

LEGISLATURE OF NEBRASKA
 ONE HUNDRED THIRD LEGISLATURE
 SECOND SESSION
LEGISLATIVE BILL 973

Introduced by Harr, 8.

Read first time January 17, 2014

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend sections 4-108, 10-704,
 2 10-716.01, 13-2903, 23-1601, 23-3302, 32-541, 32-553,
 3 32-555, 32-609, 77-3444, 77-3523, 79-2,126, 79-401,
 4 79-402, 79-403, 79-406, 79-411, 79-415, 79-416, 79-418,
 5 79-419, 79-423, 79-424, 79-425, 79-431, 79-434, 79-443,
 6 79-447, 79-450, 79-451, 79-452, 79-454, 79-455, 79-458,
 7 79-470, 79-472, 79-473, 79-474, 79-477, 79-478, 79-479,
 8 79-492, 79-493, 79-494, 79-495, 79-496, 79-499, 79-4,100,
 9 79-4,101, 79-4,102, 79-4,103, 79-4,109, 79-4,110,
 10 79-4,111, 79-4,123, 79-4,128, 79-501, 79-506, 79-519,
 11 79-520, 79-521, 79-523, 79-524, 79-525, 79-526, 79-534,
 12 79-540, 79-543, 79-547, 79-548, 79-549, 79-550, 79-554,
 13 79-557, 79-558, 79-565, 79-567, 79-570, 79-572, 79-576,
 14 79-577, 79-578, 79-579, 79-580, 79-581, 79-584, 79-586,
 15 79-587, 79-588, 79-590, 79-593, 79-5,104, 79-5,105,
 16 79-5,107, 79-5,108, 79-716, 79-717, 79-728, 79-734,
 17 79-824, 79-840, 79-841, 79-850, 79-8,110, 79-939, 79-979,

1 79-981, 79-983, 79-985, 79-986, 79-988, 79-994, 79-995,
2 79-997, 79-9,107, 79-9,108, 79-9,109, 79-9,115,
3 79-1027.01, 79-1043, 79-1045, 79-1065.02, 79-1070,
4 79-1072, 79-1075, 79-1077, 79-1078, 79-1080, 79-1081,
5 79-1082, 79-1083.02, 79-1087, 79-1089, 79-1090, 79-1092,
6 79-1093, 79-1098, 79-1099, 79-10,103, 79-10,111,
7 79-10,113, 79-10,114, 79-10,116, 79-10,117, 79-10,118,
8 79-10,119, 79-10,120, 79-10,121, 79-10,122, 79-10,124,
9 79-10,126, 79-10,126.01, 79-10,127, 79-1217.01, and
10 79-1504, Reissue Revised Statutes of Nebraska, sections
11 32-618, 32-811, 32-1303, 48-816, 68-621, 79-101, 79-408,
12 79-413, 79-4,108, 79-528, 79-569, 79-828, 79-942, 79-944,
13 79-947, 79-978, 79-978.01, 79-980, 79-988.01, 79-998,
14 79-9,104, 79-1005.01, 79-1011, 79-1025, 79-1029, 79-1030,
15 79-1036, 79-1084, 79-10,110, 79-1108.02, 79-1217,
16 79-1225, and 79-2116, Revised Statutes Cumulative
17 Supplement, 2012, and sections 13-508, 32-101, 32-552,
18 32-554, 32-570, 32-606, 32-1007, 79-234, 79-4,129,
19 79-611, 79-902, 79-916, 79-966, 79-984, 79-991, 79-992,
20 79-9,100, 79-9,102, 79-9,103, 79-9,113, 79-1003, and
21 79-1028.01, Revised Statutes Supplement, 2013; to change
22 and eliminate provisions relating to classification of
23 school districts; to require training as prescribed; to
24 rename an act; to harmonize provisions; to repeal the
25 original sections; and to outright repeal sections

1 32-542, 32-543, 32-544, 32-546, 79-102, 79-103, 79-104,
2 79-404, 79-407, 79-409, 79-410, 79-417, 79-426, 79-475,
3 79-476, 79-522, 79-535, 79-537, 79-551, 79-553, 79-555,
4 79-556, 79-560, 79-561, 79-562, 79-563, 79-564, 79-566,
5 79-568, 79-573, 79-574, 79-582, 79-583, 79-585, 79-589,
6 79-591, 79-594, 79-595, 79-596, 79-597, 79-5,106,
7 79-1085, and 79-10,115, Reissue Revised Statutes of
8 Nebraska, sections 79-592 and 79-1086, Revised Statutes
9 Cumulative Supplement, 2012, and sections 32-545, 79-552,
10 and 79-559, Revised Statutes Supplement, 2013.
11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 4-108, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 4-108 (1) Notwithstanding any other provisions of law,
4 unless exempted from verification under section 4-110 or pursuant to
5 federal law, no state agency or political subdivision of the State of
6 Nebraska shall provide public benefits to a person not lawfully
7 present in the United States.

8 (2) Except as provided in section 4-110 or if exempted by
9 federal law, every agency or political subdivision of the State of
10 Nebraska shall verify the lawful presence in the United States of any
11 person who has applied for public benefits administered by an agency
12 or a political subdivision of the State of Nebraska. This section
13 shall be enforced without regard to race, religion, gender,
14 ethnicity, or national origin.

15 (3) On and after October 1, 2009, no employee of a state
16 agency or political subdivision of the State of Nebraska shall be
17 authorized to participate in any retirement system, including, but
18 not limited to, the systems provided for in the ~~Class V-Alternate~~
19 School Employees Retirement Act, the County Employees Retirement Act,
20 the Judges Retirement Act, the Nebraska State Patrol Retirement Act,
21 the School Employees Retirement Act, and the State Employees
22 Retirement Act, unless the employee (a) is a United States citizen or
23 (b) is a qualified alien under the federal Immigration and
24 Nationality Act, 8 U.S.C. 1101 et seq., as such act existed on
25 January 1, 2009, and is lawfully present in the United States.

1 Sec. 2. Section 10-704, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 10-704 Except as otherwise provided in this section, the
4 aggregate amount of school bonds issued for all purposes in ~~Class I~~
5 ~~or Class II~~ school districts that maintain only elementary grades
6 under the direction of a single school board or school districts that
7 embrace territory having a population of one thousand inhabitants or
8 less and maintain both elementary and high school grades under the
9 direction of a single school board shall in no event exceed fourteen
10 percent of the taxable valuation of all property in such school
11 district. This section does not apply (1) to the issuance of
12 refunding or compromise of indebtedness bonds by any such school
13 district for the purpose of retiring outstanding bonds, warrants, or
14 other indebtedness or (2) to any ~~Class II~~ school district that
15 embrace territory having a population of one thousand inhabitants or
16 fewer and maintains both elementary and high school grades under the
17 direction of a single school board which currently receives or has
18 received in either of the two previous school fiscal years federal
19 funds in excess of twenty-five percent of its general fund budget of
20 expenditures as defined in section 79-1003.

21 Sec. 3. Section 10-716.01, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 10-716.01 Following the affiliation of two or more school
24 districts, bonds may be issued pursuant to sections 10-701 to 10-716
25 for purposes of capital additions to or improvements or replacement

1 of high school facilities upon the approval of a majority of the
2 legal voters of the high school district and affiliated ~~Class-I~~
3 district or districts or portions thereof that maintain only
4 elementary grades under the direction of a single school board voting
5 on the issue as a combined voting unit. The bond levy necessary to
6 redeem the bonds issued pursuant to this section shall be prorated to
7 reflect projected student utilization of planned facilities based on
8 criteria established by the State Department of Education if the
9 facility will be used by elementary as well as high school students.
10 The pro rata share of the costs of the facility to be assigned to the
11 high school program shall be included in the statement required
12 pursuant to section 10-707.

13 Sec. 4. Section 13-508, Revised Statutes Supplement,
14 2013, is amended to read:

15 13-508 (1) After publication and hearing thereon and
16 within the time prescribed by law, each governing body, except as
17 provided in subsection (3) of this section, shall file with and
18 certify to the levying board or boards on or before September 20 of
19 each year or September 20 of the final year of a biennial period and
20 file with the auditor a copy of the adopted budget statement which
21 complies with sections 13-518 to 13-522 or 79-1023 to 79-1030,
22 together with the amount of the tax required to fund the adopted
23 budget, setting out separately (a) the amount to be levied for the
24 payment of principal or interest on bonds issued by the governing
25 body and (b) the amount to be levied for all other purposes. Proof of

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

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

22 (3)(a) A ~~Class I~~ school district that maintains only
23 elementary grades under the direction of a single school board shall
24 do the filing and certification required by subsection (1) of this
25 section on or before August 1 of each year.

1 (b) A learning community shall do such filing and
2 certification on or before September 1 of each year.

3 Sec. 5. Section 13-2903, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 13-2903 For purposes of the Political Subdivisions
6 Construction Alternatives Act:

7 (1) Construction management at risk contract means a
8 contract by which a construction manager (a) assumes the legal
9 responsibility to deliver a construction project within a contracted
10 price to the political subdivision, (b) acts as a construction
11 consultant to the political subdivision during the design development
12 phase of the project when the political subdivision's architect or
13 engineer designs the project, and (c) is the builder during the
14 construction phase of the project;

15 (2) Construction manager means the legal entity which
16 proposes to enter into a construction management at risk contract
17 pursuant to the act;

18 (3) Design-build contract means a contract which is
19 subject to qualification-based selection between a political
20 subdivision and a design-builder to furnish (a) architectural,
21 engineering, and related design services for a project pursuant to
22 the act and (b) labor, materials, supplies, equipment, and
23 construction services for a project pursuant to the act;

24 (4) Design-builder means the legal entity which proposes
25 to enter into a design-build contract which is subject to

1 qualification-based selection pursuant to the act;

2 (5) Letter of interest means a statement indicating
3 interest to enter into a design-build contract or a construction
4 management at risk contract for a project pursuant to the act;

5 (6) Performance-criteria developer means any person
6 licensed or any organization issued a certificate of authorization to
7 practice architecture or engineering pursuant to the Engineers and
8 Architects Regulation Act who is selected by a political subdivision
9 to assist the political subdivision in the development of project
10 performance criteria, requests for proposals, evaluation of
11 proposals, evaluation of the construction under a design-build
12 contract to determine adherence to the performance criteria, and any
13 additional services requested by the political subdivision to
14 represent its interests in relation to a project;

15 (7) Political subdivision means a city, village, county,
16 school district, community college, or state college;

17 (8) Project performance criteria means the performance
18 requirements of the project suitable to allow the design-builder to
19 make a proposal. Performance requirements include the following, if
20 required by the project: Capacity, durability, standards, ingress and
21 egress requirements, description of the site, surveys, soil and
22 environmental information concerning the site, interior space
23 requirements, material quality standards, design and construction
24 schedules, site development requirements, provisions for utilities,
25 storm water retention and disposal, parking requirements, applicable

1 governmental code requirements, and other criteria for the intended
2 use of the project;

3 (9) Proposal means an offer in response to a request for
4 proposals (a) by a design-builder to enter into a design-build
5 contract for a project pursuant to the Political Subdivisions
6 Construction Alternatives Act or (b) by a construction manager to
7 enter into a construction management at risk contract for a project
8 pursuant to the act;

9 (10) Qualification-based selection process means a
10 process of selecting a design-builder based first on the
11 qualifications of the design-builder and then on the design-builder's
12 proposed approach to the design and construction of the project;

13 (11) Request for letters of interest means the
14 documentation or publication by which a political subdivision
15 solicits letters of interest;

16 (12) Request for proposals means the documentation by
17 which a political subdivision solicits proposals; and

18 (13) School district ~~means any school district classified~~
19 ~~under section 79-102. has the definition found in section 79-101.~~

20 Sec. 6. Section 23-1601, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 23-1601 (1) It is the duty of the county treasurer to
23 receive all money belonging to the county, from whatsoever source
24 derived and by any method of payment provided by section 77-1702, and
25 all other money which is by law directed to be paid to him or her.

1 All money received by the county treasurer for the use of the county
2 shall be paid out by him or her only on warrants issued by the county
3 board according to law, except when special provision for payment of
4 county money is otherwise made by law.

5 (2) The county treasurer shall prepare and file the
6 required annual inventory statement of county personal property in
7 his or her custody or possession as provided in sections 23-346 to
8 23-350.

9 (3) The county treasurer, at the direction of the city or
10 village, shall invest the bond fund money collected for each city or
11 village located within each county. The bond fund money shall be
12 invested by the county treasurer and any investment income shall
13 accrue to the bond fund. The county treasurer shall notify the city
14 or village when the bonds have been retired.

15 (4)(a) On or before the fifteenth day of each month, the
16 county treasurer (i) shall pay to each city, village, school
17 district, educational service unit, county agricultural society, and
18 rural or suburban fire protection district located within the county
19 the amount of all funds collected or received for the city, village,
20 school district, educational service unit, county agricultural
21 society, and rural or suburban fire protection district the previous
22 calendar month, including bond fund money when requested by any city
23 of the first class under section 16-731, and (ii) on forms provided
24 by the Auditor of Public Accounts, shall include with the payment a
25 statement indicating the source of all such funds received or

1 collected and an accounting of any expense incurred in the collection
2 of ad valorem taxes, except that the Auditor of Public Accounts
3 shall, upon request of a county, approve the use and reproduction of
4 a county's general ledger or other existing forms if such ledger or
5 other forms clearly indicate the sources of all funds received or
6 collected and an accounting of any expenses incurred in the
7 collection of ad valorem taxes.

8 (b) If all such funds received or collected are less than
9 twenty-five dollars, the county treasurer may hold such funds until
10 such time as they are equal to or exceed twenty-five dollars. In no
11 case shall such funds be held by the county treasurer longer than six
12 months.

13 (c) If a school district treasurer has not filed an
14 official bond pursuant to section 11-107 or evidence of equivalent
15 insurance coverage, the county treasurer may hold funds collected or
16 received for the school district until such time as the bond or
17 evidence of equivalent insurance coverage has been filed.

18 (5) Notwithstanding subsection (4) of this section, the
19 county treasurer of any county in which a city of the metropolitan
20 class or a ~~Class V~~ school district located in whole or in part within
21 a city of the metropolitan class is located shall pay to the city of
22 the metropolitan class and to the ~~Class V~~ school district on a weekly
23 basis the amount of all current year funds as they become available
24 for the city or the school district.

25 Sec. 7. Section 23-3302, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 23-3302 The county board of any county may contract with
3 the educational service unit of which it is a part, with a ~~Class II,~~
4 ~~III, IV, V, or VI~~ school district that maintains both elementary and
5 high school grades, or with an individual who holds a Nebraska
6 certificate to administer, to be a county school administrator for
7 ~~Class I~~ school districts that maintains only elementary grades under
8 the direction of a single school board in the county and to perform
9 other designated county educational activities. Any contract entered
10 into under this section shall not exceed a period of one year. The
11 county school administrator, with the approval of the county board,
12 shall have the authority to employ such other persons as may be
13 necessary to assist the county school administrator in the
14 performance of his or her duties.

15 Sec. 8. Section 32-101, Revised Statutes Supplement,
16 2013, is amended to read:

17 32-101 Sections 32-101 to 32-1551 and sections 9 and 10
18 of this act shall be known and may be cited as the Election Act.

19 Sec. 9. All candidates for school board shall be
20 nominated and elected upon a nonpartisan ballot. All school board
21 members shall meet the qualifications found in section 79-543.

22 Except as otherwise provided, school board members shall
23 be elected for terms of four years at the statewide general election.

24 Sec. 10. A school district may vote to have either six,
25 seven, or nine members on the school board, except that a school

1 district with fewer than one thousand inhabitants that maintains both
2 elementary and high school grades under the direction of a single
3 school board may vote to have a three-member school board which shall
4 be elected at each statewide general election.

5 Sec. 11. Section 32-541, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 32-541 ~~Class I school districts which have~~ (1) A school
8 district that maintains only elementary grades under the direction of
9 a single school board and which has voted to have a six-member school
10 board pursuant to section 79-548 may elect the board members at the
11 statewide primary election. The members of the school board serving
12 when it is decided to elect at the statewide primary election shall
13 continue in office until the first Tuesday in June following the next
14 statewide primary election, at which election a six-member board
15 shall be elected. The three members receiving the highest number of
16 votes shall be elected for terms of four years, and the three members
17 receiving the next highest number of votes shall be elected for terms
18 of two years. Each member's term of office shall begin on the first
19 Tuesday in June following his or her election and, except as
20 otherwise provided in this section, shall continue for four years or
21 until the member's successor is elected and qualified. ~~The members~~
22 ~~shall meet the qualifications found in section 79-543.~~

23 (2) When a school district that maintains only elementary
24 grades determines by a majority vote to establish a high school
25 pursuant to section 79-406, a six-member board shall be elected at

1 the next statewide general election. The three members receiving the
2 highest number of votes shall be elected for terms of four years, and
3 the three members receiving the next highest number of votes shall be
4 elected for terms of two years. Each member's term of office shall
5 begin on the date of the first regular meeting of the board in
6 January following the statewide general election at which he or she
7 is elected and, except as otherwise provided in this section, shall
8 continue for four years or until the member's successor is elected
9 and qualified.

10 (3) A school district which maintains only a high school,
11 or a high school and grades seven and eight or six through eight
12 under the direction of a single school board may elect school board
13 members at the statewide primary election. The term of office for
14 members shall begin on the second Monday in June following their
15 election and shall continue for four years and until their successors
16 are elected and qualified. Persons may be nominated either by
17 petition or by direct filing.

18 (4) A school district that maintains both elementary and
19 high school grades under the direction of a single school board and
20 has voted to have a six-member school board pursuant to section 10 of
21 this act may choose to caucus for nominations pursuant to section
22 79-549, in which case the board of education shall consist of six
23 members to be elected by the registered voters of the school district
24 at the statewide primary election, and two members shall be elected
25 at each election for a term of six years.

1 (5) A school district that maintains both elementary and
2 high school grades under the direction of a single school board may,
3 subject to section 32-554, vote to elect members of its board by
4 district and may also vote to have elections for school board members
5 held in conjunction with elections for city council in the city in
6 which the school district is located, in which case the board of
7 education shall have the same number of members as the city council
8 for the city, and the board of education shall be nominated and be
9 elected by district as provided in section 32-552 for four-year terms
10 at the same time as members of the city council of the city in which
11 the district is located. One member of the board of education shall
12 be elected from each election district pursuant to such section. At
13 the general city election in the first odd-numbered year subsequent
14 to the board voting to hold elections in conjunction with elections
15 for city council, and each four years thereafter, one board of
16 education member shall be elected from each even-numbered district.
17 At the general city election two years subsequent to such election,
18 and each four years thereafter, one member shall be elected from each
19 odd-numbered district.

20 (6) Any board of education member elected to a nine-
21 member board that is elected by district, all of whom were nominated
22 at the primary election held for nomination of candidates for city
23 council pursuant to section 14-204 in 2013, shall serve as follows:
24 In 2014, candidates for election to such board of education from
25 even-numbered districts shall be nominated at the statewide primary

1 election and elected at the statewide general election and shall take
2 office on the first Monday in January 2015. Terms of the members
3 elected from such even-numbered districts in 2013 shall expire on
4 such date. In 2016, candidates for election to such board of
5 education from odd-numbered districts shall be nominated at the
6 statewide primary election and elected at the statewide general
7 election and shall take office on the first Monday in January 2017.
8 Terms of the members elected from odd-numbered districts in 2013
9 shall expire on such date. Thereafter, all members shall either be
10 (a) nominated at the statewide primary election and elected at the
11 statewide general election, shall take office on the first Monday in
12 January following their election, and shall serve terms of four years
13 and until their successors are elected and qualified or (b) shall be
14 elected and serve as otherwise provided for pursuant to this section.

15 (7) Unless otherwise provided in this section, members of
16 the board of education of school districts shall be nominated at the
17 statewide primary election and elected at the statewide general
18 election. Members shall be nominated and elected at large or by
19 district or ward as provided in section 32-554 or nominated by
20 district or ward and elected at large as provided in section 79-550.
21 Upon a vote by an existing board of education to set the total number
22 of board members, the number of members to be nominated at the
23 statewide primary election and elected at the statewide general
24 election and the terms for which they will be nominated and elected
25 shall be determined by the election commissioner or county clerk with

1 the aid of the secretary of the board of education of the district.
2 The terms of office of members of such board shall expire on the
3 first Thursday after the first Tuesday in January. Terms shall be
4 staggered so that three members shall be elected to each six-member
5 board and three, four, or five members shall be elected to each
6 seven-member or nine-member board at each general election for terms
7 of four years. When it becomes necessary to establish the staggering
8 of terms by electing members for terms of different duration at the
9 same election, candidates receiving the greatest number of votes
10 shall be elected for the longest terms.

11 Sec. 12. Section 32-552, Revised Statutes Supplement,
12 2013, is amended to read:

13 32-552 (1) At least five months prior to an election, the
14 governing board of any political subdivision requesting the
15 adjustment of the boundaries of election districts shall provide
16 written notification to the election commissioner or county clerk of
17 the need and necessity of his or her office to perform such
18 adjustments.

19 (2) After the next federal decennial census, the school
20 board for each school district that nominates or elects its members
21 by district shall be responsible for drawing its own district
22 boundaries and shall, as nearly as possible, follow the precinct
23 lines created by the election commissioner or county clerk after each
24 federal decennial census, except that, upon the request of the school
25 board, the election commissioner of the county in which the greater

1 part of a ~~Class IV~~ any such school district is situated shall,
2 subject to review by the school board, divide the school district
3 into ~~seven numbered~~ the appropriate number of districts,
4 substantially equal in population as determined by the most recent
5 federal decennial census. The election commissioner shall consider
6 the location of schools within the district and their boundaries. The
7 election commissioner shall adjust the boundaries of the election
8 districts, subject to final review and adjustment by the school
9 board, to conform to changes in the territory and population of the
10 school district and also following each federal decennial census.
11 Except when specific procedures are otherwise provided, section
12 32-553 shall apply to all ~~Class IV~~ such school districts.

13 ~~(3) For purposes of election of members to the board of~~
14 ~~education of a Class V school district:~~

15 ~~(a)(i) The Legislature hereby divides such school~~
16 ~~district into nine numbered election districts of compact and~~
17 ~~contiguous territory and of as nearly equal population as may be~~
18 ~~practical. Each election district shall be entitled to one member on~~
19 ~~the board of education of such Class V school district. The~~
20 ~~Legislature adopts the official population figures and maps from the~~
21 ~~2010 Census Redistricting (Public Law 94-171) TIGER/Line Shapefiles~~
22 ~~published by the United States Department of Commerce, Bureau of the~~
23 ~~Census. The numbers and boundaries of the election districts are~~
24 ~~designated and established by a map identified and labeled as~~
25 ~~OPS-13-002, filed with the Clerk of the Legislature, and incorporated~~

1 ~~by reference as part of Laws 2013, LB125. Such districts are drawn~~
2 ~~using the boundaries of the Class V school district as they existed~~
3 ~~on February 12, 2013; (ii) the Clerk of the Legislature shall~~
4 ~~transfer possession of the map referred to in subdivision (a)(i) of~~
5 ~~this subsection to the Secretary of State and the election~~
6 ~~commissioner of the county in which the greater part of the school~~
7 ~~district is situated on February 12, 2013; (iii) when questions of~~
8 ~~interpretation of such election district boundaries arise, the map~~
9 ~~referred to in subdivision (a)(i) of this subsection in possession of~~
10 ~~such election commissioner shall serve as the indication of the~~
11 ~~legislative intent in drawing the election district boundaries; (iv)~~
12 ~~the Secretary of State and such election commissioner shall also have~~
13 ~~available for viewing on his or her web site the map referred to in~~
14 ~~subdivision (a)(i) of this subsection identifying the boundaries for~~
15 ~~such election districts; and (v) the twelve numbered districts in~~
16 ~~existence on January 1, 2013, shall remain unchanged until the terms~~
17 ~~of members elected at the election in May 2013 begin; and~~

18 ~~(b) After the next federal decennial census after~~
19 ~~February 12, 2013, the election commissioner of the county in which~~
20 ~~the greater part of a Class V school district is situated shall~~
21 ~~divide the school district into nine numbered districts of compact~~
22 ~~and contiguous territory and of as nearly equal population as may be~~
23 ~~practical. The election commissioner shall adjust the boundaries of~~
24 ~~such districts, subject to final review and adjustment by the school~~
25 ~~board, to conform to changes in the territory of the school district~~

1 ~~and also following each federal decennial census.~~

2 Sec. 13. Section 32-553, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 32-553 (1)~~—~~When any political subdivision except a public
5 power district nominates or elects members of the governing board by
6 districts, such districts shall be substantially equal in population
7 as determined by the most recent federal decennial census. Any such
8 political subdivision which has districts in place on the date the
9 census figures used in drawing district boundaries for the
10 Legislature are required to be submitted to the state by the United
11 States Department of Commerce, Bureau of the Census, shall, if
12 necessary to maintain substantial population equality as required by
13 this ~~subsection,~~section, have new district boundaries drawn within
14 six months after the passage and approval of the legislative bill
15 providing for reestablishing legislative districts. Any such
16 political subdivision in existence on the date the census figures
17 used in drawing district boundaries for the Legislature are required
18 to be submitted to the state by the United States Department of
19 Commerce, Bureau of the Census, and which has not established any
20 district boundaries shall establish district boundaries pursuant to
21 this section within six months after such date. If the deadline for
22 drawing or redrawing district boundary lines imposed by this section
23 is not met, the procedures set forth in section 32-555 shall be
24 followed.

25 ~~(2) The governing board of each such political~~

1 ~~subdivision shall be responsible for drawing its own district~~
2 ~~boundaries and shall, as nearly as possible, follow the precinct~~
3 ~~lines created by the election commissioner or county clerk after each~~
4 ~~federal decennial census, except that the election commissioner of~~
5 ~~any county in which a Class IV or V school district is located shall~~
6 ~~draw district boundaries for such school district as provided in this~~
7 ~~section and section 32-552.~~

8 Sec. 14. Section 32-554, Revised Statutes Supplement,
9 2013, is amended to read:

10 32-554 (1)(a) Any city not under a home rule charter,
11 village, county, or school district nominating and electing members
12 to its governing board at large may, either by majority vote of the
13 governing body or by petition of registered voters pursuant to
14 subsection (2) of this section, submit, at a general election, the
15 question of nominating and electing members to its governing board by
16 district or ward.

17 (b) Any city not under a home rule charter, village,
18 county having not more than three hundred thousand inhabitants, or
19 school district nominating and electing members to its governing
20 board by district or ward may, either by majority vote of the
21 governing body or by petition of registered voters pursuant to
22 subsection (2) of this section, submit, at a general election, the
23 question of nominating and electing members to its governing board at
24 large.

25 (c) Any city of the first class, except a city having

1 adopted the commissioner or city manager plan of government,
2 nominating and electing members to its governing body by ward may,
3 either by ordinance by majority vote of the governing body or by
4 petition of registered voters pursuant to subsection (2) of this
5 section, submit, at a general election, the question of nominating
6 and electing some of the members to its governing body by ward and
7 some at large. No more than four members of the city council may be
8 elected on an at-large basis, and at least four members of the city
9 council shall be elected by ward. The ordinance of the governing body
10 or petition shall specify the number of at-large members to be
11 elected. At the first election in which one or more at-large members
12 are to be elected to the city council, the members shall be elected
13 to serve for initial terms of office of the following lengths: (i) If
14 one at-large member is to be elected, he or she shall serve for a
15 four-year term; (ii) if two at-large members are to be elected, the
16 candidate receiving the highest number of votes shall be elected to
17 serve for a four-year term and the other elected member shall be
18 elected to serve for a two-year term; (iii) if three at-large members
19 are to be elected, the two candidates receiving the highest number of
20 votes shall be elected to serve for four-year terms and the other
21 elected member shall be elected to serve for a two-year term; and
22 (iv) if four at-large members are to be elected, the two candidates
23 receiving the highest number of votes shall be elected to serve for
24 four-year terms and the other elected members shall be elected to
25 serve for two-year terms. Following the initial term of office, all

1 at-large council members shall be elected to serve for four-year
2 terms. No candidate may file as both an at-large candidate and a
3 candidate by ward at the same election.

4 (2) Petitions for submission of the question shall be
5 signed by registered voters of the city, village, county, or school
6 district desiring to change the procedures for electing the governing
7 board of the city, village, county, or school district. The petition
8 or petitions shall be signed by registered voters equal in number to
9 twenty-five percent of the votes cast for the person receiving the
10 highest number of votes in the city, village, county, or school
11 district at the preceding general election for electing the last
12 member or members to its governing board. Each sheet of the petition
13 shall have printed the full and correct copy of the question as it
14 will appear on the official ballot. The petitions shall be filed with
15 the county clerk or election commissioner not less than seventy days
16 prior to the date of the general election, and no signatures shall be
17 added or removed from the petitions after they have been so filed.
18 Petitions shall be verified as provided in section 32-631. If the
19 petition or petitions are found to contain the required number of
20 valid signatures, the county clerk or election commissioner shall
21 place the question on a separate ballot to be issued to the
22 registered voters of the city, village, county, or school district
23 entitled to vote on the question.

24 (3)(a) Any city, village, county, or school district
25 voting to change from nominating and electing the members of its

1 governing board by district or ward to nominating and electing some
2 or all of such members at large shall notify the public and instruct
3 the filing officer to accept the appropriate filings on an at-large
4 basis. Candidates to be elected at large shall be nominated and
5 elected on an at-large basis at the next primary and general election
6 following submission of the question.

7 (b) Any city, village, county, or school district voting
8 to change from nominating and electing the members of its governing
9 board at large to nominating and electing by district or ward shall
10 notify the public and instruct the filing officer to accept all
11 filings by district or ward. Candidates shall be nominated and
12 elected by district or ward at the next primary and general election
13 following submission of the question. When district or ward elections
14 have been approved by the majority of the electorate, the governing
15 board of any city, village, county, or school district approving such
16 question shall establish districts substantially equal in population
17 as determined by the most recent federal decennial census. ~~except as~~
18 ~~provided in subsection (2) of section 32-553.~~

19 (4) Except as provided in section 14-201, each city not
20 under a home rule charter, village, county, and school district which
21 votes to nominate and elect members to its governing board by
22 district or ward shall establish districts or wards so that
23 approximately one-half of the members of its governing board may be
24 nominated and elected from districts or wards at each election.
25 Districts or wards shall be created not later than October 1 in the

1 year following the general election at which the question was voted
2 upon. If the governing board fails to draw district boundaries by
3 October 1, the procedures set forth in section 32-555 shall be
4 followed.

5 Sec. 15. Section 32-555, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 32-555 (1) Except as provided in subsection (4) of this
8 section, if the governing board of any city, village, county, or
9 school district which nominates or elects members to the board by
10 district or ward fails to draw district boundaries by the date
11 established in ~~subsection (1) of~~ section 32-553 or subsection (4) of
12 section 32-554, the county attorney of the county in which the board
13 is located shall file an action in the district court for the purpose
14 of ordering the board to draw district boundaries. If within six
15 months after the receipt of such order the board does not comply, the
16 members of the board shall be subject to removal and the court shall
17 order the Secretary of State to draw district boundaries in
18 accordance with the most recent federal decennial census. Any vacancy
19 resulting from such removal from office shall be filled as provided
20 by law.

21 (2) If the county attorney fails to file the action
22 required by subsection (1) of this section, he or she shall be
23 subject to removal from office. If the county attorney fails to file
24 such action, any citizen within the jurisdiction of the governing
25 board may file the action. The court shall order the board to pay any

1 costs and attorney's fees involved in such action.

2 (3) If an election commissioner required to draw district
3 boundaries for any county having more than three hundred thousand
4 inhabitants pursuant to sections 23-151 and 32-553 fails to do so,
5 the election commissioner shall be subject to (a) suit by the county
6 attorney for the purpose of ordering the drawing of district
7 boundaries, (b) removal from office pursuant to section 32-214 for
8 failure to comply with an order to draw district boundaries within
9 six months of receipt of such order, and (c) suit by any citizen for
10 the purpose of ordering the drawing of district boundaries and shall
11 be obligated to pay any costs and attorney's fees involved in any
12 such action.

13 (4) If the county board of any county having more than
14 three hundred thousand inhabitants fails to complete the process of
15 drawing district boundaries as provided for in sections 23-151 and
16 32-553, the procedures set forth in subdivision (3)(b) of section
17 23-151 shall be followed.

18 Sec. 16. Section 32-570, Revised Statutes Supplement,
19 2013, is amended to read:

20 32-570 (1) A vacancy in the membership of a school board
21 shall occur as set forth in section 32-560 or in the case of
22 absences, unless excused by a majority of the remaining members of
23 the board, when a member is absent from the district for a continuous
24 period of sixty days at one time or from more than two consecutive
25 regular meetings of the board. The resignation of a member or any

1 other reason for a vacancy shall be made a part of the minutes of the
2 school board. The school board shall give notice of the date the
3 vacancy occurred, the office vacated, and the length of the unexpired
4 term (a) in writing to the election commissioner or county clerk and
5 (b) by a notice published in a newspaper of general circulation in
6 the school district.

7 (2) A-Except as otherwise provided in this section, a
8 vacancy in the membership of a school board from any cause other than
9 expiration of a term shall be filled by appointment of a qualified
10 registered voter by the remaining members of the board. For school
11 districts which elect board members at the statewide primary
12 election, if the vacancy occurs prior to July 1 preceding the general
13 election, the appointee shall serve until a registered voter is
14 elected at such general election for the remainder of the term. For
15 school districts which elect board members at statewide general
16 elections, if the vacancy occurs prior to February 1 preceding the
17 general election in the middle of the vacated term, the appointee
18 shall serve until a registered voter is nominated at the next primary
19 election and elected at the following general election for the
20 remainder of the unexpired term. If the vacancy occurs on or after
21 the applicable deadline, the appointment shall be for the remainder
22 of the unexpired term. For a school district that maintains only
23 elementary grades, a person appointed to fill a vacancy on the school
24 board of a Class I school district by the remaining members of the
25 board shall hold office until the beginning of the next school year.

1 A board member of a Class I school district elected to fill a vacancy
2 at a regular or special school district meeting shall serve for the
3 remainder of the unexpired term or until a successor is elected and
4 qualified.

5 ~~(3) Except as provided in subsection (4) of this section,~~
6 ~~a vacancy in the membership of a school board of a Class II, III, IV,~~
7 ~~or VI school district resulting from any cause other than the~~
8 ~~expiration of a term shall be filled by appointment of a qualified~~
9 ~~registered voter by the remaining members of the board. If the~~
10 ~~vacancy occurs in a Class II school district prior to July 1~~
11 ~~preceding the general election in the middle of the vacated term, the~~
12 ~~appointee shall serve until a registered voter is elected at such~~
13 ~~general election for the remainder of the unexpired term. If the~~
14 ~~vacancy occurs in a Class III, IV, or VI school district prior to~~
15 ~~February 1 preceding the general election in the middle of the~~
16 ~~vacated term, the appointee shall serve until a registered voter is~~
17 ~~nominated at the next primary election and elected at the following~~
18 ~~general election for the remainder of the unexpired term. If the~~
19 ~~vacancy occurs on or after the applicable deadline, the appointment~~
20 ~~shall be for the remainder of the unexpired term. A registered voter~~
21 ~~appointed or elected pursuant to this subsection shall meet the same~~
22 ~~requirements as the member whose office is vacant.~~

23 ~~(4)~~(3) Any vacancy in the membership of a school board
24 of a school district ~~described in section 79-549 which that caucuses~~
25 for nominations for school board membership and does not nominate

1 candidates at a primary election and elect members at the following
2 general election shall be filled by appointment of a qualified
3 registered voter by the remaining members of the board. If the
4 vacancy occurs at least twenty days prior to the first regular caucus
5 to be held during the term that was vacated, the appointee shall
6 serve until a registered voter is nominated and elected to fill the
7 vacancy for the remainder of the term in the manner provided for
8 nomination and election of board members in the district. If the
9 vacancy occurred less than twenty days prior to the first regular
10 caucus and at least twenty days prior to the second regular caucus to
11 be held during the term that was vacated, the appointee shall serve
12 until a registered voter is nominated and elected to fill the vacancy
13 for the remainder of the term in the manner provided for nomination
14 and election of board members in the district. If the vacancy
15 occurred less than twenty days prior to the second regular caucus
16 held during the term that was vacated or after such caucus, the
17 appointment shall be for the remainder of the unexpired term.

18 ~~(5) A vacancy in the membership of a school board of a~~
19 ~~Class V school district resulting from any cause other than the~~
20 ~~expiration of a term shall be filled by appointment of a qualified~~
21 ~~registered voter by the remaining members of the board for the~~
22 ~~remainder of the unexpired term. A registered voter appointed~~
23 ~~pursuant to this subsection shall meet the same requirements as the~~
24 ~~member whose office is vacant.~~

25 ~~(6)-(4)~~ If any school board fails to fill a vacancy on

1 the board, the vacancy may be filled by election at a special
2 election or school district meeting called for that purpose. Such
3 election or meeting shall be called in the same manner and subject to
4 the same procedures as other special elections or school district
5 meetings.

6 ~~(7)~~(5) If there are vacancies in the offices of one-half
7 or more of the members of a school board, the Secretary of State
8 shall conduct a special school district election to fill such
9 vacancies.

10 Sec. 17. Section 32-606, Revised Statutes Supplement,
11 2013, is amended to read:

12 32-606 (1) Any candidate may place his or her name on the
13 primary election ballot by filing a candidate filing form prescribed
14 by the Secretary of State as provided in section 32-607. If a
15 candidate for an elective office is an incumbent of any elective
16 office, the filing period for filing the candidate filing form shall
17 be between December 1 and February 15 prior to the date of the
18 primary election., ~~except for candidates for election in 2013 to the~~
19 ~~board of education of a Class V school district.~~ No incumbent who
20 resigns from elective office prior to the expiration of his or her
21 term shall file for any office after February 15 of that election
22 year. ~~Incumbent and nonincumbent candidates for election in 2013 to~~
23 ~~the board of education of a Class V school district and all~~ All other
24 candidates shall file for office between December 1 and March 1 prior
25 to the date of the primary election. A candidate filing form may be

1 transmitted by facsimile for the offices listed in subdivision (1) of
2 section 32-607 if (a) the transmission is received in the office of
3 the filing officer by the filing deadline and (b) the original filing
4 form is mailed to the filing officer with a legible postmark bearing
5 a date on or prior to the filing deadline and is in the office of the
6 filing officer no later than seven days after the filing deadline.

7 (2) Any candidate for a township office in a county under
8 township organization, the board of trustees of a village, the board
9 of directors of a reclamation district, the county weed district
10 board, the board of directors of a public power district receiving
11 annual gross revenue of less than forty million dollars, the school
12 board of a ~~Class II~~ school district that embraces territory having a
13 population of one thousand or fewer inhabitants and maintains both
14 elementary and high school grades under the direction of a single
15 school board, or the board of an educational service unit may place
16 his or her name on the general election ballot by filing a candidate
17 filing form prescribed by the Secretary of State as provided in
18 section 32-607. If a candidate for an elective office is an incumbent
19 of any elective office, the filing period for filing the candidate
20 filing form shall be between December 1 and July 15 prior to the date
21 of the general election. No incumbent who resigns from elective
22 office prior to the expiration of his or her term shall file for any
23 office after July 15 of that election year. All other candidates
24 shall file for office between December 1 and August 1 prior to the
25 date of the general election. A candidate filing form may be

1 transmitted by facsimile for the offices listed in subdivision (1) of
2 section 32-607 if (a) the transmission is received in the office of
3 the filing officer by the filing deadline and (b) the original filing
4 form is mailed to the filing officer with a legible postmark bearing
5 a date on or prior to the filing deadline and is in the office of the
6 filing officer no later than seven days after the filing deadline.

7 (3) Any city having a home rule charter may provide for
8 filing deadlines for any person desiring to be a candidate for the
9 office of council member or mayor.

10 Sec. 18. Section 32-609, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 32-609 The candidate filing form filed pursuant to
13 sections 32-606 and 32-607 by each candidate for the State Board of
14 Education, member of the Legislature, Regent of the University of
15 Nebraska, director of a public power and irrigation district,
16 reclamation district, or natural resources district, every other
17 nonpartisan office created by law, member of a school board, ~~of a~~
18 ~~Class IV or V school district,~~ and candidate for elective office of a
19 city of the first or second class or a village, and any publication
20 of or relating to such form published by the Secretary of State,
21 election commissioner, or county clerk, shall not in any way refer to
22 or designate the political affiliation of the candidate except as
23 otherwise provided pursuant to section 32-557.

24 Sec. 19. Section 32-618, Revised Statutes Cumulative
25 Supplement, 2012, is amended to read:

1 32-618 (1) The number of signatures of registered voters
2 needed to place the name of a candidate upon the nonpartisan ballot
3 for the general election shall be as follows:

4 (a) For each nonpartisan office other than members of the
5 Board of Regents of the University of Nebraska, ~~and board members of~~
6 ~~a Class III school district,~~ at least ten percent of the total number
7 of registered voters voting for Governor or President of the United
8 States at the immediately preceding general election in the district
9 or political subdivision in which the officer is to be elected, not
10 to exceed two thousand; and

11 (b) For members of the Board of Regents of the University
12 of Nebraska, at least ten percent of the total number of registered
13 voters voting for Governor or President of the United States at the
14 immediately preceding general election in the regent district in
15 which the officer is to be elected, not to exceed one thousand. ~~; and~~

16 ~~(c) For board members of a Class III school district, at~~
17 ~~least twenty percent of the total number of votes cast for the board~~
18 ~~member receiving the highest number of votes at the immediately~~
19 ~~preceding general election in the school district.~~

20 (2) The number of signatures of registered voters needed
21 to place the name of a candidate upon the partisan ballot for the
22 general election shall be as follows:

23 (a) For each partisan office to be filled by the
24 registered voters of the entire state, at least four thousand, and at
25 least seven hundred fifty signatures shall be obtained in each

1 congressional district in the state; and

2 (b) For each partisan office to be filled by the
3 registered voters of a county or political subdivision, at least
4 twenty percent of the total vote for Governor or President of the
5 United States at the immediately preceding general election within
6 the county or political subdivision, not to exceed two thousand.

7 The number of signatures shall not be required to exceed
8 one-fourth of the total number of registered voters voting for the
9 office at the immediately preceding general election when the
10 nomination is for a partisan office to be filled by the registered
11 voters of a county.

12 Sec. 20. Section 32-811, Revised Statutes Cumulative
13 Supplement, 2012, is amended to read:

14 32-811 (1) If the names of candidates properly filed for
15 nomination at the primary election for directors of natural resources
16 districts, directors of public power districts, members of airport
17 authority boards elected pursuant to sections 32-547 to 32-549,
18 members of the boards of governors of community college areas,
19 members of the boards of ~~Class III or Class V~~ school districts which
20 nominate candidates at a primary election, and officers of cities of
21 the first or second class and cities having a city manager plan of
22 government do not exceed two candidates for each position to be
23 filled, any such candidates shall be declared nominated and their
24 names shall not appear on any primary election ballots. The official
25 abstract of votes kept by the county or state shall show the names of

1 such candidates with the statement Nominated Without Opposition. The
2 election commissioner or county clerk shall place the names of such
3 automatically nominated candidates on the general election ballot as
4 provided in section 32-814.

5 (2) Candidates shall not appear on the ballot in the
6 primary election for the offices listed in subsection (2) of section
7 32-606.

8 (3) If the number of candidates for delegates to a county
9 or national political party convention are the same in number or less
10 than the number of candidates to be elected, the names shall not
11 appear on the primary election ballot and those so filed shall
12 receive a certificate of election.

13 Sec. 21. Section 32-1007, Revised Statutes Supplement,
14 2013, is amended to read:

15 32-1007 For members of a village board of trustees,
16 township officers, or members of the school board of ~~Class I or II a~~
17 school districts district that maintains only elementary grades under
18 the direction of a single school board or embraces territory having a
19 population of one thousand or fewer inhabitants and maintain both
20 elementary and high school grades under the direction of a single
21 school board, if a first or generally recognized name and last name
22 of a person is filled in on a line provided for that purpose and the
23 square or oval opposite such line has been marked with a cross or
24 other clear, intelligible mark, the vote shall be valid and the
25 ballot shall be counted. If only the last name of a person is in the

1 write-in space on the ballot and there is more than one person in the
2 county having the same last name, the counting board shall reject the
3 ballot for that office unless the last name is reasonably close to
4 the proper spelling of the last name of a candidate engaged in or
5 pursuing a write-in campaign pursuant to section 32-615. The counting
6 board shall make the following notation on the rejected ballot:
7 Rejected for the office of, no first or generally
8 recognized name.

9 Sec. 22. Section 32-1303, Revised Statutes Cumulative
10 Supplement, 2012, is amended to read:

11 32-1303 (1) A petition demanding that the question of
12 removing an elected official or member of a governing body listed in
13 section 32-1302 be submitted to the registered voters shall be signed
14 by registered voters equal in number to at least thirty-five percent
15 of the total vote cast for that office in the last general election,
16 except that (a) for an office for which more than one candidate is
17 chosen, the petition shall be signed by registered voters equal in
18 number to at least thirty-five percent of the number of votes cast
19 for the person receiving the most votes for such office in the last
20 general election, (b) for a member of a board of a ~~Class I~~ school
21 district that maintains only elementary grades under the direction of
22 a single school board, the petition shall be signed by registered
23 voters of the school district equal in number to at least twenty-five
24 percent of the total number of registered voters residing in the
25 district on the date that the recall petitions are first checked out

1 from the filing clerk by the principal circulator, and (c) for a
2 member of a governing body of a village, the petition shall be signed
3 by registered voters equal in number to at least forty-five percent
4 of the total vote cast for the person receiving the most votes for
5 that office in the last general election. The signatures shall be
6 affixed to petition papers and shall be considered part of the
7 petition.

8 (2) Petition circulators shall conform to the
9 requirements of sections 32-629 and 32-630.

10 (3) The petition papers shall be procured from the filing
11 clerk. Prior to the issuance of such petition papers, an affidavit
12 shall be signed and filed with the filing clerk by at least one
13 registered voter. Such voter or voters shall be deemed to be the
14 principal circulator or circulators of the recall petition. The
15 affidavit shall state the name and office of the official sought to
16 be removed, shall include in typewritten form in concise language of
17 sixty words or less the reason or reasons for which recall is sought,
18 and shall request that the filing clerk issue initial petition papers
19 to the principal circulator for circulation. The filing clerk shall
20 notify the official sought to be removed by any method specified in
21 section 25-505.01 or, if notification cannot be made with reasonable
22 diligence by any of the methods specified in section 25-505.01, by
23 leaving a copy of the affidavit at the official's usual place of
24 residence and mailing a copy by first-class mail to the official's
25 last-known address. If the official chooses, he or she may submit a

1 defense statement in typewritten form in concise language of sixty
2 words or less for inclusion on the petition. Any such defense
3 statement shall be submitted to the filing clerk within twenty days
4 after the official receives the copy of the affidavit. The principal
5 circulator or circulators shall gather the petition papers within
6 twenty days after the receipt of the official's defense statement.
7 The filing clerk shall notify the principal circulator or circulators
8 that the necessary signatures must be gathered within thirty days
9 from the date of issuing the petitions.

