteristics, (p) a sound evaluation component, including at
15 least one objective measure of child performance and progress, (q)
16 continuity with programs in kindergarten and elementary grades,
17 (r) instructional hours that are similar to or less than the
18 instructional hours for kindergarten, (s) well-defined language
19 development and early literacy emphasis, including the involvement
20 of parents in family literacy activities, (t) a plan for ongoing
21 professional development of staff, and (u) inclusion of children
22 with disabilities as defined in the Special Education Act, all as
23 specified by rules and regulations of the department in accordance
24 with sound early childhood educational practice.

25 (3) The department shall make an effort to fund programs
26 widely distributed across the state in both rural and urban areas.

27 (4) A report evaluating the programs shall be made to the

1 State Board of Education and the Legislature by January 1 of each
2 odd-numbered year. Up to five percent of the total appropriation
3 for the Early Childhood Education Grant Program may be reserved
4 by the department for evaluation and technical assistance for the
5 programs.

6 (5) ~~Programs~~ Early childhood education programs, whether
7 established pursuant to this section or section 79-1104, may
8 be approved for purposes of the Tax Equity and Educational
9 Opportunities Support Act, expansion grants, and continuation
10 grants on the submission of a continuation plan demonstrating that
11 the program will ~~continue to~~ meet the requirements of subsection
12 (2) of this section and a proposed operating budget demonstrating
13 that the program will ~~continue to~~ receive resources from other
14 sources equal to or greater than the sum of any grant received
15 pursuant to this section for the prior school year plus any
16 calculated state aid as calculated pursuant to subsection (1) of
17 this section for the prior school year.

18 (6) The State Board of Education may adopt and promulgate
19 rules and regulations to implement the Early Childhood Education
20 Grant Program, except that if there is an endowment agreement
21 in effect, the board of trustees shall recommend any rules and
22 regulations relating specifically to the Early Childhood Education
23 Grant Program with respect to programs for children from birth to
24 age three. It is the intent of the Legislature that the rules and
25 regulations for programs for children from birth to age three be
26 consistent to the greatest extent possible with those established
27 for other prekindergarten programs.

1 Sec. 26. Section 79-1233, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1233 Each educational service unit shall provide
4 access for all school districts within the geographical area
5 served by the unit to telecomputing resources, which shall include
6 the capacity to receive and transmit distance education courses
7 on at least a regional basis beginning on or before August 1,
8 2007, through the installation of necessary equipment at each
9 educational service unit location or through interlocal agreements
10 with other educational service units and shall provide support for
11 training users to meet their specific telecomputing and distance
12 education needs. School districts may annually elect prior to a
13 date determined by the educational service unit not to connect to
14 such telecomputing resources. Each educational service unit shall
15 also develop, with the State Department of Education, a plan which
16 provides for connecting the telecomputing and distance education
17 equipment of such school districts with the telecomputing and
18 distance education equipment of the unit.

19 ~~The leasing or purchase of and planning for telecomputing~~
20 ~~or distance education equipment and software for the educational~~
21 ~~service units shall meet the minimum standards as set by the~~
22 ~~Nebraska Information Technology Commission. The Chief Information~~
23 ~~Officer shall bid for such equipment and software and shall allow~~
24 ~~educational entities to participate in such statewide leasing or~~
25 ~~purchasing contracts.~~ Educational service units may enter into
26 agreements pursuant to the Interlocal Cooperation Act and the
27 Joint Public Agency Act to carry out this section. Such agreements

1 may include, but need not be limited to, provisions requiring
2 any school district having telecomputing or distance education
3 equipment connected to the educational service unit's telecomputing
4 or distance education equipment to pay periodic fees necessary to
5 cover the cost of such usage.

6 Sec. 27. Section 79-1241.01, Revised Statutes Supplement,
7 2009, is amended to read:

8 79-1241.01 To carry out ~~sections 79-1241.03 and 79-1243,~~
9 section 79-1241.03, it is the intent of the Legislature to
10 appropriate for each fiscal year the amount appropriated in
11 the prior year increased by the percentage growth in the fall
12 membership of member districts plus the basic allowable growth
13 rate described in section 79-1025. For purposes of this section,
14 fall membership has the same meaning as in section 79-1003. Fall
15 membership data used to compute growth shall be from the two most
16 recently available fall membership reports.

17 Sec. 28. Section 79-1241.03, Revised Statutes Supplement,
18 2009, is amended to read:

19 79-1241.03 ~~For school fiscal year 2008-09 and each school~~
20 ~~fiscal year thereafter.~~

21 (1) ~~One~~ Two percent of the funds appropriated for core
22 services and technology infrastructure shall be transferred to
23 the Educational Service Unit Coordinating Council. The remainder
24 of such funds shall be distributed pursuant to ~~subdivisions~~
25 subsections (2) through (6) of this section.~~+~~

26 (2) (a) The distance education and telecommunications
27 allowance for each educational service unit shall equal eighty-five