10 (4) The filing clerk, upon issuing the initial petition
11 papers or any subsequent petition papers, shall enter in a record, to
12 be kept in his or her office, the name of the principal circulator or
13 circulators to whom the papers were issued, the date of issuance, and
14 the number of papers issued. The filing clerk shall certify on the
15 papers the name of the principal circulator or circulators to whom
16 the papers were issued and the date they were issued. No petition
17 paper shall be accepted as part of the petition unless it bears such
18 certificate. The principal circulator or circulators who check out
19 petitions from the filing clerk may distribute such petitions to
20 persons who may act as circulators of such petitions.

21 (5) Petition signers shall conform to the requirements of
22 sections 32-629 and 32-630. Each signer of a recall petition shall be
23 a registered voter and qualified by his or her place of residence to
24 vote for the office in question.

25 Sec. 23. Section 48-816, Revised Statutes Cumulative

1 Supplement, 2012, is amended to read:

2 48-816 (1)(a) After a petition has been filed under
3 section 48-811, the clerk shall immediately notify the commission
4 which shall promptly take such preliminary proceedings as may be
5 necessary to ensure prompt hearing and speedy adjudication of the
6 industrial dispute. The commission may, upon its own initiative or
7 upon request of a party to the dispute, make such temporary findings
8 and orders as necessary to preserve and protect the status of the
9 parties, property, and public interest involved pending final
10 determination of the issues. In the event of an industrial dispute
11 between a public employer and a public employee or a labor
12 organization when such public employer and public employee or labor
13 organization have failed or refused to bargain in good faith
14 concerning the matters in dispute, the commission may order such
15 bargaining to begin or resume, as the case may be, and may make any
16 such order or orders as appropriate to govern the situation pending
17 such bargaining. The commission shall require good faith bargaining
18 concerning the terms and conditions of employment of its employees by
19 any public employer. Upon the request of either party, the commission
20 shall require the parties to an industrial dispute to submit to
21 mediation or factfinding. Before July 1, 2012, upon the request of
22 both parties, a special master may be appointed if the parties are
23 within the provisions of section 48-811.02. On and after July 1,
24 2012, upon the request of either party, a resolution officer may be
25 appointed if the parties are within the provisions of section

1 48-818.01. The commission shall appoint mediators, factfinders, or
2 before July 1, 2012, special masters and on and after such date
3 resolution officers for such purpose. Such orders for bargaining,
4 mediation, factfinding, or before July 1, 2012, a special master
5 proceeding and on and after such date a resolution officer proceeding
6 may be issued at any time during the pendency of an action to resolve
7 an industrial dispute. To bargain in good faith means the performance
8 of the mutual obligation of the public employer and the labor
9 organization to meet at reasonable times and confer in good faith
10 with respect to wages, hours, and other terms and conditions of
11 employment or any question arising thereunder and the execution of a
12 written contract incorporating any agreement reached if requested by
13 either party, but such obligation does not compel either party to
14 agree to a proposal or require the making of a concession.

15 (b) In negotiations between a municipality, municipally
16 owned utility, or county and a labor organization, staffing related
17 to issues of safety shall be mandatory subjects of bargaining and
18 staffing relating to scheduling work, such as daily staffing,
19 staffing by rank, and overall staffing requirements, shall be
20 permissive subjects of bargaining.

21 (2) Except as provided in the State Employees Collective
22 Bargaining Act, public employers may recognize employee organizations
23 for the purpose of negotiating collectively in the determination of
24 and administration of grievances arising under the terms and
25 conditions of employment of their public employees as provided in the

1 Industrial Relations Act and may negotiate and enter into written
2 agreements with such employee organizations in determining such terms
3 and conditions of employment.

4 (3)(a) Except as provided in subdivisions (b) and (c) of
5 this subsection, a supervisor shall not be included in a single
6 bargaining unit with any other public employee who is not a
7 supervisor.

8 (b) All firefighters and police officers employed in the
9 fire department or police department of any municipality in a
10 position or classification subordinate to the chief of the department
11 and his or her immediate assistant or assistants holding authority
12 subordinate only to the chief shall be presumed to have a community
13 of interest and may be included in a single bargaining unit
14 represented by a public employee organization for the purposes of the
15 Industrial Relations Act. Public employers shall be required to
16 recognize a public employees bargaining unit composed of firefighters
17 and police officers holding positions or classifications subordinate
18 to the chief of the fire department or police department and his or
19 her immediate assistant or assistants holding authority subordinate
20 only to the chief when such bargaining unit is designated or elected
21 by public employees in the unit.

22 (c) All administrators employed by a ~~Class V~~ school
23 district embracing territory having a population of more than two
24 hundred thousand inhabitants that maintains both elementary and high
25 school grades under the direction of a single school board shall be

1 presumed to have a community of interest and may join a single
2 bargaining unit composed otherwise of teachers and other certificated
3 employees for purposes of the Industrial Relations Act, except that
4 the following administrators shall be exempt: The superintendent,
5 associate superintendent, assistant superintendent, secretary and
6 assistant secretary of the board of education, executive director,
7 administrators in charge of the offices of state and federal
8 relations and research, chief negotiator, and administrators in the
9 immediate office of the superintendent. ~~A Class V~~ Such school
10 district shall recognize a public employees bargaining unit composed
11 of teachers and other certificated employees and administrators,
12 except the exempt administrators, when such bargaining unit is formed
13 by the public employees as provided in section 48-838 and may
14 recognize such a bargaining unit as provided in subsection (2) of
15 this section. In addition, all administrators employed by ~~a Class V~~
16 such school district, except the exempt administrators, may form a
17 separate bargaining unit represented either by the same bargaining
18 agent for all collective-bargaining purposes as the teachers and
19 other certificated employees or by another collective-bargaining
20 agent of such administrators' choice. If a separate bargaining unit
21 is formed by election as provided in section 48-838, ~~a Class V~~ such
22 school district shall recognize the bargaining unit and its agent for
23 all purposes of collective bargaining. Such separate bargaining unit
24 may also be recognized by ~~a Class V~~ such school district as provided
25 in subsection (2) of this section.

1 (4) When a public employee organization has been
2 certified as an exclusive collective-bargaining agent or recognized
3 pursuant to any other provisions of the Industrial Relations Act, the
4 appropriate public employer shall be and is hereby authorized to
5 negotiate collectively with such public employee organization in the
6 settlement of grievances arising under the terms and conditions of
7 employment of the public employees as provided in such act and to
8 negotiate and enter into written agreements with such public employee
9 organizations in determining such terms and conditions of employment,
10 including wages and hours.

11 (5) Upon receipt by a public employer of a request from a
12 labor organization to bargain on behalf of public employees, the duty
13 to engage in good faith bargaining shall arise if the labor
14 organization has been certified by the commission or recognized by
15 the public employer as the exclusive bargaining representative for
16 the public employees in that bargaining unit.

17 (6) A party to an action filed with the commission may
18 request the commission to send survey forms or data request forms.
19 The requesting party shall prepare its own survey forms or data
20 request forms and shall provide the commission the names and
21 addresses of the entities to whom the documents shall be sent, not to
22 exceed twenty addresses in any case. All costs resulting directly
23 from the reproduction of such survey or data request forms and the
24 cost of mailing such forms shall be taxed by the commission to the
25 requesting party. The commission may (a) make studies and analyses of

1 and act as a clearinghouse of information relating to conditions of
2 employment of public employees throughout the state, (b) request from
3 any government, and such governments are authorized to provide, such
4 assistance, services, and data as will enable it properly to carry
5 out its functions and powers, (c) conduct studies of problems
6 involved in representation and negotiation, including, but not
7 limited to, those subjects which are for determination solely by the
8 appropriate legislative body, and make recommendations from time to
9 time for legislation based upon the results of such studies, (d) make
10 available to public employee organizations, governments, mediators,
11 factfinding boards and joint study committees established by
12 governments, and public employee organizations statistical data
13 relating to wages, benefits, and employment practices in public and
14 private employment applicable to various localities and occupations
15 to assist them to resolve complex issues in negotiations, and (e)
16 establish, after consulting representatives of public employee
17 organizations and administrators of public services, panels of
18 qualified persons broadly representative of the public to be
19 available to serve as mediators, before July 1, 2012, special masters
20 and on and after such date resolution officers, or members of
21 factfinding boards.

22 (7)(a) Except for those cases arising under section
23 48-818, the commission shall make findings of facts in all cases in
24 which one of the parties to the dispute requests findings. Such
25 request shall be specific as to the issues on which the party wishes

1 the commission to make findings of fact.

2 (b) In cases arising under section 48-818, findings of
3 fact shall not be required of the commission unless both parties to
4 the dispute stipulate to the request and to the specific issues on
5 which findings of fact are to be made.

6 (c) If findings of fact are requested under subdivision
7 (a) or (b) of this subsection, the commission may require the parties
8 making the request to submit proposed findings of fact to the
9 commission on the issues on which findings of facts are requested.

10 (d) In cases arising under section 48-818, the commission
11 shall issue a recommended decision and order, which decision and
12 order shall become final within twenty-five days of entry unless
13 either party to the dispute files with the commission a request for a
14 posttrial conference. If such a request is filed, the commission
15 shall hold a posttrial conference within ten days of receipt of such
16 request and shall issue an order within ten days after holding such
17 posttrial conference, which order shall become the final order in the
18 case. The purpose of such posttrial conference shall be to allow the
19 commission to hear from the parties on those portions of the
20 recommended decision and order which is not based upon or which
21 mischaracterizes evidence in the record and to allow the commission
22 to correct any such errors after having heard the matter in a
23 conference setting in which all parties are represented.

24 Sec. 24. Section 68-621, Revised Statutes Cumulative
25 Supplement, 2012, is amended to read:

1 68-621 (1) A referendum group, as referred to in sections
2 68-621 to 68-630, shall consist of the employees of the state, a
3 single political subdivision of this state, or any instrumentality
4 jointly created by this state and any other state or states, the
5 employees of which are or may be members of a retirement system
6 covering such employees, except that: (a) The employees of the
7 University of Nebraska shall constitute a referendum group; (b) the
8 employees of a ~~Class V~~ school district who participate in the
9 Alternate School Retirement System shall constitute a referendum
10 group; (c) all employees of the State of Nebraska who are or may be
11 members of the School Employees Retirement System of the State of
12 Nebraska, including employees of institutions operated by the Board
13 of Trustees of the Nebraska State Colleges, employees of institutions
14 operated by the Department of Correctional Services and the
15 Department of Health and Human Services, and employees subordinate to
16 the State Board of Education, shall constitute a referendum group;
17 and (d) all employees of school districts of the State of Nebraska,
18 county superintendents, and county school administrators, who are or
19 may be members of the School Employees Retirement System of the State
20 of Nebraska, shall constitute a single referendum group.

21 (2) The managing authority of a political subdivision or
22 educational institution shall be the board, committee, or council
23 having general authority over a political subdivision, university,
24 college, or school district whose employees constitute or are
25 included in a referendum group; the managing authority of the state

1 shall be the Governor; and insofar as sections 68-601 to 68-631 may
2 be applicable to county superintendents and county school
3 administrators, managing authority shall mean the board of county
4 commissioners or county supervisors of the county in which the county
5 superintendent was elected or with which the county school
6 administrator contracted.

7 (3) Eligible employees, as referred to in sections 68-621
8 to 68-630, shall mean those employees of the state or any political
9 subdivision thereof who at or during the time of voting in a
10 referendum as herein provided are in positions covered by a
11 retirement system, are members of such retirement system, and were in
12 such positions at the time of giving of the notice of such
13 referendum, as herein required, except that no such employee shall be
14 considered an eligible employee if at the time of such voting such
15 employee is in a position to which the state agreement applies or if
16 such employee is in service in a police officer or firefighter
17 position.

18 (4) State agreement, as referred to in sections 68-621 to
19 68-630, shall mean the agreement between the State of Nebraska and
20 the designated officer of the United States of America entered into
21 pursuant to section 68-603.

22 Sec. 25. Section 77-3444, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 77-3444 (1) A political subdivision, other than a ~~Class I~~
25 school district that maintains only elementary grades under the

1 direction of a single school board, may exceed the limits provided in
2 section 77-3442 or a final levy allocation determination as provided
3 in section 77-3443 by an amount not to exceed a maximum levy approved
4 by a majority of registered voters voting on the issue in a primary,
5 general, or special election at which the issue is placed before the
6 registered voters. A vote to exceed the limits provided in section
7 77-3442 or a final levy allocation as provided in section 77-3443
8 must be approved prior to October 10 of the fiscal year which is to
9 be the first to exceed the limits or final levy allocation. The
10 governing body of the political subdivision may call for the
11 submission of the issue to the voters (a) by passing a resolution
12 calling for exceeding the limits or final levy allocation by a vote
13 of at least two-thirds of the members of the governing body and
14 delivering a copy of the resolution to the county clerk or election
15 commissioner of every county which contains all or part of the
16 political subdivision or (b) upon receipt of a petition by the county
17 clerk or election commissioner of every county containing all or part
18 of the political subdivision requesting an election signed by at
19 least five percent of the registered voters residing in the political
20 subdivision. The resolution or petition shall include the amount of
21 levy which would be imposed in excess of the limits provided in
22 section 77-3442 or the final levy allocation as provided in section
23 77-3443 and the duration of the excess levy authority. The excess
24 levy authority shall not have a duration greater than five years. Any
25 resolution or petition calling for a special election shall be filed

1 with the county clerk or election commissioner no later than thirty
2 days prior to the date of the election, and the time of publication
3 and providing a copy of the notice of election required in section
4 32-802 shall be no later than twenty days prior to the election. The
5 county clerk or election commissioner shall place the issue on the
6 ballot at an election as called for in the resolution or petition
7 which is at least thirty days after receipt of the resolution or
8 petition. The election shall be held pursuant to the Election Act.
9 For petitions filed with the county clerk or election commissioner on
10 or after May 1, 1998, the petition shall be in the form as provided
11 in sections 32-628 to 32-631. Any excess levy authority approved
12 under this section shall terminate pursuant to its terms, on a vote
13 of the governing body of the political subdivision to terminate the
14 authority to levy more than the limits, at the end of the fourth
15 fiscal year following the first year in which the levy exceeded the
16 limit or the final levy allocation, or as provided in subsection (4)
17 of this section, whichever is earliest. A governing body may pass no
18 more than one resolution calling for an election pursuant to this
19 section during any one calendar year. Only one election may be held
20 in any one calendar year pursuant to a petition initiated under this
21 section.

22 (2) The ballot question may include any terms and
23 conditions set forth in the resolution or petition and shall include
24 the following: "Shall (name of political subdivision) be allowed to
25 levy a property tax not to exceed cents per one hundred

1 dollars of taxable valuation in excess of the limits prescribed by
2 law until fiscal year for the purposes of (general
3 operations; building construction, remodeling, or site acquisition;
4 or both general operations and building construction, remodeling, or
5 site acquisition)?". If a majority of the votes cast upon the ballot
6 question are in favor of such tax, the county board shall authorize a
7 tax in excess of the limits in section 77-3442 or the final levy
8 allocation in section 77-3443 but such tax shall not exceed the
9 amount stated in the ballot question. If a majority of those voting
10 on the ballot question are opposed to such tax, the governing body of
11 the political subdivision shall not impose such tax.

12 (3) In lieu of the election procedures in subsection (1)
13 of this section, any political subdivision subject to section
14 77-3443, other than a ~~Class I~~ school district that maintains only
15 elementary grades under the direction of a single school board, and
16 villages may approve a levy in excess of the limits in section
17 77-3442 or the final levy allocation provided in section 77-3443 for
18 a period of one year at a meeting of the residents of the political
19 subdivision or village, called after notice is published in a
20 newspaper of general circulation in the political subdivision or
21 village at least twenty days prior to the meeting. At least ten
22 percent of the registered voters residing in the political
23 subdivision or village shall constitute a quorum for purposes of
24 taking action to exceed the limits or final levy allocation. A record
25 shall be made of the registered voters residing in the political

1 subdivision or village who are present at the meeting. The method of
2 voting at the meeting shall protect the secrecy of the ballot. If a
3 majority of the registered voters present at the meeting vote in
4 favor of exceeding the limits or final levy allocation, a copy of the
5 record of that action shall be forwarded to the county board prior to
6 October 10 and the county board shall authorize a levy as approved by
7 the residents for the year. If a majority of the registered voters
8 present at the meeting vote against exceeding the limits or final
9 allocation, the limit or allocation shall not be exceeded and the
10 political subdivision shall have no power to call for an election
11 under subsection (1) of this section.

12 (4) A political subdivision, other than a ~~Class I~~ school
13 district that maintains only elementary grades under the direction of
14 a single school board, may rescind or modify a previously approved
15 excess levy authority prior to its expiration by a majority of
16 registered voters voting on the issue in a primary, general, or
17 special election at which the issue is placed before the registered
18 voters. A vote to rescind or modify must be approved prior to October
19 10 of the fiscal year for which it is to be effective. The governing
20 body of the political subdivision may call for the submission of the
21 issue to the voters (a) by passing a resolution calling for the
22 rescission or modification by a vote of at least two-thirds of the
23 members of the governing body and delivering a copy of the resolution
24 to the county clerk or election commissioner of every county which
25 contains all or part of the political subdivision or (b) upon receipt

1 of a petition by the county clerk or election commissioner of every
2 county containing all or part of the political subdivision requesting
3 an election signed by at least five percent of the registered voters
4 residing in the political subdivision. The resolution or petition
5 shall include the amount and the duration of the previously approved
6 excess levy authority and a statement that either such excess levy
7 authority will be rescinded or such excess levy authority will be
8 modified. If the excess levy authority will be modified, the amount
9 and duration of such modification shall be stated. The modification
10 shall not have a duration greater than five years. The county clerk
11 or election commissioner shall place the issue on the ballot at an
12 election as called for in the resolution or petition which is at
13 least thirty days after receipt of the resolution or petition, and
14 the time of publication and providing a copy of the notice of
15 election required in section 32-802 shall be no later than twenty
16 days prior to the election. The election shall be held pursuant to
17 the Election Act.

18 (5) For purposes of this section, when the political
19 subdivision is a sanitary and improvement district, registered voter
20 means a person qualified to vote as provided in section 31-735. Any
21 election conducted under this section for a sanitary and improvement
22 district shall be conducted and counted as provided in sections
23 31-735 to 31-735.06.

24 (6) For purposes of this section, when the political
25 subdivision is a school district or a multiple-district school

1 system, registered voter includes both (a) persons qualified to vote
2 for the members of the school board of the school district which is
3 voting to exceed the maximum levy limits pursuant to this section and
4 (b) persons in those portions of any ~~Class I~~ district maintaining
5 only elementary grades under the direction of a single school board
6 which are affiliated with or a part of the school district which is
7 voting pursuant to this section, if such voter is also qualified to
8 vote for the school board of ~~the~~ such affected ~~Class I~~ school
9 district.

10 Sec. 26. Section 77-3523, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 77-3523 The county treasurer shall, on or before November
13 30 of each year, certify to the Tax Commissioner the total tax
14 revenue that will be lost to all taxing agencies within his or her
15 county from taxes levied and assessed in that year because of
16 exemptions allowed under sections 77-3501 to 77-3529. The county
17 treasurer may amend the certification to show any change or
18 correction in the total tax that will be lost until May 30 of the
19 next succeeding year. If a homestead exemption is approved, denied,
20 or corrected by the Tax Commissioner under subsection (2) of section
21 77-3517 after May 1 of the next year, the county treasurer shall
22 prepare and submit amended reports to the Tax Commissioner and the
23 political subdivisions covering any affected year and shall adjust
24 the reimbursement to the county and the other political subdivisions
25 by adjusting the reimbursement due under this section in later years.

1 The Tax Commissioner shall, on or before January 1 next following
2 such certification or within thirty days of any amendment to the
3 certification, notify the Director of Administrative Services of the
4 amount so certified to be reimbursed by the state. Reimbursement of
5 the funds lost shall be made to each county according to the
6 certification and shall be distributed in six as nearly as possible
7 equal monthly payments on the last business day of each month
8 beginning in January. The State Treasurer shall, on the business day
9 preceding the last business day of each month, notify the Director of
10 Administrative Services of the amount of funds available in the
11 General Fund for payment purposes. The Director of Administrative
12 Services shall, on the last business day of each month, draw warrants
13 against funds appropriated. Out of the amount so received the county
14 treasurer shall distribute to each of the taxing agencies within his
15 or her county the full amount so lost by such agency, except that one
16 percent of such amount shall be deposited in the county general fund
17 and that the amount due a ~~Class V~~ school district shall be paid to
18 the district and the county shall be compensated pursuant to section
19 14-554. Each taxing agency shall, in preparing its annual or biennial
20 budget, take into account the amount to be received under this
21 section.

22 Sec. 27. Section 79-101, Revised Statutes Cumulative
23 Supplement, 2012, is amended to read:

24 79-101 For purposes of Chapter 79:

25 (1) School district means the territory under the

1 jurisdiction of a single school board authorized by Chapter 79;

2 (2) School means a school under the jurisdiction of a
3 school board authorized by Chapter 79;

4 (3) Legal voter means a registered voter as defined in
5 section 32-115 who is domiciled in a precinct or ward in which he or
6 she is registered to vote and which precinct or ward lies in whole or
7 in part within the boundaries of a school district for which the
8 registered voter chooses to exercise his or her right to vote at a
9 school district election or at an annual or special meeting of a
10 ~~Class I~~ school district that maintains only elementary grades under
11 the direction of a single school board;

12 (4) Prekindergarten programs means all early childhood
13 programs provided for children who have not reached the age of five
14 by the date provided in section 79-214 for kindergarten entrance;

15 (5) Elementary grades means grades kindergarten through
16 eight, inclusive;

17 (6) High school grades means all grades above the eighth
18 grade;

19 (7) School year means (a) for elementary grades other
20 than kindergarten, the time equivalent to at least one thousand
21 thirty-two instructional hours and (b) for high school grades, the
22 time equivalent to at least one thousand eighty instructional hours;

23 (8) Instructional hour means a period of time, at least
24 sixty minutes, which is actually used for the instruction of
25 students;

1 (9) Teacher means any certified employee who is regularly
2 employed for the instruction of pupils in the public schools;

3 (10) Administrator means any certified employee such as
4 superintendent, assistant superintendent, principal, assistant
5 principal, school nurse, or other supervisory or administrative
6 personnel who do not have as a primary duty the instruction of pupils
7 in the public schools;

8 (11) School board means the governing body of any school
9 district. Board of education has the same meaning as school board;

10 (12) Teach means and includes, but is not limited to, the
11 following responsibilities: (a) The organization and management of
12 the classroom or the physical area in which the learning experiences
13 of pupils take place; (b) the assessment and diagnosis of the
14 individual educational needs of the pupils; (c) the planning,
15 selecting, organizing, prescribing, and directing of the learning
16 experiences of pupils; (d) the planning of teaching strategies and
17 the selection of available materials and equipment to be used; and
18 (e) the evaluation and reporting of student progress;

19 (13) Permanent school fund means the fund described in
20 section 79-1035.01;

21 (14) Temporary school fund means the fund described in
22 section 79-1035.02; and

23 (15) School lands means the lands described in section
24 79-1035.03. Educational lands has the same meaning as school lands.

25 The State Board of Education may adopt and promulgate

1 rules and regulations to define school day and other appropriate
2 units of the school calendar.

3 Sec. 28. Section 79-234, Revised Statutes Supplement,
4 2013, is amended to read:

5 79-234 (1) An enrollment option program is hereby
6 established to enable any kindergarten through twelfth grade Nebraska
7 student to attend a school in a Nebraska public school district in
8 which the student does not reside subject to the limitations
9 prescribed in section 79-238. The option shall be available only once
10 to each student prior to graduation, except that the option does not
11 count toward such limitation if such option meets, or met at the time
12 of the option, one of the following criteria: (a) The student
13 relocates to a different resident school district, (b) the option
14 school district merges with another district, (c) the option school
15 district is a ~~Class I~~-district that maintains only elementary grades
16 under the direction of a single school board, (d) the student will
17 have completed either the grades offered in the school building
18 originally attended in the option school district or the grades
19 immediately preceding the lowest grade offered in the school building
20 for which a new option is sought, (e) the option would allow the
21 student to continue current enrollment in a school district, or (f)
22 the option would allow the student to enroll in a school district in
23 which the student was previously enrolled as a resident student.
24 Sections 79-232 to 79-246 do not relieve a parent or guardian from
25 the compulsory attendance requirements in section 79-201.

1 (2) The program shall not apply to any student who
2 resides in a district which has entered into an annexation agreement
3 pursuant to section 79-473, except that such student may transfer to
4 another district which accepts option students.

5 Sec. 29. Section 79-2,126, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-2,126 For purposes of the Public Elementary and
8 Secondary Student Fee Authorization Act:

9 (1) Extracurricular activities means student activities
10 or organizations which are supervised or administered by the school
11 district, which do not count toward graduation or advancement between
12 grades, and in which participation is not otherwise required by the
13 school district;

14 (2) Governing body means a school board of any ~~class of~~
15 school district or an educational service unit board; and

16 (3) Postsecondary education costs means tuition and other
17 fees associated with obtaining credit from a postsecondary
18 educational institution. For a course in which students receive high
19 school credit and for which they may also choose to apply for
20 postsecondary education credit, the course shall be offered without
21 charge for tuition, transportation, books, or other fees, except that
22 if the student chooses to apply for postsecondary education credit,
23 he or she may be charged tuition and other fees only associated with
24 obtaining credits from a postsecondary educational institution.

25 Sec. 30. Section 79-401, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-401 The Legislature finds and declares that orderly
3 and appropriate reorganization of school districts may contribute to
4 the objectives of tax equity, educational effectiveness, and cost
5 efficiency. The Legislature further finds that there is a need for
6 greater flexibility in school reorganization options and procedures.
7 It is the intent of the Legislature to encourage an orderly and
8 appropriate reorganization of school districts. The Legislature
9 establishes as its goals for the reorganization of school districts
10 that:

11 (1) All real property and all elementary and secondary
12 students should be within school systems which offer education in
13 grades kindergarten through twelve. For purposes of meeting this
14 goal, Class I and Class VI school district combinations systems
15 comprising one or more school districts that maintain only elementary
16 grades under the direction of a single school board and one or more
17 school districts that maintain only a high school or a high school
18 and grades seven and eight or six through eight, under the direction
19 of a single school board shall be considered as including all real
20 property and all elementary and secondary students within a school
21 district which offers education in kindergarten through grade twelve;

22 (2) School districts offering education in kindergarten
23 through grade twelve should be encouraged, when possible, to consider
24 cooperative programs in order to enhance educational opportunities to
25 students; and

1 (3) The State Department of Education in conjunction with
2 the Bureau of Educational Research and Field Studies in the
3 Department of Education Administration at the University of Nebraska-
4 Lincoln should be encouraged to offer greater technical assistance to
5 school districts which are considering reorganization options.

6 Sec. 31. Section 79-402, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-402 ~~(1) By July 1, 1993, all~~ All taxable property and
9 all elementary and high school students shall be in school systems
10 which offer education in grades kindergarten through twelve. For
11 purposes of meeting such requirement, a ~~Class I~~ district that
12 maintains only elementary grades under the direction of a single
13 school board, or portion thereof which is part of a Class VI district
14 and a Class I district or portion thereof affiliated with one or more
15 Class II, III, IV, or V districts or affiliated with one or more
16 school districts offering instruction in grades kindergarten through
17 twelve shall be considered to include all taxable property and all
18 elementary and high school students within a school system which
19 offers education in grades kindergarten through twelve.

20 ~~(2) Effective July 1, 1993, with the full implementation~~
21 ~~of section 79-1077, the Legislature will have attained its school~~
22 ~~reorganization goals for Class I districts as described in section~~
23 ~~79-401.~~

24 Sec. 32. Section 79-403, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-403 (1) Except as provided in ~~subsections (2) and (3)~~
2 subsection (2) of this section, no new school district shall be
3 created unless such district provides instruction in kindergarten
4 through grade twelve.

5 (2) A new ~~Class VI~~ school district that maintains only
6 elementary grades under the direction of a single school board, or a
7 school district which maintains only a high school or a high school
8 and grades seven and eight or six through eight under the direction
9 of a single school board, may be created if:

10 (a) ~~Such Class VI~~ Formation of such school district will
11 ~~include at least two or more previously existing Class II or Class~~
12 ~~III school districts, except that if a reorganization petition for~~
13 ~~formation of a Class VI school district is initiated by a~~
14 reorganization petition signed by fifty-five percent of the legal
15 voters of a ~~Class II or III school district,~~ then such ~~Class VI~~
16 ~~school district may include only one Class II or III school district;~~
17 the district or districts from which the new district shall form; and

18 (b) The enrollment of the new ~~Class VI~~ school district is
19 (i) at least one hundred twenty-five pupils if the district offers
20 instruction in grades nine through twelve, (ii) at least one hundred
21 seventy-five pupils if the district offers instruction in grades
22 seven through twelve, or (iii) at least two hundred students if the
23 district offers instruction in grades six through twelve, except that
24 if such district will have population density of less than three
25 persons per square mile, then the enrollment shall be at least

1 seventy-five students if the district offers instruction in grades
2 nine through twelve, at least one hundred students if the district
3 offers instruction in grades seven through twelve, or at least one
4 hundred twenty-five students if the district offers instruction in
5 grades six through twelve.

6 ~~(3) One or more new Class I districts may be created as a~~
7 ~~part of a reorganization petition pursuant to subsection (2) of this~~
8 ~~section.~~

9 Sec. 33. Section 79-406, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-406 A ~~Class II~~ new school district shall be created
12 whenever a ~~Class I~~ school district that maintains only elementary
13 grades under the direction of a single school board, determines to
14 establish a high school by a majority vote of the legal voters at an
15 annual or special meeting.

16 The members of the school board serving when it is
17 decided to establish a high school shall continue in office until the
18 first regular meeting of the board in January following the next
19 statewide general election. The ~~Class II district~~ school board of the
20 new school district shall be elected pursuant to section ~~32-542.~~
21 32-541.

22 Sec. 34. Section 79-408, Revised Statutes Cumulative
23 Supplement, 2012, is amended to read:

24 79-408 ~~The territory now or hereafter embraced within~~
25 ~~each incorporated city of the primary class in the State of Nebraska~~

1 ~~that is not in part within the boundaries of a learning community,~~
2 ~~such adjacent territory as now or hereafter may be included therewith~~
3 ~~for school purposes, and such territory not adjacent thereto as may~~
4 ~~have been added thereto by law shall constitute a Class IV school~~
5 ~~district, except that nothing in this section shall be construed to~~
6 ~~change the boundaries of any school district that is a member of a~~
7 ~~learning community. A Class IV Every school district shall be a body~~
8 corporate and possess all the usual powers of a corporation for
9 public purposes, may sue and be sued, and may purchase, hold, and
10 sell such personal and real estate and contract such obligations as
11 are authorized by law. The powers of a ~~Class IV school~~ district
12 include, but are not limited to, the power to adopt, administer, and
13 amend from time to time such retirement, annuity, insurance, and
14 other benefit plans for its present and future employees after their
15 retirement, or any reasonable classification thereof, as may be
16 deemed proper by the board of education, except that no school
17 district shall. ~~The board of education shall not establish a~~
18 retirement system for new employees supplemental to the School
19 Employees Retirement System of the State of Nebraska unless such
20 school district's employees are all participants in the retirement
21 system established under section 79-979.

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

1 belonging to the school district.

2 In the discretion of the board of education, funds
3 accumulated in connection with a retirement plan may be transferred
4 to and administered by a trustee or trustees to be selected by the
5 board of education, or if the retirement plan is in the form of
6 annuity or insurance contracts, such funds, or any part thereof, may
7 be paid to a duly licensed insurance carrier or carriers selected by
8 the board of education. Funds accumulated in connection with any such
9 retirement plan, and any other funds of the school district which are
10 not immediately required for current needs or expenses, may be
11 invested and reinvested by the board of education or by its authority
12 in securities of a type permissible either for the investment of
13 funds of a domestic legal reserve life insurance company or for the
14 investment of trust funds, according to the laws of the State of
15 Nebraska.

16 Sec. 35. Section 79-411, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-411 The legal voters of any ~~Class VI~~ school district
19 that maintains only grades nine through twelve may, by a fifty-five
20 percent majority affirmative vote of those voting on the issue at a
21 special election of the district, extend the grade offerings of that
22 district to include grades seven and eight or grades six through
23 eight. Such election shall be conducted by the county clerk or
24 election commissioner in accordance with the Election Act. ~~If the~~
25 ~~issue receives such fifty five percent majority affirmative vote, the~~

1 ~~school district shall then be known as a Class VI junior senior high~~
2 ~~school district and shall be supported in the same manner as was~~
3 ~~provided for the support of the district previous to the extension of~~
4 ~~its grade offerings. In such an election, the legal voters of all~~
5 ~~Class I school districts in which there is located an incorporated~~
6 ~~city or village shall vote separately and the remaining Class I~~
7 ~~school districts shall vote separately as a unit either for a plan~~
8 ~~for the individual district or with more districts as determined by~~
9 ~~the vote by the election. Fifty five percent of the votes cast in~~
10 ~~each voting unit shall be in favor of the proposition to put such a~~
11 ~~plan into operation.~~

12 Sec. 36. Section 79-413, Revised Statutes Cumulative
13 Supplement, 2012, is amended to read:

14 79-413 (1) The State Committee for the Reorganization of
15 School Districts created under section 79-435 may create a new school
16 district from other districts, change the boundaries of any district
17 that is not a member of a learning community, or affiliate a ~~Class I~~
18 district that maintains only elementary grades under the direction of
19 a single school board, or portion thereof, with one or more existing
20 ~~Class II, III, IV, or V districts~~ that maintains both elementary and
21 high school grades under the direction of a single school board, upon
22 receipt of petitions signed by sixty percent of the legal voters of
23 each district affected. If the petitions contain signatures of at
24 least sixty-five percent of the legal voters of each district
25 affected, the state committee shall approve the petitions. When area

1 is added to a ~~Class VI district~~ or when a ~~Class I district~~ which is
2 entirely or partially within a ~~Class VI district~~ is taken from the
3 ~~Class VI district, the Class VI~~ or taken from a district which
4 maintains only high school grades or grades seven through twelve or
5 six through twelve, such district shall be deemed to be an affected
6 district.

7 Any petition of the legal voters of a ~~Class I~~ district in
8 which no city or village is situated and which maintains only
9 elementary grades under the direction of a single school board, which
10 petition is commenced after January 1, 1996, and proposes the
11 dissolution of the ~~Class I~~ such district and the attachment of a
12 portion of it to two or more districts shall require signatures of
13 more than fifty percent of the legal voters of such ~~Class I~~ district.
14 If the state committee determines that such petition contains valid
15 signatures of more than fifty percent of the legal voters of such
16 ~~Class I~~ district, the state committee shall grant the petition.

17 (2)(a) Petitions proposing to change the boundaries of
18 existing school districts that are not members of a learning
19 community through the transfer of a parcel of land, not to exceed six
20 hundred forty acres, shall be approved by the state committee when
21 the petitions involve the transfer of land between ~~Class I, II, III,~~
22 ~~or IV~~ school districts or when there would be an exchange of parcels
23 of land between ~~Class I, II, III, or IV~~ school districts and the
24 petitions have the approval of at least sixty-five percent of the
25 school board of each affected district. If the transfer of the parcel

1 of land is ~~from a Class I school district~~ to one or more Class II,
2 III, IV, V, ~~or VI~~ school districts of which the parcel is not a part
3 or with which the parcel is not affiliated, any ~~Class II, III, IV, V,~~
4 ~~or VI~~ school district of which the parcel is not a part or with which
5 the parcel is affiliated shall be deemed an affected district.

6 (b) The state committee shall not approve a change of
7 boundaries pursuant to this section relating to affiliation of school
8 districts if twenty percent or more of any tract of land under common
9 ownership which is proposing to affiliate is not contiguous to the
10 high school district with which affiliation is proposed unless (i)
11 one or more resident students of the tract of land under common
12 ownership has attended the high school program of the high school
13 district within the immediately preceding ten-year period or (ii)
14 approval of the petition or plan would allow siblings of such
15 resident students to attend the same school as the resident students
16 attended.

17 (3)(a) Petitions proposing to create a new school
18 district, to change the boundary lines of existing school districts
19 that are not members of a learning community, to create an affiliated
20 school system, or to affiliate a ~~Class I~~ district that maintains only
21 elementary grades under the direction of a single school board, in
22 part and to join such district in part with a ~~Class VI~~ district that
23 maintains only high school grades or grades seven through twelve or
24 six through twelve under the direction of a single school board, any
25 of which involves the transfer of more than six hundred forty acres,

1 shall, when signed by at least sixty percent of the legal voters in
2 each district affected, be submitted to the state committee. In the
3 case of a petition for affiliation or a petition to affiliate in
4 part, ~~and in part to join a Class VI district,~~ the state committee
5 shall review the proposed affiliation subject to ~~sections~~ section
6 79-425. ~~and 79-426.~~ The state committee shall, within forty days
7 after receipt of the petition, hold one or more public hearings and
8 review and approve or disapprove such proposal.

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

14 (c) If the bond election held in conjunction with the
15 petition is unsuccessful, no further action on the petition is
16 required. If the bond election is successful, within fifteen days
17 after receipt of the certification of the bond election results, the
18 state committee shall approve the petition and notify the county
19 clerk to effect the changes in district boundary lines as set forth
20 in the petitions.

21 (4) Any person adversely affected by the changes made by
22 the state committee may appeal to the district court of any county in
23 which the real estate or any part thereof involved in the dispute is
24 located. If the real estate is located in more than one county, the
25 court in which an appeal is first perfected shall obtain jurisdiction

1 to the exclusion of any subsequent appeal.

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

8 Sec. 37. Section 79-415, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-415 (1) In addition to the petitions of legal voters
11 pursuant to section 79-413, changes in boundaries and the creation of
12 a new school district from other districts may be initiated and
13 accepted by the school board or board of education of any district
14 that is not a member of a learning community.

15 (2) In addition to the petitions of legal voters pursuant
16 to section 79-413, the affiliation of a ~~Class I~~ district that
17 maintains only elementary grades under the direction of a single
18 school board, or portion thereof with one or more ~~Class II, III, IV,~~
19 ~~or V~~ districts maintaining both elementary and high school grades
20 under the direction of a single school board, may be initiated and
21 accepted by:

22 (a) The board of education of any ~~Class II, III, IV, or V~~
23 district that maintains both elementary and high school grades under
24 the direction of a single school board; and

25 (b) The school board of any ~~Class I~~ district that

1 maintains only elementary grades under the direction of a single
2 school board and in which is located a city or incorporated village.

3 Sec. 38. Section 79-416, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-416 When the legal voters of a ~~Class I or Class II~~
6 school district that is not a member of a learning community and in
7 which no city or village is located petition to merge in whole or in
8 part with a ~~Class I or Class II district~~, the merger may be accepted
9 ~~by petition of the school board of the accepting district. When the~~
10 ~~legal voters of a Class I district petition to affiliate in whole or~~
11 ~~in part with one or more Class II, III, IV, or V districts, any other~~
12 school district, such affiliation may be accepted or rejected by
13 petition of the school board or board of education of any such
14 district. ~~The~~, ~~but in either case the~~ petition to affiliate shall be
15 accepted or rejected within sixty days after the date of receipt of
16 the petition by the school board or board of education of such
17 district.

18 Sec. 39. Section 79-418, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-418 Petitions presented pursuant to sections 79-415 ~~to~~
21 ~~79-417~~ and 79-416 shall be subject to the same requirements for
22 content, hearings, notice, review, and appeal as petitions submitted
23 pursuant to section 79-413, except that a petition presented pursuant
24 to section 79-415 shall not become effective unless it is approved by
25 a vote of a majority of the members of the State Committee for the

1 Reorganization of School Districts. Any person adversely affected by
2 the disapproval shall have the right of appeal under section 79-413.

3 Sec. 40. Section 79-419, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-419 (1) When a new district is to be created from
6 other districts as provided in section 79-413, the petition shall
7 contain:

8 (a) A description of the proposed boundaries of the
9 reorganized districts;

10 (b) A summary of the terms on which reorganization is to
11 be made between the reorganized districts, which terms may include a
12 provision for initial school board districts or wards within the
13 proposed district for the appointment of the first school board and
14 also for the first election as provided in section 79-451, which
15 proposed initial school board districts or wards shall be determined
16 by the State Committee for the Reorganization of School Districts
17 taking into consideration population and valuation, and a
18 determination of the terms of the board members first appointed to
19 membership of the board of the newly reorganized district;

20 (c) A map showing the boundaries of established school
21 districts and the boundaries proposed under any plan or plans of
22 reorganization;

23 (d) A separate statement as to whether the reorganization
24 is contingent upon the success of a bond election held in conjunction
25 with the reorganization;

1 (e) An affidavit from the county clerk or election
2 commissioner regarding the validity of the signatures on the
3 petition; and

4 (f) Such other matters as the petitioners determine
5 proper to be included. Any petition for the creation of a new ~~Class~~
6 ~~VI~~-district which will maintain only high school grades or grades
7 seven through twelve or six through twelve under the direction of a
8 single school board shall designate whether such district shall
9 include high school grades only, grades seven through twelve, or
10 grades six through twelve.

11 (2) A petition under subsection (1) of this section may
12 contain provisions for the holding of school within existing
13 buildings in the newly reorganized district and that a school
14 constituted under this section shall be maintained from the date of
15 reorganization unless the legal voters served by the school vote by a
16 majority vote for discontinuance of the school.

17 Sec. 41. Section 79-423, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-423 ~~In Class I, II, III, IV, and VI school districts,~~
20 ~~school~~-School district boundaries may comprise all or any part of a
21 precinct or ward in any county or counties, and every legal voter of
22 the school district shall be entitled to vote at any school district
23 meeting or school district election.

24 Sec. 42. Section 79-424, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-424 (1) A Class I school district or portion thereof,
2 which district maintains only elementary grades under the direction
3 of a single school board and which comes within the provisions of
4 section 79-431 may file a petition for affiliation pursuant to
5 section 79-413, 79-415, or 79-416 or a plan for affiliation pursuant
6 to the Reorganization of School Districts Act with the State
7 Committee for the Reorganization of School Districts to affiliate
8 with one or more ~~Class II, III, IV, or V~~ districts maintaining both
9 elementary and high school grades under the direction of a single
10 school board, or to affiliate in part with one or more ~~Class II, III,~~
11 ~~IV, or V~~ of such districts and in part to become part of one or more
12 ~~Class VI~~ districts that maintain only high school grades or grades
13 seven through twelve or six through twelve under the direction of a
14 single school board. Affiliation shall be accomplished pursuant to
15 any of the procedures prescribed in the act and sections 79-413 to
16 79-419.

17 (2)(a) The State Committee for the Reorganization of
18 School Districts, when considering a petition or a plan to affiliate
19 pursuant to this section shall consider the traditional high school
20 attendance patterns of resident students of the school district that
21 maintains elementary grades only. The state committee may reject a
22 petition or plan to affiliate only for the reasons stated in
23 subdivision (2)(b) of this section.

24 (b) The state committee may reject a petition or plan for
25 affiliation when: (i) No district resident student has attended the

1 high school program of the district with which an affiliation is
2 proposed during the immediately preceding ten-year period; (ii) the
3 affiliation would require the construction of new high school
4 facilities; or (iii) the affiliation would result in assignment of
5 less than forty percent of the valuation of the district to a high
6 school district which over the immediately preceding five-year period
7 has educated eighty percent or more of the students from such
8 district.

9 (3) The state committee shall reject a petition or plan
10 for affiliation when twenty percent or more of any tract of land
11 under common ownership which is proposing to affiliate is not
12 contiguous to the high school district with which affiliation is
13 proposed. The state committee shall not reject a petition or plan
14 under this subdivision if (a) one or more resident students of the
15 tract of land under common ownership has attended the high school
16 program of the high school district within the immediately preceding
17 ten-year period or (b) approval of the petition or plan would allow
18 siblings of such resident students to attend the same school as the
19 resident students attended.

20 (4) A rejected petition shall stand rejected
21 notwithstanding that it has been signed by over sixty-five percent of
22 the legal voters of the petitioning district.

23 Sec. 43. Section 79-425, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-425 ~~if~~ Except as otherwise provided in this section,

1 if a petition for affiliation pursuant to section 79-413, 79-415, or
2 79-416 or plan for affiliation proposed under the Reorganization of
3 School Districts Act is rejected by the school board or the legal
4 voters of a ~~Class II, III, IV, or V~~ school district, such petition or
5 plan may be resubmitted after sixty days from the date of the
6 rejection, and the board or legal voters receiving such petition or
7 plan for affiliation shall either accept or reject such petition or
8 plan within sixty days after the date of receipt of such petition or
9 plan. If the petition or plan for affiliation is again rejected by
10 the board or legal voters of such district, the State Committee for
11 the Reorganization of School Districts shall hold a hearing pursuant
12 to the procedures provided in section 79-413 and, within ten days
13 after such hearing, make a determination whether to approve or reject
14 the affiliation. This section does not apply to a school district
15 that maintains only elementary grades under the direction of a single
16 school board.

17 Sec. 44. Section 79-431, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-431 (1) Any ~~Class I~~ school district that maintains
20 only elementary grades under the direction of a single school board
21 and that which is part of a ~~Class VI~~ district or districts or any
22 ~~Class I~~ district or portion thereof which is affiliated or affiliated
23 in part and also part of a ~~Class VI~~ district or districts one or more
24 districts maintaining only high school grades or grades seven through
25 twelve or six through twelve under the direction of a single school

1 board and which (a) becomes subject to dissolution pursuant to
2 section 79-470, 79-498, or 79-598 or (b) otherwise dissolves, unless
3 otherwise prescribed in the affiliation petition, shall be merged
4 with an existing school district. ~~another affiliated Class I~~
5 ~~district, be merged with a Class II, III, IV, or V district, or be~~
6 ~~merged with a Class I district which is part of a Class VI district~~
7 ~~or districts.~~ Any such district or portion thereof which maintains
8 only elementary grades under the direction of a single school board
9 and which fails to comply with this subsection shall be dissolved and
10 attached to an existing ~~Class II, III, IV, or V~~ district which
11 maintains both elementary and high school grades under the direction
12 of a single school board by the State Committee for the
13 Reorganization of School Districts under section 79-498. Any such
14 district or portion thereof which maintains only elementary grades
15 under the direction of a single school board and which was affiliated
16 shall retain its original affiliation, and any portion of such
17 district which was part of a ~~Class VI~~ district a district maintaining
18 only high school grades or grades seven through twelve or six through
19 twelve under the direction of a single school board shall remain part
20 of such ~~Class VI~~ district. Any school district which fails to comply
21 with ~~the provisions of subsection (1) of~~ section 79-402 shall be
22 dissolved by the state committee and attached to an existing ~~Class~~
23 ~~II, III, IV, or V~~ district which maintains both elementary and high
24 school grades under the direction of a single school board.