1 percent of the difference of the costs for telecommunications
2 services, for access to data transmission networks that transmit
3 data to and from the educational service unit, and for the
4 transmission of data on such networks paid by the educational
5 service unit as reported on the annual financial report for the
6 most recently available complete data year minus the receipts from
7 the federal Universal Service Fund pursuant to 47 U.S.C. 254,
8 as such section existed on January 1, 2007, for the educational
9 service unit as reported on the annual financial report for the
10 most recently available complete data year and minus any receipts
11 from school districts or other educational entities for payment
12 of such costs as reported on the annual financial report of the
13 educational service unit.+

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

17 (c) The satellite office allocation for each educational
18 service unit shall equal one percent of the funds appropriated
19 for distribution pursuant to this section for each office of
20 the educational service unit, except the educational service unit
21 headquarters, up to the maximum number of satellite offices. The
22 maximum number of satellite offices used for the calculation of
23 the satellite office allocation for any educational service unit
24 shall equal the difference of the ratio of the number of square
25 miles within the boundaries of the educational service unit divided
26 by four thousand minus one with the result rounded to the closest
27 whole number.+

1 (d) The statewide adjusted valuation shall equal the
2 total adjusted valuation for all member districts of educational
3 service units pursuant to section 79-1016 used for the calculation
4 of state aid for school districts pursuant to the Tax Equity and
5 Educational Opportunities Support Act for the school fiscal year
6 for which the distribution is being calculated pursuant to this
7 section.

8 (e) The adjusted valuation for each educational service
9 unit shall equal the total adjusted valuation of the member school
10 districts pursuant to section 79-1016 used for the calculation of
11 state aid for school districts pursuant to the act for the school
12 fiscal year for which the distribution is being calculated pursuant
13 to this section, except that such adjusted valuation for member
14 school districts that are also member districts of a learning
15 community shall be reduced by fifty percent. The adjusted valuation
16 for each learning community shall equal fifty percent of the total
17 adjusted valuation of the member school districts pursuant to
18 section 79-1016 used for the calculation of state aid for school
19 districts pursuant to the act for the school fiscal year for which
20 the distribution is being calculated pursuant to this section.

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

23 (g) ~~Except as provided in subdivision (5) of this~~
24 ~~section,~~ The statewide student allocation shall equal the
25 difference of the sum of the amount appropriated for distribution
26 pursuant to this section plus the product of the statewide adjusted
27 valuation multiplied by the local effort rate minus the distance

1 education and telecommunications allowance, base allocation, and
2 satellite office allocation for all educational service units, and
3 minus any adjustments required by subsection (5) of this section.

4 (h) The sparsity adjustment for each educational service
5 unit and learning community shall equal the sum of one plus
6 one-tenth of the ratio of the square miles within the boundaries
7 of the educational service unit divided by the fall membership of
8 the member school districts for the school fiscal year immediately
9 preceding the school fiscal year for which the distribution is
10 being calculated pursuant to this section. +

11 (i) The adjusted students for each educational service
12 unit shall equal the fall membership for the school fiscal year
13 immediately preceding the school fiscal year for which aid is being
14 calculated of the member school districts that will not be members
15 of a learning community and fifty percent of the fall membership
16 for such school fiscal year of the member school districts that
17 will be members of a learning community pursuant to this section
18 multiplied by the sparsity adjustment for the educational service
19 unit, and the adjusted students for each learning community shall
20 equal fifty percent of the fall membership for such school fiscal
21 year of the member school districts multiplied by the sparsity
22 adjustment for the learning community. +

23 (j) The per student allocation shall equal the statewide
24 student allocation divided by the total adjusted students for all
25 educational service units and learning communities. +

26 (k) The student allocation for each educational service
27 unit and learning community shall equal the per student allocation

1 multiplied by the adjusted students for the educational service
2 unit or learning community.

3 (1) The needs for each educational service unit shall
4 equal the sum of the distance education and telecommunications
5 allowance, base allocation, satellite office allocation, and
6 student allocation for the educational service unit and the needs
7 for each learning community shall equal the student allocation for
8 the learning community.

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

15 (3) If an educational service unit is the result of
16 a merger or received new member school districts from another
17 educational service unit, such the educational service unit shall
18 be considered a new educational service unit for purposes of this
19 section. For each new educational service unit, the needs minus
20 the distance education and telecommunications allowance for such
21 new educational service unit shall, for each of the three fiscal
22 years following the fiscal year in which the merger takes place or
23 the new member school districts are received, receive core services
24 and technology infrastructure funds pursuant to subdivisions (2)
25 through (6) of this section in equal an amount not less than
26 the core services and technology infrastructure funds received
27 in needs minus the distance education and telecommunications

1 allowance for the portions of the educational service units
2 transferred to the new educational service unit for the fiscal
3 year immediately preceding the merger or receipt of new member
4 school districts, except that if the total amount available to be
5 distributed pursuant to ~~subdivisions~~ subsections (2) through (6)
6 of this section for ~~such year~~ the year for which needs are being
7 calculated is less than the total amount distributed pursuant
8 to such ~~subdivisions or section 79-1243~~ for the immediately
9 preceding fiscal year, ~~the minimum core services and technology~~
10 infrastructure funds subsections for the fiscal year immediately
11 preceding the merger or receipt of new member school districts,
12 the minimum needs for each educational service unit pursuant to
13 this ~~subdivision~~ subsection shall be reduced by a percentage equal
14 to the ratio of the difference of the total amount distributed
15 pursuant to ~~subdivisions (2) through (6) of this section or section~~
16 ~~79-1243~~ for the immediately preceding fiscal year minus the total
17 amount available to be distributed pursuant to ~~subdivisions (2)~~
18 ~~through (6) of this section for the fiscal year in question~~
19 such difference divided by the total amount distributed pursuant
20 to ~~subdivisions~~ subsections (2) through (6) of this section ~~or~~
21 ~~section 79-1243~~ for the immediately preceding fiscal year. The core
22 ~~services and technology infrastructure funds received in~~ for the
23 fiscal year immediately preceding the merger or receipt of new
24 member school districts. The needs minus the distance education
25 and telecommunications allowance for the portions of educational
26 service units transferred to the new educational service unit
27 for the fiscal year immediately preceding a merger or receipt

1 of new member school districts ~~for an educational service unit~~
2 shall equal the amount received in needs minus the distance
3 education and telecommunications allowance calculated for such
4 fiscal year pursuant to ~~subdivisions~~ subsections (2) through (6)
5 of this section ~~or section 79-1243~~ by for any educational service
6 unit affected by the merger or the transfer of school districts
7 multiplied by a ratio equal to the valuation that was transferred
8 to ~~or retained by~~ the new educational service unit for which the
9 minimum is being calculated divided by the total valuation of the
10 educational service unit transferring ~~or retaining~~ the territory.†

11 (4) For fiscal years ~~2008-09~~ 2010-11 through 2013-14,
12 each educational service unit which will not have any member
13 school districts that are members of a learning community shall
14 receive core services and technology infrastructure funds under
15 this section in an amount not less than ninety-five percent of
16 the total of the core services and technology infrastructure funds
17 that the educational service unit received in the immediately
18 preceding fiscal year either pursuant to ~~subdivisions (2) through~~
19 ~~(6) of this section or pursuant to section 79-1243~~, have needs
20 minus the distance education and telecommunications allowance
21 equal to an amount not less than ninety-five percent of the
22 needs minus the distance education and telecommunications allowance
23 for the immediately preceding fiscal year, except that if the
24 total amount available to be distributed pursuant to ~~subdivisions~~
25 subsections (2) through (6) of this section for ~~such year~~ the
26 year for which needs are being calculated is less than the
27 total amount distributed pursuant to such ~~subdivisions or section~~

1 ~~79-1243~~ subsections for the immediately preceding fiscal year,
2 the minimum core services and technology infrastructure funds
3 for each educational service unit pursuant to this ~~subdivision~~
4 subsection shall be reduced by a percentage equal to the ratio
5 of the difference of the total amount distributed pursuant to
6 ~~subdivisions (2) through (6) of this section or section 79-1243~~
7 ~~for the immediately preceding fiscal year minus the total amount~~
8 ~~available to be distributed pursuant to subdivisions (2) through~~
9 ~~(6) of this section for the fiscal year in question~~ such difference
10 divided by the total amount distributed pursuant to ~~subdivisions~~
11 subsections (2) through (6) of this section ~~or section 79-1243~~ for
12 the immediately preceding fiscal year.~~+~~

13 (5) If the minimum core services and technology
14 ~~infrastructure funds pursuant to subdivision~~ needs minus the
15 distance education and telecommunications allowance pursuant to
16 subsection (3) or (4) of this section for any educational service
17 unit ~~exceed~~ exceeds the amount that would otherwise be distributed
18 ~~to~~ calculated for such educational service unit pursuant to
19 ~~subdivision~~ subsection (2) of this section, the statewide student
20 allocation shall be reduced such that the total amount to be
21 distributed pursuant to this section equals the appropriation
22 for core services and technology infrastructure funds and no
23 educational service unit ~~receives~~ has needs minus the distance
24 education and telecommunications allowance less than the greater of
25 any minimum amounts calculated for such educational service unit
26 pursuant to ~~subdivisions~~ subsections (3) and (4) of this section.~~+~~
27 ~~and~~

1 (6) The State Department of Education shall certify the
2 distribution of core services and technology infrastructure funds
3 pursuant to ~~subdivisions~~ subsections (2) through (6) of this
4 section to each educational service unit and learning community
5 on or before July 1, 2008, ~~for school fiscal year 2008-09 and~~
6 ~~on or before July 1 of each year thereafter~~ of each year for
7 the following school fiscal year. Any funds appropriated for
8 distribution pursuant to this section shall be distributed in
9 ten as nearly as possible equal payments on the first business
10 day of each month beginning in September of each school fiscal
11 year and ending in June. Funds distributed to educational service
12 units pursuant to this section shall be used for core services
13 and technology infrastructure with the approval of representatives
14 of two-thirds of the member school districts of the educational
15 service unit, representing a majority of the adjusted students in
16 the member school districts used in calculations pursuant to this
17 section for such funds. Funds distributed to learning communities
18 shall be used for learning community purposes pursuant to sections
19 ~~79-2104 and 79-2115,~~ 79-2101 to 79-2120, with the approval of the
20 learning community coordinating council.