25 (2) A ~~Class II, III, IV, or V~~ district which maintains

1 both elementary and high school grades under the direction of a
2 single school board which becomes a ~~Class I~~ district which maintains
3 only elementary grades under the direction of a single school board,
4 pursuant to section 79-472 or any other state law shall merge or
5 affiliate with a ~~Class II, III, IV, or V~~ district which maintains
6 both elementary and high school grades under the direction of a
7 single school board, ~~affiliate with one or more Class II, III, IV, or~~
8 ~~V~~ districts, ~~become part of one or more Class VI~~ districts which
9 maintain only high school grades or grades seven through twelve or
10 six through twelve under the direction of a single school board, or
11 affiliate in part with one or more ~~Class II, III, IV, or V~~ districts
12 which maintain both elementary and high school grades under the
13 direction of a single school board and in part become part of one or
14 more ~~Class VI~~ districts that maintain only high school grades or
15 grades seven through twelve or six through twelve.

16 (3) If an affiliated ~~Class II, III, IV, or V~~ district
17 that maintains both elementary and high school grades under the
18 direction of a single school board dissolves, unless otherwise stated
19 in the affiliation petition, any portions of a ~~Class I~~ district which
20 maintains only elementary grades under the direction of a single
21 school board, that are affiliated with such district which maintains
22 both elementary and high school grades under the direction of a
23 single school board may affiliate or merge with another ~~Class II,~~
24 ~~III, IV, or V~~ district that maintains both elementary and high school
25 grades under the direction of a single school board, ~~merge with any~~

1 ~~Class I, II, III, IV, or V district,~~ or become part of a ~~Class VI~~
2 district that maintains only high school grades or grades seven
3 through twelve or six through twelve under the direction of a single
4 school board.

5 (4) If a ~~Class VI~~ district that maintains only high
6 school grades or grades seven through twelve or six through twelve
7 under the direction of a single school board dissolves, any ~~Class I~~
8 district that maintains only elementary grades under the direction of
9 a single school board or portions thereof which are part of such
10 district may affiliate or merge with a ~~Class II, III, IV, or V~~
11 ~~district, merge with any Class I, II, III, IV, or V district,~~
12 district that maintains both elementary and high school grades under
13 the direction of a single school board or become part of another
14 ~~Class VI~~ district that maintains only high school grades or grades
15 seven through twelve or six through twelve under the direction of a
16 single school board.

17 Sec. 45. Section 79-434, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-434 Reorganization of school districts may be
20 accomplished through or by means of any one or more of the following
21 methods: (1) The creation of new districts; (2) the uniting of one or
22 more established districts; (3) the subdivision of one or more
23 established districts; (4) the transfer and attachment to an
24 established district of a part of the territory of one or more
25 districts; (5) the affiliation of a ~~Class I~~ district or portion

1 thereof that maintains only elementary grades under the direction of
2 a single school board with one or more ~~Class II, III, IV, or V~~
3 districts that maintain both elementary and high school grades under
4 the direction of a single school board; (6) the changing of
5 boundaries of a ~~Class VI~~-district that maintains only high school
6 grades or grades seven through twelve or six through twelve under the
7 direction of a single school board; and (7) the dissolution or
8 disorganization of an established district for any of the reasons
9 specified by law.

10 Sec. 46. Section 79-443, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-443 After one or more public hearings have been held,
13 the state committee may approve a plan or plans of reorganization.
14 Such plan shall contain:

15 (1) A description of the proposed boundaries of the
16 reorganized districts;

17 (2) A summary of the reasons for each proposed change,
18 realignment, or adjustment of the boundaries. If such plan provides
19 for the creation of a new ~~Class VI~~-district that will maintain only
20 high school grades or grades seven through twelve or six through
21 twelve under the direction of a single school board, it shall
22 designate whether such district shall include high school grades only
23 or ~~be known as a Class VI junior senior high school district as~~
24 ~~described in section 79-411;~~ include some or all of grades six
25 through eight as well;

1 (3) A summary of the terms on which reorganization is to
2 be made between the reorganized districts. Such terms shall include a
3 provision for initial school board districts or wards within the
4 proposed district, which proposed initial school board districts or
5 wards shall be determined by the state committee taking into
6 consideration population and valuation, and a determination of the
7 terms of the board members first appointed to membership on the board
8 of the newly reorganized district;

9 (4) A separate statement as to whether the reorganization
10 is contingent upon the success of a bond election held in conjunction
11 with the reorganization;

12 (5) A statement of the findings with respect to the
13 location of schools, the utilization of existing buildings, the
14 construction of new buildings, and the transportation requirements
15 under the proposed plan of reorganization. The plan may contain
16 provisions for the holding of school within existing buildings in the
17 newly reorganized district and that a school constituted under this
18 section shall be maintained from the date of reorganization unless
19 the legal voters served by the school vote by a majority vote for
20 discontinuance of the school;

21 (6) A map showing the boundaries of established school
22 districts and the boundaries proposed under any plan or plans of
23 reorganization; and

24 (7) Such other matters as the state committee determines
25 proper to be included.

1 Sec. 47. Section 79-447, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-447 (1) Not less than thirty nor more than sixty days
4 after the designation of a final approved plan under section 79-446,
5 the proposition of the adoption or rejection of the proposed plan of
6 reorganization shall be submitted at a special election to all the
7 legal voters of districts within the county whose boundaries are in
8 any manner changed by the plan of reorganization, including the
9 boundaries of ~~Class VI~~ school districts maintaining only high school
10 grades or grades seven through twelve or six through twelve under the
11 direction of a single school board if such plan includes a ~~Class I~~
12 school district which maintains only elementary grades under the
13 direction of a single school board which is entirely within the
14 boundaries of a ~~Class VI~~ school district maintaining only high school
15 grades or grades seven through twelve or six through twelve under the
16 direction of a single school board.

17 (2) Notice of the special election shall be given by the
18 county clerk or election commissioner and shall be published in a
19 legal newspaper of general circulation in the county at least ten
20 days prior to the election. The election notice shall (a) state that
21 the election has been called for the purpose of affording the legal
22 voters an opportunity to approve or reject the plan of
23 reorganization, (b) contain a description of the boundaries of the
24 proposed district, and (c) contain a statement of the terms of the
25 adjustment of property, debts, and liabilities applicable thereto.

1 (3) All ballots shall be prepared and the special
2 election shall be held and conducted by the county clerk or election
3 commissioner, and the expense of such election shall be paid by the
4 county board or boards if more than one county is involved as
5 provided in subsection (4) of this section. The county clerk or
6 election commissioner shall use the duly appointed election board or
7 appoint two judges and two clerks who shall be legal voters of the
8 territory of the proposed school district. The election shall be held
9 at a place or places within the proposed district determined by the
10 county clerk or election commissioner to be convenient for the
11 voters.

12 (4) If the proposed plan of reorganization involves a
13 district under the jurisdiction of another county, the county clerk
14 or election commissioner of the county which has the largest number
15 of pupils residing in the proposed joint district shall give the
16 notice required by subsection (2) of this section in a newspaper of
17 general circulation in the territory of the proposed district and
18 prepare the ballots and such election shall be held and conducted by
19 the county clerk or election commissioner of each county involved in
20 the proposed reorganization in accordance with the Election Act. Each
21 county board shall bear a share of the total election expense in the
22 same proportion that the number of legal voters residing in the
23 proposed district in one county stands to the whole number of legal
24 voters in the proposed district.

25 (5) In any election held as provided in this section, all

1 districts of like class shall vote as a unit, except that ~~Class I~~
2 school districts that maintain only elementary grades under the
3 direction of a single school board within the boundaries of which are
4 located an incorporated village or city shall constitute a separate
5 voting unit and ~~Class I~~ such school districts which do not have
6 within their boundaries an incorporated village or city shall
7 constitute a separate voting unit.

8 (6) Approval of the plan at the special election shall
9 require a majority of all legal voters voting within each voting unit
10 included in the proposed plan.

11 Sec. 48. Section 79-450, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-450 If the plan of reorganization is adopted, the
14 county clerk shall proceed to cause the changes, realignment, and
15 adjustment of districts to be carried out as provided in the plan.
16 ~~The county clerk shall classify the school districts according to the~~
17 ~~law applicable to the size, location, and population of the~~
18 ~~reorganized district.~~ He or she shall also file certificates with the
19 county assessor, county treasurer, and state committee showing the
20 boundaries of the various districts under the plan of reorganization
21 adopted.

22 Sec. 49. Section 79-451, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-451 Within thirty days after the ~~classification of the~~
25 ~~reorganized school districts~~ filing of the certificates by the county

1 clerk under section 79-450, the state committee shall appoint from
2 among the legal voters of each new school district created the ~~number~~
3 ~~of members necessary to constitute a school board, of the class in~~
4 ~~which the new school district has been classified.~~ A reorganized
5 school district shall be formed and organized and shall have a school
6 board not later than April 1 following the last legal action, as
7 prescribed in section 79-450, necessary to effect the changes in
8 boundaries as set forth in the plan of reorganization, although the
9 physical reorganization of such reorganized school district may not
10 take effect until June 1. The first board shall be appointed on an
11 at-large basis, and all boards shall be elected at large until such
12 time as school districts are established as provided in section
13 32-554.

14 In appointing the first school board, ~~of a Class II~~
15 ~~school district,~~ the members shall be appointed so that the terms of
16 ~~three the members expire pursuant to section 32-541. on the date of~~
17 ~~the first regular meeting of the board in January after the first~~
18 ~~even numbered year following their appointment and the terms of the~~
19 ~~three remaining members expire on the date of the first regular~~
20 ~~meeting of the board in January after the second even numbered year~~
21 ~~following their appointment. At the statewide general election in the~~
22 ~~first even numbered year after the reorganization, three board~~
23 ~~members in each Class II school district shall be elected to terms of~~
24 ~~four years, and thereafter all candidates shall be elected to terms~~
25 ~~of four years. Each member's term shall begin on the date of the~~

1 ~~first regular meeting of the board in January following his or her~~
2 ~~election. In appointing the first school board of a Class III school~~
3 ~~district with a six member board serving terms of four years, the~~
4 ~~terms of three members shall expire on the first Thursday after the~~
5 ~~first Tuesday in January after the first even numbered year following~~
6 ~~their appointment and the terms of the three remaining members shall~~
7 ~~expire on the first Thursday after the first Tuesday in January after~~
8 ~~the second even numbered year following their appointment. In~~
9 ~~appointing the first school board of a Class III school district with~~
10 ~~a nine member board serving terms of four years, the terms of four~~
11 ~~members shall expire on the first Thursday after the first Tuesday in~~
12 ~~January after the first even numbered year following their~~
13 ~~appointment and the terms of five members shall expire on the first~~
14 ~~Thursday after the first Tuesday in January after the second even-~~
15 ~~numbered year following their appointment. Thereafter all Class III~~
16 ~~district school boards shall be elected to terms of four years. The~~
17 ~~school board so appointed shall proceed at once to organize in the~~
18 ~~manner prescribed by law.~~

19 Sec. 50. Section 79-452, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-452 A proposal to dissolve a ~~Class I or II~~ school
22 district, except a ~~Class I~~ school district maintaining only
23 elementary grades under the direction of a single school board which
24 is partly or wholly within a ~~Class VI~~ school district maintaining
25 only high school grades or grades seven through twelve or six through

1 twelve under the direction of a single school board, and attach it to
2 one or more existing ~~Class II, III, or IV~~ school districts that are
3 not members of a learning community may be initiated by filing with
4 the State Committee for the Reorganization of School Districts a
5 petition or petitions signed by at least twenty-five percent of the
6 legal voters of the district, together with an affidavit from the
7 county clerk or election commissioner listing all legal voters of the
8 district and a determination by the county clerk or election
9 commissioner that the signatures are sufficient. The petition shall
10 contain a plan of the proposed reorganization, an effective date, and
11 a statement whether any existing bonded indebtedness shall remain on
12 the property of the district which incurred it or be assumed by the
13 enlarged district. The petition may also contain provisions for the
14 holding of school within existing buildings in the proposed
15 reorganized district, and when so provided, the holding of school
16 within such buildings shall be maintained from the date of
17 reorganization unless either the legal voters served by the school or
18 the school board of the reorganized district votes by a majority vote
19 for discontinuance of the school. In case of conflicting votes
20 between the legal voters and the school board on such issue, the
21 decision of the legal voters shall prevail. A signing petitioner
22 shall not be permitted to withdraw his or her name from the petition
23 after the petition has been filed. The school board of each ~~Class II,~~
24 ~~III, or IV~~ school district to which the merger is proposed shall also
25 submit to the state committee a statement to the effect that a

1 majority of the board members approve the proposal contained in the
2 petition.

3 Sec. 51. Section 79-454, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-454 If the proposal provided for in section 79-452 has
6 been approved by the State Committee for the Reorganization of School
7 Districts, the state committee shall notify the school board of the
8 ~~Class I or II~~ school district. The school board shall, within fifteen
9 days after the notification, set a date for a special election for
10 the purpose of submitting the proposal to the legal voters of the
11 district. At least twenty days' notice of such election shall be
12 given by publication twice in a newspaper of general circulation in
13 the district, the latest publication to be not more than one week
14 before the election. If there is no such newspaper, notice shall be
15 given by posting it on the door of the schoolhouse and at least four
16 other public places throughout the district. The proposal shall not
17 be submitted to a special election more than once in any calendar
18 year. Legal voters may cast their ballots, written or printed,
19 between the hours of 12 noon and 8 p.m. on the date of such election.
20 The county clerk or election commissioner of the county which has the
21 largest number of pupils residing in the district shall conduct such
22 special election in accordance with the Election Act and shall record
23 the names and residence of persons voting at the special election.
24 The ballots shall be canvassed as provided in section 79-447.

25 Sec. 52. Section 79-455, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-455 If the proposal provided for in section 79-452 is
3 approved by a majority of the legal voters of the school district
4 voting on the matter, the secretary of the school board shall within
5 five days certify the approval to the county clerk. The county clerk
6 shall immediately notify the secretary of each ~~Class II, III, IV, or~~
7 ~~V~~ school district affected of the action taken, ~~by the Class I or II~~
8 ~~district,~~ and such secretary shall within ten days certify to the
9 county clerk that the school board of the ~~Class II, III, IV, or V~~
10 affected school district has, by a majority vote, officially approved
11 the proposal as provided in section 79-452. The county clerk shall
12 issue an order effecting the changes in school district boundaries in
13 accordance with the proposal provided in section 79-452. He or she
14 shall also file certificates with the county assessor, county
15 treasurer, and State Committee for the Reorganization of School
16 Districts showing the changes. An appeal may be taken from such order
17 within twenty days after the rendition of the order in the same
18 manner as appeals are taken from the action of the county board in
19 allowing or disallowing claims against the county. Such appeal shall
20 be filed in the district court for the county whose county clerk has
21 jurisdiction of the ~~Class I or II district.~~ school district in which
22 the action has been approved by a majority of the voters. When more
23 than one county clerk has jurisdiction of ~~the Class I or II~~ such
24 district, the appeal may be filed in the district court for either of
25 the counties.

1 Sec. 53. Section 79-458, Reissue Revised Statutes of
2 Nebraska, is amended to read:

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

14 (a)(i) The school district in which the land is situated
15 is a ~~Class II or III~~ school district that maintains both elementary
16 and high school grades under the direction of a single school board
17 which has had an average daily membership in grades nine through
18 twelve of less than sixty for the two consecutive school fiscal years
19 immediately preceding the filing of the petition;

20 (ii) Such ~~Class II or III~~ school district has voted
21 pursuant to section 77-3444 to exceed the maximum levy established
22 pursuant to subdivision (2)(a) of section 77-3442, which vote is
23 effective for the school fiscal year in which the petition is filed
24 or for the following school fiscal year;

25 (iii) The high school in such ~~Class II or III~~ school

1 district is within fifteen miles on a maintained public highway or
2 maintained public road of another public high school; and

3 (iv) Neither school district is a member of a learning
4 community; or

5 (b) Except as provided in subsection (7) of this section,
6 the school district in which the land is situated, ~~regardless of the~~
7 ~~class of school district,~~ has approved a budget for the school fiscal
8 year in which the petition is filed that will cause the combined
9 levies for such school fiscal year, except levies for bonded
10 indebtedness approved by the voters of such school district and
11 levies for the refinancing of such bonded indebtedness, to exceed the
12 greater of (i) one dollar and twenty cents per one hundred dollars of
13 taxable valuation of property subject to the levy or (ii) the maximum
14 levy authorized by a vote pursuant to section 77-3444.

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

18 (2) The petition shall state the reasons for the proposed
19 change and shall show with reference to the land of each petitioner:

20 (a) That (i) the land described in the petition is either owned by
21 the petitioner or petitioners or that he, she, or they hold a school
22 land lease under section 72-232, are in possession or constructive
23 possession as vendee under a contract of sale of the fee simple
24 interest, or have made an entry on government land but have not yet
25 received a patent therefor and (ii) such tract of land includes all

1 such contiguous land owned or controlled by each petitioner; (b) that
2 the conditions of subdivision (1)(a) or (1)(b) of this section have
3 been met; and (c) that such petition is approved by a majority of the
4 members of the school board of the district to which such land is
5 sought to be attached.

6 (3) The petition shall be verified by the oath of each
7 petitioner. Notice of the filing of the petition and of the hearing
8 on such petition before the board constituted as prescribed in
9 subsection (1) or (4) of this section shall be given at least ten
10 days prior to the date of such hearing by one publication in a legal
11 newspaper of general circulation in each district and by posting a
12 notice on the outer door of the schoolhouse in each district affected
13 thereby, and such notice shall designate the territory to be
14 transferred. Following the filing of a petition pursuant to this
15 section, such board shall hold a public hearing on the petition and
16 shall approve or disapprove the petition on or before July 15
17 following the filing of the petition based on a determination of
18 whether the petitioner has complied with all requirements of this
19 section. If such board approves the petition, such board shall change
20 the boundaries of the school districts so as to set off the land
21 described in the petition and attach it to such district pursuant to
22 the petition with an effective date of August 15 following the filing
23 of the petition, which actions shall cause such transfer to be in
24 effect for levies set for the year in which such transfer takes
25 effect.

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

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

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

24 (7) For school districts that have approved a budget for
25 school fiscal year 2007-08 that will cause the combined levies,

1 except levies for bonded indebtedness approved by the voters of the
2 school district and levies for the refinancing of such bonded
3 indebtedness, to exceed the greater of (a) one dollar and twenty
4 cents per one hundred dollars of taxable valuation of property
5 subject to the levy or (b) the maximum levy authorized by a vote
6 pursuant to section 77-3444, the school boards of such school
7 districts may adopt a binding resolution stating that the combined
8 levies, except levies for bonded indebtedness approved by the voters
9 of the school district and levies for the refinancing of such bonded
10 indebtedness, for school fiscal year 2008-09 shall not exceed the
11 greater of (i) one dollar and twenty cents per one hundred dollars of
12 taxable valuation of property subject to the levy or (ii) the maximum
13 levy authorized by a vote pursuant to section 77-3444. On or before
14 May 9, 2008, such binding resolutions shall be filed with the Auditor
15 of Public Accounts and the county assessors, county clerks, and
16 county treasurers for all counties in which the school district has
17 territory. ~~If such binding resolution is filed on or before May 9,~~
18 ~~2008, land shall not be set off and attached to another district~~
19 ~~pursuant to subdivision (2)(b) of this section in 2008.~~

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

22 Sec. 54. Section 79-470, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-470 (1) No ~~Class I~~ school district which contracts for
25 the instruction of all of its pupils with a ~~Class I, II, III, IV, or~~

1 ~~V-another~~ school district shall merge with another ~~Class I~~ school
2 district unless such other ~~Class I~~ school district ~~with which it~~
3 maintains only elementary grades under the direction of a single
4 school board and is merging with a district which is included in the
5 area which makes up a ~~Class VI~~ school district maintaining only high
6 school grades or grades seven through twelve or six through twelve
7 under the direction of a single school board.

8 (2) No district shall contract for the instruction of all
9 of its pupils ~~with a Class II, III, IV, or V~~ by another school
10 district for more than two consecutive years.

11 (3) The State Committee for the Reorganization of School
12 Districts shall dissolve and attach to a neighboring school district
13 or districts any school district which, for two consecutive years,
14 contracts for the instruction of all of its pupils ~~with a Class II,~~
15 ~~III, IV, or V~~ by another school district.

16 (4) The dissolution of any school district pursuant to
17 this section shall be effected in the manner prescribed in section
18 79-498. When such dissolution would create extreme hardships on the
19 pupils or the school district affected, the State Board of Education
20 may, on application by the school board of the school district, waive
21 the dissolution of the school district on an annual basis.

22 (5) Nothing in this section shall be construed as an
23 extension of the limitations on contracting for the instruction of
24 the pupils of a school district contained in section 79-598.

25 Sec. 55. Section 79-472, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-472 (1)(a) If a ~~Class II~~ school district that
3 maintains elementary and high school grades under the direction of a
4 single school board, by a vote of fifty-five percent of the legal
5 voters voting at a special meeting, decides to discontinue and close
6 the high school, ~~the school district~~ it shall become an affiliated
7 ~~Class I~~ school district on the date designated by such legal voters.
8 Affiliation shall be accomplished pursuant to sections 79-413 to
9 79-427. At such meeting a decision shall be made as to when the new
10 school board shall be elected and whether the board shall consist of
11 three members or six members. No ~~new Class I~~ such new school district
12 shall establish a six-member board unless the school district
13 contains a minimum of one hundred fifty children who are five through
14 twenty years of age. The school board of the existing ~~Class II~~ school
15 district shall remain in office until the effective date for the
16 formation of the new ~~Class I~~ school district.

17 (b) If the new school board is to consist of three
18 members, such members shall be elected at the time of the vote to
19 ~~change from a Class II school district to a Class I school district~~
20 close the high school or at a special meeting held not less than
21 thirty days prior to the effective date of ~~the change from a Class II~~
22 ~~school district to a Class I school district.~~ closure of the high
23 school. At the special meeting, a treasurer shall be elected for a
24 term of one year, a secretary for a term of two years, and a
25 president for a term of three years, and their successors shall be

1 elected for terms of three years each. All officers so elected shall
2 hold their offices until successors are elected and qualified. After
3 such change becomes effective, the school district and its officers
4 shall have the powers of and be governed by the provisions of law
5 applicable to ~~Class I~~ school districts maintaining only elementary
6 grades under the direction of a single school board.

7 (c) If the new school board is to consist of six members,
8 such members shall be elected after the vote to ~~change from a Class~~
9 ~~II school district to a Class I school district.~~ close the high
10 school. The procedure for electing board members shall be as
11 prescribed in section 32-541 or as prescribed in subsection (3) of
12 section 79-565, except that such election may be held at any annual
13 school meeting or at a special school meeting called for the purpose
14 of electing school district officers.

15 (2) No school district ~~may change from Class I to Class~~
16 ~~II that maintains only elementary grades under the direction of a~~
17 single school board may add high school grades unless that school
18 district has an enrollment of not less than one hundred pupils in
19 grades nine through twelve. This subsection shall not apply to any
20 school district located on an Indian reservation and substantially or
21 totally financed by the federal government.

22 Sec. 56. Section 79-473, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-473 (1) If the territory annexed by a change of
25 boundaries of a city or village which lies within a ~~Class III school~~

1 ~~district as provided in section 79-407 school district that maintains~~
2 ~~elementary and high school grades under the direction of a single~~
3 ~~school board has been part of a Class IV or Class V another school~~
4 ~~district that maintains elementary and high school grades under the~~
5 ~~direction of a single school board prior to such annexation, a merger~~
6 ~~of the annexed territory with the Class III school district shall~~
7 ~~become effective only if the merger is approved by a majority of the~~
8 ~~members of the school board boards of the Class IV or V school~~
9 ~~district and a majority of the members of the school board of the~~
10 ~~Class III school district transferring and annexing school districts~~
11 ~~within ninety days after the effective date of the annexation~~
12 ~~ordinance, except that a merger shall not become effective pursuant~~
13 ~~to this section if such merger involves a school district that is a~~
14 ~~member of a learning community.~~

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

1 ~~annexed territory and the effective date of any transfer. During the~~
2 ~~process of negotiation, the affected boards shall consider the~~
3 ~~following criteria:~~

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

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

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

11 ~~(d) Community educational planning.~~

12 (2) If no agreement has been reached within ninety days
13 after the effective date of the annexation ordinance, the territory
14 shall transfer to the school district of the annexing city or village
15 ten days after the expiration of such ninety-day period unless an
16 affected school district petitions the district court within the ten-
17 day period and obtains an order enjoining the transfer and requiring
18 the boards of the affected school districts to continue negotiation.
19 The court shall issue the order upon a finding that the affected
20 board or boards have not negotiated in good faith based on one or
21 more of the criteria listed in this subsection. negotiate in good
22 faith and consider the following criteria: (a) The educational needs
23 of the students in the affected school districts; (b) the economic
24 impact upon the affected school districts; (c) any common interests
25 between the annexed or platted area and the affected school districts

1 and the community which has zoning jurisdiction over the area; and
2 (d) community educational planning. The district court shall require
3 no bond or other surety as a condition for any preliminary injunctive
4 relief. If no agreement is reached after such order by the district
5 court and ~~additional negotiations~~, the annexed territory shall become
6 a part of the school district of the annexing city or village.

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

18 ~~(4)-(3)~~ Whenever an application for approval of a final
19 plat or replat is filed for territory which lies within the zoning
20 jurisdiction of a city of the first or second class and does not lie
21 within the boundaries of a ~~Class IV or V~~ school district servng
22 primarily students in a city of the primary class or a city of the
23 metropolitan class, the boundaries of a school district that is a
24 member of a learning community, the boundaries of any county in which
25 a city of the metropolitan class is located, or the boundaries of any

1 county that has a contiguous border with a city of the metropolitan
2 class, the affected school board of the school district within the
3 city of the first or second class or its representative and the
4 affected board or boards serving the territory subject to the final
5 plat or replat or their representative shall meet within thirty days
6 after such application and negotiate in good faith as to which school
7 district shall serve the platted or replatted territory and the
8 effective date of any transfer based upon the criteria prescribed in
9 ~~subsection (2) of this section.~~

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

25 For purposes of this subsection, plat and replat apply

1 only to (a) vacant land, (b) land under cultivation, or (c) any plat
2 or replat of land involving a substantive change in the size or
3 configuration of any lot or lots.

4 ~~(5)~~(4) Notwithstanding any other provisions of this
5 section, all negotiated agreements relative to boundaries or to real
6 or personal property of school districts reached by the affected
7 school boards shall be valid and binding, except that such agreements
8 shall not be binding on reorganization plans pursuant to the Learning
9 Community Reorganization Act.

10 Sec. 57. Section 79-474, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-474 ~~Whenever~~Except as otherwise required by law,
13 whenever an existing school district or a part thereof is merged into
14 a ~~Class III school district under the provisions of section 79-407 or~~
15 ~~79-473,~~district which maintains elementary and high school grades
16 under the direction of a single school board, due to a change in city
17 or village boundaries, the property ~~included in such school district~~
18 ~~or part thereof~~ which is merged into the ~~Class III~~such school
19 district shall continue to be liable for any bonded indebtedness
20 incurred by the school district of which it was a part prior to such
21 merger and the property included in such school district or part
22 thereof which is merged ~~into the Class III school district~~ shall not
23 be liable for any bonded indebtedness incurred by the ~~Class III~~
24 school district into which it is merged prior to such merger.
25 Whenever an existing school district, or part thereof, is merged into

1 a school district that maintains elementary and high school grades
2 under the direction of a single school board, such merger shall be
3 effective on July 1 immediately following the effective date of the
4 change of city or village boundaries which caused the merger.

5 Sec. 58. Section 79-477, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-477 A ~~Class VI~~ school district maintaining only high
8 school grades or grades seven through twelve or six through twelve
9 under the direction of a single school board may be discontinued at
10 any annual or special meeting of the district by a vote of fifty-five
11 percent of the legal voters voting at such meeting if notice of such
12 contemplated action is duly given in the notice or call for the
13 meeting.

14 Sec. 59. Section 79-478, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-478 If the high school in a ~~Class VI~~ school district
17 that maintains only high school grades or grades seven through twelve
18 or six through twelve under the direction of a single school board is
19 disapproved by the State Board of Education and the legal voters fail
20 to vote to discontinue the high school in that district, the legal
21 voters of any ~~Class I~~ district in the ~~Class VI~~ school district that
22 maintains only elementary grades that is located within such school
23 district may vote at an annual or special meeting to withdraw from
24 ~~the Class VI~~ such school district and if fifty-five percent of the
25 legal voters of such ~~Class I~~ district that maintains only elementary

1 grades under the direction of a single school board, vote to withdraw
2 from the Class VI school district maintaining only high school grades
3 or grades seven through twelve or six through twelve under the
4 direction of a single school board, the State Committee for the
5 Reorganization of School Districts shall order ~~the Class I district~~
6 ~~withdrawn from the Class VI school district.~~ such withdrawal.

7 Sec. 60. Section 79-479, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-479 (1)(a) Beginning January 1, 1992, any school
10 district boundaries changed by the means provided by Nebraska law,
11 but excluding the method provided by sections ~~79-407 and 79-473 to~~
12 ~~79-475, 79-473 and 79-474,~~ shall be made only upon an order issued by
13 the State Committee for the Reorganization of School Districts or
14 county clerk. The state committee shall not issue an order changing
15 boundaries relating to affiliation of school districts if twenty
16 percent or more of any tract of land under common ownership which is
17 proposing to affiliate is not contiguous to the high school district
18 with which affiliation is proposed unless (i) one or more resident
19 students of the tract of land under common ownership has attended the
20 high school program of the high school district within the
21 immediately preceding ten-year period or (ii) approval of the
22 petition or plan would allow siblings of such resident students to
23 attend the same school as the resident students attended.

24 (b) The order issued by the state committee shall be
25 certified to the county clerk of each county in which boundaries are

1 changed and shall also be certified to the State Department of
2 Education. Whenever the order changes the boundaries of a school
3 district due to the transfer of land, the county assessor, the
4 Property Tax Administrator, and the State Department of Education
5 shall be provided with the legal description and a map of the parcel
6 of land which is transferred. Such order shall be issued no later
7 than June 1 and shall have an effective date no later than August 1
8 of the same year. For purposes of determining school district counts
9 pursuant to sections 79-524 and 79-578 and calculating state aid
10 allocations pursuant to the Tax Equity and Educational Opportunities
11 Support Act, any change in school district boundaries with an
12 effective date between June 1 and August 1 of any year shall be
13 considered effective July 1 of such year.

14 (2) Unless otherwise provided by state law or by the
15 terms of an affiliation or reorganization plan or petition which is
16 consistent with state law, all assets, including budget authority as
17 provided in sections 79-1023 to 79-1030, and liabilities, except
18 bonded obligations, of school districts merged, dissolved, or annexed
19 shall be transferred to the receiving district or districts on the
20 basis of the proportionate share of assessed valuation received at
21 the time of reorganization. When a ~~Class II, III, IV, or V~~ school
22 district becomes a ~~Class I~~ school district that maintains only
23 elementary grades under the direction of a single school board:

24 (a) Which then becomes part of a ~~Class VI~~ school district
25 which offers instruction only in grades six through twelve, 37.9310

1 percent of the ~~Class II, III, IV, or V~~ district's assets and
2 liabilities shall be transferred to the new ~~Class I~~ district that
3 maintains only elementary grades under the direction of a single
4 school board and the remainder shall be transferred to the ~~Class VI~~
5 district or districts of which ~~the Class I district~~ it becomes a part
6 on the basis of the proportionate share of assessed valuation each
7 ~~high school-receiving~~ district received at the time of such change;
8 ~~in class of district;~~

9 (b) Which then becomes part of a ~~Class VI school~~ district
10 which offers instruction only in grades seven through twelve, 44.8276
11 percent of the ~~Class II, III, IV, or V~~ district's assets and
12 liabilities shall be transferred to the new ~~Class I~~ district that
13 maintains only elementary grades under the direction of a single
14 school board and the remainder shall be transferred to the ~~Class VI~~
15 district or districts of which ~~the Class I district~~ it becomes a part
16 on the basis of the proportionate share of assessed valuation each
17 ~~high school-receiving~~ district received at the time of such change;
18 or in class of district; or

19 (c) Which then is affiliated or becomes part of a ~~Class~~
20 ~~VI school~~ district which offers instruction only in grades nine
21 through twelve, 61.3793 percent of the ~~Class II, III, IV, or V~~ school
22 district's assets and liabilities shall be transferred to the new
23 ~~Class I~~ district that maintains only elementary grades under the
24 direction of a single school board and the remainder shall be
25 transferred to the ~~Class VI~~ district or districts of which ~~the Class~~

1 ~~I district it becomes a part and to the high school district or~~
2 ~~districts with which the Class I district is affiliated on the basis~~
3 of the proportionate share of assessed valuation each ~~high school~~
4 receiving district received at the time of such change, ~~in class of~~
5 ~~district.~~

6 Sec. 61. Section 79-492, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-492 When a new ~~Class I~~ school district that maintains
9 only elementary grades under the direction of a single school board
10 is organized and officers are elected at any other time than at the
11 annual meeting, the time intervening between the date of organization
12 and the beginning of the next school year shall constitute the first
13 year in the term of such officers.

14 Sec. 62. Section 79-493, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-493 Within ten days after their election, the officers
17 of a new ~~Class I or Class II~~ school district as referred to in
18 section 79-492 or a new school district embracing territory with a
19 population of fewer than one thousand inhabitants and maintaining
20 both elementary and high school grades under the direction of a
21 single school board shall file with the secretary a written
22 acceptance of the offices to which they have been elected, which
23 acceptance shall be recorded by the secretary. The office of any such
24 officer who fails to file such acceptance within the time specified
25 in this section shall become vacant at the expiration of such period

1 and shall be filled by the remaining members of the board.

2 Sec. 63. Section 79-494, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-494 Every new ~~Class I or Class II~~ school district
5 described in section ~~79-492-79-493~~ shall be deemed duly organized
6 when the majority of the officers elected at the first meeting have
7 filed their acceptance as provided in section 79-493. A reorganized
8 school district shall be formed, organized, and have a governing
9 board not later than April 1 following the last legal action, as
10 prescribed in section 79-413, 79-450, or 79-455, necessary to effect
11 the changes in boundaries as set forth in the petition or plan of
12 reorganization, although the physical reorganization of such
13 reorganized school district may not take effect until the
14 commencement of the following school year.

15 Sec. 64. Section 79-495, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-495 In case the inhabitants of any new ~~Class I or~~
18 ~~Class II~~ school district referred to in section ~~79-492-79-493~~ fail to
19 organize it, the State Committee for the Reorganization of School
20 Districts shall immediately dissolve such district and attach it to
21 an adjoining district or districts.

22 Sec. 65. Section 79-496, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-496 Each school district created by merger with other
25 districts shall provide for the payment of debts created by school

1 districts, or other school organizations, superseded by the merged
2 district, when such debts have been incurred in the erection of
3 schoolhouses or for other school purposes. If any portion of such
4 debt is in the form of bonds, if issued for a valuable consideration,
5 the holder or holders thereof, upon surrendering the same to the
6 school board or board of education, shall have the right to demand,
7 and the board in the name of the merged district shall cause to be
8 issued, other bonds of like amount and of like tenor and effect as to
9 payment of principal and interest as the bonds surrendered. This
10 ~~provision shall also apply~~ section also applies to cases when only a
11 part of a district is embraced within the merged district whenever
12 the fractional part becomes a part of the merged district. The merged
13 district shall assume and pay only such proportion of debt of divided
14 districts as the taxable valuation of the part taken bears to the
15 taxable valuation of the whole district. This section applies only to
16 ~~Class IV and V districts only.~~ that embraces territory having a
17 population of more than one hundred fifty thousand inhabitants and
18 maintains both elementary and high school grades under the direction
19 of single school board.

20 Sec. 66. Section 79-499, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-499 (1) ~~Commencing with the 1992-93 school year, if~~ If
23 the fall school district membership or the average daily membership
24 of an existing ~~Class II or III~~ school district that maintains high
25 school grades shows less than thirty-five students in grades nine

1 through twelve, the district shall submit a plan for developing
2 cooperative programs with other high schools, including the sharing
3 of curriculum and certificated and noncertificated staff, to the
4 State Committee for the Reorganization of School Districts. The
5 cooperative program plan shall be submitted by the school district by
6 September 1 of the year following such fall school district
7 membership or average daily membership report. A cooperative program
8 plan shall not be required if there is no high school within fifteen
9 miles from such district on a reasonably improved highway. The state
10 committee shall review the plan and provide advice and communication
11 to such school district and other high schools.

12 (2) If for two consecutive years the fall school district
13 membership, or for two consecutive years the average daily
14 membership, of an existing ~~Class II or III~~ school district that
15 maintains high school grades is less than twenty-five pupils in
16 grades nine through twelve or if for one year ~~an existing Class II or~~
17 ~~III~~ such a school district contracts with a neighboring school
18 district or districts to provide educational services for all of its
19 pupils in grades nine through twelve, such school district shall,
20 except as provided in subsection (3) of this section, become a ~~Class~~
21 ~~I~~ school district that maintains only elementary grades through the
22 order of the state committee if the high school is within fifteen
23 miles on a reasonably improved highway of another high school.

24 This subsection does not apply to any school district
25 located on an Indian reservation and substantially or totally

1 financed by the federal government.

2 (3) Any ~~Class II or III~~ school district maintaining a
3 four-year high school which has a fall school district membership or
4 an average daily membership of less than twenty-five students in
5 grades nine through twelve may contract with another school district
6 to provide educational services for its pupils in grades nine through
7 twelve. Such contract may continue for a period not to exceed one
8 year. At the end of such one-year period, the school district may
9 resume educational services for grades nine through twelve if the
10 average daily membership in grades nine through twelve for such
11 school district has reached at least fifty students. If the school
12 district has not achieved such fall school district membership or
13 average daily membership, it shall become a ~~Class I~~ school district
14 maintaining only elementary grades by order of the state committee
15 entered after thirty days' notice to the district but without a
16 hearing, notwithstanding the distance on a reasonably improved
17 highway to the nearest school district conducting a high school.

18 (4) For purposes of this section, when calculating fall
19 school district membership or average daily membership, a resident
20 school district as defined in section 79-233 shall not count students
21 attending an option district as defined in such section and a ~~Class~~
22 ~~II or III~~ school district shall not count foreign exchange students
23 and nonresident students who are wards of the court or state.

24 Sec. 67. Section 79-4,100, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-4,100 For purposes of statutes governing schools:

2 (1) Affiliated school system means the high school
3 district and the ~~Class I~~ districts maintaining only elementary grades
4 under the direction of a single school board or portions of Class I
5 districts thereof affiliated with such high school district;

6 (2) Affiliation or affiliation of school districts means
7 an ongoing association of a ~~Class I~~ district maintaining only
8 elementary grades under the direction of a single school board or
9 portion thereof with a district that is not a part of a Class VI
10 district maintaining only high school grades or grades seven through
11 twelve or six through twelve under the direction of a single school
12 board with one or more existing Class II, III, IV, or V districts for
13 the purpose of (a) providing a high school program serving the ~~Class~~
14 ~~I district~~ students from the district maintaining only elementary
15 grades and (b) maintaining tax support to finance such program. The
16 services provided may include student transportation. ~~;~~ and

17 ~~(3) Class VI school system means a Class VI school~~
18 ~~district and each Class I school district or portion thereof which is~~
19 ~~part of the Class VI district.~~

20 Sec. 68. Section 79-4,101, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-4,101 For purposes of sections 10-716.01, 79-402,
23 79-422, 79-424 to 79-431, 79-449, 79-4,100 to 79-4,102, 79-611, and
24 79-1077:

25 (1) Elementary school facility means the educational

1 facility used to provide services for students in grades kindergarten
2 through eight in an affiliated school system;

3 (2) High school district means the ~~Class II, III, IV, or~~
4 ~~V~~-district which provides the high school program for an affiliated
5 ~~Class I~~-district maintaining only elementary grades under the
6 direction of a single school board;

7 (3) High school facility means the educational facility
8 used to provide services for students in grades nine through twelve
9 in an affiliated school system;

10 (4) High school program means the educational services
11 provided in an affiliated school system for grades nine through
12 twelve; and

13 (5) High school students means students enrolled in a
14 high school program.

15 Sec. 69. Section 79-4,102, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-4,102 (1) For purposes of eligibility for or
18 entitlement to any educational service or program, any student
19 residing in an affiliated ~~Class I~~-district that maintains only
20 elementary grades under the direction of a single school board who is
21 enrolled in the high school program of an affiliated school system
22 shall be considered to be a resident of the ~~Class II, III, IV, or V~~
23 high school district which is part of such affiliated school system.
24 Such student shall be treated for purposes of any educational
25 service, including special education services, extracurricular

1 programs, and other school-sponsored activities, as if he or she were
2 a resident student of the high school district.

3 (2) All children residing in a ~~Class I~~-district that
4 maintains only elementary grades under the direction of a single
5 school board or portion thereof which is affiliated who are fourteen
6 through eighteen years of age shall be counted on the school census
7 of the affiliated high school district pursuant to section 79-528.

8 Sec. 70. Section 79-4,103, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-4,103 An advisory committee shall be created for each
11 affiliated high school district. The advisory committee shall be
12 composed of three school board members selected by all the school
13 board members of the ~~Class I~~-school districts that maintain only
14 elementary grades under the direction of a single school board with
15 which such ~~Class II, III, IV, or V~~ high school district is
16 affiliated. The superintendent of the affiliated high school district
17 shall call a meeting of all the school board members of such ~~Class I~~
18 ~~school districts, not a part of a Class VI school district,~~ for the
19 purpose of establishing such advisory committees. Representatives
20 shall serve three-year terms.

21 The advisory committee shall provide advice and
22 communication to the school board of such affiliated high school
23 district regarding the high school program, facilities, and budget
24 and the needs and concerns of students, parents, and taxpayers in the
25 ~~Class I~~-school district or districts that maintain only elementary

1 grades under the direction of a single school board. Each advisory
2 committee shall meet at least biannually with the school board and
3 participate in good faith in those coordination requirements
4 specified in section 79-716.

5 Sec. 71. Section 79-4,108, Revised Statutes Cumulative
6 Supplement, 2012, is amended to read:

7 79-4,108 (1) Unified system means two or more ~~Class II or~~
8 ~~III~~-school districts embracing territory with a population of not
9 more than one hundred fifty thousand inhabitants and maintaining
10 elementary and high school grades under the direction of a single
11 school board participating in an interlocal agreement under the
12 Interlocal Cooperation Act with approval from the State Committee for
13 the Reorganization of School Districts. The interlocal agreement may
14 include ~~Class I~~-districts that maintain only elementary grades under
15 the direction of a single school board if the entire valuation is
16 included in the unified system. The interlocal agreement shall
17 provide:

18 (a) For a minimum term of three school years;

19 (b) That all property tax and state aid resources shall
20 be shared by the unified system;

21 (c) That a board composed of school board members, with
22 at least one school board member from each district, shall determine
23 the general fund levy, within the limitations placed on school
24 districts and multiple-district school systems pursuant to section
25 77-3442, to be applied in all participating districts and shall

1 determine the distribution of property tax and state aid resources
2 within the unified system. For purposes of section 77-3442, the
3 multiple-district school system shall include all of the ~~Class I, II,~~
4 ~~and III~~ districts participating in the unified system and the ~~Class I~~
5 any districts or portions thereof affiliated with any of the other
6 participating ~~Class II and III~~ districts;

7 (d) That certificated staff will be employees of the
8 unified system. For any certificated staff employed by the unified
9 system, tenure and seniority as of the effective date of the
10 interlocal agreement shall be transferred to the unified system and
11 tenure and seniority provisions shall continue in the unified system
12 except as provided in sections 79-850 to 79-858. If a district
13 withdraws from the unified system or if the interlocal agreement
14 expires and is not renewed, certificated staff employed by a
15 participating district immediately prior to the unification shall be
16 reemployed by the original district and tenure and seniority as of
17 the effective date of the withdrawal or expiration shall be
18 transferred to the original district. The certificated staff hired by
19 the unified system but not employed by a participating district
20 immediately prior to the unification shall be subject to the
21 reduction-in-force policy of the unified system;

22 (e) That the participating districts shall pay
23 obligations of the unified system pursuant to sections 79-850 to
24 79-858 on a pro rata basis based on the adjusted valuations if a
25 district withdraws from the unified system or if the interlocal

1 agreement expires and is not renewed; and

2 (f) The permissible method or methods for accomplishing
3 the partial or complete termination of the interlocal agreement and
4 for disposing of assets and liabilities upon such partial or complete
5 termination.

6 Additional provisions in the interlocal agreement shall
7 be determined by the participating districts and shall encourage
8 cooperation within the unified system.

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

24 (3) Upon granting the application for unification, the
25 State Department of Education shall recognize the unified system as a

1 single ~~Class II or III~~ school district for state aid, budgeting,
2 accreditation, enrollment of students, state programs, and reporting.
3 Except as otherwise required by the department, the unified system
4 shall submit a single report document for each of the reports
5 required of school districts pursuant to Chapter 79 and shall submit
6 a single budget document pursuant to the Nebraska Budget Act and
7 sections 13-518 to 13-522. ~~The class of district shall be the same as~~
8 ~~the majority of participating districts, excluding Class I districts.~~
9 ~~If there are an equal number of Class II and Class III districts in~~
10 ~~the unified system, the unified system shall be recognized by the~~
11 ~~department as a Class III district.~~

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

16 Sec. 72. Section 79-4,109, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-4,109 A ~~Class I~~ district that maintains only
19 elementary grades under the direction of a single school board with
20 more than fifty percent of its valuation affiliated with a single
21 ~~Class II or III~~ district participating in a unified system may
22 reaffiliate so that its entire valuation is affiliated with that
23 ~~Class II or III~~ district. A ~~Class I~~ district that maintains only
24 elementary grades under the direction of a single school board which
25 is not entirely within a ~~Class VI~~ system maintaining only high school

1 grades or grades seven through twelve or six through twelve under the
2 direction of a single school board and which does not have more than
3 fifty percent of its valuation affiliated with a ~~Class II or III~~
4 district may reaffiliate so that its entire valuation is affiliated
5 with a ~~Class II or III~~ district participating in a unified system.
6 The effective date of the reaffiliation shall be the effective date
7 of the ~~Class I~~ district's participation in the unified system. The
8 reaffiliation shall not affect any existing bond obligations.