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

26 Sec. 29. Section 79-1245, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 79-1245 (1) The Educational Service Unit Coordinating
2 Council is created as of July 1, 2008. On such date the
3 assets and liabilities of the Distance Education Council shall be
4 transferred to the Educational Service Unit Coordinating Council.
5 The council shall be composed of one administrator from each
6 educational service unit. The council shall be funded from ~~one~~
7 two percent of the core services and technology infrastructure
8 funding appropriated pursuant to section 79-1241.03, appropriations
9 by the Legislature for distance education, and fees established for
10 services provided to educational entities.

11 (2) The council is a political subdivision and a public
12 body corporate and politic of this state, exercising public powers
13 separate from the participating educational service units. The
14 council shall have the duties, privileges, immunities, rights,
15 liabilities, and disabilities of a political subdivision and a
16 public body corporate and politic but shall not have taxing power.

17 (3) The council shall have power (a) to sue and be sued,
18 (b) to have a seal and alter the same at will or to dispense
19 with the necessity thereof, (c) to make and execute contracts
20 and other instruments, (d) to receive, hold, and use money and
21 real and personal property, (e) to hire and compensate employees,
22 including certificated employees, (f) to act as a fiscal agent for
23 statewide initiatives being implemented by employees of one or more
24 educational service units, and (g) from time to time, to make,
25 amend, and repeal bylaws, rules, and regulations not inconsistent
26 with sections 79-1245 to 79-1249. Such power shall only be used as
27 necessary or convenient to carry out and effectuate the powers and

1 purposes of the council.

2 Sec. 30. Section 79-1247, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-1247 The Educational Service Unit Coordinating Council
5 shall appoint a distance education director and may appoint a
6 council director, both of whom shall hold office at the pleasure of
7 the council. ~~7 except that the person serving as the administrator~~
8 ~~of the Distance Education Council immediately preceding July 1,~~
9 ~~2008,~~ shall be the initial distance education director under
10 ~~this section.~~ The council director and the distance education
11 director shall receive such salaries as the council determines
12 and shall be reimbursed for their actual expenses incurred in
13 the performance of their duties. The council may contract with
14 individual educational service units for the employment of the
15 council director or the distance education director, except that
16 the supervisory responsibilities for such employees shall remain
17 with the council. ~~as provided in sections 81-1174 to 81-1177.~~

18 The council director and the distance education director
19 shall perform duties as the council directs and shall not be
20 members of the council. The council may also appoint or retain
21 such other persons as it may deem necessary for the performance
22 of its functions and shall prescribe their duties, fix their
23 compensation, and provide for reimbursement of their actual and
24 necessary expenses as provided in sections 81-1174 to 81-1177
25 within the amounts available in the budget of the council.

26 Sec. 31. Section 79-1248, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 79-1248 The powers and duties of the Educational Service
2 Unit Coordinating Council include, but are not limited to:

3 (1) Providing public access to lists of qualified
4 distance education courses;

5 (2) Collecting and providing school schedules for
6 participating educational entities;

7 (3) Facilitation of scheduling for qualified distance
8 education courses;

9 (4) Brokering of qualified distance education courses to
10 be purchased by educational entities;

11 (5) Assessment of distance education needs and evaluation
12 of distance education services;

13 (6) Compliance with technical standards as set forth
14 by the Nebraska Information Technology Commission and academic
15 standards as set forth by the State Department of Education related
16 to distance education;

17 (7) Establishment of a system for ~~prioritizing courses if~~
18 ~~the demand for Network Nebraska exceeds the capacity available for~~
19 ~~distance education scheduling courses brokered by the council and~~
20 for choosing receiving educational entities when the demand for a
21 course exceeds the capacity as determined by either the technology
22 available or the course provider;

23 ~~(8) Scheduling and prioritization for access to Network~~
24 ~~Nebraska by educational entities in cooperation with the Chief~~
25 ~~Information Officer and using scheduling software or scheduling~~
26 ~~services which meet any applicable standards established by the~~
27 ~~commission;~~

1 ~~(9)~~ (8) Administration of learning management systems,
2 that are in compliance with any applicable standards of the
3 ~~commission~~ either through the staff of the council or by delegation
4 to an appropriate educational entity,l with the funding for such
5 systems provided by participating educational entities; and

6 ~~(10)~~ (9) Coordination with educational service units and
7 postsecondary educational institutions to provide assistance for
8 instructional design for both two-way interactive video distance
9 education courses and the offering of graduate credit courses in
10 distance education.

11 Sec. 32. Section 79-1249, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-1249 The Educational Service Unit Coordinating Council
14 shall only provide assistance in brokering or scheduling courses
15 to educational entities that have access to Network Nebraska.
16 All costs to the council associated with assisting private,
17 denominational, or parochial schools and private postsecondary
18 educational institutions shall be paid by such private,
19 denominational, or parochial school or private postsecondary
20 educational institution. Any services of the council may also be
21 offered to other public entities with access to Network Nebraska
22 on a contractual basis. ~~The council shall not approve technology~~
23 ~~purchases for the council in excess of ten thousand dollars~~
24 ~~without approval of the technical panel of the Nebraska Information~~
25 ~~Technology Commission that the purchases are in compliance with any~~
26 ~~applicable commission standards.~~

27 Sec. 33. (1) For purposes of all duties, entitlements,

1 and rights established by law, including special education as
2 provided in section 79-1127, open enrollment students shall be
3 treated as resident students of the open enrollment school
4 district. In determining eligibility for extracurricular activities
5 as defined in section 79-2,126, the open enrollment student shall
6 be treated similarly to other students who transfer into the school
7 from another public, private, denominational, or parochial school.

8 (2) For open enrollment students verified as having a
9 disability as defined in section 79-1118.01, the transportation
10 services set forth in section 79-1129 shall be provided by
11 the open enrollment school district. The State Department of
12 Education shall reimburse each learning community school district
13 for special education programs provided to open enrollment students
14 in accordance with section 79-1142. The resident school district
15 of an open enrollment student shall be exempted from the payment
16 responsibility set forth in section 79-1140. For purposes of the
17 calculation to determine reimbursement pursuant to section 79-1142,
18 the open enrollment school district shall include the adjusted
19 average per pupil cost as defined in section 79-1114 of the open
20 enrollment school district.

21 (3) For purposes of the Tax Equity and Educational
22 Opportunities Support Act, open enrollment students shall not be
23 counted as formula students by the resident school district and
24 shall be counted by the open enrollment school district.

25 Sec. 34. The Board of Regents of the University of
26 Nebraska shall enter into a memorandum of understanding on or
27 before September 1, 2010, with the State Board of Education to

1 adopt a policy to share student data. At a minimum, the policy
2 shall ensure that the exchange of information is conducted in
3 conformance with the requirements of the federal Family Educational
4 Rights and Privacy Act of 1974, as amended, 20 U.S.C. 1232g,
5 and all federal regulations and applicable guidelines adopted in
6 accordance with such act, as such act, regulations, and guidelines
7 existed on January 1, 2010.

8 Sec. 35. The Board of Trustees of the Nebraska State
9 Colleges shall enter into a memorandum of understanding on or
10 before September 1, 2010, with the State Board of Education to
11 adopt a policy to share student data. At a minimum, the policy
12 shall ensure that the exchange of information is conducted in
13 conformance with the requirements of the federal Family Educational
14 Rights and Privacy Act of 1974, as amended, 20 U.S.C. 1232g,
15 and all federal regulations and applicable guidelines adopted in
16 accordance with such act, as such act, regulations, and guidelines
17 existed on January 1, 2010.

18 Sec. 36. Section 85-1511, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 85-1511 In addition to any other powers and duties
21 imposed upon the community college system or its areas, campuses,
22 or boards by the Community College Foundation and Equalization Aid
23 Act, sections 85-917 to 85-966 and 85-1501 to 85-1540, and any
24 other provision of law, each board shall:

25 (1) Have general supervision, control, and operation of
26 each community college within its jurisdiction;

27 (2) Subject to coordination by the Coordinating

1 Commission for Postsecondary Education as prescribed in the
2 Coordinating Commission for Postsecondary Education Act, develop
3 and offer programs of applied technology education, academic
4 transfer programs, academic support courses, and such other
5 programs and courses as the needs of the community college area
6 served may require. The board shall avoid unnecessary duplication
7 of existing programs and courses in meeting the needs of the
8 students and the community college area;

9 (3) Employ, for a period to be fixed by the board,
10 executive officers, members of the faculty, and such other
11 administrative officers and employees as may be necessary or
12 appropriate and fix their salaries and duties;

13 (4) Subject to coordination by the Coordinating
14 Commission for Postsecondary Education as prescribed in the
15 Coordinating Commission for Postsecondary Education Act, construct,
16 lease, purchase, purchase on contract, operate, equip, and maintain
17 facilities;

18 (5) Contract for services connected with the operation of
19 the community college area as needs and interest demand;

20 (6) Cause an examination and comprehensive audit of
21 the books, accounts, records, and affairs, including full-time
22 equivalent student enrollment totals, full-time equivalent totals,
23 and reimbursable educational unit totals as defined in section
24 85-1503, to be made annually covering the most recently completed
25 fiscal year. The audit of each area shall include the full-time
26 equivalent student enrollment totals, full-time equivalent totals,
27 and reimbursable educational unit totals for the three most

1 recently completed fiscal years which shall be used for calculation
2 of aid to the community college areas as prescribed in the
3 Community College Foundation and Equalization Aid Act. The audit
4 shall also include the county-certified property valuations for the
5 community college area for the three most recently completed fiscal
6 years which shall be used for calculation of aid to such community
7 college areas. Such examination and audit of the books, accounts,
8 records, and affairs shall be completed and filed with the Auditor
9 of Public Accounts and the Department of Administrative Services
10 on or before October 15 of each year. The examination and audit
11 of the full-time equivalent student enrollment totals, full-time
12 equivalent totals, and reimbursable educational unit totals shall
13 be completed and filed with the Auditor of Public Accounts and the
14 Department of Administrative Services on or before August 15 of
15 each year;