9 Sec. 73. Section 79-4,110, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-4,110 A ~~Class I~~ district maintaining only elementary
12 grades under the direction of a single school board of which eight
13 percent or more of the district's valuation is affiliated with a
14 single ~~Class II or III~~ district that maintains elementary and high
15 school grades under the direction of a single school board shall not
16 merge, dissolve, or reorganize unless:

17 (1) All ~~Class II or III~~ districts with which eight
18 percent or more of the ~~Class I~~ elementary-only district's valuation
19 is affiliated are also reorganizing in the same reorganization plan,
20 petition, or election and that plan, petition, or election requires
21 approval by either the school boards or legal voters of ~~such Class II~~
22 ~~or III~~ the districts with which its valuation is affiliated;

23 (2) The ~~Class I~~ elementary-only district's valuation is
24 being merged with the ~~Class II or III~~ districts with which the
25 property is affiliated;

1 (3) The ~~Class I~~elementary-only district has been
2 participating in a unified system for a minimum of seven school
3 fiscal years and the unified system includes at least one ~~Class II or~~
4 ~~III~~ district reorganizing in the same reorganization plan or
5 petition; or

6 (4) The school boards of all ~~Class II or III~~ districts
7 with which eight percent or more of the ~~Class I~~elementary-only
8 district's valuation is affiliated vote to approve the plan or
9 petition.

10 Sec. 74. Section 79-4,111, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-4,111 The affiliation agreement for a ~~Class I~~ district
13 that maintains only elementary grades under the direction of a single
14 school board that is affiliated with a ~~Class II or III~~ district that
15 is participating in a unified system shall continue unmodified unless
16 (1) the ~~Class I~~ district reaffiliates pursuant to section 79-4,109 or
17 (2) the ~~Class I~~elementary-only district's entire valuation is
18 included in the unified system and the ~~Class I~~ district chooses to
19 participate in the unified system by becoming a party to the
20 interlocal agreement pursuant to section 79-4,108.

21 Sec. 75. Section 79-4,123, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-4,123 After one or more public hearings have been
24 held, the state committee may approve a plan or plans of
25 reorganization pursuant to the Learning Community Reorganization Act.

1 Such plan shall contain:

2 (1) A description of the proposed boundaries of the
3 reorganized districts; ~~and a designation of the class for each~~
4 ~~district;~~

5 (2) A summary of the reasons for each proposed change,
6 realignment, or adjustment of the boundaries which shall include, but
7 not be limited to, an explanation of how the plan complies with any
8 statutory requirements for learning community organization and an
9 assurance that the plan does not increase the geographic size of any
10 school district that has more than twenty-five thousand students;

11 (3) A summary of the terms on which reorganization is to
12 be made between the reorganized districts. Such terms shall include a
13 provision for initial school board districts or wards within the
14 proposed district, which proposed initial school board districts or
15 wards shall be determined by the state committee taking into
16 consideration population and valuation, and a determination of the
17 terms of the board members first appointed to membership on the board
18 of the newly reorganized district;

19 (4) A statement of the findings with respect to the
20 location of schools, the utilization of existing buildings, the
21 construction of new buildings, and the transportation requirements
22 under the proposed plan of reorganization;

23 (5) A map showing the boundaries of established school
24 districts and the boundaries proposed under any plan or plans of
25 reorganization; and

1 (6) Such other matters as the state committee determines
2 proper to be included.

3 Sec. 76. Section 79-4,128, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-4,128 If the plan of reorganization is approved by the
6 state committee and the school board of each affected school district
7 pursuant to the Learning Community Reorganization Act, the county
8 clerk shall proceed to cause the changes, realignment, and adjustment
9 of districts to be carried out as provided in the plan. ~~The county~~
10 ~~clerk shall classify the school districts according to the plan of~~
11 ~~reorganization.~~ He or she shall also file certificates with the
12 county assessor, county treasurer, and state committee showing the
13 boundaries of the various districts under the approved plan of
14 reorganization.

15 Sec. 77. Section 79-4,129, Revised Statutes Supplement,
16 2013, is amended to read:

17 79-4,129 (1) Within thirty days after the ~~classification~~
18 ~~of the reorganized school districts~~ filings by the county clerk under
19 section 79-4,128, the state committee shall appoint from among the
20 legal voters of each new school district created the number of
21 members necessary to constitute a school board. ~~of the class in which~~
22 ~~the new school district has been classified.~~ A reorganized school
23 district shall be formed and organized and shall have a school board
24 not later than April 1 following the last legal action, as prescribed
25 in section 79-4,128, necessary to effect the changes in boundaries as

1 set forth in the plan of reorganization, although the physical
2 reorganization of such reorganized school district shall take effect
3 July 1 following the ~~classification of the reorganized school~~
4 ~~districts~~ filings under section 79-4,128. The first board shall be
5 appointed on an at-large basis, and all boards shall be elected at
6 large until such time as election districts are established as
7 provided in section 32-554.

8 (2) In appointing the first school board of a ~~Class II~~
9 school district, the members shall be appointed so that the terms of
10 three members expire on the date of the first regular meeting of the
11 board ~~in January~~ after the first even-numbered year following their
12 appointment and the terms of the three remaining members expire on
13 the date of the first regular meeting of the board in January after
14 the second even-numbered year following their appointment. At the
15 statewide general election in the first even-numbered year after the
16 reorganization, three board members in each ~~Class II~~ such school
17 district shall be elected to terms of four years. Thereafter all
18 candidates shall be elected to terms of four years. Each member's
19 term shall begin on the date of the first regular meeting of the
20 board in January following his or her election.

21 ~~(3) In appointing the first school board of a Class III~~
22 ~~school district with a six-member board serving terms of four years,~~
23 ~~the terms of three members shall expire on the first Thursday after~~
24 ~~the first Tuesday in January after the first even-numbered year~~
25 ~~following their appointment and the terms of the three remaining~~

1 ~~members shall expire on the first Thursday after the first Tuesday in~~
2 ~~January after the second even numbered year following their~~
3 ~~appointment. Thereafter all Class III district school boards with~~
4 ~~six member boards shall be elected to terms of four years.~~

5 ~~(4) In appointing the first school board of a Class III~~
6 ~~school district with a nine member board serving terms of four years,~~
7 ~~the terms of four members shall expire on the first Thursday after~~
8 ~~the first Tuesday in January after the first even numbered year~~
9 ~~following their appointment and the terms of five members shall~~
10 ~~expire on the first Thursday after the first Tuesday in January after~~
11 ~~the second even numbered year following their appointment. Thereafter~~
12 ~~all Class III district school boards with nine member boards shall be~~
13 ~~elected to terms of four years.~~

14 ~~(5) In appointing the first school board of a Class IV~~
15 ~~school district, the members shall be appointed so that the terms of~~
16 ~~three members shall expire on the third Monday in May of the first~~
17 ~~odd numbered year following their appointment and the terms of four~~
18 ~~members shall expire on the third Monday in May of the second odd-~~
19 ~~numbered year following their appointment. Thereafter all Class IV~~
20 ~~district school boards shall be elected to terms of four years.~~

21 ~~(6) In appointing the first school board of a Class V~~
22 ~~school district after a reorganization under this section with a~~
23 ~~nine member board serving terms of four years, the terms of the~~
24 ~~members shall expire as provided in section 32-545. All Class V~~
25 ~~district school boards shall be elected to terms of four years.~~

1 ~~(7)~~(3) The school boards appointed under this section
2 shall proceed at once to organize in the manner prescribed by law.

3 Sec. 78. Section 79-501, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-501 The school board or board of education of a ~~Class~~
6 ~~I, II, III, IV, or VI~~ school district shall have the care and custody
7 of the schoolhouse and other property of the district and shall have
8 authority to hire a superintendent and the required number of
9 teachers and other necessary personnel.

10 Sec. 79. Section 79-506, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-506 The school board or board of education of any
13 ~~Class I, II, III, IV, V, or VI~~ school district may permit its members
14 to participate in the school district's hospitalization, medical,
15 surgical, accident, sickness, or term life insurance coverage or any
16 one or more of such coverages. A board member electing to participate
17 in the insurance program of the school district shall pay both the
18 employee and the employer portions of the premium for such coverage.

19 A school board or board of education which opts to permit
20 its members to participate in insurance coverage under this section
21 shall report quarterly at a board meeting the board members who have
22 elected such coverage. Such a report shall be made available in the
23 school district office for review by the public upon request.

24 Sec. 80. Section 79-519, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-519 The legal voters of a ~~Class I or Class II~~ school
2 district that maintains only elementary grades under the direction of
3 a single school board or which embraces territory having a population
4 of one thousand or fewer inhabitants and maintains both elementary
5 and high school grades under the direction of a single school board
6 may also give such directions and make such provisions as they deem
7 necessary in relation to the prosecution or defense of any proceeding
8 in which the district may be a party or interested.

9 Sec. 81. Section 79-520, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-520 The board of education of a ~~Class III~~ school
12 district has power to select its own officers and make its own rules
13 and regulations not inconsistent with any statute applicable to such
14 district. No member of the board, except the secretary, shall accept
15 or receive any compensation for services performed in discharging the
16 duties of his or her office.

17 Sec. 82. Section 79-521, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-521 The board of education of a ~~Class IV~~ school
20 district has power to select its own officers and make rules and
21 regulations necessary to carry out the board's legal duties. The
22 board of education, or any committee of the members of the board, has
23 power to compel the attendance of witnesses for the investigation of
24 matters that may come before them. The presiding officer of the board
25 of education or the chairperson of such committee may administer the

1 requisite oaths, and such board or committee has the same authority
2 to compel the giving of testimony as is conferred on courts of
3 justice.

4 Sec. 83. Section 79-523, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-523 The board of education of a ~~Class VI~~ school
7 district, except a school district that maintains only elementary
8 grades under the direction of a single school board, has the same
9 ~~powers and duties as and shall be governed by the provisions of law~~
10 ~~governing the school boards in Class I and II school districts for~~
11 ~~purposes authorized by law, except that the board of a Class VI~~
12 ~~district may undertake building projects and expend money from a~~
13 ~~special fund established pursuant to section 79-10,120, in the same~~
14 ~~manner and subject to the same restrictions as any Class II, III, IV,~~
15 ~~or V school district, and for such purposes section 79-10,121 shall~~
16 ~~not apply. The annual meetings as provided in section 79-556 shall~~
17 ~~not apply to any Class VI school district.~~

18 Sec. 84. Section 79-524, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-524 The school board of any ~~Class I, II, III, IV, or~~
21 ~~VI~~ school district shall establish a permanent and continuing census
22 or enumeration of school children in the school district. The list in
23 writing of the names of the children and taxpayers shall not be
24 required to be reported, but the names of all of the children
25 belonging to such school district, from birth through twenty years of

1 age, shall instead be kept in a depository maintained by such school
2 district and subject to inspection at all times. Such record shall
3 not or need not include the names of all the taxpayers in the
4 district. Information as to children under five years of age may be
5 limited to the number of children by age level.

6 Sec. 85. Section 79-525, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-525 The school board or board of education of a ~~Class~~
9 ~~I, II, III, IV, or VI~~ school district shall (1) provide the necessary
10 appendages for the schoolhouse, (2) keep the same in good condition
11 and repair during the time school is taught in the schoolhouse, and
12 (3) keep an accurate account of all expenses incurred. Such account
13 shall be prepared by the secretary, audited by the president and
14 treasurer, and, on their written order, paid out of the general
15 school fund.

16 Sec. 86. Section 79-526, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-526 The school board or board of education of a ~~Class~~
19 ~~I, II, III, IV, or VI~~ school district has responsibility for the
20 general care and upkeep of the schools, shall provide the necessary
21 supplies and equipment, and, except as otherwise provided, has the
22 power to cause pupils to be taught in such branches and classified in
23 such grades or departments as may seem best adapted to a course of
24 study which the board shall establish with the consent and advice of
25 the State Department of Education. The board shall make provision for

1 pupils that may enter at any time during the school year. The board
2 shall have a record kept of the advancement of all pupils in each
3 branch of study. The board shall make rules and regulations as it
4 deems necessary for the government and health of the pupils and
5 devise any means as may seem best to secure the regular attendance
6 and progress of children at school.

7 Sec. 87. Section 79-528, Revised Statutes Cumulative
8 Supplement, 2012, is amended to read:

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

19 (b) Each ~~Class I~~ school district that maintains only
20 elementary grades under the direction of a single school board which
21 is part of a ~~Class VI~~ school district that maintains only high school
22 grades or grades seven through twelve or six through twelve under the
23 direction of a single school board offering instruction (i) in grades
24 kindergarten through five shall report children from five through ten
25 years of age, (ii) in grades kindergarten through six shall report

1 children from five through eleven years of age, and (iii) in grades
2 kindergarten through eight shall report children from five through
3 thirteen years of age.

4 (c) Each ~~Class VI~~ school district grades six through
5 twelve offering instruction (i) only in grades six through twelve
6 shall report children who are eleven through eighteen years of age,
7 (ii) only in grades seven through twelve shall report children who
8 are twelve through eighteen years of age, and (iii) only in grades
9 nine through twelve shall report children who are fourteen through
10 eighteen years of age.

11 (d) Each ~~Class I~~ district that maintains only elementary
12 grades under the direction of a single school board which has
13 affiliated in whole or in part shall report children from five
14 through thirteen years of age.

15 (e) Each ~~Class II, III, IV, or V~~ district that maintains
16 grades kindergarten through twelve under the direction of a single
17 school board shall report children who are fourteen through eighteen
18 years of age residing in ~~Class I~~ districts or portions thereof which
19 have affiliated with such district.

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

23 (2) On or before June 30 the superintendent of each
24 school district shall file with the Commissioner of Education a
25 report described as an end-of-the-school-year annual statistical

1 summary showing (a) the number of children attending school during
2 the year under five years of age, (b) the length of time the school
3 has been taught during the year by a qualified teacher, (c) the
4 length of time taught by each substitute teacher, and (d) such other
5 information as the Commissioner of Education directs. On or before
6 July 31, the commissioner shall issue to each learning community
7 coordinating council an end-of-the-school-year annual statistical
8 summary for the learning community based on the member school
9 districts according to the school district reports filed with the
10 commissioner.

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

20 (b) On or before December 15, the commissioner shall
21 issue to each learning community coordinating council an annual
22 financial report for the learning community based on the member
23 school districts according to the annual financial reports filed with
24 the commissioner, showing (i) the aggregate amount of money received
25 from all sources during the year for all member school districts and

1 the aggregate amount of money expended by member school districts
2 during the year, (ii) the aggregate amount of bonded indebtedness for
3 all member school districts, (iii) such other aggregate information
4 as shall be necessary to fulfill the requirements of the Tax Equity
5 and Educational Opportunities Support Act and section 79-1114 for all
6 member school districts, and (iv) such other aggregate information as
7 the Commissioner of Education directs for all member school
8 districts.

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

18 (b) On or before October 15 of each year, each learning
19 community coordinating council shall issue to the department a report
20 which enumerates the learning community levies pursuant to
21 subdivisions (2)(b) and (g) of section 77-3442 and total assessed
22 valuation for the current fiscal year.

23 (c) On or before November 15 of each year, the department
24 shall issue to each learning community coordinating council the fall
25 learning community membership report, which report shall include the

1 aggregate number of children from birth through twenty years of age
2 enrolled in the member school districts on the last Friday in
3 September of a given school year for all member school districts. The
4 report shall enumerate (i) the aggregate students by grade level for
5 all member school districts, (ii) school district levies and total
6 assessed valuation for the current fiscal year, and (iii) such other
7 information as the Commissioner of Education directs for all member
8 school districts.

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

19 Sec. 88. Section 79-534, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-534 All ~~Class III~~ school districts shall be under the
22 direction and control of the boards of education elected pursuant to
23 section ~~32-543~~ 32-541.

24 Sec. 89. Section 79-540, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-540 If any person offering to vote at any ~~Class-I~~
2 school district meeting of a school district maintaining only
3 elementary grades under a single school board is challenged as
4 unqualified by any legal voter of such school district, the
5 chairperson presiding at such meeting shall explain to the person
6 challenged the qualifications of a legal voter. If such person states
7 that he or she is qualified and the challenge is not withdrawn, the
8 chairperson shall administer an oath, reduced to writing, in
9 substance as follows: "You do solemnly swear (or affirm) that you are
10 a citizen of the United States, that you are of the constitutionally
11 prescribed age of an elector or upwards, that you are domiciled in
12 this precinct or ward, which precinct or ward lies in whole or in
13 part within the boundaries of this school district, and that you are
14 registered to vote in this precinct or ward, so help you God." Every
15 person taking such oath and signing his or her name to it shall be
16 permitted to vote on all questions proposed at such meeting.

17 Sec. 90. Section 79-543, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-543 No person shall file for office, be nominated or
20 elected, or serve as a member of a school board in any ~~class-of~~
21 school district unless he or she is a legal voter in such district.

22 Sec. 91. Section 79-547, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-547 (1) The school board or board of education of any
25 school district that maintains both elementary and high school grades

1 under the direction of a single school board shall consist of the
2 following members: either six, seven, or nine members, to be
3 determined by the school board, unless otherwise required by law.

4 (a) School districts embracing territory having a
5 population of more than two hundred thousand inhabitants that
6 maintains both elementary and high school grades under the direction
7 of a single school board shall nominate and elect board members by
8 subdistrict or ward and shall have either seven or nine members. One
9 member shall be elected from each subdistrict or ward. Each elected
10 member shall be a resident of the subdistrict or ward for at least
11 six months prior to the election. Each candidate for election to and
12 each member of the board of education shall be a taxpayer in and a
13 resident of the subdistrict or ward of such school district as
14 designated pursuant to section 32-552.

15 (a) In a Class II district, six members; and

16 (b) In a Class III district, six members unless the board
17 of education provides a nine member board pursuant to section 79-550.

18 (2) In addition to the members specified in subsection
19 (1) of this section, such school boards or boards of education may
20 include one or more student members selected pursuant to section
21 79-559. at least one nonvoting member who is a public high school
22 student from the district. If the board elects to include such a
23 nonvoting student member, the student member shall be designated by
24 the voting members of the board and shall serve for a term of one
25 year beginning on September 1 of the year of appointment.

1 Sec. 92. Section 79-548, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-548 The legal voters of a ~~Class I~~ school district that
4 maintains only elementary grades under the direction of a single
5 school board having a school census of more than one hundred fifty
6 persons may, at an annual or special meeting by a favorable vote of
7 fifty-five percent of the persons in attendance and voting, change to
8 a six-member school board. The district shall continue to have a six-
9 member board until fifty-five percent of the persons in attendance
10 and voting at an annual or special meeting vote to change to a three-
11 member board. Board members of a six-member board shall be elected as
12 provided in section 32-541 or as provided for in subsection (3) of
13 section 79-565. ~~All teachers elected by such a district must meet the~~
14 ~~same qualifications as do the teachers in Class II districts.~~

15 Sec. 93. Section 79-549, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-549 (1) The school board of any ~~Class III~~ school
18 district that does not nominate or elect its members by district or
19 ward and that is a member of a learning community may place before
20 the legal voters of the school district the issue of whether to begin
21 to have a caucus for nominations by adopting a resolution to place
22 the issue before the legal voters and certifying the issue to the
23 election commissioner or county clerk prior to September 1 for
24 placement on the ballot at the next statewide general election. The
25 legal voters of the school district may also have the issue placed on

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

13 (2) Any ~~Class III~~ school district that nominated school
14 board members by caucus pursuant to this section as it existed
15 immediately before July 14, 2006, shall continue such procedure until
16 the legal voters of the district vote not to continue to have a
17 caucus for nominations pursuant to subsection (3) of this section. A
18 caucus shall be held pursuant to subsection (5) of this section not
19 less than seventy days prior to the holding of the election to
20 nominate two or more candidates for each vacancy to be voted upon at
21 the election to be held in conjunction with the statewide primary
22 election pursuant to ~~subsection (1) of section 32-543.~~ 32-541. No
23 candidate nominated shall have his or her name placed upon the ballot
24 for the general election unless, not more than ten days after his or
25 her nomination, he or she files with the secretary of the school

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

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

1 (4) If the legal voters vote not to continue to have a
2 caucus, candidates shall be nominated and elected as provided in
3 ~~subsection (2) of section 32-543.~~ section 32-541. The terms of the
4 members in office at the time of the vote shall be extended to the
5 first Thursday after the first Tuesday in January after the
6 expiration of their terms. At the first general election following
7 the vote, the member receiving the greatest number of votes shall be
8 elected for a term of four years and the member receiving the next
9 greatest number of votes shall be elected for a term of two years.

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

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

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

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

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

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

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

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

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

10 Sec. 94. Section 79-550, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-550 (1) A ~~Class III~~ school district with a six-member
13 board of education may by resolution provide for an increase in the
14 number of members from six to nine. The board of education shall
15 appoint members to fill the three vacancies thus created in the
16 manner prescribed in section 32-570.

17 (2) A ~~Class III~~ school district with a nine-member board
18 of education may by resolution provide for decreasing the number of
19 members of the board of education from nine to six. When such a
20 decrease is provided, three of the vacancies which would otherwise
21 occur at the next election shall not be filled.

22 (3) If the members of the board of education of a ~~Class~~
23 ~~III~~ school district are nominated and elected by district or ward,
24 the board of education may by resolution provide for the nomination
25 of the members by district or ward and the election of the members at

1 large. If the members are nominated by district or ward and elected
2 at large, the board of education may by resolution provide for the
3 nomination and election of the members by district or ward. This
4 subsection applies only to school districts that embrace territory
5 having a population of more than one thousand and fewer than one
6 hundred fifty thousand inhabitants that maintains both elementary and
7 high school grades under the direction of a single school board.

8 Sec. 95. Section 79-554, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-554 In all meetings of a school board of a ~~Class I,~~
11 ~~II, III, or VI~~ school district, a majority of the members shall
12 constitute a quorum for the transaction of business but a less number
13 at any regular meeting shall have, and a quorum at any special
14 meeting may have, power to compel the attendance of absent members in
15 such manner and under such penalties as the board prescribes. The
16 absence of any member from four consecutive regular meetings, unless
17 any such absence is due to illness or the board has consented
18 thereto, shall vacate the seat. Such facts shall be passed upon by
19 the school board and spread upon its records.

20 Regular meetings shall be held on or before the third
21 Monday of every month. All meetings of the board shall be subject to
22 the Open Meetings Act. ~~Special~~ Except as otherwise required by law,
23 special meetings may be called by the president or any two members if
24 the school board comprises six or seven members or by any three
25 members if the board comprises nine members, but all members shall

1 have notice of the time and place of meeting. If a school district is
2 participating in an approved unified system as provided in section
3 79-4,108, regular meetings of such district's school board shall be
4 held at least twice during the school year.

5 The annual school meeting of each school district that
6 maintains only elementary grades under the direction of a single
7 school board shall be held at the school house or some other suitable
8 location within the district on or before the second Monday in August
9 of each year. The officers elected shall take possession of the
10 office to which they have been elected at the first meeting of the
11 board following its election, and the school year shall commence with
12 that day.

13 Sec. 96. Section 79-557, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-557 Special meetings of ~~Class I~~ school districts that
16 maintain only elementary grades under the direction of a single
17 school board may be called by the school board by majority vote, or
18 by any one of the members of such board, on the written request of
19 legal voters of the district equal in number to at least ten percent
20 of those voting at the last general election for Governor in the
21 district by giving the notice required in section 79-558. When so
22 requested, the board or the member receiving such request shall call
23 the meeting. In all notices of special meetings, the object of the
24 meeting shall be stated and no business shall be transacted at such
25 meetings except such as is mentioned in the call.

1 Sec. 97. Section 79-558, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-558 All notices of annual or special meetings of ~~Class~~
4 ~~I~~-school districts that maintain only elementary grades under the
5 direction of a single school board shall state the day, hour, and
6 place of meeting, which place shall be within the district, and shall
7 be given at least five days previous to such meeting by posting
8 copies of the notice in three public places within the district. No
9 annual meeting shall be deemed illegal for want of such notice. No
10 schoolhouse site shall be changed and no taxes shall be voted for
11 building, purchase, or lease of a schoolhouse at any district meeting
12 unless notices have been given of such meeting as provided in this
13 section, including the fact that such subjects will be considered at
14 such meeting.

15 Sec. 98. Section 79-565, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-565 (1) The legal voters of every new ~~Class I~~-school
18 district that maintains only elementary grades under the direction of
19 a single school board, when assembled pursuant to legal notice, shall
20 elect by ballot from the legal voters of such district a president
21 for a term of three years, a secretary for a term of two years, and a
22 treasurer for a term of one year. At the next annual school meeting
23 of the district and regularly thereafter, their successors shall be
24 elected for terms of three years each. All officers elected shall
25 hold their offices until their successors are elected or appointed

1 and qualified.

2 (2) Officers of existing organized ~~Class I~~ districts, ~~as~~
3 ~~referred to in subsection (1) of this section,~~ that maintain only
4 elementary grades under the direction of a single school board shall
5 continue and discharge the duties of their offices until the
6 expiration of their terms. Their successors shall be elected for
7 terms of three years.

8 (3) In any ~~Class I~~ district that maintains only
9 elementary grades under the direction of a single school board which
10 is not within any city or village containing one hundred fifty or
11 more children who are five through twenty years of age, candidates
12 for the school board shall be nominated by petition of at least
13 twenty-five legal voters of the district, which petition shall be
14 filed with the secretary of the school board not less than fifteen
15 days prior to the date of the annual school meeting. Legal voters at
16 such meeting and election may cast their ballots, written or printed,
17 between the hours of 12 noon and 8 p.m. of such date. Each year two
18 members shall be elected for terms of three years and until their
19 successors have been elected and qualified. The terms of members of
20 the school board in such a district shall begin on the second Monday
21 of September, and on such date the members of the board shall elect a
22 president, a treasurer, and a secretary from their own number. Each
23 such officer shall serve for a term of one year or until his or her
24 successor is elected and qualified.

25 (4) The president, secretary, and treasurer of a district

1 referred to in subsection (3) of this section shall (a) conduct the
2 election or cause the election to be conducted and (b) record the
3 names and residences of persons voting and seal, preserve, and
4 deliver the ballots to be publicly opened and canvassed as the first
5 order of business at the convening of the annual meeting at 8 p.m. of
6 such day.

7 (5) Elections conducted pursuant to this section shall
8 come under the jurisdiction of the Secretary of State to decide
9 disputed points of law as provided in section 32-201.

10 Sec. 99. Section 79-567, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-567 (1) The members of the board of education of a
13 ~~Class V school district, at their first regular meeting in January~~
14 ~~each year, at which new board members are seated and prior to~~
15 ~~conducting any other business, shall elect a president, and vice~~
16 ~~president, secretary, and treasurer from their own members, unless~~
17 ~~otherwise specified by statute, who shall serve for terms of one year~~
18 ~~or until their successors are elected and qualified. The members of~~
19 ~~the board of education may also select from outside their own members~~
20 ~~one superintendent of public schools, one secretary, one treasurer,~~
21 ~~and such other officers as the board may deem necessary for the~~
22 ~~administration of the affairs of the school district. School~~
23 ~~districts shall, at a regular meeting, elect from outside their own~~
24 ~~membership a superintendent and may elect one or more associate~~
25 ~~superintendents and the number of employees the board may deem~~

1 necessary for the proper conduct of the affairs of the school
2 district at such salaries as the board of education may determine,
3 for a term not to exceed three years. 7

4 (2) The board of education of any school district that
5 embraces a territory having a population of more than two hundred
6 thousand inhabitants and that maintains both elementary and high
7 school grades under the direction of a single school board may select
8 only a secretary and a treasurer from outside its own membership, at
9 such salary as the board may deem just, and in their discretion they
10 may enter into contracts with such officers for terms of not to
11 exceed three years. The board may contract with such officers for
12 terms not to exceed three years. The election of all officers of the
13 board and all elections for filling vacancies on the board shall be
14 by ballot. No person shall be declared elected unless he or she
15 receives the vote of a majority of all the members of the board of
16 education. School districts that embrace territory having a
17 population of less than one hundred fifty thousand inhabitants that
18 maintain both elementary and high school grades under the direction
19 of a single school board may elect a secretary who need not be a
20 member of the board, and if the secretary is a member of the board an
21 assistant secretary may be named and his or her duties and
22 compensation set by the board.

23 (3) The school board in a school district that maintains
24 only grades nine through twelve, seven through twelve, or six through
25 twelve, under the direction of a single school board, shall select an

1 assistant secretary who shall not be a member of the board, and an
2 associate superintendent of business affairs who shall (a) take
3 charge of the books and documents of the board, (b) countersign all
4 warrants for payment of school funds, (c) apply for and receive
5 school funds from the county treasurer of other persons to who such
6 funds are payable by law and deposit the funds with the treasurer of
7 the board, and (d) perform all such other duties as the board may
8 require. Before entering upon his or her duties, the associate
9 superintendent of business affairs shall give a bond payable to the
10 school district in such sum as the board may fix, but not less than
11 five thousand dollars, and shall take and subscribe the usual oath of
12 office. The board of education may require any other officer or
13 employee to give a bond in such amount as it may deem necessary. The
14 cost of all bonds shall be paid by the school district and shall be
15 approved by the board. All accounts of the district shall be audited
16 by the associate superintendent of business affairs, approved by the
17 chairperson of the board, and countersigned by one other member of
18 the board.

19 (4) Every school board shall have the power to elect its
20 president and vice president and to select its officers and employees
21 in accordance with rules adopted by the board. The election of all
22 officers of the board and all elections for filling vacancies on the
23 board shall be by ballot. No person shall be declared elected unless
24 he or she receives the vote of a majority of all the members of the
25 board of education.

1 Sec. 100. Section 79-569, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 79-569 The president of the school board of a ~~Class I,~~
4 ~~II, III, IV, or VI~~ school district shall: (1) Preside at all meetings
5 of the district; (2) countersign all orders upon the treasury for
6 money to be disbursed by the district and all warrants of the
7 secretary on the county treasurer for money raised for district
8 purposes or apportioned to the district by the county treasurer; (3)
9 administer the oath to the secretary and treasurer of the district
10 when such an oath is required by law in the transaction of the
11 business of the district; (4) appoint all committees when appointment
12 is not otherwise provided for by law or board policy; and ~~(4)-(5)~~
13 perform such other duties as may be required by law of the president
14 of the board. He or she is entitled to vote on any issue that may
15 come before any meeting. If the president of the school board of a
16 ~~Class I~~ school district is absent from any district meeting, the
17 vice-president shall preside. In a school district that maintains
18 only elementary grades under the direction of a single school board,
19 the legal voters present may elect a suitable person to preside at
20 the meeting.

21 Sec. 101. Section 79-570, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-570 If at any district meeting of a ~~Class I, II, III,~~
24 ~~IV, or VI~~ school district any person conducts himself or herself in a
25 disorderly manner and persists in such conduct after notice by the

1 president or person presiding, the president or person presiding may
2 order such person to withdraw from the meeting and, if the person
3 refuses, may order any person or persons to take such person into
4 custody until the meeting is adjourned.

5 Sec. 102. Section 79-572, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-572 The president of a ~~Class I, II, III, IV, or VI~~
8 school district shall appear for and on behalf of the district in all
9 suits brought by or against the district.

10 Sec. 103. Section 79-576, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-576 The secretary of a ~~Class I, II, III, IV, or VI~~
13 school district shall be clerk of the school board and of all
14 district meetings when present, but if he or she is not present the
15 board or, in the case of a district that maintains only elementary
16 grades under the direction of a single school board, legal voters may
17 appoint a clerk for the ~~time being, meeting~~ who shall certify the
18 proceedings to the clerk to be recorded by him or her.

19 Sec. 104. Section 79-577, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-577 The secretary of a ~~Class I, II, III, IV, or VI~~
22 school district shall (1) record all proceedings of the district in a
23 book furnished by the district to be kept for that purpose, (2)
24 preserve copies of all reports, ~~and~~ (3) safely preserve and keep all
25 books and papers belonging to the office, and (4) perform all other

1 duties the board may require. Before entering upon his or her duties,
2 the secretary shall give a bond payable to the school district in the
3 sum of ten thousand dollars and shall take and subscribe the usual
4 oath of office.

5 Sec. 105. Section 79-578, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-578 The secretary of a ~~Class I, II, III, IV, or VI~~
8 school district shall take, or cause to be taken by some person
9 appointed for the purpose by a majority vote of the school board, the
10 census of the school district and ~~then make or cause to be made a~~
11 ~~list in writing of the names of all the children belonging to such~~
12 ~~district, from birth through twenty years of age, together with the~~
13 ~~names of all the taxpayers in the district. A copy of the list,~~
14 ~~verified by oath of the person taking such census or by affidavit~~
15 ~~appended to or endorsed on the list, setting forth that it is a~~
16 ~~correct list of the names of all children belonging in the district~~
17 ~~from birth through twenty years of age and that it reflects such~~
18 ~~information as of June 30, shall be maintained as provided in section~~
19 79-524. maintain the census as provided in section 79-524.

20 Sec. 106. Section 79-579, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-579 Whenever a secretary or president of the school
23 board of a ~~Class I, II, III, IV, or VI~~ school district refuses to
24 sign orders on the treasurer or the treasurer thinks best to refuse
25 the payment of orders drawn upon him or her, the difficulty shall be

1 referred for adjudication to the county attorney, who shall proceed
2 at once to investigate the matter. If the county attorney finds that
3 the officer complained of refuses through contumacy or for
4 insufficient reasons, the county attorney, on behalf of the district,
5 shall apply to the proper court for a writ of mandamus to compel the
6 officer to perform his or her duty.

7 Sec. 107. Section 79-580, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-580 The secretary of the school board or board of
10 education of each ~~Class I, II, III, and VI~~ school district having an
11 annual budget of one hundred thousand dollars or more shall, within
12 ten days after any regular or special meeting of the board, publish,
13 either electronically or one time in a legal newspaper published in
14 or of general circulation in such district, a list of the claims,
15 arising on contract or tort, allowed at the meeting. The list shall
16 set forth the name of the claimant and the amount and nature of the
17 claim allowed, to consist of not more than ten words in stating the
18 nature of each such claim. The secretary shall likewise cause to be
19 published a concise summary of all other proceedings of such
20 meetings. ~~Publication of such claims or proceedings in a legal~~
21 ~~newspaper~~ shall not be required unless the publication can be done at
22 an expense not exceeding the rates provided by law for the
23 publication of proceedings of county boards.

24 Sec. 108. Section 79-581, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-581 The secretary of any school board or board of
2 education of a ~~Class I, II, III, or VI~~ school district failing or
3 neglecting to comply with the provisions of section 79-580 shall be
4 guilty of a Class V misdemeanor. In the discretion of the court, the
5 judgment of conviction may provide for the removal from office of
6 such secretary for such failure or neglect.

7 Sec. 109. Section 79-584, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-584 All accounts of a ~~Class V~~ school district shall be
10 audited by or at the direction of the secretary of the board of
11 education and approved by a committee ~~to be named the committee on~~
12 responsible pursuant to board policy for approval of claims. No
13 expenditures greater than one thousand dollars shall be voted by the
14 board, except in accordance with the provisions of a written
15 contract, and no money shall be appropriated out of the school fund
16 except on a recorded affirmative vote of a majority of all the
17 members of the board. All money belonging to the school district in
18 the hands of the county treasurer shall be accounted for and
19 disbursed directly to the board of education in accordance with
20 section 23-1601 and other applicable law.

21 Sec. 110. Section 79-586, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-586 The treasurer of each ~~Class I, II, III, IV, or VI~~
24 school district shall, within ten days after his or her election,
25 execute to the county and file with the secretary a bond or evidence

1 of equivalent insurance coverage of not less than five hundred
2 dollars in any instance and not more than double the amount of money,
3 as nearly as can be ascertained, to come into his or her hands as
4 treasurer at any one time, which bond shall be signed by either a
5 personal surety or a surety company or companies of recognized
6 responsibility as surety or sureties, to be approved by the president
7 and secretary, conditioned for the faithful discharge of the duties
8 of the office. The bond when approved or evidence of equivalent
9 insurance coverage shall be filed by the secretary in the office of
10 the county treasurer of the county in which the school district is
11 situated. If the treasurer fails to execute such bond or provide
12 evidence of such insurance coverage, the office shall be declared
13 vacant by the school board or board of education and the board shall
14 immediately appoint a treasurer who shall be subject to the same
15 conditions and possess the same powers as if elected to that office.
16 The treasurer shall have no power or authority to withdraw or
17 disburse the money of the district prior to filing the bond or
18 evidence of equivalent insurance coverage provided for in this
19 section.

20 Sec. 111. Section 79-587, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-587 ~~The~~ Except as otherwise provided by law, the
23 treasurer of each ~~Class I, II, III, IV, or VI~~ school district shall
24 apply for and receive from the county treasurer all school money
25 apportioned to or collected for the district by the county treasurer,

1 upon order of the secretary countersigned by the president. The
2 treasurer shall pay out all money received by him or her, on the
3 order of the secretary countersigned by the president of such
4 district.

5 Sec. 112. Section 79-588, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-588 The treasurer of a ~~Class I, II, III, IV, or VI~~
8 school district shall keep a record in which the treasurer shall
9 enter all the money received and disbursed by him or her, specifying
10 particularly (1) the source from which money has been received, (2)
11 to what fund it belongs, and (3) the person or persons to whom and
12 the object for which the same has been paid out. The treasurer shall
13 present to the district, at each annual meeting, a report in writing
14 containing a statement of all money received during the preceding
15 year and of the disbursement made with the items of such
16 disbursements and exhibit the vouchers therefor. At the close of the
17 treasurer's term of office, he or she shall settle with the school
18 board and shall hand over to his or her successor the records and all
19 receipts, vouchers, orders, and papers coming into his or her hands
20 as treasurer of the district, together with all money remaining in
21 his or her hands as such treasurer.

22 Sec. 113. Section 79-590, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-590 (1) The board of education of a ~~Class III~~ school
25 district may employ a treasurer who is not the secretary of the board

1 for such district who shall be paid a salary, to be fixed by the
2 board. The treasurer shall attend all meetings of the board when
3 required to do so, shall prepare and submit in writing a monthly
4 report of the state of the finances of the district and shall pay
5 school funds only upon warrants signed by the president of the board
6 or, in the president's absence, by the vice-president, and
7 countersigned by the secretary. Before entering upon his or her
8 duties, the treasurer shall give a bond or other evidence of
9 equivalent insurance coverage, payable to the school district in such
10 sum as the board may fix. Such bond shall be signed by one or more
11 surety companies of recognized responsibility. The cost of such bond
12 or insurance coverage shall be paid by the school district. , of not
13 to exceed one thousand two hundred dollars per annum.

14 (2) If the board does not employ such a treasurer, the
15 city treasurer or deputy city treasurer of the city which is within
16 such district shall be ex officio treasurer of the school district.
17 He or she shall attend all meetings of the board when required so to
18 do, prepare and submit in writing a monthly report of the state of
19 the district's finances, and pay school money only upon warrants
20 signed by the president of the board or, in the president's absence,
21 by the vice president, and countersigned by the secretary. If the
22 city treasurer or his or her deputy acts as ex officio treasurer of
23 the school district, he or she shall be paid for such services by the
24 school district a sum to be fixed by the board. The treasurer of such
25 district, or the city treasurer or deputy city treasurer acting as ex

1 officio treasurer, shall give a bond or evidence of equivalent
2 insurance coverage payable to the county in such sum as may be fixed
3 by the board of education. Such bond shall be signed by one or more
4 surety companies of recognized responsibility. The cost of such bond
5 or insurance coverage shall be paid by the school district.

6 Sec. 114. Section 79-593, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-593 The vice president of the board of education of a
9 ~~Class V~~ school district shall perform all the duties of the president
10 in case of the president's absence or disability unless otherwise
11 provided by law.

12 Sec. 115. Section 79-5,104, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 79-5,104 The school board or board of education of any
15 ~~Class II or III~~ school district may, in its discretion, pay the
16 regular school tuition for any pupil residing in such school district
17 and attending a school outside such school district when, in the
18 opinion of the board, the best interests of the pupil or the school
19 district may so require.

20 Sec. 116. Section 79-5,105, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-5,105 ~~If~~ When existing facilities are not available
23 and the board of education of a ~~Class III, IV, or V~~ school district
24 finds it desirable that children of school age or any grade or grades
25 thereof residing on federal property situated in the vicinity of a

1 city of the metropolitan class be given instruction outside the
2 boundaries of such district of the character provided by law for
3 children within the district, under the direction and control of the
4 board of education and that the same is not detrimental to the
5 interests of the school district, the board of education may enter
6 into a contract with the federal government or any agency thereof to
7 provide supervisory services in the construction of school facilities
8 and to maintain and operate schools for the children of residents of
9 such federal installations.

10 Sec. 117. Section 79-5,107, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-5,107 The board of education of any ~~Class VI~~ school
13 district formerly organized as a rural high school district or the
14 school board of any ~~Class II~~ district that embraces territory having
15 a population of one thousand inhabitants or fewer and maintains both
16 elementary and high school grades under the direction of a single
17 school board may pay tuition based on the actual per pupil cost of
18 the receiving district for any junior high, junior-senior high, or
19 senior high school pupil residing in the district to attend an
20 accredited junior high, junior-senior high, or senior high school
21 outside such district when such facilities are located closer to the
22 residence of the pupil than the school maintained by such district
23 and when in the opinion of the board the best interest of such pupil
24 or such school district may so require.

25 Sec. 118. Section 79-5,108, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-5,108 (1) When the parent or guardian of a student
3 subject to the provisions of this section applies in writing, the
4 board of education of any ~~Class VI~~ school district that maintains
5 only high school grades or grades seven through twelve or six through
6 twelve under the direction of a single school board and that
7 maintains ~~maintaining~~ an accredited high school may pay the regular
8 high school tuition or such portion thereof as may be agreed upon by
9 the respective governing bodies for any student residing in such
10 school district and attending a school district outside this state
11 when such high school outside this state is located at least ten
12 miles closer to the place of residence of such student than the
13 school maintained by such ~~Class VI~~ school district and when, in the
14 opinion of the board of education, the best interest of such student
15 or such ~~Class VI~~ school district may so require.

16 (2) Any parent or guardian of such student who is
17 aggrieved by a decision of the board of education may appeal such
18 decision to the State Board of Education, the decision of which shall
19 be binding.

20 Sec. 119. For purposes of sections 119 to 123 of this
21 act:

22 (1) Board member means a member of a school board as
23 defined in section 79-101 or a member of a learning community
24 coordinating council as described in section 32-546.01; and

25 (2) Required professional development training includes,

1 but is not limited to, training on the powers and duties of school
2 board members, compliance with public records laws, compliance with
3 education standards, the financial and fiduciary duties of board
4 members, financial planning training, education law, labor law,
5 ethics training, and information on the school district on whose
6 board the board member will serve or the school districts comprising
7 the learning community coordinating council the board member will
8 serve regarding demographics, graduation and dropout rates, truancy,
9 staffing levels, and educational assessment scores.

10 Sec. 120. A member of a learning community coordinating
11 council appointed as provided in subsection (5) of section 32-546.01
12 shall complete required professional development training as provided
13 in section 3 of this act upon election to the school board. A member
14 of a learning community coordinating council elected as provided in
15 subsection (2) of section 32-546.01 shall complete required
16 professional development training upon election to a learning
17 community coordinating council. A member of a learning community
18 coordinating council appointed to fill a vacancy in office as
19 provided in subsection (3) of section 32-546.01 shall complete
20 required professional development training within one hundred eighty
21 days after appointment.

22 Sec. 121. (1) On and after January 1, 2014, all newly
23 elected or appointed board members shall receive no less than twelve
24 hours of required professional development training within one
25 hundred eighty days after their election or appointment. If the one-

1 hundred-eighty-day period extends into a new calendar year, the
2 twelve hours of required professional development training shall
3 apply to the year in which the election is certified and not to the
4 ensuing calendar year. One hour of the twelve hours of required
5 professional development training shall be dedicated to information
6 on the school district on whose board the board member will serve or
7 the school districts comprising the learning community on whose
8 learning community coordinating council the board member will serve
9 regarding demographics, graduation and dropout rates, truancy,
10 staffing levels, and educational assessment scores. One hour of the
11 twelve hours of required professional development training shall be
12 dedicated to the creation and discussion of a board mission statement
13 and strategic plan.

14 (2) On and after January 1, 2014, all board members who
15 have served more than one year or who are reelected or reappointed
16 shall receive not less than eight hours of required professional
17 development training per year. Two of the eight hours of required
18 professional development training shall be devoted to information on
19 the school district on whose board the board member serves or the
20 school districts comprising the learning community on whose learning
21 community coordinating council the board member serves and shall
22 include demographics, graduation and dropout rates, truancy, staffing
23 levels, and educational assessment scores. One hour of the eight
24 hours of required professional development training shall be
25 dedicated to the creation and discussion of a board mission statement

1 and strategic plan.

2 Sec. 122. The State Department of Education shall provide
3 the required professional development training. The department
4 may approve training by other entities which may be credited toward
5 such required professional development training.

6 Sec. 123. The State Department of Education, any
7 association of school boards, and each school board and learning
8 community coordinating council shall keep a list of all board members
9 who have or have not completed the required professional development
10 training. A board member who does not complete the required
11 professional development training within the times required pursuant
12 to section 3 of this act may submit a written petition to the
13 Commissioner of Education requesting a waiver granting an
14 extension of the time period to complete required professional
15 development training. If the commissioner denies the request for a
16 waiver, the petitioner may appeal the decision to the State Board of
17 Education. The commissioner or the state board may not waive the
18 required professional development training. A board member
19 who receives an extension pursuant to this section shall complete the
20 required professional development training within sixty days after
21 the date of the final decision. A waiver shall not be granted for the
22 calendar year prior to the year a member is eligible for reelection
23 or reappointment.

24 Any board member who does not complete all the required
25 professional development training pursuant to sections 1 to 5 of this

1 act is not eligible for reelection or reappointment during the first
2 election cycle immediately following the term for which he or she did
3 not complete the required professional development training, but he
4 or she is eligible during the second and subsequent election cycles
5 following such term.