16 (7) Establish fees and charges for the facilities
17 authorized by sections 85-1501 to 85-1540. Each board may enter
18 into agreements with owners of facilities to be used for housing
19 regarding the management, operation, and government of such
20 facilities and may employ necessary employees to govern, manage,
21 and operate such facilities;

22 (8) Receive such gifts, grants, conveyances, and bequests
23 of real and personal property from public or private sources as
24 may be made from time to time, in trust or otherwise, whenever
25 the terms and conditions thereof will aid in carrying out the
26 community college programs as specified by law. Each board may
27 sell, lease, exchange, invest, or expend such gifts, grants,

1 conveyances, and bequests or the proceeds, rents, profits, and
2 income therefrom according to the terms and conditions thereof and
3 adopt and promulgate rules and regulations governing the receipt
4 and expenditure of such proceeds, rents, profits, and income,
5 except that acceptance of such gifts, grants, or conveyances shall
6 not be conditioned on matching state or local funds;

7 (9) Prescribe the courses of study for any community
8 college under its control and publish such catalogs and bulletins
9 as may be necessary;

10 (10) Grant to every student upon graduation or completion
11 of a course of study a suitable diploma, associate degree, or
12 certificate;

13 (11) Adopt and promulgate such rules and regulations
14 and perform all other acts as the board may deem necessary
15 or appropriate to the administration of the community college
16 area. Such rules and regulations shall include, but not be
17 limited to, rules and regulations relating to facilities, housing,
18 scholarships, discipline, and pedestrian and vehicular traffic on
19 property owned, operated, or maintained by the community college
20 area;

21 (12) Employ, for a period to be fixed by the board, an
22 executive officer for the community college area and, by written
23 order filed in its office, delegate to such executive officer
24 any of the powers and duties vested in or imposed upon it by
25 sections 85-1501 to 85-1540. Such delegated powers and duties may
26 be exercised in the name of the board;

27 (13) Acquire real property by eminent domain pursuant to

1 sections 76-701 to 76-724;

2 (14) Acquire real and personal property and sell, convey,
3 or lease such property whenever the community college area will
4 be benefited thereby. The sale, conveyance, or lease of any real
5 estate owned by a community college area shall be effective only
6 when authorized by an affirmative vote of at least two-thirds of
7 all the members of the board;

8 (15) Enter into agreements for services, facilities, or
9 equipment and for the presentation of courses for students when
10 such agreements are deemed to be in the best interests of the
11 education of the students involved;

12 (16) Transfer tribally controlled community college state
13 aid amounts to a tribally controlled community college located
14 within its community college area;

15 (17) Invest, after proper consideration of the
16 requirements for the availability of money, funds of the community
17 college in securities the nature of which individuals of prudence,
18 discretion, and intelligence acquire or retain in dealing with the
19 property of another;

20 (18) Establish tuition rates for courses of instruction
21 offered by each community college within its community college
22 area. Separate tuition rates shall be established for students who
23 are nonresidents of the State of Nebraska;

24 (19) Establish a fiscal year for the community college
25 area which conforms to the fiscal year of the state; and

26 (20) Enter into a memorandum of understanding with the
27 State Board of Education to adopt a policy to share student

1 data. At a minimum, the policy shall ensure that the exchange of
2 information is conducted in conformance with the requirements of
3 the federal Family Educational Rights and Privacy Act of 1974,
4 as amended, 20 U.S.C. 1232g, and all federal regulations and
5 applicable guidelines adopted in accordance with such act, as such
6 act, regulations, and guidelines existed on January 1, 2010; and

7 ~~(20)~~ (21) Exercise any other powers, duties, and
8 responsibilities necessary to carry out sections 85-1501 to
9 85-1540.

10 Sec. 37. Section 86-501, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 86-501 Sections 86-501 to 86-530 and section 42 of this
13 act shall be known and may be cited as the Information Technology
14 Infrastructure Act.

15 Sec. 38. Section 86-505, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 86-505 Enterprise means ~~the entirety of all~~ one or
18 more departments, offices, boards, bureaus, commissions, or
19 institutions ~~in~~ of the state for which money is to be appropriated
20 for communications or data processing services, equipment, or
21 facilities, including all executive, legislative, and judicial
22 departments, the Nebraska state colleges, the University of
23 Nebraska, and all other state institutions and entities.

24 Sec. 39. Section 86-506, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 86-506 Enterprise project means an endeavor undertaken
27 by an enterprise over a fixed period of time using information

1 technology, which would have a significant effect on a core
2 business function or which affects multiple government programs,
3 agencies, or institutions. Enterprise project includes all aspects
4 of planning, design, implementation, project management, and
5 training relating to the endeavor.

6 Sec. 40. Section 86-516, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 86-516 The commission shall:

9 (1) Annually by July 1, adopt policies and procedures
10 used to develop, review, and annually update a statewide technology
11 plan;

12 (2) Create an information technology clearinghouse to
13 identify and share best practices and new developments, as well as
14 identify existing problems and deficiencies;

15 (3) Review and adopt policies to provide incentives for
16 investments in information technology infrastructure services;

17 (4) Determine a broad strategy and objectives for
18 developing and sustaining information technology development in
19 Nebraska, including long-range funding strategies, research and
20 development investment, support and maintenance requirements, and
21 system usage and assessment guidelines;

22 (5) Adopt guidelines regarding project planning and
23 management and administrative and technical review procedures
24 involving state-owned or state-supported technology and
25 infrastructure. Governmental entities, state agencies, and
26 noneducation political subdivisions shall submit all projects which
27 use any combination of general funds, federal funds, or cash funds

1 for information technology purposes to the process established
2 by sections 86-512 to 86-524. The commission may adopt policies
3 that establish the format and minimum requirements for project
4 submissions. The commission may monitor the progress of any such
5 project and may require progress reports;

6 (6) Adopt minimum technical standards, guidelines, and
7 architectures upon recommendation by the technical panel. Such
8 standards and guidelines shall not unnecessarily restrict the use
9 of new technologies or prevent commercial competition, including
10 competition with Network Nebraska;

11 (7) Establish ad hoc technical advisory groups to study
12 and make recommendations on specific topics, including workgroups
13 to establish, coordinate, and prioritize needs for education,
14 local communities, intergovernmental data communications, and state
15 agencies;

16 (8) By November 15 of each even-numbered year, make
17 recommendations on technology investments to the Governor and the
18 Legislature, including a prioritized list of projects, reviewed by
19 the technical panel pursuant to section 86-521;

20 (9) Approve grants from the Community Technology Fund and
21 Government Technology Collaboration Fund;

22 (10) Adopt schedules and procedures for reporting needs,
23 priorities, and recommended projects;

24 (11) Assist the Chief Information Officer in developing
25 and maintaining Network Nebraska pursuant to section 86-5,100; and

26 (12) Determine the format that state agencies, boards,
27 and commissions shall use to report their information technology

1 plans under section 86-524.01. The commission shall include an
2 analysis of such plans in the statewide technology plan.

3 Sec. 41. Section 86-520, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 86-520 The Chief Information Officer shall:

6 (1) Maintain, in cooperation with the Department of
7 Administrative Services, an inventory of noneducation state
8 government technology assets, including hardware, applications, and
9 data bases;

10 (2) Recommend policies and guidelines for acceptable and
11 cost-effective use of information technology in noneducation state
12 government;

13 (3) Advise the Governor and Legislature on policy issues
14 affecting noneducation state government related to information
15 technology;

16 (4) Coordinate efforts among other noneducation state
17 government technology agencies and coordinating bodies;

18 (5) Implement a strategic, tactical, and project planning
19 process for noneducation state government information technology
20 that is linked to the budget process;

21 (6) Assist the budget division of the Department
22 of Administrative Services and Legislative Fiscal Analyst in
23 evaluating technology-related budget requests;

24 (7) Work with each governmental department and
25 noneducation state agency to evaluate and act upon opportunities
26 to more efficiently and effectively deliver government services
27 through the use of information technology;

1 (8) Recommend to the Governor and Legislature methods for
2 improving the organization and management of data by noneducation
3 agencies to achieve the goals of making information sharable and
4 reusable, eliminating redundancy of data and programs, improving
5 the quality and usefulness of data, and improving access to data,
6 and implement such recommendations as the Governor or Legislature
7 may direct;

8 (9) Monitor the status of major noneducation state
9 government technology projects;

10 (10) Establish and maintain Network Nebraska pursuant to
11 section 86-5,100;

12 ~~(11) Bid for telecomputing and distance education~~
13 ~~equipment pursuant to section 79-1233;~~

14 ~~(12)~~ (11) Apply in aggregate for reimbursements from
15 the federal Universal Service Fund pursuant to section 254 of
16 the Telecommunications Act of 1996, 47 U.S.C. 254, as such
17 section existed on January 1, 2006, on behalf of school districts
18 requesting to be included in such aggregated application;

19 ~~(13)~~ (12) Administer such funds as may be appropriated to
20 the Chief Information Officer by the Legislature;

21 ~~(14)~~ (13) Monitor the status of information technology
22 projects that are enterprise projects;

23 ~~(15)~~ (14) Collect information from state agencies,
24 boards, and commissions as provided in section 86-524.01; and

25 ~~(16)~~ (15) Complete other tasks as assigned by the
26 Governor.

27 Sec. 42. Information technology purchases made with

1 state funds or local tax receipts by education-related political
2 subdivisions shall meet or exceed any applicable technical
3 standards established by the commission. The Chief Information
4 Officer may bid for such equipment and allow education-related
5 political subdivisions to participate in leasing or purchasing
6 contracts. An education-related political subdivision shall provide
7 notice in writing, if required by guidelines established by the
8 University of Nebraska and the Chief Information Officer for
9 participation in Network Nebraska, to the distance education
10 director of the Educational Service Unit Coordinating Council, the
11 University of Nebraska, and the Chief Information Officer prior to
12 the use of any new or additional equipment that will impact the use
13 of Network Nebraska by such education-related political subdivision
14 or other education-related political subdivisions.