6 Not later than January of each year, the State Department
7 of Education shall notify the Election Division of the office of the
8 Secretary of State of the name of any school board member who is
9 ineligible for reelection as provided in this section.

10 Sec. 124. Section 79-611, Revised Statutes Supplement,
11 2013, is amended to read:

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

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

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

1 (c) When a student attends a secondary school in his or
2 her own ~~Class II or Class III~~ school district embracing territory
3 having a population of no more than two hundred fifty thousand
4 inhabitants and maintaining both elementary and high school grades
5 under the direction of a single school board and lives more than four
6 miles from the public schoolhouse as measured by the shortest route
7 that must actually and necessarily be traveled by motor vehicle to
8 reach the student's residence. This subdivision does not apply when
9 one or more ~~Class I~~ school districts that maintain only elementary
10 grades under the direction of a single school board merge with a
11 ~~Class VI~~ school district that maintains only high school grades or
12 grades seven through twelve or six through twelve under the direction
13 of a single school board to form a new ~~Class II or III~~ school
14 district that maintains both elementary and high school grades under
15 the direction of a single school board on or after January 1, 1997. ~~+~~
16 and

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

23 (2)(a) The school board of any school district that is a
24 member of a learning community shall provide free transportation for
25 a student who resides in such learning community and attends school

1 in such school district if (i) the student is transferring pursuant
2 to the open enrollment provisions of section 79-2110, qualifies for
3 free or reduced-price lunches, lives more than one mile from the
4 school to which he or she transfers, and is not otherwise
5 disqualified under subdivision (2)(c) of this section, (ii) the
6 student is transferring pursuant to the open enrollment provisions of
7 section 79-2110, is a student who contributes to the socioeconomic
8 diversity of enrollment at the school building he or she attends,
9 lives more than one mile from the school to which he or she
10 transfers, and is not otherwise disqualified under subdivision (2)(c)
11 of this section, (iii) the student is attending a focus school or
12 program and lives more than one mile from the school building housing
13 the focus school or program, or (iv) the student is attending a
14 magnet school or program and lives more than one mile from the magnet
15 school or the school housing the magnet program.

16 (b) For purposes of this subsection, student who
17 contributes to the socioeconomic diversity of enrollment at the
18 school building he or she attends has the definition found in section
19 79-2110. This subsection does not prohibit a school district that is
20 a member of a learning community from providing transportation to any
21 intradistrict student.

22 (c) For any student who resides within a learning
23 community and transfers to another school building pursuant to the
24 open enrollment provisions of section 79-2110 and who had not been
25 accepted for open enrollment into any school building within such

1 district prior to September 6, 2013, the school board is exempt from
2 the requirement of subdivision (2)(a) of this section if (i) the
3 student is transferring to another school building within his or her
4 home school district or (ii) the student is transferring to a school
5 building in a school district that does not share a common border
6 with his or her home school district.

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

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

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

1 one hundred twenty-five percent of the amount determined pursuant to
2 subsection (3) of this section; and

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

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

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

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

1 allowance shall be prorated among the school districts involved.

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

4 Sec. 125. Section 79-716, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-716 Every affiliated high school district and every
7 ~~Class VI~~ school district that maintains only high school grades or
8 grades seven through twelve or six through twelve under the direction
9 of a single school board shall undertake efforts to provide for
10 coordination of the curriculum between the elementary school program
11 of instruction of ~~participating Class I school districts~~ and the high
12 school program of instruction of such ~~affiliated~~ high school district
13 or ~~Class VI~~ school district. Notwithstanding reasonable and good
14 faith efforts to provide for coordination of curriculum, each school
15 board of a ~~Class I~~ school district that maintains only elementary
16 grades under the direction of a single school board shall retain the
17 final authority to determine matters of curriculum. Any additional
18 costs incurred in providing the coordinated services required by this
19 section shall be included as a cost of the ~~Class VI~~ school district
20 that maintains only high school grades or grades seven through twelve
21 or six through twelve under the direction of a single school board.

22 In the case of an affiliated school system, any additional costs
23 incurred for curriculum coordination pursuant to this section shall
24 be funded through the budget of the high school district. Any
25 additional services required by any affiliated ~~Class I~~ district that

1 maintains only elementary grades under the direction of a single
2 school board shall be funded through such ~~Class I~~ district's budget
3 which may include contractual or purchased services.

4 Sec. 126. Section 79-717, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-717 Each ~~Class VI~~ school district may have an
7 elementary school coordinator who holds a valid Nebraska certificate
8 to administer with an endorsement in elementary education. ~~The whose~~
9 responsibility ~~of the coordinator~~ shall be to coordinate the
10 educational programs of all ~~Class I~~ elementary schools within the
11 boundaries of the ~~Class VI~~ district by advising the school board and
12 the teachers of such ~~Class I~~ schools or districts.

13 Sec. 127. Section 79-728, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-728 All ~~Class I, II, III, IV, and V~~ school districts,
16 other than school districts that maintain only high school grades or
17 grades seven through twelve or six through twelve, shall offer a
18 kindergarten program.

19 Sec. 128. Section 79-734, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-734 (1) School boards and boards of education of all
22 ~~classes of~~ school districts shall purchase all textbooks, equipment,
23 and supplies necessary for the schools of such district. The duty to
24 make such purchases may be delegated to employees of the school
25 district.

1 (2) School boards and boards of education shall purchase
2 and loan textbooks to all children who are enrolled in kindergarten
3 to grade twelve of a public school and, upon individual request, to
4 children who are enrolled in kindergarten to grade twelve of a
5 private school which is approved for continued legal operation under
6 rules and regulations established by the State Board of Education
7 pursuant to subdivision (5)(c) of section 79-318. The Legislature may
8 appropriate funds to carry out ~~the provisions of~~ this subsection. A
9 school district is not obligated to spend any money for the purchase
10 and loan of textbooks to children enrolled in private schools other
11 than funds specifically appropriated by the Legislature to be
12 distributed by the State Department of Education for the purpose of
13 purchasing and loaning textbooks as provided in this subsection.
14 Textbooks loaned to children enrolled in kindergarten to grade twelve
15 of such private schools shall be textbooks which are designated for
16 use in the public schools of the school district in which the child
17 resides or the school district in which the private school the child
18 attends is located. Such textbooks shall be loaned free to such
19 children subject to such rules and regulations as are or may be
20 prescribed by such school boards or boards of education. The State
21 Department of Education shall adopt and promulgate rules and
22 regulations to carry out this section. The rules and regulations
23 shall include provisions for the distribution of funds appropriated
24 for textbooks. The rules and regulations shall include a deadline for
25 applications from school districts for distribution of funds. If

1 funds are not appropriated to cover the entire cost of applications,
2 a pro rata reduction shall be made.

3 Sec. 129. Section 79-824, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-824 For purposes of sections 79-824 to 79-842, unless
6 the context otherwise requires:

7 (1) Certificated employee means and includes all teachers
8 and administrators as defined in section 79-101, other than
9 substitute teachers, who are employed one-half time or more by any
10 ~~class of school~~ district;

11 (2) School board means the governing board or body of any
12 ~~class of school~~ district;

13 (3) Probationary certificated employee means a teacher or
14 administrator who has served under a contract with the school
15 district for less than three successive school years in any school
16 ~~district., unless extended one or two years by a majority vote of~~
17 ~~the board in a Class IV or V school district, except that after~~
18 ~~September 1, 1983, in Class IV and V school districts the requirement~~
19 ~~shall be three successive school years.~~ Probationary certificated
20 employee also means superintendents, regardless of length of service;

21 (4) Just cause means: (a) Incompetency, which includes,
22 but is not limited to, demonstrated deficiencies or shortcomings in
23 knowledge of subject matter or teaching or administrative skills; (b)
24 neglect of duty; (c) unprofessional conduct; (d) insubordination; (e)
25 immorality; (f) physical or mental incapacity; (g) failure to give

1 evidence of professional growth as required in section 79-830; or (h)
2 other conduct which interferes substantially with the continued
3 performance of duties;

4 (5) Permanent certificated employee means a teacher or
5 administrator who has served the probation period as defined in this
6 section; and

7 (6) School year, for purposes of employment, means three-
8 fourths of the school year or more on duty, exclusive of summer
9 school.

10 A certificated employee who has been hired to fulfill the
11 duties of another certificated employee who is on leave of absence
12 shall not accrue rights under sections 79-824 to 79-842 during the
13 period that the employee is fulfilling such duties.

14 Sec. 130. Section 79-828, Revised Statutes Cumulative
15 Supplement, 2012, is amended to read:

16 79-828 (1) The contract of a probationary certificated
17 employee shall be deemed renewed and remain in full force and effect
18 unless amended or not renewed in accordance with sections 79-824 to
19 79-842.

20 (2) The purpose of the probationary period is to allow
21 the employer an opportunity to evaluate, assess, and assist the
22 employee's professional skills and work performance prior to the
23 employee obtaining permanent status.

24 All probationary certificated employees employed by any
25 ~~class of~~ school district shall, during each year of probationary

1 employment, be evaluated at least once each semester, unless the
2 probationary certificated employee is a superintendent, in accordance
3 with the procedures outlined below:

4 The probationary certificated employee shall be observed
5 and evaluation shall be based upon actual classroom observations for
6 an entire instructional period. If deficiencies are noted in the work
7 performance of any probationary certificated employee, the evaluator
8 shall provide the probationary certificated employee at the time of
9 the observation with a list of deficiencies and a list of suggestions
10 for improvement and assistance in overcoming the deficiencies. The
11 evaluator shall also provide the probationary certificated employee
12 with followup evaluations and assistance when deficiencies remain.

13 If the probationary certificated employee is a
14 superintendent, he or she shall be evaluated twice during the first
15 year of employment and at least once annually thereafter.

16 Any certificated employee employed prior to September 1,
17 1982, by the school board of any ~~Class I, II, III, or VI~~ school
18 district shall serve the probationary period required by law prior to
19 such date and shall not be subject to any extension of probation.

20 (3) If the school board or the superintendent or
21 superintendent's designee determines that it is appropriate to
22 consider whether the contract of a probationary certificated employee
23 or the superintendent should be amended or not renewed for the next
24 school year, such certificated employee shall be given written notice
25 that the school board will consider the amendment or nonrenewal of

1 such certificated employee's contract for the ensuing school year.
2 Upon request of the certificated employee, notice shall be provided
3 which shall contain the written reasons for such proposed amendment
4 or nonrenewal and shall be sufficiently specific so as to provide
5 such employee the opportunity to prepare a response and the reasons
6 set forth in the notice shall be employment related.

7 (4) The school board may elect to amend or not renew the
8 contract of a probationary certificated employee for any reason it
9 deems sufficient if such nonrenewal is not for constitutionally
10 impermissible reasons, and such nonrenewal shall be in accordance
11 with sections 79-824 to 79-842. Amendment or nonrenewal for reason of
12 reduction in force shall be subject to sections 79-824 to 79-842 and
13 79-846 to 79-849.

14 (5) Within seven calendar days after receipt of the
15 notice, the probationary certificated employee may make a written
16 request to the secretary of the school board or to the superintendent
17 or superintendent's designee for a hearing before the school board.

18 (6) Prior to scheduling of action or a hearing on the
19 matter, if requested, the notice of possible amendment or nonrenewal
20 and the reasons supporting possible amendment or nonrenewal shall be
21 considered a confidential employment matter as provided in sections
22 79-539, 79-8,109, and 84-1410 and shall not be released to the public
23 or any news media.

24 (7) At any time prior to the holding of a hearing or
25 prior to final determination by the school board to amend or not

1 renew the contract involved, the probationary certificated employee
2 may submit a letter of resignation for the ensuing year, which
3 resignation shall be accepted by the school board.

4 (8) The probationary certificated employee shall be
5 afforded a hearing which shall not be required to meet the
6 requirements of a formal due process hearing as set forth in section
7 79-832 but shall be subject to section 79-834.

8 Sec. 131. Section 79-840, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-840 Any school board of a ~~Class IV or Class V~~ school
11 district that embraces territory having a population of more than two
12 hundred thousand inhabitants and that maintains both elementary and
13 high school grades under the direction of a single school board or
14 certificated employee thereof may require that hearings held pursuant
15 to sections 79-824 to 79-839 and such other hearings as designated by
16 the school board be conducted by a hearing officer as specified in
17 sections 79-841 and 79-842. If a hearing is held before such a
18 hearing officer, the requirements of section 79-831 that final action
19 must be taken by the school board on or before May 15 of each year
20 and that a hearing must be held within thirty days of the date of the
21 request for a hearing shall not apply.

22 Sec. 132. Section 79-841, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-841 If the school board of a ~~Class IV or V~~ school
25 district described in section 79-840 or certificated employee thereof

1 determines that a hearing shall be conducted by a hearing officer,
2 the parties to the hearing or their representatives shall select a
3 hearing officer. Any person selected as a hearing officer pursuant to
4 this section shall be an attorney admitted to practice in Nebraska
5 and shall be knowledgeable in the rules of civil procedure and
6 evidence applicable to the district courts. If the parties cannot
7 agree on the selection of a hearing officer within seven days after
8 the filing of the request for a hearing, the secretary of the school
9 board shall immediately request a list of hearing officers from the
10 State Department of Education. The department shall at all times
11 maintain a list of at least five qualified hearing officers and shall
12 provide a copy of the list within five days after receipt of a
13 written request from the secretary of a school board. The parties or
14 their representatives shall select the hearing officer by alternately
15 removing a name from the list until only one name remains. The person
16 whose name remains shall be the hearing officer. The parties shall
17 determine by lot which party shall remove the first name from the
18 list. Such selection shall be completed within seven days after the
19 receipt of the list from the department. The secretary of the school
20 board shall inform the department of the name of the hearing officer
21 selected.

22 Sec. 133. Section 79-850, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-850 For purposes of sections 79-850 to 79-858:

25 (1) Reorganized school district means: (a) Any expanded

1 or altered school district, organized or altered by any of the means
2 provided by Nebraska law including, but not limited to, the methods
3 provided by the Reorganization of School Districts Act, the Learning
4 Community Reorganization Act, section ~~79-407, 79-413, 79-413~~ or
5 79-473, or sections 79-415 ~~to 79-417~~ and 79-416 or 79-452 to 79-455;
6 or (b) any school district to be formed in the future if the petition
7 or plan for such reorganized school district has been approved
8 pursuant to any of the methods set forth in subdivision (1)(a) of
9 this section when the effective date of such reorganization is
10 prospective. For purposes of this subdivision, a petition or plan
11 shall be deemed approved when the last legal action has been taken,
12 as prescribed in section 79-413, 79-450, or 79-455, necessary to
13 effect the changes in boundaries as set forth in the petition or
14 plan; and

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

19 Sec. 134. Section 79-8,110, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-8,110 Every teacher in a ~~Class I~~ school district that
22 maintains only elementary grades under the direction of a single
23 school board shall make a report at the end of each nine-week period,
24 to the secretary of the district, of the number of pupils attending
25 the teacher's school, the names and ages of each, the days attended,

1 and the studies pursued. No teacher will be entitled to receive pay
2 in full for a term's service until the term summary is properly
3 filled out and approved by the secretary.

4 Sec. 135. Section 79-902, Revised Statutes Supplement,
5 2013, is amended to read:

6 79-902 For purposes of the School Employees Retirement
7 Act, unless the context otherwise requires:

8 (1) Accumulated contributions means the sum of all
9 amounts deducted from the compensation of a member and credited to
10 his or her individual account in the School Retirement Fund together
11 with regular interest thereon, compounded monthly, quarterly,
12 semiannually, or annually;

13 (2) Beneficiary means any person in receipt of a school
14 retirement allowance or other benefit provided by the act;

15 (3) Member means any person who has an account in the
16 School Retirement Fund;

17 (4) County school official means (a) until July 1, 2000,
18 the county superintendent or district superintendent and any person
19 serving in his or her office who is required by law to have a
20 teacher's certificate and (b) on or after July 1, 2000, the county
21 superintendent, county school administrator, or district
22 superintendent and any person serving in his or her office who is
23 required by law to have a teacher's certificate;

24 (5) Creditable service means prior service for which
25 credit is granted under sections 79-926 to 79-929, service credit

1 purchased under sections 79-933.03 to 79-933.06 and 79-933.08, and
2 all service rendered while a contributing member of the retirement
3 system. Creditable service includes working days, sick days, vacation
4 days, holidays, and any other leave days for which the employee is
5 paid regular wages as part of the employee's agreement with the
6 employer. Creditable service does not include lump-sum payments to
7 the employee upon termination or retirement in lieu of accrued
8 benefits for such days, eligibility and vesting credit, nor service
9 years for which member contributions are withdrawn and not repaid.
10 Creditable service also does not include service rendered by a member
11 for which the retirement board determines that the member was paid
12 less in compensation than the minimum wage as provided in the Wage
13 and Hour Act or service which the board determines was rendered with
14 the intent to defraud the retirement system;

15 (6) Disability retirement allowance means the annuity
16 paid to a person upon retirement for disability under section 79-952;

17 (7) Employer means the State of Nebraska or any
18 subdivision thereof or agency of the state or subdivision authorized
19 by law to hire school employees or to pay their compensation;

20 (8) Fiscal year means any year beginning July 1 and
21 ending June 30 next following;

22 (9) Regular interest means interest fixed at a rate equal
23 to the daily treasury yield curve for one-year treasury securities,
24 as published by the Secretary of the Treasury of the United States,
25 that applies on July 1 of each year, which may be credited monthly,

1 quarterly, semiannually, or annually as the board may direct;

2 (10) School employee means a contributing member who
3 earns service credit pursuant to section 79-927. For purposes of this
4 section, contributing member means the following persons who receive
5 compensation from a public school: (a) Regular employees; (b) regular
6 employees having retired pursuant to the School Employees Retirement
7 Act who subsequently provide compensated service on a regular basis
8 in any capacity; and (c) regular employees hired by a public school
9 on an ongoing basis to assume the duties of other regular employees
10 who are temporarily absent. Substitute employees, temporary
11 employees, and employees who have not attained the age of eighteen
12 years shall not be considered school employees;

13 (11) Prior service means service rendered as a school
14 employee in the public schools of the State of Nebraska prior to July
15 1, 1945;

16 (12) Public school means any and all schools offering
17 instruction in elementary or high school grades, as defined in
18 section 79-101, which schools are supported by public funds and are
19 wholly under the control and management of the State of Nebraska or
20 any subdivision thereof, including (a) schools or other entities
21 established, maintained, and controlled by the school boards of local
22 school districts, except Class V school districts whose employees, on
23 or before January 1, 2014, participate in a retirement system
24 independent of the School Employees Retirement System of the State of
25 Nebraska, (b) any educational service unit, and (c) any other

1 educational institution wholly supported by public funds, except
2 schools under the control and management of the Board of Trustees of
3 the Nebraska State Colleges, the Board of Regents of the University
4 of Nebraska, or the community college boards of governors for any
5 community college areas;

6 (13) Retirement means qualifying for and accepting a
7 school or disability retirement allowance granted under the School
8 Employees Retirement Act;

9 (14) Retirement board or board means the Public Employees
10 Retirement Board;

11 (15) Retirement system means the School Employees
12 Retirement System of the State of Nebraska;

13 (16) Required deposit means the deduction from a member's
14 compensation as provided for in section 79-958 which shall be
15 deposited in the School Retirement Fund;

16 (17) School year means one fiscal year which includes not
17 less than one thousand instructional hours or, in the case of service
18 in the State of Nebraska prior to July 1, 1945, not less than
19 seventy-five percent of the then legal school year;

20 (18) Service means employment as a school employee and
21 shall not be deemed interrupted by (a) termination at the end of the
22 school year of the contract of employment of an employee in a public
23 school if the employee enters into a contract of employment in any
24 public school, except a school in a ~~Class V~~ school district whose
25 employees, on or before January 1, 2014, participate in a retirement

1 system independent of the School Employees Retirement System of the
2 State of Nebraska, for the following school year, (b) temporary or
3 seasonal suspension of service that does not terminate the employee's
4 employment, (c) leave of absence authorized by the employer for a
5 period not exceeding twelve months, (d) leave of absence because of
6 disability, or (e) military service when properly authorized by the
7 retirement board. Service does not include any period of disability
8 for which disability retirement benefits are received under sections
9 79-951 to 79-953;

10 (19) School retirement allowance means the total of the
11 savings annuity and the service annuity or formula annuity paid a
12 person who has retired under sections 79-931 to 79-935. The monthly
13 payments shall be payable at the end of each calendar month during
14 the life of a retired member. The first payment shall include all
15 amounts accrued since the effective date of the award of annuity. The
16 last payment shall be at the end of the calendar month in which such
17 member dies or in accordance with the payment option chosen by the
18 member;

19 (20) Service annuity means payments for life, made in
20 equal monthly installments, derived from appropriations made by the
21 State of Nebraska to the retirement system;

22 (21) State deposit means the deposit by the state in the
23 retirement system on behalf of any member;

24 (22) State school official means the Commissioner of
25 Education and his or her professional staff who are required by law

1 or by the State Department of Education to hold a certificate as such
2 term is defined in section 79-807;

3 (23) Savings annuity means payments for life, made in
4 equal monthly payments, derived from the accumulated contributions of
5 a member;

6 (24) Emeritus member means a person (a) who has entered
7 retirement under the provisions of the act, including those persons
8 who have retired since July 1, 1945, under any other regularly
9 established retirement or pension system as contemplated by section
10 79-916, (b) who has thereafter been reemployed in any capacity by a
11 public school, a ~~Class V~~ school district whose employees, on or
12 before January 1, 2014, participate in a retirement system
13 independent of the School Employees Retirement System of the State of
14 Nebraska, or a school under the control and management of the Board
15 of Trustees of the Nebraska State Colleges, the Board of Regents of
16 the University of Nebraska, or a community college board of governors
17 or has become a state school official or county school official
18 subsequent to such retirement, and (c) who has applied to the board
19 for emeritus membership in the retirement system. The school district
20 or agency shall certify to the retirement board on forms prescribed
21 by the retirement board that the annuitant was reemployed, rendered a
22 service, and was paid by the district or agency for such services;

23 (25) Actuarial equivalent means the equality in value of
24 the aggregate amounts expected to be received under different forms
25 of payment. The determinations shall be based on the 1994 Group

1 Annuity Mortality Table reflecting sex-distinct factors blended using
2 twenty-five percent of the male table and seventy-five percent of the
3 female table. An interest rate of eight percent per annum shall be
4 reflected in making these determinations except when a lump-sum
5 settlement is made to an estate. If the lump-sum settlement is made
6 to an estate, the interest rate will be determined by the Moody's
7 Triple A Bond Index as of the prior June 30, rounded to the next
8 lower quarter percent;

9 (26) Retirement date means (a) if the member has
10 terminated employment, the first day of the month following the date
11 upon which a member's request for retirement is received on a
12 retirement application provided by the retirement system or (b) if
13 the member has filed a retirement application but has not yet
14 terminated employment, the first day of the month following the date
15 on which the member terminates employment. An application may be
16 filed no more than one hundred twenty days prior to the effective
17 date of the member's initial benefit;

18 (27) Disability retirement date means the first day of
19 the month following the date upon which a member's request for
20 disability retirement is received on a retirement application
21 provided by the retirement system if the member has terminated
22 employment in the school system and has complied with sections 79-951
23 to 79-954 as such sections refer to disability retirement;

24 (28) Retirement application means the form approved and
25 provided by the retirement system for acceptance of a member's

1 request for either regular or disability retirement;

2 (29) Eligibility and vesting credit means credit for
3 years, or a fraction of a year, of participation in a Nebraska
4 government plan for purposes of determining eligibility for benefits
5 under the School Employees Retirement Act. Such credit shall not be
6 included as years of creditable service in the benefit calculation;

7 (30)(a) Final average compensation means:

8 (i) Except as provided in subdivision (ii) of this
9 subdivision:

10 (A) The sum of the member's total compensation during the
11 three twelve-month periods of service as a school employee in which
12 such compensation was the greatest divided by thirty-six; or

13 (B) If a member has such compensation for less than
14 thirty-six months, the sum of the member's total compensation in all
15 months divided by the total number of months of his or her creditable
16 service therefor; and

17 (ii) For an employee who became a member on or after July
18 1, 2013:

19 (A) The sum of the member's total compensation during the
20 five twelve-month periods of service as a school employee in which
21 such compensation was the greatest divided by sixty; or

22 (B) If a member has such compensation for less than sixty
23 months, the sum of the member's total compensation in all months
24 divided by the total number of months of his or her creditable
25 service therefor.

1 (b) Payments under the Retirement Incentive Plan pursuant
2 to section 79-855 and Staff Development Assistance pursuant to
3 section 79-856 shall not be included in the determination of final
4 average compensation;

5 (31) Plan year means the twelve-month period beginning on
6 July 1 and ending on June 30 of the following year;

7 (32) Current benefit means the initial benefit increased
8 by all adjustments made pursuant to the School Employees Retirement
9 Act;

10 (33) Initial benefit means the retirement benefit
11 calculated at the time of retirement;

12 (34) Surviving spouse means (a) the spouse married to the
13 member on the date of the member's death or (b) the spouse or former
14 spouse of the member if survivorship rights are provided under a
15 qualified domestic relations order filed with the board pursuant to
16 the Spousal Pension Rights Act. The spouse or former spouse shall
17 supersede the spouse married to the member on the date of the
18 member's death as provided under a qualified domestic relations
19 order. If the benefits payable to the spouse or former spouse under a
20 qualified domestic relations order are less than the value of
21 benefits entitled to the surviving spouse, the spouse married to the
22 member on the date of the member's death shall be the surviving
23 spouse for the balance of the benefits;

24 (35)(a) Compensation means gross wages or salaries
25 payable to the member for personal services performed during the plan

1 year and includes (i) overtime pay, (ii) member retirement
2 contributions, (iii) retroactive salary payments paid pursuant to
3 court order, arbitration, or litigation and grievance settlements,
4 and (iv) amounts contributed by the member to plans under sections
5 125, 403(b), and 457 of the Internal Revenue Code as defined in
6 section 49-801.01 or any other section of the code which defers or
7 excludes such amounts from income.

8 (b) Compensation does not include (i) fraudulently
9 obtained amounts as determined by the retirement board, (ii) amounts
10 for unused sick leave or unused vacation leave converted to cash
11 payments, (iii) insurance premiums converted into cash payments, (iv)
12 reimbursement for expenses incurred, (v) fringe benefits, (vi) per
13 diems paid as expenses, (vii) bonuses for services not actually
14 rendered, including, but not limited to, early retirement
15 inducements, cash awards, and severance pay, or (viii) beginning on
16 September 4, 2005, employer contributions made for the purposes of
17 separation payments made at retirement and early retirement
18 inducements as provided for in section 79-514.

19 (c) Compensation in excess of the limitations set forth
20 in section 401(a)(17) of the Internal Revenue Code as defined in
21 section 49-801.01 shall be disregarded. For an employee who was a
22 member of the retirement system before the first plan year beginning
23 after December 31, 1995, the limitation on compensation shall not be
24 less than the amount which was allowed to be taken into account under
25 the retirement system as in effect on July 1, 1993.

1 (d)(i) For purposes of section 79-934, in the
2 determination of compensation for members on or after July 1, 2005,
3 that part of a member's compensation for the plan year which exceeds
4 the member's compensation with the same employer for the preceding
5 plan year by more than seven percent of the compensation base during
6 the sixty months preceding the member's retirement shall be excluded
7 unless (A) the member experienced a substantial change in employment
8 position, (B) as verified by the school board, the excess
9 compensation above seven percent occurred as the result of a
10 collective-bargaining agreement between the employer and a recognized
11 collective-bargaining unit or category of school employee, and the
12 percentage increase in compensation above seven percent shall not be
13 excluded for employees outside of a collective-bargaining unit or
14 within the same category of school employee, or (C) the excess
15 compensation occurred as the result of a districtwide permanent
16 benefit change made by the employer for a category of school employee
17 in accordance with subdivision (35)(a)(iv) of this section.

18 (ii) For purposes of subdivision (35)(d) of this section:

19 (A) Category of school employee means either all
20 employees of the employer who are administrators or certificated
21 teachers, or all employees of the employer who are not administrators
22 or certificated teachers, or both;

23 (B) Compensation base means (I) for current members,
24 employed with the same employer, the member's compensation for the
25 plan year ending June 30, 2005, or (II) for members newly hired or

1 hired by a separate employer on or after July 1, 2005, the member's
2 compensation for the first full plan year following the member's date
3 of hiring. Thereafter, the member's compensation base shall be
4 increased each plan year by the lesser of seven percent of the
5 member's preceding plan year's compensation base or the member's
6 actual annual compensation increase during the preceding plan year;
7 and

8 (C) Recognized collective-bargaining unit means a group
9 of employees similarly situated with a similar community of interest
10 appropriate for bargaining recognized as such by a school board.

11 (e)(i) For purposes of section 79-934, in the
12 determination of compensation for members whose retirement date is on
13 or after July 1, 2012, until July 1, 2013, that part of a member's
14 compensation for the plan year which exceeds the member's
15 compensation with the same employer for the preceding plan year by
16 more than nine percent of the compensation base shall be excluded.

17 (ii) For purposes of subdivision (35)(e) of this section,
18 compensation base means (A) for current members employed with the
19 same employer, the member's compensation for the plan year ending
20 June 30, 2012, or (B) for members newly hired or hired by a separate
21 employer on or after July 1, 2012, the member's compensation for the
22 first full plan year following the member's date of hiring.

23 (f)(i) Notwithstanding any other provision of this
24 section, for purposes of section 79-934, in the determination of
25 compensation for members whose retirement date is on or after July 1,

1 2013, that part of a member's compensation for the plan year which
2 exceeds the member's compensation for the preceding plan year by more
3 than eight percent during the capping period shall be excluded. Such
4 member's compensation for the first plan year of the capping period
5 shall be compared to the member's compensation received for the plan
6 year immediately preceding the capping period.

7 (ii) For purposes of subdivision (35)(f) of this section:

8 (A) Capping period means the five plan years preceding
9 the later of (I) such member's retirement date or (II) such member's
10 final compensation date; and

11 (B) Final compensation date means the later of (I) the
12 date on which a retiring member's final compensation is actually paid
13 or (II) if a retiring member's final compensation is paid in advance
14 as a lump sum, the date on which such final compensation would have
15 been paid to the member in the absence of such advance payment;

16 (36) Termination of employment occurs on the date on
17 which the member experiences a bona fide separation from service of
18 employment with the member's employer, the date of which separation
19 is determined by the end of the member's contractual agreement or, if
20 there is no contract or only partial fulfillment of a contract, by
21 the employer. A member shall not be deemed to have terminated
22 employment if the member subsequently provides service to any
23 employer participating in the retirement system provided for in the
24 School Employees Retirement Act within one hundred eighty days after
25 ceasing employment unless such service:

1 (a) Is bona fide unpaid voluntary service or substitute
2 service, provided on an intermittent basis; or

3 (b) Is as provided in subsection (2) of section 79-920.

4 Nothing in this subdivision precludes an employer from
5 adopting a policy which limits or denies employees who have
6 terminated employment from providing voluntary or substitute service
7 within one hundred eighty days after termination.

8 A member shall not be deemed to have terminated
9 employment if the board determines that a claimed termination was not
10 a bona fide separation from service with the employer or that a
11 member was compensated for a full contractual period when the member
12 terminated prior to the end date of the contract;

13 (37) Disability means an inability to engage in a
14 substantially gainful activity by reason of any medically
15 determinable physical or mental impairment which can be expected to
16 result in death or be of a long and indefinite duration;

17 (38) Substitute employee means a person hired by a public
18 school as a temporary employee to assume the duties of regular
19 employees due to a temporary absence of any regular employees.
20 Substitute employee does not mean a person hired as a regular
21 employee on an ongoing basis to assume the duties of other regular
22 employees who are temporarily absent;

23 (39) Participation means qualifying for and making
24 required deposits to the retirement system during the course of a
25 plan year;

1 (40) Regular employee means an employee hired by a public
2 school or under contract in a regular full-time or part-time position
3 who works a full-time or part-time schedule on an ongoing basis for
4 twenty or more hours per week. An employee hired as described in this
5 subdivision to provide service for less than twenty hours per week
6 but who provides service for an average of twenty hours or more per
7 week in each calendar month of any three calendar months of a plan
8 year shall, beginning with the next full payroll period, commence
9 contributions and shall be deemed a regular employee for all future
10 employment with the same employer; and

11 (41) Temporary employee means an employee hired by a
12 public school who is not a regular employee and who is hired to
13 provide service for a limited period of time to accomplish a specific
14 purpose or task. When such specific purpose or task is complete, the
15 employment of such temporary employee shall terminate and in no case
16 shall the temporary employment period exceed one year in duration.

17 Sec. 136. Section 79-916, Revised Statutes Supplement,
18 2013, is amended to read:

19 79-916 (1)(a) On July 1, 2004, the board shall transfer
20 from the School Retirement Fund to the Service Annuity Fund an amount
21 equal to the funded ratio of the retirement system which is equal to
22 the market value of the retirement system assets divided by the
23 actuarial accrued liability of the retirement system, times the
24 actuarial accrued liability of the service annuity, as determined
25 pursuant to section 79-966.01, of the employees who are members of

1 the retirement system established pursuant to the ~~Class V~~ Alternate
2 School Employees Retirement Act. Beginning July 1, 2013, such
3 actuarial accrued liability shall be determined for each employee on
4 a level percentage of salary basis. On or before July 1 of each
5 fiscal year, the state shall deposit into the Service Annuity Fund
6 such amounts as may be necessary to pay the normal cost and amortize
7 the unfunded actuarial accrued liability of the service annuity, as
8 determined pursuant to section 79-966.01, as of the end of the
9 previous fiscal year of the employees who are members of the
10 retirement system established pursuant to the ~~Class V~~ Alternate
11 School Employees Retirement Act. Based on the fiscal year of the
12 retirement system established pursuant to the ~~Class V~~ Alternate
13 School Employees Retirement Act, the administrator of such system
14 shall provide all membership information needed for the actuary
15 engaged by the retirement board to determine the normal cost and the
16 amortization payment of the unfunded actuarial accrued liability, as
17 determined pursuant to section 79-966.01, to be paid by the state to
18 the Service Annuity Fund each fiscal year as required by this
19 subdivision.

20 (b) At the time of retirement of any employee who is a
21 member of the retirement system established pursuant to the ~~Class V~~
22 Alternate School Employees Retirement Act, the retirement board
23 shall, upon receipt of a certification of the administrator of such
24 retirement system of the name, identification number, date of birth,
25 retirement date, last date of employment, type of retirement, and

1 number of years of service credited to such eligible employee at the
2 date of retirement, transfer to such retirement system from the
3 Service Annuity Fund the actuarial accrued liability of the service
4 annuity to be paid by the state to the eligible employee for the
5 years of service thus certified as provided for members of the School
6 Employees Retirement System of the State of Nebraska under sections
7 79-933 and 79-952. Such transfer of the actuarial accrued liability
8 to the retirement system established pursuant to the ~~Class V~~
9 Alternate School Employees Retirement Act shall be in lieu of the
10 payment of the service annuity to which the employee would be
11 entitled.

12 (c) The Service Annuity Fund is created. The fund shall
13 consist of the amounts paid by the state and transferred from the
14 School Retirement Fund pursuant to this section to pay the service
15 annuity to be paid by the state to employees who are members of the
16 retirement system established pursuant to the ~~Class V~~ Alternate
17 School Employees Retirement Act. Any money in the Service Annuity
18 Fund available for investment shall be invested by the state
19 investment officer pursuant to the Nebraska Capital Expansion Act and
20 the Nebraska State Funds Investment Act.

21 (2) In addition to the transfer of the actuarial accrued
22 liability of the service annuity to be paid by the state, the state
23 shall also transfer to the funds of the ~~Class V school district's~~
24 alternate retirement system an amount determined by multiplying the
25 compensation of all members of such retirement system by the percent

1 specified in subsection (2) of section 79-966 for determining the
2 amount of the state's payment to the School Retirement Fund. The
3 transfer shall be made annually on or before July 1 of each fiscal
4 year.

5 Sec. 137. Section 79-939, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-939 All benefits under the retirement system shall be
8 paid as directed by the retirement board. Except as provided in
9 section 79-916, no member shall receive a retirement benefit from the
10 retirement system covering years for which he or she is being paid a
11 benefit under the ~~Class V~~ Alternate School Employees Retirement Act.

12 Sec. 138. Section 79-942, Revised Statutes Cumulative
13 Supplement, 2012, is amended to read:

14 79-942 For each person who qualifies under sections
15 79-941 to 79-946, the retirement board shall determine the value of
16 the total monthly benefit being received from the School Employees
17 Retirement System of the State of Nebraska or from the alternate
18 retirement system ~~for Class V districts~~ as provided by the ~~Class V~~
19 Alternate School Employees Retirement Act. From one hundred fifty-
20 five dollars, the retirement board shall subtract the total monthly
21 benefit. Such difference, if positive, shall be the supplemental
22 benefit and shall be paid to the retired person each month from the
23 School Retirement Fund, except that if this difference is less than
24 five dollars, a minimum payment of five dollars per month shall be
25 made to such person.

1 Sec. 139. Section 79-944, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 79-944 If a beneficiary is receiving the annuity provided
4 through the School Employees Retirement System of the State of
5 Nebraska or through the alternate retirement system ~~for Class V~~
6 ~~districts~~ as provided by the ~~Class V~~ Alternate School Employees
7 Retirement Act, the supplemental benefit shall be the benefit that
8 would be computed under section 79-942 had the deceased retired
9 person still been alive. The beneficiary will continue to receive the
10 supplemental benefit until the expiration of the annuity option
11 selected by the member.

12 Sec. 140. Section 79-947, Revised Statutes Cumulative
13 Supplement, 2012, is amended to read:

14 79-947 (1) Commencing October 1, 1988, the retirement
15 board shall determine an adjusted supplemental retirement benefit to
16 reflect changes in the cost of living and wage levels that have
17 occurred subsequent to the date of retirement for each person who is
18 retired from the School Employees Retirement System of the State of
19 Nebraska or from the alternate retirement system ~~for Class V school~~
20 ~~districts~~ as provided by the ~~Class V~~ Alternate School Employees
21 Retirement Act with twenty-five or more years of creditable service
22 as of October 1, 1988.

23 (2) For each person who qualifies under subsection (1) of
24 this section, the retirement board shall determine the value of the
25 total monthly benefit being received from the School Employees

1 Retirement System of the State of Nebraska or from the alternate
2 retirement system ~~for Class V school districts~~ as provided by the
3 ~~Class V~~ Alternate School Employees Retirement Act and the
4 supplemental benefit provided by section 79-942 if applicable. From
5 two hundred fifty dollars, the board shall subtract the total monthly
6 benefit. Such difference, if positive, shall be the adjusted
7 supplemental retirement benefit and shall be paid to the retired
8 person each month, except that if this difference is less than five
9 dollars, a minimum payment of five dollars per month shall be made to
10 such person. The adjusted supplemental retirement benefit shall be
11 paid to a retired person during his or her life.

12 (3) The retirement board may buy a paid-up annuity for a
13 retired person which guarantees the adjusted supplemental retirement
14 benefit provided under this section.

15 (4) The adjusted supplemental retirement benefit provided
16 under this section shall be funded from the Contingent Account but
17 only from such income that is attributable to employer and employee
18 contributions.

19 Sec. 141. Section 79-966, Revised Statutes Supplement,
20 2013, is amended to read:

21 79-966 (1) On the basis of all data in the possession of
22 the retirement board, including such mortality and other tables as
23 are recommended by the actuary engaged by the retirement board and
24 adopted by the retirement board, the retirement board shall annually,
25 on or before July 1, determine the state deposit to be made by the

1 state in the School Retirement Fund for that fiscal year. The amount
2 of such state deposit shall be determined pursuant to section
3 79-966.01. The retirement board shall thereupon certify the amount of
4 such state deposit, and on the warrant of the Director of
5 Administrative Services, the State Treasurer shall, as of July 1 of
6 such year, transfer from funds appropriated by the state for that
7 purpose to the School Retirement Fund the amount of such state
8 deposit.

9 (2) For each fiscal year beginning July 1, 2009, until
10 July 1, 2014, in addition to the state deposits required by
11 subsections (1) and (3) of this section, the state shall deposit in
12 the School Retirement Fund an amount equal to one percent of the
13 compensation of all members of the retirement system. For each fiscal
14 year beginning July 1, 2014, in addition to the state deposits
15 required by subsections (1) and (3) of this section, the state shall
16 deposit in the School Retirement Fund an amount equal to two percent
17 of the compensation of all members of the retirement system.

18 (3) In addition to the state deposits required by
19 subsections (1) and (2) of this section, beginning on July 1, 2005,
20 and each fiscal year thereafter, the state shall deposit in the
21 Service Annuity Fund such amounts as may be necessary to pay the
22 normal cost and amortize the unfunded actuarial accrued liability of
23 the service annuity benefit established pursuant to sections 79-933
24 and 79-952 as accrued through the end of the previous fiscal year of
25 the school employees who are members of the retirement system

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

3 Sec. 142. Section 79-978, Revised Statutes Cumulative
4 Supplement, 2012, is amended to read:

5 79-978 For purposes of the ~~Class V~~ Alternate School
6 Employees Retirement Act, unless the context otherwise requires:

7 (1) Retirement system or system means the School
8 Employees' Retirement System of (corporate name of the school
9 district as described in section 79-405) as provided for by the act;

10 (2) Board means the board of education of the school
11 district;

12 (3) Trustee means a trustee provided for in section
13 79-980;

14 (4) Employee means the following enumerated persons
15 receiving compensation from the school district: (a) Regular teachers
16 and administrators employed on a written contract basis; and (b)
17 regular employees, not included in subdivision (4)(a) of this
18 section, hired upon a full-time basis, which basis shall contemplate
19 a workweek of not less than thirty hours;

20 (5) Member means any employee included in the membership
21 of the retirement system or any former employee who has made
22 contributions to the system and has not received a refund;

23 (6) Annuitant means any member receiving an allowance;

24 (7) Beneficiary means any person entitled to receive or
25 receiving a benefit by reason of the death of a member;

1 (8) Membership service means service on or after
2 September 1, 1951, as an employee of the school district and a member
3 of the system for which compensation is paid by the school district.
4 Credit for more than one year of membership service shall not be
5 allowed for service rendered in any fiscal year. Beginning September
6 1, 2005, a member shall be credited with a year of membership service
7 for each fiscal year in which the member performs one thousand or
8 more hours of compensated service as an employee of the school
9 district. An hour of compensated service shall include any hour for
10 which the member is compensated by the school district during periods
11 where no service is performed due to vacation or approved leave. If a
12 member performs less than one thousand hours of compensated service
13 during a fiscal year, one-tenth of a year of membership service shall
14 be credited for each one hundred hours of compensated service by the
15 member in such fiscal year. In determining a member's total
16 membership service, all periods of membership service, including
17 fractional years of membership service in one-tenth-year increments,
18 shall be aggregated;

19 (9) Prior service means service rendered prior to
20 September 1, 1951, for which credit is allowed under section 79-999,
21 service rendered by retired employees receiving benefits under
22 preexisting systems, and service for which credit is allowed under
23 sections 79-990, 79-991, 79-994, 79-995, and 79-997;

24 (10) Creditable service means the sum of the membership
25 service and the prior service, measured in one-tenth-year increments;

1 (11) Compensation means salary or wages payable by the
2 school district before reduction for contributions picked up under
3 section 414(h) of the Internal Revenue Code, elective contributions
4 made pursuant to section 125 or 403(b) of the code, or amounts not
5 currently includible in income by reason of section 132(f)(4) of the
6 code, subject to the applicable limitations of section 401(a)(17) of
7 the code;

8 (12) Military service means service in the uniformed
9 services as defined in 38 U.S.C. 4301 et seq., as such provision
10 existed on March 27, 1997;

11 (13) Accumulated contributions means the sum of amounts
12 contributed by a member of the system together with regular interest
13 credited thereon;

14 (14) Regular interest means interest (a) on the total
15 contributions of the member prior to the close of the last preceding
16 fiscal year, (b) compounded annually, and (c) at rates to be
17 determined annually by the board, which shall have the sole,
18 absolute, and final discretionary authority to make such
19 determination, except that the rate for any given year in no event
20 shall exceed the actual percentage of net earnings of the system
21 during the last preceding fiscal year;

22 (15) Retirement date means the date of retirement of a
23 member for service or disability as fixed by the board;

24 (16) Normal retirement date means the end of the month
25 during which the member attains age sixty-five and has completed at

1 least five years of membership service;

2 (17) Early retirement date means that month and year
3 selected by a member having at least ten years of creditable service
4 which includes a minimum of five years of membership service and who
5 has attained age fifty-five;

6 (18) Retirement allowance means the total annual
7 retirement benefit payable to a member for service or disability;

8 (19) Annuity means annual payments, for both prior
9 service and membership service, for life as provided in the ~~Class V~~
10 Alternate School Employees Retirement Act;

11 (20) Actuarial tables means:

12 (a) For determining the actuarial equivalent of any
13 annuities other than joint and survivorship annuities, a unisex
14 mortality table using twenty-five percent of the male mortality and
15 seventy-five percent of the female mortality from the 1994 Group
16 Annuity Mortality Table with a One Year Setback and using an interest
17 rate of eight percent compounded annually; and

18 (b) For joint and survivorship annuities, a unisex
19 retiree mortality table using sixty-five percent of the male
20 mortality and thirty-five percent of the female mortality from the
21 1994 Group Annuity Mortality Table with a One Year Setback and using
22 an interest rate of eight percent compounded annually and a unisex
23 joint annuitant mortality table using thirty-five percent of the male
24 mortality and sixty-five percent of the female mortality from the
25 1994 Group Annuity Mortality Table with a One Year Setback and using

1 an interest rate of eight percent compounded annually;

2 (21) Actuarial equivalent means the equality in value of
3 the retirement allowance for early retirement or the retirement
4 allowance for an optional form of annuity, or both, with the normal
5 form of the annuity to be paid, as determined by the application of
6 the appropriate actuarial table, except that use of such actuarial
7 tables shall not effect a reduction in benefits accrued prior to
8 September 1, 1985, as determined by the actuarial tables in use prior
9 to such date;

10 (22) Fiscal year means the period beginning September 1
11 in any year and ending on August 31 of the next succeeding year;

12 (23) Primary beneficiary means the person or persons
13 entitled to receive or receiving a benefit by reason of the death of
14 a member; and

15 (24) Secondary beneficiary means the person or persons
16 entitled to receive or receiving a benefit by reason of the death of
17 all primary beneficiaries prior to the death of the member. If no
18 primary beneficiary survives the member, secondary beneficiaries
19 shall be treated in the same manner as primary beneficiaries.