15 Sec. 43. Section 86-5,100, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 86-5,100 The Chief Information Officer, in partnership
18 with the University of Nebraska, shall develop and maintain a
19 statewide, multipurpose, high capacity, scalable telecommunications
20 network to be called Network Nebraska. The network shall consist of
21 contractual arrangements with providers to meet the demand of state
22 agencies, local governments, and educational entities as defined in
23 section 79-1201.01. Such network shall provide access to a reliable
24 and affordable infrastructure capable of carrying a spectrum of
25 services and applications, including distance education, across
26 the state. The Chief Information Officer shall provide access to
27 each school district, each educational service unit, each community

1 college, each state college, and the University of Nebraska at the
2 earliest feasible date and no later than July 1, 2012. Access may
3 be provided through educational service units or other aggregation
4 points. Participation in Network Nebraska shall not be required
5 for any educational entity. The Chief Information Officer shall
6 aggregate demand for those state agencies and educational entities
7 choosing to participate and shall reduce costs for participants
8 whenever feasible. The Chief Information Officer shall establish
9 a cost structure based on actual costs, including necessary plus
10 administrative expenses but not including administrative travel or
11 conference expenses, and shall charge participants according to
12 such cost structure. The Chief Information Officer shall annually
13 provide a detailed report of such costs to each participant and to
14 the Legislative Fiscal Analyst.

15 Sec. 44. The Revisor of Statutes shall assign section 7
16 of this act within Chapter 79, article 7, shall assign section 33
17 of this act within Chapter 79, article 21, shall assign section 34
18 of this act within Chapter 85, article 1, and shall assign section
19 35 of this act within Chapter 85, article 3.

20 Sec. 45. Sections 1, 2, 3, 4, 6, 12, 13, 14, 15, 16, 17,
21 18, 23, 25, 33, and 47 of this act become operative three calendar
22 months after the adjournment of this legislative session. The other
23 sections of this act become operative on their effective date.

24 Sec. 46. Original sections 79-1233, 79-1245, 79-1247,
25 79-1248, 79-1249, 85-1511, 86-501, 86-505, 86-506, 86-516, 86-520,
26 and 86-5,100, Reissue Revised Statutes of Nebraska, sections
27 79-318, 79-8,137.01, 79-8,137.02, 79-8,137.03, 79-8,137.04,

1 79-1022, 79-1026.01, 79-1027, 79-1031.01, 79-1241.01, and
2 79-1241.03, Revised Statutes Supplement, 2009, and section 79-1023,
3 Revised Statutes Supplement, 2009, as amended by section 11,
4 Legislative Bill 5, One Hundred First Legislature, First Special
5 Session, 2009, are repealed.

6 Sec. 47. Original sections 79-201, 79-215, 79-2,136,
7 79-4,108, 79-1003.01, 79-1007.04, 79-1007.05, 79-1013, 79-1030, and
8 79-1103, Reissue Revised Statutes of Nebraska, sections 13-509 and
9 79-1014, Revised Statutes Supplement, 2009, and sections 79-1003
10 and 79-1007.23, Revised Statutes Supplement, 2009, as amended by
11 sections 3 and 9, respectively, Legislative Bill 5, One Hundred
12 First Legislature, First Special Session, 2009, are repealed.

13 Sec. 48. The following sections are outright repealed:
14 Sections 79-1241.02, 79-1243, and 79-1331, Reissue Revised Statutes
15 of Nebraska.

16 Sec. 49. Since an emergency exists, this act takes effect
17 when passed and approved according to law.

18 2. On page 1, strike beginning with "schools" in line
19 1 through line 14 and insert "government; to amend sections
20 79-201, 79-215, 79-2,136, 79-4,108, 79-1003.01, 79-1007.04,
21 79-1007.05, 79-1013, 79-1030, 79-1103, 79-1233, 79-1245, 79-1247,
22 79-1248, 79-1249, 85-1511, 86-501, 86-505, 86-506, 86-516, 86-520,
23 and 86-5,100, Reissue Revised Statutes of Nebraska, sections
24 13-509, 79-318, 79-8,137.01, 79-8,137.02, 79-8,137.03, 79-8,137.04,
25 79-1014, 79-1022, 79-1026.01, 79-1027, 79-1031.01, 79-1241.01,
26 and 79-1241.03, Revised Statutes Supplement, 2009, and sections
27 79-1003, 79-1007.23, and 79-1023, Revised Statutes Supplement,

1 2009, as amended by sections 3, 9, and 11, respectively,
2 Legislative Bill 5, One Hundred First Legislature, First Special
3 Session, 2009; to change and eliminate provisions relating to
4 certification of property valuations, attendance age, admissions,
5 evaluation policies and procedures, unified school systems, open
6 enrollment provisions for learning communities, the Early Childhood
7 Education Grant Program, the Enhancing Excellence in Teaching
8 Program, the Tax Equity and Educational Opportunities Support
9 Act, the Educational Service Units Act, and the Information
10 Technology Infrastructure Act; to provide for memoranda regarding
11 sharing student data; to define and redefine terms; to harmonize
12 provisions; to provide duties for the Revisor of Statutes; to
13 provide operative dates; to repeal the original sections; to
14 outright repeal sections 79-1241.02, 79-1243, and 79-1331, Reissue
15 Revised Statutes of Nebraska;".