20 Sec. 143. Section 79-978.01, Revised Statutes Cumulative
21 Supplement, 2012, is amended to read:

22 79-978.01 Sections 79-978 to 79-9,118 shall be known and
23 may be cited as the ~~Class V~~ Alternate School Employees Retirement
24 Act.

25 Sec. 144. Section 79-979, Reissue Revised Statutes of

1 Nebraska, is amended to read:

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

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

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

1 been in a ~~Class V~~ school district that participated in the retirement
2 system established pursuant to the ~~Class V~~ Alternate School Employees
3 Retirement Act.

4 Sec. 145. Section 79-980, Revised Statutes Cumulative
5 Supplement, 2012, is amended to read:

6 79-980 (1) At any time that ~~the retirement system~~
7 consists of that there is only one Class V school district governed
8 by the Alternate School Employees Retirement Act, the general
9 administration of the retirement system is hereby vested in the board
10 of education of such district. The board shall appoint, by a majority
11 of all its members, ten trustees to serve as executive officers to
12 administer the ~~Class V School Employees Retirement Act. retirement~~
13 system governed by the act. Such trustees shall consist of (a) the
14 superintendent of schools, as ex officio trustee, (b) four members of
15 the retirement system, two from the certificated staff, one from the
16 classified staff, and one from the annuitants, (c) three members of
17 the board of education, and (d) two trustees who are business persons
18 qualified in financial affairs and who are not members of the
19 retirement system. The trustees shall serve without compensation, but
20 they shall be reimbursed from the funds of the retirement system for
21 expenses that they may incur through service on the board of trustees
22 as provided in sections 81-1174 to 81-1177. A trustee shall serve
23 until a successor qualifies, except that trustees who are members of
24 the retirement system or members of the board of education shall be
25 disqualified as trustees immediately upon ceasing to be a member of

1 the retirement system or of the board of education. Each trustee
2 shall be entitled to one vote on the board of trustees, and six
3 trustees shall constitute a quorum for the transaction of any
4 business. The trustees who are appointed from the board of education
5 and the membership shall be appointed for each fiscal year. The two
6 trustees who are not members of the board of education or of the
7 retirement system shall be appointed for three fiscal years each. The
8 trustees and the administrator of the retirement system shall
9 administer the retirement system in compliance with the tax-
10 qualification requirements applicable to government retirement plans
11 under section 401(a) of the Internal Revenue Code, as defined in
12 section 49-801.01.

13 (2) At any time that the retirement system consists of
14 more than one ~~Class V~~ school district, the general administration of
15 the retirement system is hereby vested in a ~~Class V~~ the Alternate
16 Retirement System Board composed of three members of the school board
17 for each participating ~~Class V~~ school district. The board shall
18 appoint, by a majority of all its members, trustees to serve as
19 executive officers to administer the ~~Class V~~ Alternate School
20 Employees Retirement Act. Such trustees shall consist of (a) the
21 superintendent of each participating ~~Class V~~ school district, as ex
22 officio trustees, (b) four members of the retirement system, two from
23 the certificated staff, one from the classified staff, and one from
24 the annuitants, (c) three members of the board, and (d) two trustees
25 who are business persons qualified in financial affairs and who are

1 not members of the retirement system. The trustees who are appointed
2 from the board and the membership shall, to the extent feasible, be
3 appointed equally from each participating ~~Class V~~ school district.
4 The trustees shall serve without compensation, but they shall be
5 reimbursed from the funds of the retirement system for expenses that
6 they may incur through service on the board of trustees as provided
7 in sections 81-1174 to 81-1177. A trustee shall serve until a
8 successor qualifies, except that trustees who are members of the
9 retirement system or members of the board shall be disqualified as
10 trustees immediately upon ceasing to be a member of the retirement
11 system or of the board. Each trustee shall be entitled to one vote on
12 the board of trustees, and six trustees shall constitute a quorum for
13 the transaction of any business. The trustees who are appointed from
14 the board and the membership shall be appointed for each fiscal year.
15 The two trustees who are not members of the board or of the
16 retirement system shall be appointed for three fiscal years each. The
17 trustees and the administrator of the retirement system shall
18 administer the retirement system in compliance with the tax-
19 qualification requirements applicable to government retirement plans
20 under section 401(a) of the Internal Revenue Code, as defined in
21 section 49-801.01, including: Section 401(a)(9) of the Internal
22 Revenue Code relating to the time and manner in which benefits are
23 required to be distributed, including the incidental death benefit
24 distribution requirement of section 401(a)(9)(G) of the Internal
25 Revenue Code; section 401(a)(16) of the Internal Revenue Code

1 relating to the specification of actuarial assumptions; section
2 401(a)(31) of the Internal Revenue Code relating to direct rollover
3 distributions from eligible retirement plans; and section 401(a)(37)
4 of the Internal Revenue Code relating to the death benefit of a
5 member whose death occurs while performing qualified military
6 service.

7 Sec. 146. Section 79-981, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-981 The board of education or ~~Class V~~ Alternate
10 Retirement System Board shall from time to time establish rules and
11 regulations for the administration of the retirement system and for
12 the transaction of its business and shall appoint an administrator of
13 the retirement system. The board may contract for such medical and
14 other services as shall be required to transact the business of the
15 retirement system. Compensation for all persons employed by the board
16 and all other expenses of the board necessary for the proper and
17 efficient operation of the retirement system shall be paid in such
18 amounts as the board determines and approves.

19 In addition to such duties and other duties arising out
20 of the ~~Class V~~ Alternate School Employees Retirement Act not
21 specifically reserved or assigned to others, the board shall maintain
22 a separate account of each member's contribution, the record of which
23 shall be available to the member upon request, compile such data as
24 may be necessary for the required actuarial valuation, consider and
25 pass on all applications for annuities or other benefits and have

1 examinations made when advisable of persons receiving disability
2 benefits, and direct and determine all policies necessary in the
3 administration of the act.

4 Sec. 147. Section 79-983, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-983 The administrator of the retirement system shall
7 keep the minutes and records of the retirement system, shall be the
8 executive officer in charge of the administration of the detailed
9 affairs of the retirement system, and shall perform such other duties
10 as may be assigned by the board of education, the ~~Class V Alternate~~
11 Retirement System Board, or the trustees.

12 Sec. 148. Section 79-984, Revised Statutes Supplement,
13 2013, is amended to read:

14 79-984 The board of education or ~~Class V Alternate~~
15 Retirement System Board shall contract for the services of an actuary
16 who shall be the technical advisor of the board and the trustees on
17 matters regarding the operation of the retirement system. The actuary
18 shall (1) make a general investigation of the operation of the
19 retirement system annually, which investigation shall cover
20 mortality, retirement, disability, employment, turnover, interest,
21 and earnable compensation, and (2) recommend tables to be used for
22 all required actuarial calculations. The actuary shall perform such
23 other duties as may be assigned by the board.

24 Sec. 149. Section 79-985, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-985 The attorney for the board of education or ~~Class V~~
2 Alternate Retirement System Board shall be the legal advisor to the
3 trustees.

4 Sec. 150. Section 79-986, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-986 The school district, if there is only one ~~Class V~~
7 school district participating in the alternate retirement system, or
8 the ~~Class V~~ school district designated by the ~~Class V~~ Alternate
9 Retirement System Board, if there is more than one ~~Class V~~ school
10 district in the alternate retirement system, shall act as the
11 treasurer of the system and the official custodian of the cash and
12 securities belonging to the retirement system, shall provide adequate
13 safe deposit facilities for the preservation of such securities, and
14 shall hold such cash and securities subject to the order of the board
15 of education or ~~Class V~~ Alternate Retirement System Board.

16 The school district or designated school district shall
17 receive all items of taxes or cash belonging to the retirement system
18 and shall deposit in banks approved by the board of education or
19 ~~Class V~~ Alternate Retirement System Board all such amounts in trust
20 or custodial accounts. Notwithstanding any limitations elsewhere
21 imposed by statute on the location of the retirement system's
22 depository bank, such limitations shall not apply to the use of
23 depository banks for the custody of the system's cash, securities,
24 and other investments. The school district or designated school
25 district, as treasurer of the system, shall make payments for

1 purposes specified in the ~~Class V~~ Alternate School Employees
2 Retirement Act. All banks and custodians which receive and hold
3 securities and investments for the retirement system may hold and
4 evidence such securities by book entry account rather than obtaining
5 and retaining the original certificate, indenture, or governing
6 instrument for such security.

7 Sec. 151. Section 79-988, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-988 (1) Any person who becomes an employee on or after
10 the date of establishment of the retirement system shall become a
11 member of the retirement system upon employment. Contributions by
12 such employee under the ~~Class V~~ Alternate School Employees Retirement
13 Act shall begin with the first payroll period after becoming a
14 member, and creditable service shall then begin to accrue.

15 (2) Any employee who qualifies for membership in the
16 retirement system pursuant to subsection (1) of this section may not
17 be disqualified for membership in the retirement system solely
18 because such employee also maintains separate employment which
19 qualifies the employee for membership in another public retirement
20 system, nor may membership in this retirement system disqualify such
21 an employee from membership in another public retirement system
22 solely by reason of separate employment which qualifies such employee
23 for membership in this retirement system.

24 Sec. 152. Section 79-988.01, Revised Statutes Cumulative
25 Supplement, 2012, is amended to read:

1 79-988.01 Through the 2013-14 fiscal year, in addition to
2 the transfers pursuant to section 79-916, the state shall transfer to
3 the funds of each retirement system provided for in the ~~Class V~~
4 Alternate School Employees Retirement Act an amount equal to 14.11604
5 percent of six million eight hundred ninety-five thousand dollars.

6 Sec. 153. Section 79-991, Revised Statutes Supplement,
7 2013, is amended to read:

8 79-991 (1) An employee who becomes a member without prior
9 service credit may purchase prior service credit, not to exceed the
10 lesser of ten years or the member's years of membership service, for
11 the period of service the member was employed by a school district or
12 by an educational service unit and which is not used in the
13 calculation of any retirement or disability benefit having been paid,
14 being paid, or payable in the future to such member under any defined
15 benefit retirement system or program maintained by such other school
16 district or educational service unit. The purchase of prior service
17 credit shall be made in accordance with and subject to the following
18 requirements:

19 (a) A member who desires to purchase prior service credit
20 shall make written application to the administrator of the retirement
21 system that includes all information and documentation determined by
22 the administrator as necessary to verify the member's prior service
23 and qualification to purchase the prior service credit. Such
24 application shall include the member's written authorization for the
25 administrator to request and receive from any of the member's former

1 employers verification of the member's prior service, salary, and
2 other information for determining the member's eligibility to
3 purchase prior service credit. Before prior service credit may be
4 purchased, the administrator shall have received verification of the
5 member's salary in each year with the other school district or
6 educational service unit and confirmation that the prior service to
7 be purchased by the member is not also credited in the calculation of
8 a retirement or disability benefit for such member under another
9 defined benefit retirement system or program. The member's
10 application to purchase prior service credit may be made at any time
11 before the fifth anniversary of the member's membership in the
12 retirement system or, if earlier, the member's termination of
13 employment with the school district;

14 (b) The member shall pay to the retirement system the
15 total amount he or she would have contributed to the retirement
16 system had he or she been a member of the retirement system during
17 the period for which prior service is being purchased, together with
18 interest thereon as determined using the rate of interest established
19 by the board for interest on such purchases of prior service credit.
20 Such payment shall be based on the most recent years' salary the
21 member earned in another school district or educational service unit
22 if the salary is verified by the other school district or educational
23 service unit or, if not, the payment shall be based on the member's
24 annual salary at the time he or she became a member;

25 (c) Payments by the member for the purchase of the prior

1 service credit shall be paid as the trustees may direct through
2 direct payments to the retirement system or on an installment basis
3 pursuant to a binding irrevocable payroll deduction authorization
4 between the member and the school district over a period not to
5 exceed five years from the date of membership. Interest on delayed
6 payments shall be at the rate of interest established by the board
7 for determining interest on delayed payments by members to the
8 retirement system. In the event the member terminates employment with
9 the school district for any reason before full payment for the prior
10 service has been made, the remaining installments shall be
11 immediately due and payable to the retirement system. Prior service
12 credit may be purchased only in one-tenth-year increments, and if
13 payments are made on an installment basis, the prior service will be
14 credited only as payment has been made to the retirement system. If
15 the prior service to be purchased by the member exceeds the member's
16 membership service at the time of application or any subsequent date,
17 such excess prior service shall be credited to the member only as the
18 member completes and is credited additional membership service, in
19 one-tenth-year increments, notwithstanding the member's payment for
20 such prior service credit. If the member retires or terminates
21 employment before completing sufficient membership service to permit
22 all of the excess prior service that has been purchased by the member
23 to be credited to such member, the retirement system shall refund to
24 the member, or to the member's beneficiary if the member's
25 termination is due to his or her death, the payments that have been

1 made to the retirement system for such uncredited prior service,
2 together with regular interest on such refund; and

3 (d) The school district shall contribute to the
4 retirement system an amount equal to the amount paid by each member
5 for the purchase of prior service credit at the time such payments
6 are made by such member.

7 (2) Any member having five or more years of creditable
8 service, excluding years of prior service acquired pursuant to
9 section 79-990, 79-994, 79-995, or 79-997, or subsection (1) of this
10 section, may elect to purchase up to a total of five years of
11 additional creditable service under the retirement system, and upon
12 such purchase the member shall be given the same status as though he
13 or she had been a member of the retirement system for such additional
14 number of years, except as otherwise specifically provided in the
15 ~~Class V Alternate~~ School Employees Retirement Act. Creditable service
16 may be purchased only in one-tenth-year increments. The amount to be
17 paid to the retirement system for such creditable service shall be
18 equal to the actuarial cost to the retirement system of the increased
19 benefits attributable to such additional creditable service as
20 determined by the retirement system's actuary at the time of the
21 purchase pursuant to actuarial assumptions and methods adopted by the
22 trustees for this purpose. The election to purchase additional
23 creditable service may be made at any time before the member's
24 termination of employment, and all payments for the purchase of such
25 creditable service must be completed within five years after the

1 election or before the member's termination or retirement, whichever
2 event occurs first. Payment shall be made as the trustees may direct
3 through a single payment to the retirement system, on an installment
4 basis, including payments pursuant to a binding irrevocable payroll
5 deduction authorization between the member and the school district,
6 or by such other method approved by the trustees and permitted by
7 law. If payments are made on an installment basis, creditable service
8 will be credited only as payment has been made to the retirement
9 system to purchase each additional one-tenth-year increment. Interest
10 shall be charged on installment payments at the rate of interest
11 established by the board for determining interest on delayed payments
12 by members to the retirement system.

13 Sec. 154. Section 79-992, Revised Statutes Supplement,
14 2013, is amended to read:

15 79-992 (1) A member who has five years or more of
16 creditable service, excluding years of prior service acquired
17 pursuant to section 79-990, 79-991, 79-994, 79-995, or 79-997, and
18 who severs his or her employment may elect to leave his or her
19 contributions in the retirement system, in which event he or she
20 shall receive a retirement allowance at normal retirement age based
21 on the annuity earned to the date of such severance. Such member may
22 elect to receive a retirement allowance at early retirement age if
23 such member retires at an early retirement date. Such annuity shall
24 be adjusted in accordance with section 79-9,100. Upon the severance
25 of employment, except on account of retirement, a member shall be

1 entitled to receive refunds as follows: (a) An amount equal to the
2 accumulated contributions to the retirement system by the member; and
3 (b) any contributions made to a previously existing system which were
4 refundable under the terms of that system. Any member receiving a
5 refund of contributions shall thereby forfeit and relinquish all
6 accrued rights in the retirement system including all accumulated
7 creditable service, except that if any member who has withdrawn his
8 or her contributions as provided in this section reenters the service
9 of the district and again becomes a member of the retirement system,
10 he or she may restore any or all money previously received by him or
11 her as a refund, including the interest on the amount of the restored
12 refund for the period of his or her absence from the district's
13 service as determined using the interest rate established by the
14 board for interest on such restored refunds, and he or she shall then
15 again receive credit for that portion of service which the restored
16 money represents. Such restoration may be made as the trustees may
17 direct through direct payments to the system or on an installment
18 basis pursuant to a binding irrevocable payroll deduction authorized
19 between the member and the school district over a period of not to
20 exceed five years from the date of reemployment. Interest on delayed
21 payments shall be at the rate of interest established by the board
22 for determining interest on delayed payments by members to the
23 retirement system. Creditable service may be purchased only in one-
24 tenth-year increments, starting with the most recent years' salary.

25 (2) A retired member who returns to employment as an

1 employee of the school district shall again participate in the
2 retirement system as a new member and shall make contributions to the
3 retirement system commencing upon reemployment. The retirement
4 annuity of a retired member who returns to employment with the school
5 district shall continue to be paid by the retirement system. A
6 retired member who returns to employment as an employee of the school
7 district shall receive creditable service only for service performed
8 after his or her return to employment and in no event shall
9 creditable service which accrues or the compensation paid to the
10 member after such return to employment after retirement increase the
11 amount of the member's original retirement annuity.

12 (3) Upon termination of the reemployed member, the member
13 shall receive in addition to the retirement annuity which commenced
14 at the time of the previous retirement (a) if the member has accrued
15 five years or more of creditable service after his or her return to
16 employment, excluding years of prior service acquired pursuant to
17 section 79-990, 79-991, 79-994, 79-995, or 79-997, a retirement
18 annuity as provided in section 79-999 or 79-9,100, as applicable,
19 calculated solely on the basis of creditable service and final
20 average compensation accrued and earned after the member's return to
21 employment after his or her original retirement, and as adjusted to
22 reflect any payment in other than the normal form or (b) if the
23 member has not accrued five years or more of creditable service after
24 his or her return to employment, a refund equal to the member's
25 accumulated contributions which were credited to the member after the

1 member's return to employment. In no event shall the member's
2 creditable service which accrued prior to a previous retirement be
3 considered as part of the member's creditable service after his or
4 her return to employment for any purpose of the ~~Class V~~ Alternate
5 School Employees Retirement Act.

6 (4) In the event a member is entitled to receive a refund
7 of contributions pursuant to subsection (1) or subdivision (3)(b) of
8 this section in an amount greater than one thousand dollars, if the
9 member does not elect to have the refund paid directly to himself or
10 herself or transferred to an eligible retirement plan designated by
11 the member as a direct rollover pursuant to section 79-998, then the
12 refund of contributions shall be paid in a direct rollover to an
13 individual retirement plan designated by the trustees.

14 Sec. 155. Section 79-994, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-994 For one year from May 30, 1987, any person who was
17 an employee of another school district prior to May 30, 1987, has
18 joined or rejoined the retirement system, and has not previously paid
19 into the retirement system a total of ten years of service in another
20 school district may elect to pay the retirement system any unpaid
21 portion of such service up to a total of ten years. Such electing
22 employee shall furnish satisfactory proof that he or she has been
23 employed for such period of time by another school district and shall
24 pay to the retirement system the total amount which he or she would
25 have contributed to the retirement system had he or she been a member

1 of the retirement system plus the regular interest which would have
2 accrued on such amount during such period under the retirement
3 system. Such contribution shall be based on the most recent years'
4 salary the employee earned in another school district if the salary
5 is verified by the other school district or, if not, on his or her
6 annual salary at the time he or she became a member and shall be
7 payable in total for the period of time, not exceeding ten years, for
8 which such member requests such prior service credit. Any person who
9 pays such amount shall be given credit for any number of years of
10 service which he or she has elected to pay for, not to exceed ten
11 years of service rendered as an employee in another school district,
12 and shall be given the same status as though he or she had been a
13 member of the retirement system for such number of years, except as
14 otherwise specifically provided in the ~~Class V~~ Alternate School
15 Employees Retirement Act.

16 Sec. 156. Section 79-995, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-995 For one year from May 30, 1987, any person who
19 served in the armed forces as specified in subsection (1) of section
20 79-990 or who was on a leave of absence as specified in subsection
21 (2) of such section, has again become an employee, and has not
22 previously paid into the system for all of the years of military
23 service or leave of absence permitted by such section may elect to
24 pay into the retirement system for the total number of years of
25 service authorized by such section but not previously paid in. The

1 amount to be paid in by the member shall be calculated as provided in
2 such section. Any person who pays such amount shall be given credit
3 for any number of years of service for which he or she has elected to
4 pay, not to exceed the total number of years authorized by such
5 section, and shall be given the same status as though he or she had
6 been a member of the retirement system for such number of years,
7 except as otherwise specifically provided in the ~~Class V~~Alternate
8 School Employees Retirement Act.

9 Sec. 157. Section 79-997, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-997 On or before May 27, 1988, any person who was an
12 employee of an educational service unit in the State of Nebraska
13 prior to April 7, 1988, has joined or rejoined the retirement system,
14 and has not previously paid into the retirement system a total of ten
15 years of service in another school district or educational service
16 unit may elect to pay the retirement system any unpaid portion of
17 such service up to a total of ten years. Such electing employee shall
18 furnish satisfactory proof that he or she has been employed for such
19 period of time by an educational service unit and shall pay to the
20 retirement system the total amount which he or she would have
21 contributed to the retirement system had he or she been a member of
22 the retirement system plus the regular interest which would have
23 accrued on such amount during such period under the retirement
24 system. Such contribution shall be based on the most recent years'
25 salary the employee earned in the educational service unit if the

1 salary is verified by the educational service unit or, if not, on his
2 or her annual salary at the time he or she became a member and shall
3 be payable in total for the period of time, not exceeding ten years,
4 for which such member requests such prior service credit. Any person
5 who pays such amount shall be given credit for any number of years of
6 service for which he or she has elected to pay, not to exceed ten
7 years of service rendered as an employee in another school district
8 or educational service unit, and shall be given the same status as
9 though he or she had been a member of the retirement system for such
10 number of years except as otherwise specifically provided in the
11 ~~Class V Alternate~~ School Employees Retirement Act. This section shall
12 not apply to employees retiring prior to April 7, 1988.

13 Sec. 158. Section 79-998, Revised Statutes Cumulative
14 Supplement, 2012, is amended to read:

15 79-998 (1) The retirement system may accept as payment
16 for additional service credit that is purchased pursuant to sections
17 79-990 to 79-992 an eligible rollover distribution from or on behalf
18 of the member who is making payments for such service credit if the
19 eligible rollover distribution does not exceed the amount of payment
20 required for the service credit being purchased by the member. The
21 eligible rollover distribution may be contributed to the retirement
22 system by the member or directly transferred from the plan that is
23 making the eligible rollover distribution on behalf of the member.
24 Contribution by a member pursuant to this section may only be made in
25 the form of a cash contribution. For purposes of this section, an

1 eligible rollover distribution means all or any portion of an amount
2 that qualifies as an eligible rollover distribution under the
3 Internal Revenue Code from:

4 (a) A plan of another employer which is qualified under
5 section 401(a) or 403(a) of the Internal Revenue Code;

6 (b) An annuity contract or custodial account described in
7 section 403(b) of the Internal Revenue Code;

8 (c) An eligible deferred compensation plan under section
9 457(b) of the Internal Revenue Code which is maintained by a
10 governmental employer described in section 457(e)(1)(A) of the
11 Internal Revenue Code; or

12 (d) An individual retirement account or annuity described
13 in section 408(a) or section 408(b) of the Internal Revenue Code that
14 is eligible to be rolled over to an employer plan under the Internal
15 Revenue Code.

16 (2) The retirement system may accept as payment for
17 service credit that is purchased pursuant to sections 79-990 to
18 79-992 a direct trustee-to-trustee transfer from an eligible deferred
19 compensation plan as described in section 457(e)(17) of the Internal
20 Revenue Code on behalf of a member who is making payments for such
21 service credit if the amount transferred from the eligible deferred
22 compensation plan does not exceed the amount of payment required for
23 the service credit being purchased and the purchase of such service
24 credit qualifies as the purchase of permissive service credit by the
25 member as defined in section 415(n)(3) of the Internal Revenue Code.

1 (3) The trustees may establish rules, regulations, and
2 limitations on the eligible rollover distributions and direct
3 trustee-to-trustee transfers that may be accepted by the retirement
4 system pursuant to this section, including restrictions on the type
5 of assets that may be transferred to the retirement system.

6 (4) Cash and other properties contributed or transferred
7 to the system pursuant to this section shall be deposited and held as
8 a commingled asset of the system and shall not be separately
9 accounted for or invested for the member's benefit. Contributions or
10 direct transfers made by or on behalf of any member pursuant to this
11 section shall be treated as qualifying payments under sections 79-990
12 to 79-992 and as employee contributions for all other purposes of the
13 ~~Class V~~ Alternate School Employees Retirement Act except in
14 determining federal and state tax treatment of distributions from the
15 system.

16 (5) The system, the board, the trustees, and their
17 respective members, officers, and employees shall have no
18 responsibility or liability with respect to the federal and state
19 income tax consequences of any contribution or transfer to the system
20 pursuant to this section, and the trustees may require as a condition
21 to the system's acceptance of any rollover contribution or transfer
22 satisfactory evidence that the proposed contribution or transfer is a
23 qualifying rollover contribution or trustee-to-trustee transfer under
24 the Internal Revenue Code and reasonable releases or indemnifications
25 from the member against any and all liabilities which may in any way

1 be connected with such contribution or transfer.

2 (6) Effective January 1, 1993, any member who is to
3 receive an eligible rollover distribution, as defined in the Internal
4 Revenue Code, from the system may, in accordance with such rules,
5 regulations, and limitations as may be established by the trustees,
6 elect to have such distribution made in the form of a direct transfer
7 to a retirement plan eligible to receive such transfer under the
8 provisions of the Internal Revenue Code. Any such election shall be
9 made in the form and within the time periods established by the
10 trustees.

11 (7) A member's surviving spouse or former spouse who is
12 an alternate payee under a qualified domestic relations order and, on
13 or after September 1, 2010, any designated beneficiary of a member
14 who is not a surviving spouse or former spouse who is entitled to
15 receive an eligible rollover distribution from the system may, in
16 accordance with such rules, regulations, and limitations as may be
17 established by the trustees, elect to have such distribution made in
18 the form of a direct transfer to a retirement plan eligible to
19 receive such transfer under the provisions of the Internal Revenue
20 Code.

21 (8) An eligible rollover distribution on behalf of a
22 designated beneficiary of a member who is not a surviving spouse or
23 former spouse of the member may be transferred to an individual
24 retirement account or annuity described in section 408(a) or section
25 408(b) of the Internal Revenue Code that is established for the

1 purpose of receiving the distribution on behalf of the designated
2 beneficiary and that will be treated as an inherited individual
3 retirement account or individual retirement annuity described in
4 section 408(d)(3)(C) of the Internal Revenue Code.

5 (9) All distributions from the system shall be subject to
6 all withholdings required by federal or state tax laws.

7 Sec. 159. Section 79-9,100, Revised Statutes Supplement,
8 2013, is amended to read:

9 79-9,100 (1) In lieu of the retirement annuity provided
10 by section 79-999 or 79-9,113, any member who becomes eligible to
11 receive a retirement annuity after February 20, 1982, under the ~~Class~~
12 ~~V-Alternate~~ School Employees Retirement Act shall receive a formula
13 retirement annuity based on final average compensation, except that
14 if the monthly formula retirement annuity based on final average
15 compensation is less than the monthly retirement annuity specified in
16 section 79-999 or 79-9,113, accrued to the date of retirement or
17 August 31, 1983, whichever first occurs, the member shall receive the
18 monthly retirement annuity specified in section 79-999 or 79-9,113
19 accrued to the date of retirement or August 31, 1983, whichever first
20 occurs.

21 (2) The monthly formula retirement annuity based on final
22 average compensation shall be determined by multiplying the number of
23 years of creditable service for which such member would otherwise
24 receive the retirement annuity provided by section 79-999 or 79-9,113
25 by one and one-half percent of his or her final average compensation.

1 For retirements after June 15, 1989, and before April 18, 1992, the
2 applicable percentage shall be one and sixty-five hundredths percent
3 of his or her final average compensation. For retirements on or after
4 April 18, 1992, and before June 7, 1995, the applicable percentage
5 shall be one and seventy-hundredths percent of his or her final
6 average compensation. For retirements on or after June 7, 1995, and
7 before March 4, 1998, the applicable percentage shall be one and
8 eighty-hundredths percent of his or her final average compensation.
9 For retirements on or after March 4, 1998, and before March 22, 2000,
10 the applicable percentage shall be one and eighty-five hundredths
11 percent of his or her final average compensation. For retirements on
12 or after March 22, 2000, the applicable percentage shall be two
13 percent of his or her final average compensation.

14 (3) Final average compensation shall be determined:

15 (a) Except as provided in subdivision (3)(b) of this
16 section, by dividing the member's total compensation for the three
17 fiscal years in which such compensation was the highest by thirty-
18 six; and

19 (b) For an employee who became a member on or after July
20 1, 2013, by dividing the member's total compensation for the five
21 fiscal years in which such compensation was the highest by sixty.

22 (4) For retirements before June 7, 1995, if the annuity
23 begins prior to the sixty-second birthday of the member and the
24 member has not completed thirty-five or more years of creditable
25 service, the annuity at the date it begins shall be the actuarial

1 equivalent of the annuity deferred to the sixty-second birthday of
2 the member. If the annuity begins prior to the sixty-second birthday
3 of the member and the member has completed thirty-five or more years
4 of creditable service, the annuity shall not be reduced. For
5 retirements on or after June 7, 1995, any retirement annuity which
6 begins prior to the sixty-second birthday of the member shall be
7 reduced by twenty-five hundredths percent for each month or partial
8 month between the date the annuity begins and the member's sixty-
9 second birthday. If the annuity begins at a time when:

10 (a) The sum of the member's attained age and creditable
11 service is eighty-five or more, the annuity shall not be reduced;

12 (b) The sum of the member's attained age and creditable
13 service totals eighty-four, the annuity shall not be reduced by an
14 amount greater than three percent of the unreduced annuity;

15 (c) The sum of the member's attained age and creditable
16 service totals eighty-three, the annuity shall not be reduced by an
17 amount greater than six percent of the unreduced annuity; and

18 (d) The sum of the member's attained age and creditable
19 service totals eighty-two, the annuity shall not be reduced by an
20 amount greater than nine percent of the unreduced annuity.

21 (5) For purposes of this section, a member's creditable
22 service and attained age shall be measured in one-half-year
23 increments.

24 (6) The normal form of the formula retirement annuity
25 based on final average compensation shall be an annuity payable

1 monthly during the remainder of the member's life with the provision
2 that in the event of his or her death before sixty monthly payments
3 have been made the monthly payments will be continued to his or her
4 estate or to the beneficiary he or she has designated until a total
5 of sixty monthly payments have been made. A member may elect to
6 receive, in lieu of the normal form of annuity, an actuarially
7 equivalent annuity in any optional form provided by section 79-9,101.

8 (7) Any member receiving a formula retirement annuity
9 based on final average compensation shall also receive the service
10 annuity to be paid by the State of Nebraska as provided in sections
11 79-933 to 79-935 and 79-951.

12 Sec. 160. Section 79-9,102, Revised Statutes Supplement,
13 2013, is amended to read:

14 79-9,102 (1) Notwithstanding any other provision of the
15 ~~Class V-Alternate~~ School Employees Retirement Act, no member or
16 beneficiary of the retirement system shall receive in any calendar
17 year an annuity or other benefit which would exceed the maximum
18 benefit permitted under section 415 of the Internal Revenue Code, or
19 any successor provision and the regulations issued thereunder, as
20 they may be amended from time to time, and as adjusted as of January
21 1 of each calendar year to the dollar limitation as determined for
22 such year by the Commissioner of Internal Revenue pursuant to section
23 415(d) of the Internal Revenue Code to reflect cost-of-living
24 adjustments, and the amount of benefit to be paid to any member or
25 beneficiary by the retirement system shall be adjusted each calendar

1 year, if necessary, to conform with the maximum benefit permitted
2 under section 415 of the Internal Revenue Code. The cost-of-living
3 adjustment to the maximum benefit permitted under section 415 of the
4 Internal Revenue Code shall apply to determining the maximum benefit
5 of a member who severed employment or commenced receiving benefits
6 prior to the effective date of the adjustment.

7 (2) Any payments provided for by sections 79-990, 79-991,
8 and 79-992 for the purchase or restoration of creditable service
9 shall be subject to the limitations of section 415 of the Internal
10 Revenue Code on annual additions to the system, and the trustees may
11 suspend payments, alter installment periods, or, if such suspension
12 or alteration is not possible, deny the purchase of all or a portion
13 of the creditable service desired to be purchased, as necessary to
14 comply with the requirements of section 415 of the Internal Revenue
15 Code.

16 (3) This section is intended to meet and incorporate the
17 requirements of section 415 of the Internal Revenue Code and
18 regulations under that section that are applicable to governmental
19 plans and shall be construed in accordance with section 415 of the
20 Internal Revenue Code and the regulations issued thereunder and
21 shall, by this reference, incorporate any subsequent changes made to
22 such section as the same may apply to the retirement system.

23 Sec. 161. Section 79-9,103, Revised Statutes Supplement,
24 2013, is amended to read:

25 79-9,103 (1) Any annuity paid on or after September 1,

1 1983, to a member who retired prior to February 21, 1982, pursuant to
2 the ~~Class V~~ Alternate School Employees Retirement Act, or to such
3 member's beneficiary, or to a person who retired under the provisions
4 of the retirement system established by statute for employees of
5 ~~Class V~~ participating school districts in effect prior to September
6 1, 1951, or to such person's beneficiary, shall be adjusted by the
7 increase in the cost of living or wage levels between the effective
8 date of retirement and June 30, 1983, except that such increase shall
9 not exceed the sum of one dollar and fifty cents per month for each
10 year of creditable service and one dollar per month for each
11 completed year of retirement as measured from the effective date of
12 retirement to June 30, 1983. No separate adjustment in such annuity
13 shall be made as a result of the changes made in section 79-9,113
14 pursuant to Laws 1983, LB 488. If a joint and survivor annuity was
15 elected, the increase shall be actuarially adjusted so that the joint
16 and survivor annuity remains the actuarial equivalent of the life
17 annuity otherwise payable.

18 (2) In addition to the cost-of-living adjustment provided
19 in subsection (1) of this section, any annuity paid on or after
20 September 1, 1986, pursuant to the act or pursuant to the provisions
21 of the retirement system established by statute for employees of
22 ~~Class V~~ participating school districts in effect prior to September
23 1, 1951, and on which the first payment was dated on or before
24 September 1, 1985, shall be adjusted by the increase in the cost of
25 living or wage levels between the effective date of retirement and

1 June 30, 1986, except that such increase shall not exceed (a) three
2 and one-half percent for annuities first paid on or after September
3 1, 1984, (b) seven percent for annuities first paid on or after
4 September 1, 1983, but before September 1, 1984, or (c) ten and one-
5 half percent for all other annuities.

6 (3) In addition to the cost-of-living adjustment provided
7 in subsections (1) and (2) of this section, any annuity paid on or
8 after September 1, 1989, pursuant to the act or pursuant to the
9 provisions of the retirement system established by statute for
10 employees of ~~Class V~~ participating school districts in effect prior
11 to September 1, 1951, and on which the first payment was dated on or
12 before September 1, 1988, shall be adjusted by the increase in the
13 cost of living or wage levels between the effective date of
14 retirement and June 30, 1989, except that such increase shall not
15 exceed (a) three percent for annuities first paid on or after
16 September 1, 1987, (b) six percent for annuities first paid on or
17 after September 1, 1986, but before September 1, 1987, or (c) nine
18 percent for all other annuities.

19 (4) In addition to the cost-of-living adjustment provided
20 in subsections (1), (2), and (3) of this section, any annuity paid on
21 or after September 1, 1992, pursuant to the act or pursuant to the
22 provisions of the retirement system established by statute for
23 employees of ~~Class V~~ participating school districts in effect prior
24 to September 1, 1951, and on which the first payment was dated on or
25 before October 1, 1991, shall be adjusted by the increase in the cost

1 of living or wage levels between the effective date of retirement and
2 June 30, 1992, except that such increase shall not exceed (a) three
3 percent for annuities first paid after October 1, 1990, (b) six
4 percent for annuities first paid after October 1, 1989, but on or
5 before October 1, 1990, or (c) nine percent for all other annuities.

6 (5) In addition to the cost-of-living adjustment provided
7 in subsections (1), (2), (3), and (4) of this section, any annuity
8 paid on or after September 1, 1995, pursuant to the act or pursuant
9 to the provisions of the retirement system established by statute for
10 employees of ~~Class V participating~~ school districts in effect prior
11 to September 1, 1951, and on which the first payment was dated on or
12 before October 1, 1994, shall be adjusted by the increase in the cost
13 of living or wage levels between the effective date of retirement and
14 June 30, 1995, except that such increase shall not exceed (a) three
15 percent for annuities first paid after October 1, 1993, (b) six
16 percent for annuities first paid after October 1, 1992, but on or
17 before October 1, 1993, or (c) nine percent for all other annuities.

18 (6) In addition to the cost-of-living adjustment provided
19 in subsections (1), (2), (3), (4), and (5) of this section, any
20 annuity paid pursuant to the act or pursuant to the provisions of the
21 retirement system established by statute for employees of ~~Class V~~
22 participating school districts in effect prior to September 1, 1951,
23 and on which the first payment was dated on or before October 1,
24 1994, shall be subject to adjustment to equal the greater of (a) the
25 annuity payable to the member or beneficiary as adjusted, if

1 applicable, under the provisions of subsection (1), (2), (3), (4), or
2 (5) of this section or (b) ninety percent of the annuity which
3 results when the original annuity that was paid to the member or
4 beneficiary (before any cost-of-living adjustments under this
5 section), is adjusted by the increase in the cost of living or wage
6 levels between the commencement date of the annuity and June 30,
7 1995.

8 (7) In addition to the cost-of-living adjustment provided
9 in subsections (1), (2), (3), (4), (5), and (6) of this section, any
10 annuity paid on or after September 1, 1998, pursuant to the act or
11 pursuant to the provisions of the retirement system established by
12 statute for employees of ~~Class V participating~~ school districts in
13 effect prior to September 1, 1951, and on which the first payment was
14 dated on or before October 3, 1997, shall be adjusted by the increase
15 in the cost of living or wage levels between the effective date of
16 retirement and June 30, 1998, except that such increase shall not
17 exceed (a) three percent for annuities first paid after October 1,
18 1996, (b) six percent for annuities first paid after October 1, 1995,
19 but on or before October 1, 1996, or (c) nine percent for all other
20 annuities.

21 (8) Beginning January 1, 2000, and on January 1 of every
22 year thereafter, for employees of ~~Class V participating~~ school
23 districts who were members prior to July 1, 2013, a cost-of-living
24 adjustment shall be made for any annuity being paid pursuant to the
25 act, or pursuant to the provisions of the retirement system

1 established by statute for employees of ~~Class V~~ participating school
2 districts in effect prior to September 1, 1951, and on which the
3 first payment was dated on or before October 3 preceding such January
4 1 adjustment date. The cost-of-living adjustment for any such annuity
5 shall be the lesser of (a) one and one-half percent or (b) the
6 increase in the consumer price index from the date such annuity first
7 became payable through the August 31 preceding the January 1
8 adjustment date as reduced by the aggregate cost-of-living
9 adjustments previously made to the annuity pursuant to this section.

10 (9) Beginning January 1, 2014, and on January 1 of every
11 year thereafter, for employees of ~~Class V~~ participating school
12 districts who became members on or after July 1, 2013, a cost-of-
13 living adjustment shall be made for any annuity being paid pursuant
14 to the act and on which the first payment was dated on or before
15 October 3 preceding such January 1 adjustment date. The cost-of-
16 living adjustment for any such annuity shall be the lesser of (a) one
17 percent or (b) the increase in the consumer price index from the date
18 such annuity first became payable through the August 31 preceding the
19 January 1 adjustment date as reduced by the aggregate cost-of-living
20 adjustments previously made to the annuity pursuant to this section.

21 (10) Beginning September 1, 1999, the actuary shall make
22 an annual valuation of the assets and liabilities of the system. If
23 the annual valuation made by the actuary, as approved by the
24 trustees, indicates that the system has sufficient actuarial surplus
25 to provide for a cost-of-living adjustment in addition to the

1 adjustment made pursuant to subsection (8) or (9) of this section,
2 the board may, in its discretion, declare by resolution that each
3 annuity being paid pursuant to the act, or pursuant to the provisions
4 of the retirement system established by statute for employees of
5 ~~Class V participating~~ school districts in effect prior to September
6 1, 1951, and on which the first payment was dated on or before
7 October 3 of the year such resolution is adopted, shall be increased
8 beginning as of the January 1 following the date of the board's
9 resolution by such percentage as may be declared by the board, except
10 that such increase for any such annuity shall not exceed the increase
11 in the consumer price index from the date such annuity first became
12 payable through the applicable valuation date as reduced by the
13 aggregate cost-of-living adjustments previously made to the annuity
14 pursuant to this section.

15 (11) Except for the adjustments pursuant to subsection
16 (13) of this section, the consumer price index to be used for
17 determining any cost-of-living adjustment under this section shall be
18 the Consumer Price Index - All Urban Consumers, as published by the
19 Bureau of Labor Statistics of the United States Department of Labor.
20 If this consumer price index is discontinued or replaced, a
21 substitute index published by the United States Department of Labor
22 shall be selected by the board, upon recommendation of the trustees,
23 which shall be a reasonable representative measurement of the cost of
24 living for retired employees. An annuity as increased by any cost-of-
25 living adjustment made under this section shall be considered the

1 base annuity amount for the purpose of future adjustments pursuant to
2 this section. In no event shall any cost-of-living adjustment be
3 deemed to affect or increase the amount of the base retirement
4 annuity of a member as determined under section 79-999 or 79-9,100.

5 (12) Any decision or determination by the board (a) to
6 declare or not declare a cost-of-living adjustment, (b) as to whether
7 the annual valuation indicates a sufficient actuarial surplus to
8 provide for a cost-of-living adjustment, or (c) pursuant to the
9 selection of a substitute index shall be made in the sole, absolute,
10 and final discretion of the board and shall not be subject to
11 challenge by any member or beneficiary. In no event shall the
12 Legislature be constrained or limited in amending the system or
13 increasing the benefits of members under the system, nor shall the
14 board or trustees be constrained from supporting any such change to
15 the system, notwithstanding the effect of any such change upon the
16 actuarial surplus of the system and the ability of the board to
17 declare future cost-of-living adjustments.

18 (13) The Legislature finds and declares that there exists
19 in this state a pressing need to attract and retain qualified and
20 dedicated public school employees and that one of the factors
21 prospective public school employees consider when seeking or
22 continuing public school employment is the retirement system and
23 benefits the employment provides. The Legislature further finds that
24 over the past decades, as reflected by the Medical Price Index
25 published by the United States Department of Labor, the cost of

1 medical care, including the cost of medications and insurance
2 coverages, has increased at a rate in excess of that by which the
3 Consumer Price Index - All Urban Consumers has increased. The
4 Legislature further finds and declares that there accordingly exists
5 a need to adjust the amount of retirement benefits paid to retired
6 public school employees in order to assist them in meeting the
7 increased cost of medical care. Therefor, in addition to the cost-of-
8 living adjustments provided in subsections (1) through (12) of this
9 section, commencing on October 3, 2001, and on October 3 of every
10 year thereafter, a medical cost-of-living adjustment shall be paid to
11 any annuitant who has been paid an annuity from the retirement system
12 for at least ten years through the October 3 adjustment date. The
13 cost-of-living adjustment shall be paid in the form of a supplemental
14 annuity providing monthly payments equal to the amount which results
15 when (a) the fraction, not to exceed one, that results when the
16 annuitant's years of creditable service at his or her retirement date
17 is divided by twenty, is multiplied by (b) the product of ten dollars
18 times the number of years, including attained one-half years, that
19 such annuitant has received annuity payments from the retirement
20 system through the October 3 adjustment date. The supplemental
21 annuity being paid to an annuitant shall increase by ten dollars on
22 October 3 of each subsequent year to reflect the additional year of
23 annuity payments to the annuitant until the total amount of the
24 supplemental annuity is two hundred fifty dollars. In no event shall
25 the medical cost-of-living adjustment for any annuitant pursuant to

1 this subsection result in the payment of a supplemental annuity
2 exceeding two hundred fifty dollars per month. The supplemental
3 annuity paid to an annuitant pursuant to this subsection shall cease
4 at the death of the annuitant regardless of the form of retirement
5 annuity being paid to the annuitant at the time of his or her death.

6 Sec. 162. Section 79-9,104, Revised Statutes Cumulative
7 Supplement, 2012, is amended to read:

8 79-9,104 (1) Except as provided in subsection (4) of this
9 section, all annuities and other benefits payable under the ~~Class V~~
10 Alternate School Employees Retirement Act and all accumulated credits
11 of members of the retirement system shall not be assignable or
12 subject to execution, garnishment, or attachment except to the extent
13 that such annuity or benefit is subject to a qualified domestic
14 relations order as such term is defined in and which meets the
15 requirements of section 414(p) of the Internal Revenue Code. The
16 payment of any annuity or benefit subject to such order shall take
17 priority over any payment made pursuant to subsection (4) of this
18 section. Payments under such a qualified domestic relations order
19 shall be made only after the administrator of the retirement system
20 receives written notice of such order and such additional information
21 and documentation as the administrator may require.

22 (2) In lieu of the assignment of a member's future
23 annuity or benefit to the member's spouse or former spouse, the
24 retirement system shall permit the spouse or former spouse of a
25 member to receive, pursuant to a qualified domestic relations order,

1 a single sum payment of a specified percentage of the member's
2 accumulated contributions on the condition that upon the payment of
3 such amount the spouse or former spouse shall have no further
4 interest in the retirement system or in the remaining benefit of the
5 member under the retirement system.

6 (3) A member's interest and benefits under the retirement
7 system shall be reduced, either at termination of employment,
8 retirement, disability, or death, by the actuarial value of the
9 benefit assigned or paid to the member's spouse, former spouse, or
10 other dependents under a qualified domestic relations order, as
11 determined by the plan actuary on the basis of the actuarial
12 assumptions then recommended by the actuary pursuant to section
13 79-984.

14 (4) If a member of the retirement system is convicted of
15 or pleads no contest to a felony that is defined as assault, sexual
16 assault, kidnapping, child abuse, false imprisonment, or theft by
17 embezzlement and is found liable for civil damages as a result of
18 such felony, following distribution of the member's annuities or
19 benefits from the retirement system, the court may order the payment
20 of the member's annuities or benefits earned under the retirement
21 system for such civil damages, except that the annuities or benefits
22 to the extent reasonably necessary for the support of the member or
23 any of his or her beneficiaries shall be exempt from such payment.
24 Any order for payment of annuities or benefits shall not be stayed on
25 the filing of any appeal of the conviction. If the conviction is

1 reversed on final judgment, all annuities or benefits paid as civil
2 damages shall be forfeited and returned to the member. The changes
3 made to this section by Laws 2012, LB916, shall apply to persons
4 convicted of or who have pled no contest to such a felony and who
5 have been found liable for civil damages as a result of such felony
6 prior to, on, or after April 7, 2012.

7 Sec. 163. Section 79-9,107, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-9,107 The funds of the retirement system which are not
10 required for current operations shall be invested and reinvested by
11 the trustees subject to the approval of the board of education or
12 ~~Class V Alternate~~ Retirement System Board as provided in sections
13 79-9,108 to 79-9,111. Except as otherwise provided in the ~~Class V~~
14 ~~Alternate~~ School Employees Retirement Act, no trustee and no member
15 of the board shall have any direct interest in the income, gains, or
16 profits of any investment made by the trustees, nor shall any such
17 person receive any pay or emolument for services in connection with
18 any such investment. No trustee or member of the board shall become
19 an endorser or surety or in any manner an obligor for money loaned by
20 or borrowed from the retirement system. Any person who violates any
21 of these restrictions shall be guilty of a Class II misdemeanor.

22 Sec. 164. Section 79-9,108, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-9,108 The trustees, with approval of the board of
25 education or ~~Class V Alternate~~ Retirement System Board, shall invest

1 and reinvest funds of the retirement system. A professional
2 investment manager may be employed by the trustees subject to
3 approval of the board of education or ~~Class V~~ Alternate Retirement
4 System Board. The professional investment manager shall be
5 responsible for the purchase, sale, exchange, investment, or
6 reinvestment of such funds subject to guidelines determined by the
7 trustees. The trustees shall each month submit a report to the board
8 of education or ~~Class V~~ Alternate Retirement System Board with
9 respect to the investment of funds. The board of education or ~~Class V~~
10 Alternate Retirement System Board shall approve or disapprove the
11 investments in the report, and in the event of disapproval of any
12 investment, the board shall direct the sale of all or part of such
13 investment or establish future policy with respect to that type of
14 investment.

15 Sec. 165. Section 79-9,109, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-9,109 In the event of default in the payment of
18 principal of, or interest on, the investments made, the trustees are
19 authorized to institute the proper proceedings to collect such
20 matured principal or interest, and may, with approval of the board of
21 education or ~~Class V~~ Alternate Retirement System Board, accept for
22 exchange purposes, refunding bonds or other evidences of indebtedness
23 with interest rates to be agreed upon with the obligor. The trustees,
24 with the approval of the board of education or ~~Class V~~ Alternate
25 Retirement System Board, are further authorized to make such

1 compromises, adjustments, or disposition of the past-due interest or
2 principal as are in default, or to make such compromises and
3 adjustments as to future payments of interest or principal as deemed
4 advisable for the purpose of protecting the investment.

5 Sec. 166. Section 79-9,113, Revised Statutes Supplement,
6 2013, is amended to read:

7 79-9,113 (1)(a) If, at any future time, a majority of the
8 eligible members of the retirement system votes to be included under
9 an agreement providing old age and survivors insurance under the
10 Social Security Act of the United States, the contributions to be
11 made by the member and the school district for membership service,
12 from and after the effective date of the agreement with respect to
13 services performed subsequent to December 31, 1954, shall each be
14 reduced from five to three percent but not less than three percent of
15 the member's salary per annum, and the credits for membership service
16 under this system, as provided in section 79-999, shall thereafter be
17 reduced from one and one-half percent to nine-tenths of one percent
18 and not less than nine-tenths of one percent of salary or wage earned
19 by the member during each fiscal year, and from one and sixty-five
20 hundredths percent to one percent and not less than one percent of
21 salary or wage earned by the member during each fiscal year and from
22 two percent to one and two-tenths percent of salary or wage earned by
23 the member during each fiscal year, and from two and four-tenths
24 percent to one and forty-four hundredths percent of salary or wage
25 earned by the member during each fiscal year, except that after

1 September 1, 1963, and prior to September 1, 1969, all employees of
2 the school district shall contribute an amount equal to the
3 membership contribution which shall be two and three-fourths percent
4 of salary covered by old age and survivors insurance, and five
5 percent above that amount. Commencing September 1, 1969, all
6 employees of the school district shall contribute an amount equal to
7 the membership contribution which shall be two and three-fourths
8 percent of the first seven thousand eight hundred dollars of salary
9 or wages earned each fiscal year and five percent of salary or wages
10 earned above that amount in the same fiscal year. Commencing
11 September 1, 1976, all employees of the school district shall
12 contribute an amount equal to the membership contribution which shall
13 be two and nine-tenths percent of the first seven thousand eight
14 hundred dollars of salary or wages earned each fiscal year and five
15 and twenty-five hundredths percent of salary or wages earned above
16 that amount in the same fiscal year. Commencing on September 1, 1982,
17 all employees of the school district shall contribute an amount equal
18 to the membership contribution which shall be four and nine-tenths
19 percent of the compensation earned in each fiscal year. Commencing
20 September 1, 1989, all employees of the school district shall
21 contribute an amount equal to the membership contribution which shall
22 be five and eight-tenths percent of the compensation earned in each
23 fiscal year. Commencing September 1, 1995, all employees of the
24 school district shall contribute an amount equal to the membership
25 contribution which shall be six and three-tenths percent of the

1 compensation earned in each fiscal year. Commencing September 1,
2 2007, all employees of the school district shall contribute an amount
3 equal to the membership contribution which shall be seven and three-
4 tenths percent of the compensation paid in each fiscal year.
5 Commencing September 1, 2009, all employees of the school district
6 shall contribute an amount equal to the membership contribution which
7 shall be eight and three-tenths percent of the compensation paid in
8 each fiscal year. Commencing September 1, 2011, all employees of the
9 school district shall contribute an amount equal to the membership
10 contribution which shall be nine and three-tenths percent of the
11 compensation paid in each fiscal year. Commencing September 1, 2013,
12 all employees of the school district shall contribute an amount equal
13 to the membership contribution which shall be nine and seventy-eight
14 hundredths percent of the compensation paid in each fiscal year.

15 (b) The contributions by the school district in any
16 fiscal year beginning on or after September 1, 1999, shall be the
17 greater of (i) one hundred percent of the contributions by the
18 employees for such fiscal year or (ii) such amount as may be
19 necessary to maintain the solvency of the system, as determined
20 annually by the board upon recommendation of the actuary and the
21 trustees.

22 (c) The contributions by the school district in any
23 fiscal year beginning on or after September 1, 2007, shall be the
24 greater of (i) one hundred one percent of the contributions by the
25 employees for such fiscal year or (ii) such amount as may be

1 necessary to maintain the solvency of the system, as determined
2 annually by the board upon recommendation of the actuary and the
3 trustees.

4 (d) The employee's contribution shall be made in the form
5 of a monthly deduction from compensation as provided in subsection
6 (2) of this section. Every employee who is a member of the system
7 shall be deemed to consent and agree to such deductions and shall
8 receipt in full for compensation, and payment to such employee of
9 compensation less such deduction shall constitute a full and complete
10 discharge of all claims and demands whatsoever for services rendered
11 by such employee during the period covered by such payment except as
12 to benefits provided under the ~~Class V~~ Alternate School Employees
13 Retirement Act.

14 (e) After September 1, 1963, and prior to September 1,
15 1969, all employees shall be credited with a membership service
16 annuity which shall be nine-tenths of one percent of salary or wage
17 covered by old age and survivors insurance and one and one-half
18 percent of salary or wages above that amount, except that those
19 employees who retire on or after August 31, 1969, shall be credited
20 with a membership service annuity which shall be one percent of
21 salary or wages covered by old age and survivors insurance and one
22 and sixty-five hundredths percent of salary or wages above that
23 amount for service performed after September 1, 1963, and prior to
24 September 1, 1969. Commencing September 1, 1969, all employees shall
25 be credited with a membership service annuity which shall be one

1 percent of the first seven thousand eight hundred dollars of salary
2 or wages earned by the employee during each fiscal year and one and
3 sixty-five hundredths percent of salary or wages earned above that
4 amount in the same fiscal year, except that all employees retiring on
5 or after August 31, 1976, shall be credited with a membership service
6 annuity which shall be one and forty-four hundredths percent of the
7 first seven thousand eight hundred dollars of salary or wages earned
8 by the employee during such fiscal year and two and four-tenths
9 percent of salary or wages earned above that amount in the same
10 fiscal year, and the retirement annuities of employees who have not
11 retired prior to September 1, 1963, and who elected under the
12 provisions of section 79-988 as such section existed immediately
13 prior to February 20, 1982, not to become members of the system shall
14 not be less than they would have been had they remained under any
15 preexisting system to date of retirement.

16 (f) Members of this system having the service
17 qualifications of members of the School Employees Retirement System
18 of the State of Nebraska, as provided by section 79-926, shall
19 receive the state service annuity provided by sections 79-933 to
20 79-935 and 79-951.

21 (2) The school district shall pick up the employee
22 contributions required by this section for all compensation paid on
23 or after January 1, 1985, and the contributions so picked up shall be
24 treated as employer contributions in determining federal tax
25 treatment under the Internal Revenue Code, except that the school

1 district shall continue to withhold federal income taxes based upon
2 these contributions until the Internal Revenue Service or the federal
3 courts rule that, pursuant to section 414(h) of the Internal Revenue
4 Code, these contributions shall not be included as gross income of
5 the employee until such time as they are distributed or made
6 available. The school district shall pay these employee contributions
7 from the same source of funds which is used in paying earnings to the
8 employee. The school district shall pick up these contributions by a
9 salary deduction either through a reduction in the cash salary of the
10 employee or a combination of a reduction in salary and offset against
11 a future salary increase. Beginning September 1, 1995, the school
12 district shall also pick up any contributions required by sections
13 79-990, 79-991, and 79-992 which are made under an irrevocable
14 payroll deduction authorization between the member and the school
15 district, and the contributions so picked up shall be treated as
16 employer contributions in determining federal tax treatment under the
17 Internal Revenue Code, except that the school district shall continue
18 to withhold federal and state income taxes based upon these
19 contributions until the Internal Revenue Service rules that, pursuant
20 to section 414(h) of the Internal Revenue Code, these contributions
21 shall not be included as gross income of the employee until such time
22 as they are distributed from the system. Employee contributions
23 picked up shall be treated for all purposes of the ~~Class V~~Alternate
24 School Employees Retirement Act in the same manner and to the extent
25 as employee contributions made prior to the date picked up.

1 Sec. 167. Section 79-9,115, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-9,115 All allowances, annuities, or other benefits
4 granted under the ~~Class V~~ Alternate School Employees Retirement Act,
5 and all expenses incurred in connection with the administration of
6 the act, except clerical work incurred in connection with maintenance
7 of records and payment of benefits, shall be paid from the retirement
8 fund hereby established. Such clerical work shall be performed by
9 employees of the school district or districts and paid for out of the
10 general fund of the school district or districts.

11 Sec. 168. Section 79-1003, Revised Statutes Supplement,
12 2013, is amended to read:

13 79-1003 For purposes of the Tax Equity and Educational
14 Opportunities Support Act:

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

1 allowance, and (b) for school fiscal year 2013-14 and each school
2 fiscal year thereafter, the difference of the general fund operating
3 expenditures as calculated pursuant to subdivision (22) of this
4 section increased by the cost growth factor calculated pursuant to
5 section 79-1007.10, minus the transportation allowance, special
6 receipts allowance, poverty allowance, limited English proficiency
7 allowance, distance education and telecommunications allowance,
8 elementary site allowance, summer school allowance, instructional
9 time allowance, teacher education allowance, and focus school and
10 program allowance;

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

21 (3) Allocated income tax funds means the amount of
22 assistance paid to a local system pursuant to section 79-1005.01 as
23 adjusted by the minimum levy adjustment pursuant to section
24 79-1008.02;

25 (4) Average daily membership means the average daily

1 membership for grades kindergarten through twelve attributable to the
2 local system, as provided in each district's annual statistical
3 summary, and includes the proportionate share of students enrolled in
4 a public school instructional program on less than a full-time basis;

5 (5) Base fiscal year means the first school fiscal year
6 following the school fiscal year in which the reorganization or
7 unification occurred;

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

9 (7) Categorical funds means funds limited to a specific
10 purpose by federal or state law, including, but not limited to, Title
11 I funds, Title VI funds, federal vocational education funds, federal
12 school lunch funds, Indian education funds, Head Start funds, and
13 funds from the Education Innovation Fund. Categorical funds does not
14 include funds received pursuant to section 79-1028.02 or 79-1028.04;

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

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

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

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

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

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

15 (14) Equalization aid means the amount of assistance
16 calculated to be paid to a local system pursuant to sections
17 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,
18 79-1022.02, 79-1028.02, and 79-1028.04;

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

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

25 (17) Formula students means:

1 (a) For state aid certified pursuant to section 79-1022,
2 the sum of the product of fall membership from the school fiscal year
3 immediately preceding the school fiscal year in which the aid is to
4 be paid multiplied by the average ratio of average daily membership
5 to fall membership for the second school fiscal year immediately
6 preceding the school fiscal year in which the aid is to be paid and
7 the prior two school fiscal years plus sixty percent of the qualified
8 early childhood education fall membership plus tuitioned students
9 from the school fiscal year immediately preceding the school fiscal
10 year in which aid is to be paid minus the product of the number of
11 students enrolled in kindergarten that is not full-day kindergarten
12 from the fall membership multiplied by 0.5; and

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

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

25 (19) Full-day kindergarten means kindergarten offered by

1 a district for at least one thousand thirty-two instructional hours;

2 (20) General fund budget of expenditures means the total
3 budget of disbursements and transfers for general fund purposes as
4 certified in the budget statement adopted pursuant to the Nebraska
5 Budget Act, except that for purposes of the limitation imposed in
6 section 79-1023 and the calculation pursuant to subdivision (2) of
7 section 79-1027.01, the general fund budget of expenditures does not
8 include any special grant funds, exclusive of local matching funds,
9 received by a district;

10 (21) General fund expenditures means all expenditures
11 from the general fund;

12 (22) General fund operating expenditures means for state
13 aid calculated for school fiscal years 2012-13 and each school fiscal
14 year thereafter, as reported on the annual financial report for the
15 second school fiscal year immediately preceding the school fiscal
16 year in which aid is to be paid, the total general fund expenditures
17 minus (a) the amount of all receipts to the general fund, to the
18 extent that such receipts are not included in local system formula
19 resources, from early childhood education tuition, summer school
20 tuition, educational entities as defined in section 79-1201.01 for
21 providing distance education courses through the Educational Service
22 Unit Coordinating Council to such educational entities, private
23 foundations, individuals, associations, charitable organizations, the
24 textbook loan program authorized by section 79-734, federal impact
25 aid, and levy override elections pursuant to section 77-3444, (b) the

1 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, (c) the amount of any transfers from the general fund to any
7 bond fund and transfers from other funds into the general fund, (d)
8 any legal expenses in excess of fifteen-hundredths of one percent of
9 the formula need for the school fiscal year in which the expenses
10 occurred, (e) expenditures to pay for sums agreed to be paid by a
11 school district to certificated employees in exchange for a voluntary
12 termination occurring prior to July 1, 2009, occurring on or after
13 the last day of the 2010-11 school year and prior to the first day of
14 the 2013-14 school year, or, to the extent that a district has
15 demonstrated to the State Board of Education pursuant to section
16 79-1028.01 that the agreement will result in a net savings in salary
17 and benefit costs to the school district over a five-year period,
18 occurring on or after the first day of the 2013-14 school year, (f)
19 (i) expenditures to pay for employer contributions pursuant to
20 subsection (2) of section 79-958 to the School Employees Retirement
21 System of the State of Nebraska to the extent that such expenditures
22 exceed the employer contributions under such subsection that would
23 have been made at a contribution rate of seven and thirty-five
24 hundredths percent or (ii) expenditures to pay for school district
25 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113

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

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

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

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

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

24 (26) Limited English proficiency students means the
25 number of students with limited English proficiency in a district

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

8 (27) Local system means a learning community for purposes
9 of calculation of state aid for the second full school fiscal year
10 after becoming a learning community and each school fiscal year
11 thereafter, a unified system, a ~~Class VI~~-district maintaining only
12 high school grades or grades seven through twelve or six through
13 twelve under the direction of a single school board and the
14 associated Class I elementary-only districts, or a Class II, III, IV,
15 or V-district offering instruction in kindergarten through grade
16 twelve and any affiliated Class I elementary-only districts or
17 portions of Class I districts. thereof. The membership, expenditures,
18 and resources of ~~Class I elementary-only~~ districts that are
19 affiliated with multiple high school districts will be attributed to
20 local systems based on the percent of the ~~Class I~~-valuation of the
21 elementary-only district that is affiliated with each high school
22 district;

23 (28) Low-income child means a child under nineteen years
24 of age living in a household having an annual adjusted gross income
25 for the second calendar year preceding the beginning of the school

1 fiscal year for which aid is being calculated equal to or less than
2 the maximum household income that would allow a student from a family
3 of four people to be a free lunch and free milk student during the
4 school fiscal year immediately preceding the school fiscal year for
5 which aid is being calculated;

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

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

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

25 (32) Qualified early childhood education average daily

1 membership means the product of the average daily membership for
2 school fiscal year 2006-07 and each school fiscal year thereafter of
3 students who will be eligible to attend kindergarten the following
4 school year and are enrolled in an early childhood education program
5 approved by the department pursuant to section 79-1103 for such
6 school district for such school year multiplied by the ratio of the
7 actual instructional hours of the program divided by one thousand
8 thirty-two if: (a) The program is receiving a grant pursuant to such
9 section for the third year; (b) the program has already received
10 grants pursuant to such section for three years; or (c) the program
11 has been approved pursuant to subsection (5) of section 79-1103 for
12 such school year and the two preceding school years, including any
13 such students in portions of any of such programs receiving an
14 expansion grant;

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

1 subsection (5) of section 79-1103 for such school year and the two
2 preceding school years, including any such students in portions of
3 any of such programs receiving an expansion grant;

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

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

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

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

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

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

24 (c)(i) Less than one and one-half formula students per
25 square mile in the local system and (ii) more than two hundred

1 seventy-five square miles in the local system; or

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

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

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

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

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

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

25 (43) Statewide average basic funding per formula student

1 means the statewide total basic funding for all districts divided by
2 the statewide total formula students for all districts;

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

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

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

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

24 (48) Tuitioned students means students in kindergarten
25 through grade twelve of the district whose tuition is paid by the

1 district to some other district or education agency; and

2 (49) Very sparse local system means a local system that
3 has:

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

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

15 Sec. 169. Section 79-1005.01, Revised Statutes Cumulative
16 Supplement, 2012, is amended to read:

17 79-1005.01 (1) An amount equal to the amount appropriated
18 to the School District Income Tax Fund for distribution in school
19 fiscal year 1992-93 shall be disbursed as option payments as
20 determined under section 79-1009 and as allocated income tax funds as
21 determined in this section and sections 79-1008.01, 79-1015.01,
22 79-1017.01, and 79-1018.01, except as provided in section 79-1008.02.
23 Funds not distributed as allocated income tax funds due to minimum
24 levy adjustments shall not increase the amount available to local
25 systems for distribution as allocated income tax funds.

1 (2) Not later than November 15 of each year, the Tax
2 Commissioner shall certify to the department for the preceding tax
3 year the income tax liability of resident individuals for each local
4 system. ~~The 1996 income tax liability of resident individuals of~~
5 ~~Class I districts that are affiliated with multiple high school~~
6 ~~districts shall be divided between local systems based on the~~
7 ~~percentage of the Class I district's valuation affiliated with each~~
8 ~~high school district.~~

9 (3) Using the data certified by the Tax Commissioner
10 pursuant to subsection (2) of this section, the department shall
11 calculate the allocation percentage and each local system's allocated
12 income tax funds. The allocation percentage shall be an amount equal
13 to the amount appropriated to the School District Income Tax Fund for
14 distribution in school fiscal year 1992-93 minus the total amount
15 paid for option students pursuant to section 79-1009 and (a) for aid
16 calculated for school fiscal year 2010-11, minus twenty million
17 dollars and (b) for aid calculated for school fiscal years 2011-12
18 and 2012-13, minus twenty-one million dollars with the difference
19 divided by the aggregate statewide income tax liability of all
20 resident individuals certified pursuant to subsection (2) of this
21 section. Each local system's allocated income tax funds shall be
22 calculated by multiplying the allocation percentage times the local
23 system's income tax liability certified pursuant to subsection (2) of
24 this section.

25 Sec. 170. Section 79-1011, Revised Statutes Cumulative

1 Supplement, 2012, is amended to read:

2 79-1011 (1) To encourage consolidation of ~~Class II and~~
3 ~~III~~-school districts that maintain at least high school grades under
4 the direction of a single school board with less than three hundred
5 ninety students, incentives shall be paid to reorganized ~~Class II,~~
6 ~~III, IV, or V~~-districts offering instruction in kindergarten through
7 grade twelve resulting from consolidations which meet the
8 requirements of this section. This section shall only apply to
9 consolidations with an effective date after May 31, 2009, and before
10 June 1, 2011.

11 (2) To qualify for incentive payments under this section,
12 the consolidation must be approved for incentive payments by the
13 State Committee for the Reorganization of School Districts.
14 Consolidating school districts shall file an application with the
15 state committee on or before June 15, 2009, or within thirty days
16 following the issuance of the boundary change order pursuant to
17 subsection (1) of section 79-479, whichever is later. The state
18 committee shall approve or disapprove incentive payments within
19 thirty days after receipt of the application.

20 (3) For incentive payments to be approved by the state
21 committee, a reorganization study, including efficiency, demographic,
22 curriculum, facility, financial, and community components, must be
23 completed prior to the reorganization. If a study containing such
24 elements has been completed and the study indicates that the
25 reorganization will most likely result in more efficiency in the

1 delivery of educational services or greater educational
2 opportunities, the state committee may approve incentive payments.

3 (4) Incentive payments shall be based on the number of
4 students moving from ~~Class II or III~~ school districts that maintain
5 at least high school grades under the direction of a single school
6 board with less than three hundred ninety students into a reorganized
7 Class II, III, IV, or V school district offering instruction in
8 kindergarten through grade twelve with at least three hundred ninety
9 students based on the average daily membership in each affected
10 district in the school fiscal year immediately preceding the first
11 school fiscal year the boundary change will be in effect and the
12 average daily membership the consolidated district would have had
13 following the boundary change if it had occurred in the school fiscal
14 year immediately preceding the first school fiscal year the boundary
15 change will be in effect. The incentive amount for each district
16 involved in the reorganization having an average daily membership of
17 less than three hundred ninety students shall equal one hundred
18 twenty-five thousand dollars plus the product of five hundred dollars
19 per student multiplied by the difference of three hundred ninety
20 students minus the average daily membership in such district.

21 (5) Except as otherwise provided in this subsection, base
22 fiscal year incentive payments shall equal fifty percent of the
23 amount calculated pursuant to subsection (4) of this section. Base
24 fiscal year incentive payments shall be calculated as of August 2
25 immediately preceding the base fiscal year and shall be paid directly

1 to the reorganized district from the School District Reorganization
2 Fund pursuant to subsection (6) of this section. The payments shall
3 be made in ten as nearly as possible equal payments on the last
4 business day of each month, beginning in September and ending the
5 following June, for the base fiscal year. If the total amount of base
6 fiscal year incentive payments for that school fiscal year exceeds
7 the amount in the School District Reorganization Fund, the base
8 fiscal year incentive payments shall be reduced proportionately so
9 that the total amount of base fiscal year incentive payments equals
10 the amount of funds so appropriated. The base fiscal year incentive
11 payments shall not be included in local system formula resources as
12 calculated under section 79-1018.01.

13 (6) The amount calculated pursuant to subsection (4) of
14 this section minus the amount of base fiscal year incentive payments
15 pursuant to subsection (5) of this section shall be paid out of any
16 remaining funds in the School District Reorganization Fund after base
17 fiscal year incentive payments. If the total amount of second-year
18 incentive payments exceeds the remaining funds, the second-year
19 incentive payments shall be reduced proportionately so that the total
20 amount of second-year incentive payments equals the amount in the
21 fund. Second-year incentive payments shall not be included in local
22 system formula resources as calculated pursuant to section
23 79-1018.01.

24 Sec. 171. Section 79-1025, Revised Statutes Cumulative
25 Supplement, 2012, is amended to read:

1 79-1025 The basic allowable growth rate for general fund
2 expenditures other than expenditures for special education shall be
3 the base limitation established under section 77-3446. The budget
4 authority for special education for all ~~classes of~~ school districts
5 shall be the actual anticipated expenditures for special education
6 subject to the approval of the state board. Such budget authority and
7 funds generated pursuant to such budget authority shall be used only
8 for special education expenditures.

9 Sec. 172. Section 79-1027.01, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-1027.01 If the total levy required for property tax
12 requests for all general fund budgets in a local system exceeds the
13 amount that can be generated by the maximum levy pursuant to
14 subdivision (2)(a) of section 77-3442, the high school district shall
15 be entitled to take the necessary steps to comply with such maximum
16 levy by:

17 (1) Reducing the property tax request for each district
18 up to the amount by which the district's budgeted general fund cash
19 reserve exceeds fifteen percent of the district's general fund budget
20 of expenditures for the preceding school fiscal year, and for ~~Class I~~
21 districts that maintain only elementary grades under the direction of
22 a single school board, this difference multiplied by the percentage
23 of ~~the Class I~~ such district's valuation which is affiliated with or
24 part of the high school district;

25 (2) If the reductions under subdivision (1) of this

1 section do not reduce the required levy to the maximum levy permitted
2 under subdivision (2)(a) of section 77-3442, reducing the property
3 tax request for each district proportionately based on the amount of
4 the difference between the district's general fund budget of
5 expenditures minus the special education budget of expenditures for
6 the current budget year and a two-year average for the two preceding
7 school fiscal years of the general fund budget of expenditures minus
8 the special education budget of expenditures up to such difference,
9 and for ~~Class I~~-districts that maintain only elementary grades under
10 the direction of a single school board, this difference multiplied by
11 the percentage of the ~~Class I~~-district's valuation which is
12 affiliated with or part of the high school district; and

13 (3) If the reductions under subdivisions (1) and (2) of
14 this section do not reduce the required levy to the maximum levy
15 permitted under subdivision (2)(a) of section 77-3442, reducing the
16 property tax request for each district by an amount proportional to
17 the district's share of the total property tax request for the
18 preceding school fiscal year such that the required local system levy
19 shall be the maximum levy allowed under subdivision (2)(a) of section
20 77-3442. ~~Class I districts~~ School districts that maintain only
21 elementary grades under the direction of a single school board with
22 multiple high school districts which are required to reduce their
23 general fund property tax request pursuant to this section shall make
24 such reduction as necessary to effect the total required from this
25 calculation within each local system requiring the reduction.

1 Sec. 173. Section 79-1028.01, Revised Statutes
2 Supplement, 2013, is amended to read:

3 79-1028.01 (1) For each school fiscal year, a school
4 district may exceed its budget authority for the general fund budget
5 of expenditures as calculated pursuant to section 79-1023 for such
6 school fiscal year by a specific dollar amount for the following
7 exclusions:

8 (a) Expenditures for repairs to infrastructure damaged by
9 a natural disaster which is declared a disaster emergency pursuant to
10 the Emergency Management Act;

11 (b) Expenditures for judgments, except judgments or
12 orders from the Commission of Industrial Relations, obtained against
13 a school district which require or obligate a school district to pay
14 such judgment, to the extent such judgment is not paid by liability
15 insurance coverage of a school district;

16 (c) Expenditures pursuant to the Retirement Incentive
17 Plan authorized in section 79-855 or the Staff Development Assistance
18 authorized in section 79-856;

19 (d) Expenditures of amounts received from educational
20 entities as defined in section 79-1201.01 for providing distance
21 education courses through the Educational Service Unit Coordinating
22 Council to such educational entities;

23 (e) Expenditures to pay for employer contributions
24 pursuant to subsection (2) of section 79-958 to the School Employees
25 Retirement System of the State of Nebraska to the extent that such

1 expenditures exceed the employer contributions under such subsection
2 that would have been made at a contribution rate of seven and thirty-
3 five hundredths percent;

4 (f) Expenditures to pay for school district contributions
5 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the
6 retirement system established pursuant to the ~~Class V~~ Alternate
7 School Employees Retirement Act to the extent that such expenditures
8 exceed the school district contributions under such subdivision that
9 would have been made at a contribution rate of seven and thirty-seven
10 hundredths percent;

11 (g) Expenditures for sums agreed to be paid by a school
12 district to certificated employees in exchange for a voluntary
13 termination occurring prior to July 1, 2009, occurring on or after
14 the last day of the 2010-11 school year and prior to the first day of
15 the 2013-14 school year, or, to the extent that a district
16 demonstrates to the State Board of Education pursuant to subsection
17 (3) of this section that the agreement will result in a net savings
18 in salary and benefit costs to the school district over a five-year
19 period, occurring on or after the first day of the 2013-14 school
20 year;

21 (h) Any expenditures in school fiscal years 2016-17 and
22 2017-18 of amounts specified in the notice provided by the
23 Commissioner of Education pursuant to section 79-309.01 for teacher
24 performance pay;

25 (i) The special education budget of expenditures; and

1 (j) Expenditures of special grant funds.

2 (2) For each school fiscal year, a school district may
3 exceed its budget authority for the general fund budget of
4 expenditures as calculated pursuant to section 79-1023 for such
5 school fiscal year by a specific dollar amount and include such
6 dollar amount in the budget of expenditures used to calculate budget
7 authority for the general fund budget of expenditures pursuant to
8 section 79-1023 for future years for the following exclusions:

9 (a) Expenditures of incentive payments or base fiscal
10 year incentive payments to be received in such school fiscal year
11 pursuant to section 79-1011;

12 (b) The first school fiscal year the district will be
13 participating in Network Nebraska for the full school fiscal year,
14 for the difference of the estimated expenditures for such school
15 fiscal year for telecommunications services, access to data
16 transmission networks that transmit data to and from the school
17 district, and the transmission of data on such networks as such
18 expenditures are defined by the department for purposes of the
19 distance education and telecommunications allowance minus the dollar
20 amount of such expenditures for the second school fiscal year
21 preceding the first full school fiscal year the district participates
22 in Network Nebraska;

23 (c) Expenditures for new elementary attendance sites in
24 the first year of operation or the first year of operation after
25 being closed for at least one school year if such elementary

1 attendance site will most likely qualify for the elementary site
2 allowance in the immediately following school fiscal year as
3 determined by the state board;

4 (d) For the first school fiscal year for which early
5 childhood education membership is included in formula students for
6 the calculation of state aid, expenditures for early childhood
7 education equal to the amount the school district received in early
8 childhood education grants pursuant to section 79-1103 for the prior
9 school fiscal year, increased by the basic allowable growth rate; and

10 (e) For school fiscal year 2013-14, an amount not to
11 exceed two percent over the previous school year if such increase is
12 approved by a seventy-five percent majority vote of the school board
13 of such district.

14 (3) The state board shall approve, deny, or modify the
15 amount allowed for any exclusions to the budget authority for the
16 general fund budget of expenditures pursuant to this section.

17 Sec. 174. Section 79-1029, Revised Statutes Cumulative
18 Supplement, 2012, is amended to read:

19 79-1029 A ~~Class II, III, IV, V, or VI~~ district offering
20 instruction in at least grades nine through twelve may exceed the
21 budget authority for the general fund budget of expenditures
22 prescribed in section 79-1023 by an amount approved by a majority of
23 legal voters voting on the issue at a primary, general, or special
24 election called for such purpose upon the recommendation of the board
25 or upon the receipt by the county clerk or election commissioner of a

1 petition requesting an election, signed by at least five percent of
2 the legal voters of the district. The recommendation of the board or
3 the petition of the legal voters shall include the amount by which
4 the board would increase its general fund budget of expenditures for
5 the ensuing school year over and above the budget authority for the
6 general fund budget of expenditures prescribed in section 79-1023.
7 The county clerk or election commissioner shall place the question on
8 the primary or general election ballot or call for a special election
9 on the issue after the receipt of such board recommendation or legal
10 voter petition. The election shall be held pursuant to the Election
11 Act or section 77-3444, and all costs for a special election shall be
12 paid by the district. A vote to exceed the budget authority for the
13 general fund budget of expenditures prescribed in section 79-1023 may
14 be approved on the same question as a vote to exceed the levy limits
15 provided in section 77-3444.

16 Sec. 175. Section 79-1030, Revised Statutes Cumulative
17 Supplement, 2012, is amended to read:

18 79-1030 A ~~Class II, III, IV, V, or VI~~ district offering
19 instruction in at least grades nine through twelve may choose not to
20 increase its general fund budget of expenditures by the full amount
21 of budget authority for the general fund budget of expenditures as
22 calculated pursuant to section 79-1023. In such cases, the department
23 shall calculate the amount of unused budget authority which shall be
24 carried forward to future budget years. The amount of unused budget
25 authority that may be used by a district in a single school fiscal

1 year to increase its general fund budget of expenditures above the
2 budget authority for the general fund budget of expenditures as
3 calculated pursuant to section 79-1023 shall be limited to two
4 percent of the difference of the general fund budget of expenditures
5 minus the sum of special grant funds, the special education budget of
6 expenditures, and exceptions pursuant to subsection (1) of section
7 79-1028.01 for the immediately preceding school fiscal year.

8 Sec. 176. Section 79-1036, Revised Statutes Cumulative
9 Supplement, 2012, is amended to read:

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

22 (a) For ~~Class I~~ districts that maintain only elementary
23 grades under the direction of a single school board or portions
24 thereof which are affiliated and in which there are situated school
25 or saline lands, 38.6207 percent of the in lieu of land tax money

1 calculated pursuant to subsection (2) of this section, based on the
2 affiliated school system tax levy computed pursuant to section
3 79-1077, shall be distributed to the affiliated high school district
4 and the remainder shall be distributed to ~~the Class I~~ such district;

5 (b) For ~~Class I~~ districts maintaining only elementary
6 grades under the direction of a single school board or portions
7 thereof which are part of a ~~Class VI~~ district which offers
8 instruction only in grades nine through twelve and in which there are
9 situated school or saline lands, 38.6207 percent of the in lieu of
10 land tax money calculated pursuant to subsection (2) of this section,
11 based on the ~~Class VI~~ school system levy computed pursuant to section
12 79-1078, shall be distributed to the ~~Class VI~~ high school district
13 and the remainder shall be distributed to the ~~Class I~~ elementary-only
14 district;

15 (c) For ~~Class I~~ districts that maintain only elementary
16 grades under the direction of a single school board or portions
17 thereof which are part of a ~~Class VI~~ district which offers
18 instruction only in grades seven through twelve and in which there
19 are situated school or saline lands, 55.1724 percent of the in lieu
20 of land tax money calculated pursuant to subsection (2) of this
21 section, based on the ~~Class VI~~ school system levy computed pursuant
22 to section 79-1078, shall be distributed to ~~the Class VI~~ such
23 district and the remainder shall be distributed to the ~~Class I~~
24 elementary-only district; and

25 (d) For ~~Class I~~ districts that maintain only elementary

1 grades under the direction of a single school board or portions
2 thereof which are part of a ~~Class VI~~ district which offers
3 instruction only in grades six through twelve and in which there are
4 situated school or saline lands, 62.0690 percent of the in lieu of
5 land tax money calculated pursuant to subsection (2) of this section,
6 based on the ~~Class VI~~ school system levy computed pursuant to section
7 79-1078, shall be distributed to ~~the Class VI~~ such district and the
8 remainder shall be distributed to the ~~Class I~~ elementary-only
9 district.

10 (2) The county assessor shall certify to the Commissioner
11 of Education the tax levies of each school district and learning
12 community in which school land or saline land is located and the last
13 appraised value of such school land, which value shall be the same
14 percentage of the appraised value as the percentage of the assessed
15 value is of market value in subsection (2) of section 77-201 for the
16 purpose of applying the applicable tax levies for each district and
17 learning community in determining the distribution to the districts
18 of such amounts. The school board of any school district and the
19 learning community coordinating council of any learning community in
20 which there is located any leased or undeeded school land or saline
21 land subject to this section may appeal to the Board of Educational
22 Lands and Funds for a reappraisal of such school land if such
23 school board or learning community coordinating council deems the
24 land not appraised in proportion to the value of adjoining land of
25 the same or similar value. The Board of Educational Lands and Funds

1 shall proceed to investigate the facts involved in such appeal and,
2 if the contention of the school board or learning community
3 coordinating council is correct, make the proper reappraisal. The
4 value calculation in this subsection shall be used by the
5 Commissioner of Education for making distributions in each school
6 fiscal year.

7 Sec. 177. Section 79-1043, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-1043 (1) Any school district may, by and with the
10 consent of the school board or board of education of the school
11 district, invest the funds of the school district in securities the
12 nature of which individuals of prudence, discretion, and intelligence
13 acquire or retain in dealing with the property of another. Every
14 school district having invested in such securities shall deliver the
15 same as funds of the office. The interest received on any investments
16 authorized by this section shall be credited to the fund from which
17 the money was taken to make the investment.

18 (2) The securities referred to in subsection (1) of this
19 section may be invested in through repurchase agreements. Each
20 repurchase agreement shall require that the items purchased through
21 the repurchase agreement be subject to repurchase from the school
22 district upon demand by the treasurer of the school district. No such
23 repurchase agreement shall be entered into until the treasurer of the
24 school district who proposes to enter into the repurchase agreement
25 has received a perfected security interest in the securities as

1 collateral for their prompt repurchase.

2 (3) All securities referred to in this section or in the
3 ~~Class V Alternate~~ School Employees Retirement Act may be held and
4 evidenced by book entry account rather than through the holding and
5 retaining of original certificates, indentures, or governing
6 instruments for such securities.

7 Sec. 178. Section 79-1045, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-1045 The county treasurer shall, within twenty days
10 after receiving the apportionment under section 79-1044, apportion
11 the amount as follows: (1) To each school district lying wholly or
12 partly within any such forest reserve, an amount equal to the actual
13 per pupil cost for each pupil actually residing in that part of the
14 district which is within such forest reserve, but this apportionment
15 per pupil shall not exceed the average annual cost per pupil, based
16 on average daily attendance within that county; and (2) of the
17 remaining amount, one-fifth to the public road fund of the county,
18 one-fifth equally to the several school districts in the county, and
19 the remaining three-fifths to the several school districts in the
20 county pro rata according to the enumeration of scholars last
21 returned by the districts. The county treasurer shall, with the
22 approval of the county board, have authority to retain the money to
23 be allocated under this subdivision to ~~Class I, II, and III~~ the
24 school districts of the county to be used for the establishment and
25 support of a county circulating library for ~~Class I, II, and III~~ such

1 school districts. A school district which has failed to sustain a
2 school taught by a legally qualified teacher for the length of time
3 required by law shall not be entitled to receive any portion of the
4 Forest Reserve Fund.

5 Sec. 179. Section 79-1065.02, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-1065.02 (1) State aid payments shall be adjusted to
8 reflect transfers of property due to annexation, to any dissolution
9 of a ~~Class I~~ school district, and to any reorganization involving one
10 or more ~~Class I~~ school districts.

11 (2) This section applies whenever:

12 (a) A ~~Class I~~ school district that maintains only
13 elementary grades under the direction of a single school board
14 dissolves or reorganizes in such a manner that the parcels of
15 property making up ~~the Class I such~~ district prior to the dissolution
16 or reorganization which were affiliated with a ~~Class II, III, IV, or~~
17 ~~V~~ school district offering instruction in kindergarten through grade
18 twelve do not become part of ~~the Class II, III, IV, or V such~~ school
19 district with which such parcels of property were affiliated; or

20 (b) Property within the boundaries of a ~~Class II, III,~~
21 ~~IV, V, or VI~~ school district offering instruction in at least grades
22 nine through twelve is transferred to another school district due to
23 a change in the school district boundaries in response to annexation
24 of the transferred property by a city or village.

25 (3) To qualify for additional state aid pursuant to this

1 section, the school district from which property is being transferred
2 shall apply on a form prescribed by the State Department of Education
3 on or before August 20 preceding the first school fiscal year for
4 which the property will not be available for taxation for the school
5 district's general fund levy. On or before such deadline, the
6 applicant school district shall send copies of the application to the
7 high school districts of the local systems receiving valuation in the
8 transfer. For purposes of this section, property is deemed
9 transferred from the school district whether the property was within
10 the boundaries of the school district or the property was affiliated
11 with the school district.

12 (4) Upon receipt of the application, the department, with
13 the assistance of the Property Tax Administrator, shall calculate the
14 amount of additional state aid, if any, that the local system, as
15 defined in section 79-1003, for the applicant school district would
16 have received for such school fiscal year if the adjusted valuation
17 for the transferred property had not been included in the adjusted
18 valuation of such local system for the calculation of state aid for
19 such school fiscal year. On or before September 20 of such school
20 fiscal year, the department shall certify to the applicant school
21 district the amount of additional state aid, if any, the district
22 will receive. Except as otherwise provided in this subsection, if
23 such applicant school district receives a lump-sum payment pursuant
24 to subsection (2) of section 79-1022, such lump-sum payment shall be
25 increased by the amount of additional state aid. Except as otherwise

1 provided in this subsection, if such applicant school district does
2 not receive a lump-sum payment pursuant to such subsection, state aid
3 payments shall be increased by one-tenth of the amount of additional
4 state aid for each of the ten state aid payments for such school
5 fiscal year. If a portion of the total reduction calculated pursuant
6 to subsection (5) of this section for local systems receiving
7 valuation in the transfer of property that is the subject of the
8 application is delayed until future years, the additional state aid
9 to be paid in the school fiscal year described in subsection (3) of
10 this section shall be reduced by the amount of the total reduction
11 that is delayed until future years. The amount of the reduction shall
12 be paid as additional aid in the next school fiscal year.

13 (5) The state aid payments shall be reduced for the high
14 school district of each receiving local system. An amount equal to
15 the additional state aid calculated pursuant to subsection (4) of
16 this section for the local system of an applicant school district
17 shall be attributed to the local systems receiving valuation in such
18 transfer based upon the ratio of the adjusted valuation received by
19 each local system divided by the total adjusted valuation transferred
20 from the applicant school district. If such high school district
21 receives a lump-sum payment pursuant to subsection (2) of section
22 79-1022, such lump-sum payment shall be reduced by the amount
23 attributed to the receiving local system. If the high school district
24 of a receiving local system does not receive a lump-sum payment
25 pursuant to such subsection, state aid payments shall be reduced by

1 one-tenth of the amount attributed to such receiving local system for
2 each of the ten state aid payments for such school fiscal year. If
3 the total reduction is greater than the total state aid payments for
4 such school fiscal year, the remainder shall be subtracted from state
5 aid payments in future school fiscal years until the total reduction
6 has been subtracted from state aid payments. On or before September
7 20 of such school fiscal year, the department shall certify to the
8 high school district of the receiving local system the amount of the
9 reduction in state aid.

10 (6) For purposes of the final calculation of state aid
11 pursuant to section 79-1065, the adjusted valuation of the property
12 that was transferred shall also be transferred for purposes of
13 adjusted valuation for the final calculation of state aid. For
14 determining adjustments in state aid pursuant to section 79-1065, the
15 final calculation of state aid shall be compared to the state aid
16 certified for such school fiscal year combined with any adjustments
17 in state aid payments and transfers from other districts pursuant to
18 this section.

19 Sec. 180. Section 79-1070, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-1070 (1) Any ~~class of~~ school district may borrow money
22 to the amount of seventy percent of the unexpended balance of total
23 anticipated receipts of the general fund, special building fund, bond
24 fund, or qualified capital purpose undertaking fund for the current
25 school fiscal year and the following school fiscal year. Total

1 anticipated receipts of the general fund, special building fund, bond
2 fund, or qualified capital purpose undertaking fund for the current
3 school fiscal year and the following school fiscal year shall mean a
4 sum equal to the total of (a) the anticipated receipts from the
5 current existing levy multiplied by two, (b) the anticipated receipts
6 from the United States for the current school fiscal year and the
7 following school fiscal year, and (c) the anticipated receipts from
8 other sources for the current school fiscal year and the following
9 school fiscal year.

10 Any ~~class of~~ school district may execute and deliver in
11 evidence thereof their promissory notes which they are hereby
12 authorized and empowered to make and negotiate, bearing a rate of
13 interest set by the school board and maturing not more than two
14 school fiscal years from the date thereof. Such notes, before they
15 are negotiated, shall be presented to the treasurer of the school
16 district and registered by him or her and shall be payable out of the
17 funds collected by such school district in the order of their
18 registry after the payment of prior registered warrants but prior to
19 the payment of any warrant subsequently registered, except that if
20 both warrants and notes are registered, the total of such registered
21 notes and warrants shall not exceed one hundred percent of the
22 unexpended balance of the total anticipated receipts of the general
23 fund, special building fund, bond fund, or qualified capital purpose
24 undertaking fund of such district for the current school fiscal year
25 and the following school fiscal year. For the purpose of making such

1 calculation, such total anticipated receipts shall not include any
2 anticipated receipts against which the school district has borrowed
3 and issued notes pursuant to this section in either the current or
4 the immediately preceding school fiscal year.

5 (2) In addition to the authority granted by subsection
6 (1) of this section, such school districts may accept interest-free
7 or low-interest loans from the state or federal government and may
8 execute and deliver in evidence thereof their promissory notes
9 maturing not more than twenty years from the date of execution.

10 (3) In addition to the authority granted by subsections
11 (1) and (2) of this section, any ~~class of~~ school district may enter
12 into loan agreements for the purpose of borrowing money from
13 financial institutions, including banks, in amounts not in excess of
14 seventy percent of the unexpended balance of their current existing
15 levy. As evidence of such borrowing, a school district may execute
16 and deliver one or more written loan agreements but shall not be
17 required to execute and deliver separate promissory notes for each
18 borrowing under such agreements. Money borrowed pursuant to such
19 agreements shall bear interest at such rate or rates and shall become
20 due and be repaid as provided in such agreements. Any such agreement
21 shall provide for repayment in full at least once each school fiscal
22 year and shall be for a term not exceeding one school fiscal year.
23 Any such agreement shall be registered upon books kept by the
24 treasurer of the school district, and money borrowed pursuant to such
25 agreement shall be paid out of funds collected upon the current

1 existing levy prior to the payment of any warrant or note registered
2 subsequent to any such loan agreement. If a school district has any
3 such loan agreement or agreements outstanding and has warrants or
4 notes registered, as described in subsection (1) of this section, the
5 total amount (a) of borrowings pursuant to such loan agreement or
6 agreements and (b) of registered notes and warrants shall not exceed
7 one hundred percent of the unexpended balance of the current existing
8 levy.

9 (4) Nothing in this section shall be construed to exempt
10 a school district from the terms and conditions contained in sections
11 10-701 to 10-716.

12 Sec. 181. Section 79-1072, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 79-1072 The school board or board of education of any
15 ~~Class II, III, IV, V, or VI~~ school district offering instruction in
16 at least grades nine through twelve may establish a contingency fund
17 for losses. Such contingency fund shall be established and maintained
18 by transfers from the general fund of such school district as
19 authorized by the school board or board of education of such school
20 district. Disbursements from such contingency fund shall not exceed
21 five percent of the total budgeted general fund expenditures of the
22 school district and shall be used only for defense against losses,
23 payment of losses, and transfer of funds to the general fund of such
24 school district as authorized by the board.

25 Sec. 182. Section 79-1075, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-1075 (1) The county board of the county in which is
3 located the schoolhouse or the administrative office of any joint
4 school district or learning community shall make a levy for the
5 school district or learning community, as may be necessary, and the
6 county clerk of that headquarters county shall certify the levy, on
7 or before the date prescribed in section 77-1601, to the county clerk
8 of each county in which is situated any portion of the joint school
9 district or learning community. This section shall apply to all taxes
10 levied on behalf of school districts, including, but not limited to,
11 taxes authorized by sections 10-304, 10-711, 10-716.01, 77-1601,
12 79-747, 79-1077, 79-1084, ~~79-1085, 79-1086,~~ 79-10,100, 79-10,110,
13 79-10,118, 79-10,120, 79-10,122, and 79-10,126.

14 (2) The county board of the county in which is located
15 the schoolhouse or the administrative office of the high school
16 district of a joint affiliated school system shall make a levy for
17 the joint affiliated school system, as may be necessary, and the
18 county clerk of that headquarters county shall certify the levy, on
19 or before the date prescribed in section 77-1601, to the county clerk
20 of each county in which is situated any portion of the joint
21 affiliated school system. This section shall apply to all taxes
22 levied on behalf of affiliated school systems, including, but not
23 limited to, taxes authorized by sections 10-716.01, 79-1077, and
24 79-10,110.

25 Sec. 183. Section 79-1077, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-1077 (1) Whenever the affiliation of a ~~Class I~~
3 district that maintains only elementary grades under the direction of
4 a single school board or portion thereof becomes final, the general
5 fund property tax requirement of the high school district and each
6 ~~Class I~~ district that maintains only elementary grades under the
7 direction of a single school board or portion thereof in an
8 affiliated school system shall be certified to the county assessor
9 for computation of an affiliated school system tax levy. The proceeds
10 of such tax levy, upon collection by the county, shall be distributed
11 to the districts in the affiliated school system in amounts which are
12 in proportion to the amounts of the general fund property tax
13 requirements certified by such districts to the county assessor. Such
14 tax levy shall be computed as follows:

15 (a) If one or more ~~Class I~~ districts that maintain only
16 elementary grades under the direction of a single school board
17 affiliate with only one high school district, the sum of the general
18 fund property tax requirements of the high school district and all
19 such ~~Class I~~ elementary-only districts shall be divided by the sum of
20 the assessed valuation, in hundreds, of all such districts; or

21 (b) If a ~~Class I~~ an elementary-only district or portion
22 thereof affiliates with more than one high school district, such
23 ~~Class I~~ district's general fund property tax requirement shall be
24 apportioned to respective portions of such ~~Class I~~ district for
25 purposes of this computation based on each portion's assessed taxable

1 valuation in relation to the total assessed valuation of all
2 affiliated portions of the ~~Class I elementary-only~~ district certified
3 by the county clerk pursuant to section 79-1074, and the affiliated
4 school system tax levy shall be computed as though it were a single
5 district as prescribed in subdivision (a) of this subsection.

6 (2) When a ~~Class I~~ district that maintains only
7 elementary grades under the direction of a single school board or
8 portion thereof affiliates in part with one or more districts and in
9 part becomes a part of one or more ~~Class VI~~ districts that maintain
10 only high school grades or grades seven through twelve or six through
11 twelve under the direction of a single school board, the tax levy
12 assessed on taxable property within the ~~Class I elementary-only~~
13 district to fund the portion of the budget of the ~~Class I~~ such
14 district which is to come from the general fund property tax
15 requirement shall be made as follows:

16 (a) The proportionate share of the ~~Class I elementary-~~
17 only district budget allocable to any affiliated system shall be
18 assessed on all property within such affiliated system as described
19 in this section; and

20 (b) The proportionate share of the ~~Class I elementary-~~
21 only general fund property tax requirement not allocable to any
22 affiliated system shall be assessed in accordance with section
23 79-1078.

24 Sec. 184. Section 79-1078, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-1078 The general fund property tax requirement of the
2 ~~Class VI school district~~ districts that maintain only high school
3 grades or grades seven through twelve or six through twelve under the
4 direction of a single school board and each ~~Class I~~ school district
5 that maintains only elementary grades under the direction of a single
6 school board or portion thereof in a ~~Class VI~~ school system
7 comprising such districts shall be certified to the county assessor
8 for computation of a ~~Class VI~~ school system tax levy which shall not
9 exceed the limit in section 77-3442. The proceeds of such levy, upon
10 collection by the county, shall be distributed to the districts in
11 the ~~Class VI~~ school system in amounts which are in proportion to the
12 amounts of the general fund property tax requirement certified by
13 such districts to the county assessor. Such levy shall be computed as
14 follows: The sum of the property tax requirements necessary to fund
15 the general fund property tax requirement of the ~~Class VI~~ school
16 system shall be divided by the assessed valuation, in hundreds, of
17 the system. If only a portion of a ~~Class I~~ district that maintains
18 only elementary grades under the direction of a single school board
19 is part of the ~~Class VI~~ district that maintains only high school
20 grades or grades seven through twelve or six through twelve under the
21 direction of a single school board, such ~~Class I~~ elementary-only
22 district's general fund property tax requirement shall be apportioned
23 to respective portions of such ~~Class I~~ district for purposes of this
24 computation based on each portion's assessed taxable valuation in
25 relation to the total assessed valuation of the entire ~~Class I~~

1 district.

2 Sec. 185. Section 79-1080, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-1080 All taxes collected for the benefit of the public
5 schools ~~in Class IV and V school districts~~ shall be paid in money and
6 shall be subject to the order of the board of education.

7 Sec. 186. Section 79-1081, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-1081 The tax for bond interest for a ~~Class IV~~ school
10 district shall in no one year exceed such amount as will, with the
11 balance on hand in such fund, be sufficient to pay the bond interest
12 as it becomes due. The tax for the bond sinking fund shall not exceed
13 a sum sufficient to pay the principal of such bonds as it becomes due
14 or to pay each year such number of the bonds as will retire them all
15 at or before their maturity. The amount of tax levied for the
16 retirement plan fund and for general school purposes shall be without
17 restriction, except that the aggregate school tax levy for all
18 purposes shall not in any one year exceed such rate as shall be
19 necessary to provide the sums reported in the estimate returned in
20 accordance with section ~~79-1085.~~ 79-1084. The amount of tax levied
21 for the building and equipment fund shall not in any one year exceed
22 fourteen cents on each one hundred dollars within the limits provided
23 in section 77-3442.

24 Sec. 187. Section 79-1082, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-1082 The aggregate school tax for a ~~Class V~~ school
2 district, including the levy for the site and building fund as
3 authorized by section 79-10,126, shall be subject to the limits
4 provided in section 77-3442.

5 Sec. 188. Section 79-1083.02, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-1083.02 On or before ~~February 5, 2003, and on or~~
8 ~~before~~ February 1 of each year, ~~thereafter~~, the State Department of
9 Education shall designate a primary high school district for each
10 ~~Class I~~ school district that maintains only elementary grades under
11 the direction of a single school board for the following school
12 fiscal year. The primary high school district shall be the one ~~Class~~
13 ~~II, III, IV, V, or VI~~ school district offering instruction in at
14 least grades nine through twelve or the unified system with which the
15 greatest share of the ~~Class I elementary-only~~ district's assessed
16 valuation is affiliated or of which such share is a part for the
17 school fiscal year immediately preceding the school fiscal year for
18 which the primary high school district determination is made. The
19 department shall certify to all school districts and all county
20 clerks the primary high school district for each ~~Class I elementary-~~
21 only district.

22 Sec. 189. Section 79-1084, Revised Statutes Cumulative
23 Supplement, 2012, is amended to read:

24 79-1084 The school board of a ~~Class III~~ school district
25 shall annually, on or before September 20, report in writing to the

1 county board and the learning community coordinating council if the
2 school district is a member of a learning community the entire
3 revenue raised by taxation and all other sources and received by the
4 school board for the previous school fiscal year and a budget
5 estimating the amount of funds required for the ensuing school fiscal
6 year, broken down generally as follows: (1) The amount of funds
7 required for the support of all the expenses of the schools during
8 the ensuing school fiscal year; (2) the amount of funds required for
9 the purchase and improvement of school sites and the remodeling,
10 erection, and equipment, but not replacement, of buildings; (3) the
11 amount of funds required for the erection of school buildings; (4)
12 the amount of funds required for the payment of interest upon all
13 bonds issued for school purposes; and (5) the amount of funds
14 required for the creation of a sinking fund for the payment of such
15 indebtedness. The budget and estimate shall be accompanied by a
16 budget statement prepared in accordance with good accounting
17 practices and showing probable revenue from all sources,
18 expenditures, and available balances upon which such estimate was
19 based. The secretary shall publish, within ten days after the filing
20 of such budget, a copy of the fund summary pages of the budget one
21 time at the legal rate prescribed for the publication of legal
22 notices in a legal newspaper published in and of general circulation
23 in such city or village or, if none is published in such city or
24 village, in a legal newspaper of general circulation in the city or
25 village. The secretary of the school board failing or neglecting to

1 comply with this section shall be deemed guilty of a Class V
2 misdemeanor and, in the discretion of the court, the judgment of
3 conviction may provide for the removal from office of such secretary
4 for such failure or neglect. For ~~Class III~~ such school districts that
5 are not members of a learning community, the county board shall levy
6 and collect such taxes as are necessary to provide the amount of
7 revenue from property taxes as indicated by all the data contained in
8 the budget and the certificate prescribed by this section, at the
9 time and in the manner provided in section 77-1601.

10 Sec. 190. Section 79-1087, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-1087 The board of education of a ~~Class V~~ school
13 district shall provide for the interest on all existing bonds issued
14 by the district before the interest becomes due. The board shall
15 also, immediately after the expiration of one-half of the time for
16 which such bonds are issued, proceed to set apart each year, for a
17 sinking fund, a requisite amount or proportion sufficient to pay the
18 principal of the bonds when they become due. All money set apart for
19 the sinking fund shall be invested as follows:

20 (1) In the purchase of and redemption of bonds of the
21 school district, which bonds shall be purchased in the open market in
22 such manner as the board of education prescribes;

23 (2) In bonds of the city constituting the school
24 district;

25 (3) In bonds of the county in which such district is

1 situated;

2 (4) In bonds of the State of Nebraska; and

3 (5) In United States bonds.

4 Sec. 191. Section 79-1089, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-1089 In each school district the school board shall
7 cause to be examined annually by a public accountant or by a
8 certified public accountant all financial records which are
9 maintained directly or indirectly in the administration and
10 management of public school funds. Rules and regulations governing
11 the scope, extent, pattern, and report of the examination shall be
12 adopted and promulgated by the State Board of Education with the
13 advice and counsel of the Auditor of Public Accounts. A copy of the
14 report shall be filed with the Commissioner of Education and the
15 Auditor of Public Accounts on or before November 5. A copy of the
16 report regarding the examination of a ~~Class I~~ school district that
17 maintains only elementary grades under the direction of a single
18 school board shall be filed with the Commissioner of Education on or
19 before November 5. When any school district fails to comply with this
20 section, the commissioner shall, after notice to the district and an
21 opportunity to be heard, direct that any state aid granted pursuant
22 to the Tax Equity and Educational Opportunities Support Act be
23 withheld until such time as the district has complied with this
24 section. In addition, the commissioner shall direct the county
25 treasurer to withhold all school money belonging to the school

1 district until such time as the commissioner notifies the county
2 treasurer of compliance by the district with this section. The county
3 treasurer shall withhold such money. If the school district does not
4 comply with this section prior to the end of the state's biennium
5 following the biennium which included the fiscal year for which state
6 aid was calculated, the state aid funds shall revert to the General
7 Fund. The amount of any reverted funds shall be included in data
8 provided to the Governor in accordance with section 79-1031.

9 Sec. 192. Section 79-1090, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-1090 When a school board of any ~~class of~~ school
12 district fails to approve a school district budget on or before the
13 date required by subsection (1) of section 13-508, the superintendent
14 of the primary high school district shall prepare and file a budget
15 document in accordance with the Nebraska Budget Act for the school
16 district's general fund and for each other fund for which the
17 district budgeted in the immediately preceding fiscal year. The
18 document shall use the total budget of expenditures and cash reserves
19 from the immediately preceding school fiscal year, except that in no
20 case shall the budget of expenditures or cash reserves exceed any
21 limits prescribed in the Tax Equity and Educational Opportunities
22 Support Act or other state laws. The superintendent shall also
23 estimate the revenue from sources other than property tax for each
24 fund in accordance with subdivision (1)(c) of section 13-504 and
25 section 79-1022.

1 Sec. 193. Section 79-1092, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1092 All money arising from any source whatever which
4 is payable to the school fund of any city of the primary class or
5 city of the first class which may become a city of the metropolitan
6 class, or any money which is required to be set apart by the
7 treasurer of any such city for the support and maintenance of any
8 school in such city, shall be payable to the treasurer of the school
9 district and shall be used only for the purposes specified in
10 sections ~~79-409, 79-476, 79-522, 79-535 to 79-537, 79-552, 79-561,~~
11 ~~79-562, 79-536, 79-567, 79-573, 79-574, 79-583, 79-584, 79-592,~~
12 ~~79-593, 79-1086, 79-1087, 79-1092, and 79-10,126.~~

13 Sec. 194. Section 79-1093, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1093 (1) The board of education of a ~~Class III, IV, or~~
16 ~~V~~-school district may contract for (a) machine accounting and payroll
17 processing services, (b) disbursing school funds as ordered by the
18 board of education, (c) paying net salaries or wages earned by
19 professional and other personnel employed by the board of education,
20 (d) remitting to appropriate collection agencies sums withheld from
21 salaries and wages, and (e) any other computerized service which the
22 board of education deems necessary or desirable. Payment of salaries
23 and wages as provided in this section shall be made to the employee
24 in bank credit or cash, as the employee may specify.

25 (2) The bank or fiscal agent under contract as provided

1 in this section shall furnish to the board of education a report at
2 the end of each month detailing (a) the sums received for deposit in
3 the school district account, (b) the amount disbursed to payees as
4 designated by the secretary or authorized clerk of the board of
5 education, and (c) the unexpended balance in the school district
6 account. This section does not modify, limit, waive, or abrogate the
7 responsibility and the liability of the contracting board of
8 education for the security and safe custody of school funds as
9 required by law or for their proper use and application to school
10 district indebtedness as provided by law.

11 Sec. 195. Section 79-1098, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-1098 Whenever it is deemed necessary (1) to erect a
14 schoolhouse or school building or an addition or additions and
15 improvements to any existing schoolhouse or (2) to purchase equipment
16 for such schoolhouse or school buildings, in any school district in
17 this state except a ~~Class I~~ district that maintains only elementary
18 grades under the direction of a single school board the school board
19 may and, upon petition of not less than one-fourth of the legal
20 voters of the school district, shall submit to the people of the
21 school district at the next general election or special election a
22 proposition to vote a special annual tax for that purpose of not to
23 exceed seventeen and five-tenths cents on each one hundred dollars
24 upon the taxable value of all the taxable property in such district
25 for a term of not to exceed ten years. Such special tax may be voted

1 at any annual or special meeting of the district by fifty-five
2 percent of the legal voters attending such meeting.

3 Sec. 196. Section 79-1099, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-1099 In all ~~Class I~~ school districts that maintain
6 only elementary grades under the direction of a single school board,
7 the proposition described in section 79-1098 shall be submitted at
8 any annual or special meeting of the legal voters of the school
9 district. In all other districts the manner of submission shall be
10 governed in substance by section 23-126.

11 Sec. 197. Section 79-10,103, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-10,103 (1) The school board of any school district may
14 lease, purchase, acquire, own, manage, and hold title to real
15 property which is located outside of its school district for
16 laboratory, recreation, camping, or educational facilities, except
17 that any purchase costing (a) more than one thousand dollars by any
18 ~~Class I or II~~ school district that maintains only elementary grades
19 or that embraces territory having a population of one thousand or
20 fewer inhabitants and maintains both elementary and high school
21 grades under the direction of a single school board or (b) more than
22 five thousand dollars by any ~~Class III, IV, V, or VI~~ other school
23 district shall be submitted to a vote of the legal voters in that
24 school district seeking to acquire the property.

25 (2) The election provisions of this section do not apply

1 when a school district which currently owns real property outside the
2 school district desires to lease, purchase, acquire, own, manage, and
3 hold title to additional real property located contiguous to such
4 property for laboratory, recreation, camping, or educational
5 facilities.

6 Sec. 198. Section 79-10,110, Revised Statutes Cumulative
7 Supplement, 2012, is amended to read:

8 79-10,110 (1) After making a determination that an actual
9 or potential environmental hazard or accessibility barrier exists,
10 that a life safety code violation exists, or that expenditures are
11 needed for indoor air quality or mold abatement and prevention within
12 the school buildings or grounds under its control, a school board may
13 make and deliver to the county clerk of such county in which any part
14 of the school district is situated, not later than the date provided
15 in section 13-508, an itemized estimate of the amounts necessary to
16 be expended for the abatement of such environmental hazard, for
17 accessibility barrier elimination, or for modifications for life
18 safety code violations, indoor air quality, or mold abatement and
19 prevention in such school buildings or grounds. The board shall
20 designate the particular environmental hazard abatement project,
21 accessibility barrier elimination project, or modification for life
22 safety code violations, indoor air quality, or mold abatement and
23 prevention for which the tax levy provided for by this section will
24 be expended, the period of years, which shall not exceed ten years,
25 for which the tax will be levied for such project, and the estimated

1 amount of the levy for each year of the period based on the taxable
2 valuation of the district at the time of issuance.

3 (2) After a public hearing, a school board may undertake
4 any qualified capital purpose in any qualified zone academy under its
5 control and may levy a tax as provided in this section to repay a
6 qualified zone academy bond issued for such undertaking. The board
7 shall designate: (a) The particular qualified capital purpose for
8 which the qualified zone academy bond was issued and for which the
9 tax levy provided for by this section will be expended; (b) the
10 period of years for which the tax will be levied to repay such
11 qualified zone academy bond, not exceeding the maturity term for such
12 qualified zone academy bond established pursuant to federal law or,
13 for any such bond issued prior to May 20, 2009, fifteen years; and
14 (c) the estimated amount of the levy for each year of the period
15 based on the taxable valuation of the district at the time of
16 issuance. The hearing required by this subsection shall be held only
17 after notice of such hearing has been published for three consecutive
18 weeks prior to the hearing in a legal newspaper published or of
19 general circulation in the school district.

20 (3) After a public hearing, a school board may undertake
21 any American Recovery and Reinvestment Act of 2009 purpose and may
22 levy a tax to repay any American Recovery and Reinvestment Act of
23 2009 bond issued for such undertaking. The board shall designate: (a)
24 The American Recovery and Reinvestment Act of 2009 purpose for which
25 the American Recovery and Reinvestment Act of 2009 bond will be

1 issued and for which the tax levy provided by this section will be
2 expended; (b) the period of years for which the tax will be levied to
3 repay such American Recovery and Reinvestment Act of 2009 bond, not
4 exceeding the maturity term for the type of American Recovery and
5 Reinvestment Act of 2009 bond established pursuant to federal law or,
6 if no such term is established, thirty years; and (c) the estimated
7 amount of the levy for each year of such period based on the taxable
8 valuation of the district at the time of issuance. Prior to the
9 public hearing, the school board shall prepare an itemized estimate
10 of the amounts necessary to be expended for the American Recovery and
11 Reinvestment Act of 2009 purpose. The hearing required by this
12 subsection shall be held only after notice of such hearing has been
13 published for three consecutive weeks prior to the hearing in a legal
14 newspaper published or of general circulation in the school district.

15 (4) The board may designate more than one project under
16 subsection (1) of this section, more than one qualified capital
17 purpose under subsection (2) of this section, or more than one
18 American Recovery and Reinvestment Act of 2009 purpose under
19 subsection (3) of this section and levy a tax pursuant to this
20 section for each such project, qualified capital purpose, or American
21 Recovery and Reinvestment Act of 2009 purpose, concurrently or
22 consecutively, as the case may be, if the aggregate levy in each year
23 and the duration of each such levy will not exceed the limitations
24 specified in this section. Each levy for a project, a qualified
25 capital purpose, or an American Recovery and Reinvestment Act of 2009

1 purpose which is authorized by this section may be imposed for such
2 duration as the board specifies, notwithstanding the contemporaneous
3 existence or subsequent imposition of any other levy for another
4 project, qualified capital purpose, or American Recovery and
5 Reinvestment Act of 2009 purpose imposed pursuant to this section and
6 notwithstanding the subsequent issuance by the district of bonded
7 indebtedness payable from its general fund levy.

8 (5) The county clerk shall levy such taxes, not to exceed
9 five and one-fifth cents per one hundred dollars of taxable valuation
10 for ~~Class II, III, IV, V, and VI~~ districts offering instruction in at
11 least grades nine through twelve, and not to exceed the limits set
12 for ~~Class I~~ districts that maintain only elementary grades under the
13 direction of a single school board in section 79-10,124, on the
14 taxable property of the district necessary to (a) cover the
15 environmental hazard abatement or accessibility barrier elimination
16 project costs or costs for modification for life safety code
17 violations, indoor air quality, or mold abatement and prevention
18 itemized by the board pursuant to subsection (1) of this section and
19 (b) repay any qualified zone academy bonds or American Recovery and
20 Reinvestment Act of 2009 bonds pursuant to subsection (2) or (3) of
21 this section. Such taxes shall be collected by the county treasurer
22 at the same time and in the same manner as county taxes are collected
23 and when collected shall be paid to the treasurer of the district and
24 used to cover the project costs.

25 (6) If such board operates grades nine through twelve as

1 part of an affiliated school system, it shall designate the fraction
2 of the project or undertaking to be conducted for the benefit of
3 grades nine through twelve. Such fraction shall be raised by a levy
4 placed upon all of the taxable value of all taxable property in the
5 affiliated school system pursuant to subsection (2) of section
6 79-1075. The balance of the project or undertaking to be conducted
7 for the benefit of grades kindergarten through eight shall be raised
8 by a levy placed upon all of the taxable value of all taxable
9 property in the district which is governed by such board. The
10 combined rate for both levies in the high school district, to be
11 determined by such board, shall not exceed five and one-fifth cents
12 on each one hundred dollars of taxable value.

13 (7) Each board which submits an itemized estimate shall
14 establish an environmental hazard abatement and accessibility barrier
15 elimination project account, a life safety code modification project
16 account, an indoor air quality project account, or a mold abatement
17 and prevention project account, each board which undertakes a
18 qualified capital purpose shall establish a qualified capital purpose
19 undertaking account, within the qualified capital purpose undertaking
20 fund, and each board which undertakes an American Recovery and
21 Reinvestment Act of 2009 purpose shall establish an American Recovery
22 and Reinvestment Act of 2009 purpose undertaking account. Taxes
23 collected pursuant to this section shall be credited to the
24 appropriate account to cover the project or undertaking costs. Such
25 estimates may be presented to the county clerk and taxes levied

1 accordingly.

2 (8) For purposes of this section:

3 (a) Abatement includes, but is not limited to, any
4 inspection and testing regarding environmental hazards, any
5 maintenance to reduce, lessen, put an end to, diminish, moderate,
6 decrease, control, dispose of, or eliminate environmental hazards,
7 any removal or encapsulation of environmentally hazardous material or
8 property, any related restoration or replacement of material or
9 property, any related architectural and engineering services, and any
10 other action to reduce or eliminate environmental hazards in the
11 school buildings or on the school grounds under the board's control,
12 except that abatement does not include the encapsulation of any
13 material containing more than one percent friable asbestos;

14 (b) Accessibility barrier means anything which impedes
15 entry into, exit from, or use of any building or facility by all
16 people;

17 (c) Accessibility barrier elimination includes, but is
18 not limited to, inspection for and removal of accessibility barriers,
19 maintenance to reduce, lessen, put an end to, diminish, control,
20 dispose of, or eliminate accessibility barriers, related restoration
21 or replacement of facilities or property, any related architectural
22 and engineering services, and any other action to eliminate
23 accessibility barriers in the school buildings or grounds under the
24 board's control;

25 (d) American Recovery and Reinvestment Act of 2009 bond

1 means any type or form of bond permitted by the federal American
2 Recovery and Reinvestment Act of 2009, as such act or bond may be
3 amended and supplemented, including the federal Hiring Incentives to
4 Restore Employment Act, as amended and supplemented, for use by
5 schools, except qualified zone academy bonds;

6 (e) American Recovery and Reinvestment Act of 2009
7 purpose means any construction of a new public school facility or the
8 acquisition of land on which such a facility is to be constructed or
9 any expansion, rehabilitation, modernization, renovation, or repair
10 of any existing school facilities financed in whole or in part with
11 an American Recovery and Reinvestment Act of 2009 bond;

12 (f) Environmental hazard means any contamination of the
13 air, water, or land surface or subsurface caused by any substance
14 adversely affecting human health or safety if such substance has been
15 declared hazardous by a federal or state statute, rule, or
16 regulation;

17 (g) Modification for indoor air quality includes, but is
18 not limited to, any inspection and testing regarding indoor air
19 quality, any maintenance to reduce, lessen, put an end to, diminish,
20 moderate, decrease, control, dispose of, or eliminate indoor air
21 quality problems, any related restoration or replacement of material
22 or related architectural and engineering services, and any other
23 action to reduce or eliminate indoor air quality problems or to
24 enhance air quality conditions in new or existing school buildings or
25 on school grounds under the control of a school board;

1 (h) Modification for life safety code violation includes,
2 but is not limited to, any inspection and testing regarding life
3 safety codes, any maintenance to reduce, lessen, put an end to,
4 diminish, moderate, decrease, control, dispose of, or eliminate life
5 safety hazards, any related restoration or replacement of material or
6 property, any related architectural and engineering services, and any
7 other action to reduce or eliminate life safety hazards in new or
8 existing school buildings or on school grounds under the control of a
9 school board;

10 (i) Modification for mold abatement and prevention
11 includes, but is not limited to, any inspection and testing regarding
12 mold abatement and prevention, any maintenance to reduce, lessen, put
13 an end to, diminish, moderate, decrease, control, dispose of, or
14 eliminate mold problems, any related restoration or replacement of
15 material or related architectural and engineering services, and any
16 other action to reduce or eliminate mold problems or to enhance air
17 quality conditions in new or existing school buildings or on school
18 grounds under the control of a school board;

19 (j) Qualified capital purpose means (i) rehabilitating or
20 repairing the public school facility in which the qualified zone
21 academy is established or (ii) providing equipment for use at such
22 qualified zone academy;

23 (k) Qualified zone academy has the meaning found in (i)
24 26 U.S.C. 1397E(d)(4), as such section existed on October 3, 2008,
25 for qualified zone academy bonds issued on or before such date, and

1 (ii) 26 U.S.C. 54E(d)(1), as such section existed on October 4, 2008,
2 for qualified zone academy bonds issued on or after such date;

3 (l) Qualified zone academy allocation means the
4 allocation of the qualified zone academy bond limitation by the State
5 Department of Education to the qualified zone academies pursuant to
6 (i) 26 U.S.C. 1397E(e)(2), as such section existed on October 3,
7 2008, for allocations relating to qualified zone academy bonds issued
8 on or before such date, and (ii) 26 U.S.C. 54E(c)(2), as such section
9 existed on October 4, 2008, for allocations relating to qualified
10 zone academy bonds issued on or after such date; and

11 (m) Qualified zone academy bond has the meaning found in
12 (i) 26 U.S.C. 1397E(d)(1), as such section existed on October 3,
13 2008, for such bonds issued on or before such date, and (ii) 26
14 U.S.C. 54E(a), as such section existed on and after October 4, 2008,
15 for such bonds issued on or after such date, as such section or bonds
16 may be amended or supplemented.

17 (9) Accessibility barrier elimination project costs
18 includes, but is not limited to, inspection, maintenance, accounting,
19 emergency services, consultation, or any other action to reduce or
20 eliminate accessibility barriers.

21 (10)(a) For the purpose of paying amounts necessary for
22 the abatement of environmental hazards, for accessibility barrier
23 elimination, for modifications for life safety code violations,
24 indoor air quality, or mold abatement and prevention, for a qualified
25 capital purpose, or for an American Recovery and Reinvestment Act of

1 2009 purpose, the board may borrow money, establish a sinking fund,
2 and issue bonds and other evidences of indebtedness of the district,
3 which bonds and other evidences of indebtedness shall be secured by
4 and payable from an irrevocable pledge by the district of amounts
5 received in respect of the tax levy provided for by this section and
6 any other funds of the district available therefor. Bonds issued for
7 a qualified capital purpose or an American Recovery and Reinvestment
8 Act of 2009 purpose shall be limited to the type or types of bonds
9 authorized for each purpose in subsections (2) and (3) of this
10 section, respectively. Bonds and other evidences of indebtedness
11 issued by a district pursuant to this subsection shall not constitute
12 a general obligation of the district or be payable from any portion
13 of its general fund levy.

14 (b) A district may exceed the maximum levy of five and
15 one-fifth cents per one hundred dollars of taxable valuation
16 authorized by subsections (5) and (6) of this section in any year in
17 which (i) the taxable valuation of the district is lower than the
18 taxable valuation in the year in which the district last issued bonds
19 pursuant to this section and (ii) such maximum levy is insufficient
20 to meet the combined annual principal and interest obligations for
21 all bonds issued pursuant to this section. The amount generated from
22 a district's levy in excess of the maximum levy upon the taxable
23 valuation of the district shall not exceed the combined annual
24 principal and interest obligations for such bonds minus the amount
25 generated by levying the maximum levy upon the taxable valuation of

1 the district and minus any federal payments or subsidies associated
2 with such bonds.

3 (11) The total principal amount of bonds for
4 modifications to correct life safety code violations, for indoor air
5 quality problems, for mold abatement and prevention, or for an
6 American Recovery and Reinvestment Act of 2009 purpose which may be
7 issued pursuant to this section shall not exceed the total amount
8 specified in the itemized estimate described in subsections (1) and
9 (3) of this section.

10 (12) The total principal amount of qualified zone academy
11 bonds which may be issued pursuant to this section for qualified
12 capital purposes with respect to a qualified zone academy shall not
13 exceed the qualified zone academy allocation granted to the board by
14 the department. The total amount that may be financed by qualified
15 zone academy bonds pursuant to this section for qualified purposes
16 with respect to a qualified zone academy shall not exceed seven and
17 one-half million dollars statewide in a single year. In any year that
18 the Nebraska qualified zone academy allocations exceed seven and one-
19 half million dollars for qualified capital purposes to be financed
20 with qualified zone academy bonds issued pursuant to this section,
21 (a) the department shall reduce such allocations proportionally such
22 that the statewide total for such allocations equals seven and one-
23 half million dollars and (b) the difference between the Nebraska
24 allocation and seven and one-half million dollars shall be available
25 to qualified zone academies for requests that will be financed with

1 qualified zone academy bonds issued without the benefit of this
2 section.

3 Nothing in this section directs the State Department of
4 Education to give any preference to allocation requests that will be
5 financed with qualified zone academy bonds issued pursuant to this
6 section.

7 (13) The State Department of Education shall establish
8 procedures for allocating bond authority to school boards as may be
9 necessary pursuant to an American Recovery and Reinvestment Act of
10 2009 bond.

11 Sec. 199. Section 79-10,111, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-10,111 The legal voters in a ~~Class I or II~~ school
14 district that maintains only elementary grades under the direction of
15 a single school board or which embraces territory having a population
16 of one thousand or fewer inhabitants and maintains both elementary
17 and high school grades under the direction of a single school board,
18 when lawfully assembled, may adjourn from time to time, as may be
19 necessary, to designate a site for a schoolhouse by a vote of fifty-
20 five percent of those present and to change the designation of a site
21 for a schoolhouse by a similar vote at any annual or special meeting.
22 In any school district in which the schoolhouse is located three-
23 fourths of one mile or more from the center of such district, such
24 schoolhouse site may be changed to a point nearer the center of the
25 district by a majority vote of those present at any such school

1 meeting. In any school district containing more than one hundred
2 fifty children five through twenty years of age and having a school
3 board of six members, the schoolhouse site in the district may be
4 changed or the purchasing of a new site may be directed, or both, at
5 any annual or special meeting, by a fifty-five percent vote of those
6 present at any such meeting. A schoolhouse site shall not be changed
7 more than once in any one school year.

8 Sec. 200. Section 79-10,113, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-10,113 The legal voters of a ~~Class I~~ school district
11 that maintains only elementary grades under the direction of a single
12 school board shall also, at any annual or special meeting, authorize
13 and direct, by a fifty-five percent vote, the sale of any
14 schoolhouse, site, building, or other property belonging to the
15 district when it is no longer needed for the use of the district.
16 When real estate is sold, the district may convey it by deed signed
17 by the president of the district, and such deed, when acknowledged by
18 such officer to be the act of the district, may be recorded in the
19 office of the register of deeds of the county in which the real
20 estate is situated in like manner as other deeds.

21 Sec. 201. Section 79-10,114, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-10,114 No school property of any kind belonging to any
24 ~~Class II, III, IV, or VI~~ school district offering instruction in at
25 least grades nine through twelve shall be sold by the school board or

1 board of education except at a regular meeting of the board and with
2 an affirmative recorded vote of at least two-thirds of all the
3 members of the board. Proceeds of sale of school property sold as
4 provided in this section may be held separately from other funds of
5 the school district and may be used for any school purpose as the
6 board may determine, including, but not limited to, acquiring sites
7 for school buildings or teacherages and purchasing existing buildings
8 for use as school buildings or teacherages, including the sites upon
9 which such buildings are located, and the erection, alteration,
10 equipping, and furnishing of school buildings or teacherages.

11 Sec. 202. Section 79-10,116, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-10,116 If it is deemed advisable by the board of
14 education of a ~~Class IV or V~~ school district to purchase bonds issued
15 by the district before maturity, the treasurer shall sell to the
16 highest bidder in the open market, and in a manner prescribed by the
17 board, such bonds or securities as belong to the school funds and the
18 proceeds thereof shall apply to purchase of bonds issued by the
19 district.

20 Sec. 203. Section 79-10,117, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-10,117 The legal voters of any ~~Class III or VI~~ school
23 district embracing territory having a population of more than one
24 thousand inhabitants that maintains high school grades under the
25 direction of a single school board have the power, at an election or

1 at any annual or special meeting, to (1) direct the purchasing or
2 leasing of any appropriate site and the building, hiring, or
3 purchasing of a teacherage for the purpose of providing housing
4 facilities for the school employees of the district, (2) determine
5 the amount necessary to be expended for such purposes the succeeding
6 year, and (3) vote on a tax on the property of the district for the
7 payment of the amount.

8 Sec. 204. Section 79-10,118, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-10,118 A tax to establish a special fund for the
11 building, hiring, or purchasing of a teacherage for the purpose of
12 providing housing facilities for the school employees of any ~~Class~~
13 ~~III or VI~~ district described in section 79-10,117 may be levied when
14 authorized by fifty-five percent of the legal voters voting on the
15 proposition. The notice of the proposal to establish such special
16 fund shall include the sum to be raised or the amount of the tax to
17 be levied, the period of years, and the time of its taking effect. If
18 fifty-five percent of the legal voters voting at any such election
19 vote in favor of the proposition, the result of such election shall
20 be certified to the county board which, upon being satisfied that all
21 the requirements have been substantially complied with, shall cause
22 the proceedings to be entered upon the record of the county board and
23 shall make an order that the levy be made in accordance with the
24 election result and collected as other taxes.

25 Sec. 205. Section 79-10,119, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-10,119 A ~~Class III, IV, or V~~ school district embracing
3 territory having a population of more than one thousand inhabitants
4 and maintaining both elementary and high school grades under the
5 direction of a single school board may purchase, acquire, own,
6 manage, and hold title to real estate for future school sites which
7 at the time of such purchasing or acquiring is outside such school
8 district in a territory not more than three miles beyond the limits
9 of such district but contiguous thereto. Such district shall not
10 erect school buildings on the real estate prior to the inclusion of
11 such real estate within the boundaries of such a school district. If
12 the real estate so acquired adjoins the purchaser's district, the
13 acquisition of the real estate constitutes an annexation of such real
14 estate to the purchaser's district. The intervention of a street,
15 road, or highway between the real estate to be acquired and the
16 purchaser's district does not preclude such real estate from being
17 considered as adjoining the purchaser's district.

18 Sec. 206. Section 79-10,120, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-10,120 The school board or board of education of a
21 ~~Class II, III, IV, V, or VI~~ school district offering instruction in
22 at least grades nine through twelve may establish a special fund for
23 purposes of acquiring sites for school buildings or teacherages,
24 purchasing existing buildings for use as school buildings or
25 teacherages, including the sites upon which such buildings are

1 located, and the erection, alteration, equipping, and furnishing of
2 school buildings or teacherages and additions to school buildings for
3 elementary and high school grades and for no other purpose. For
4 school districts that are not members of learning communities, the
5 fund shall be established from the proceeds of an annual levy, to be
6 determined by the board, of not to exceed fourteen cents on each one
7 hundred dollars upon the taxable value of all taxable property in the
8 district which shall be in addition to any other taxes authorized to
9 be levied for school purposes. Such tax shall be levied and collected
10 as are other taxes for school purposes. For school districts that are
11 members of a learning community, such fund shall be established from
12 the proceeds of the learning community special building funds levy
13 directed to the school district for such purpose pursuant to
14 subdivision (2)(g) of section 77-3442 and the proceeds of any school
15 district special building fund levy pursuant to subdivision (2)(c) of
16 section 77-3442.

17 Sec. 207. Section 79-10,121, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-10,121 Legal voters of a ~~Class I~~ school district that
20 maintains only elementary grades under the direction of a single
21 school board may at any annual or special meeting (1) direct the
22 purchasing or leasing of any appropriate site and the building,
23 hiring, or purchasing of a schoolhouse, a teacherage for the purpose
24 of providing housing facilities for the school employees of the
25 district, or other school buildings, (2) determine the amount

1 necessary to be expended for such purposes the succeeding year, and
2 (3) vote a tax on the property of the district for the payment of the
3 amount.

4 Sec. 208. Section 79-10,122, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-10,122 A tax to establish a special fund for the
7 purpose of erection or repair of a schoolhouse and equipment or the
8 building, and purchasing existing buildings for use as school
9 buildings, including the sites upon which such buildings are located,
10 hiring, or purchasing of a teacherage for the purpose of providing
11 housing facilities for the school employees of any ~~Class I~~ school
12 district that maintains only elementary grades under the direction of
13 a single school board may be levied when authorized by fifty-five
14 percent of the legal voters voting on the proposition. The notice of
15 the proposal to establish the special fund shall include the sum to
16 be raised or the amount of the tax to be levied, the period of years,
17 and the time of its taking effect. The tax shall be subject to the
18 restrictions of section 79-10,124 as to maximum amount and term. If
19 fifty-five percent of the legal voters voting at any such election
20 vote in favor thereof, the result of such election shall be certified
21 to the county board which, upon being satisfied that all the
22 requirements have been substantially complied with, shall enter the
23 proceedings upon the record of the county board and shall make an
24 order that the levy be made and collected as other taxes.

25 Sec. 209. Section 79-10,124, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-10,124 The amount of special tax levied under sections
3 79-10,122 to 79-10,125 shall not exceed five cents on each one
4 hundred dollars upon the taxable value of all taxable property in the
5 school district above the amount allowed by law for general school
6 purposes when combined with the tax levied by a ~~Class I~~-district
7 maintaining only elementary grades under the direction of a single
8 school board under section 79-10,110, and the total amount voted for
9 the period of years shall not exceed five percent of the taxable
10 valuation of the school district.

11 For ~~Class I~~-districts maintaining only elementary grades
12 under the direction of a single school board, the school board of the
13 primary high school district designated pursuant to section
14 79-1083.02 must approve any use of the special tax levied under
15 sections 79-10,110 and 79-10,122 to 79-10,125 and provide written
16 notification of such approval to the ~~Class I~~-district school board of
17 the elementary-only district.

18 Sec. 210. Section 79-10,126, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-10,126 A ~~Class V~~-school district that is not a member
21 of a learning community shall establish (1) for the general operation
22 of the schools, such fund as will result from an annual levy of such
23 rate of tax upon the taxable value of all the taxable property in
24 such school district as the board of education determines to be
25 necessary for such purpose, (2) a fund resulting from an annual

1 amount of tax to be determined by the board of education of not to
2 exceed fourteen cents on each one hundred dollars upon the taxable
3 value of all the taxable property in the district for the purpose of
4 acquiring sites of school buildings and the erection, alteration,
5 equipping, and furnishing of school buildings and additions to school
6 buildings, which tax levy shall be used for no other purposes, and
7 (3) a further fund resulting from an annual amount of tax to be
8 determined by the board of education to pay interest on and retiring,
9 funding, or servicing of bonded indebtedness of the district.

10 Sec. 211. Section 79-10,126.01, Reissue Revised Statutes
11 of Nebraska, is amended to read:

12 79-10,126.01 A ~~Class V~~ school district that is a member
13 of a learning community shall establish (1) for the general operation
14 of the schools, such fund as will result from distributions pursuant
15 to section 79-1073 from the learning community levy and any annual
16 levy of such rate of tax upon the taxable value of all the taxable
17 property in such school district as the board of education determines
18 to be necessary for such purpose and as authorized pursuant to
19 subdivision (2)(c) of section 77-3442, (2) for the purpose of
20 acquiring sites of school buildings and the erection, alteration,
21 equipping, and furnishing of school buildings and additions to school
22 buildings, a fund as will result from distributions from the learning
23 community levy pursuant to section 79-1073.01 and any annual levy of
24 such rate of tax upon the taxable value of all the taxable property
25 in such school district as the school board determines to be

1 necessary for such purpose and as authorized pursuant to subdivision
2 (2)(c) of section 77-3442, which fund shall be used for no other
3 purposes, and (3) a further fund resulting from an annual amount of
4 tax to be determined by the board of education to pay interest on and
5 for retiring, funding, or servicing of bonded indebtedness of the
6 district.

7 Sec. 212. Section 79-10,127, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-10,127 Whenever it is determined by the board of
10 education of a ~~Class V~~ school district that the real estate described
11 as Capitol Square, being a subdivision in the city of Omaha, Douglas
12 County, Nebraska, and being within the northwest quarter of the
13 northwest quarter of section twenty-two, township fifteen, north,
14 range thirteen, east of the sixth principal meridian, together with
15 the south twelve feet of vacated Davenport Street adjoining such
16 premises on the north, which was deeded by the State of Nebraska to
17 the city in which such school district is located, for educational
18 purposes, is no longer suitable for such use, and that it would be in
19 the best educational interests of such city and school district that
20 such real estate and the buildings and improvements erected and
21 maintained thereon by the school district be sold, and the proceeds
22 of such sale used for the purchase of another school site and the
23 erection of such a school building or buildings thereon as are
24 authorized under sections 79-10,127 to 79-10,135, such property may
25 be sold pursuant to the provisions of such sections or pursuant to

1 section 79-10,136, notwithstanding restrictions in the original deed
2 to the city prohibiting the sale and conveyance of such property.

3 Sec. 213. Section 79-1108.02, Revised Statutes Cumulative
4 Supplement, 2012, is amended to read:

5 79-1108.02 (1) The department shall distribute amounts
6 from the Education Innovation Fund pursuant to section 9-812 for
7 purposes of subsection (2) of this section to local systems as
8 defined in section 79-1003 annually on or before October 15.

9 The funds distributed pursuant to this section shall be
10 distributed based on a pro rata share of the eligible costs submitted
11 in grant applications.

12 (2) Local systems may apply to the department for base
13 funds and matching funds pursuant to this section to be spent on
14 approved accelerated or differentiated curriculum programs. Each
15 eligible local system shall receive one-tenth of one percent of the
16 appropriation as base funds plus a pro rata share of the remainder of
17 the appropriation based on identified students participating in an
18 accelerated or differentiated curriculum program, up to ten percent
19 of the prior year's fall membership as defined in section 79-1003, as
20 matching funds. Eligible local systems shall:

21 (a) Provide an approved accelerated or differentiated
22 curriculum program for students identified as learners with high
23 ability;

24 (b) Provide funds from other sources for the approved
25 accelerated or differentiated curriculum program greater than or

1 equal to fifty percent of the matching funds received pursuant to
2 this subsection;

3 (c) Provide an accounting of the funds received pursuant
4 to this section, funds required by subdivision (b) of this
5 subsection, and the total cost of the program on or before August 1
6 of the year following the receipt of funds in a manner prescribed by
7 the department, not to exceed one report per year;

8 (d) Provide data regarding the academic progress of
9 students participating in the accelerated or differentiated
10 curriculum program in a manner prescribed by the department, not to
11 exceed one report per year; and

12 (e) Include identified students from ~~Class I~~ districts
13 that maintain only elementary grades under the direction of a single
14 school board that are part of the local system in the accelerated or
15 differentiated curriculum program.

16 If a local system will not be providing the necessary
17 matching funds pursuant to subdivision (b) of this subsection, the
18 local system shall request a reduction in the amount received
19 pursuant to this subsection such that the local system will be in
20 compliance with such subdivision. Local systems not complying with
21 the requirements of this subsection shall not be eligible local
22 systems in the following year.

23 Sec. 214. Section 79-1217, Revised Statutes Cumulative
24 Supplement, 2012, is amended to read:

25 79-1217 (1) All educational service units shall be

1 governed by a board to be known as the Board of Educational Service
2 Unit No. Until the first Thursday after the first Tuesday in
3 January 2009, the educational service unit board, except the board of
4 an educational service unit with only one member school district,
5 shall be composed of one member from each county and four members at
6 large, all of whom shall reside within the geographical boundaries of
7 the educational service unit, but no more than two of the members at
8 large shall be appointed or elected from the same county unless any
9 one county within the educational service unit has a population in
10 excess of one hundred fifty thousand inhabitants or the educational
11 service unit consists of only one county. Beginning on the first
12 Thursday after the first Tuesday in January 2009, the educational
13 service unit board, except the board of an educational service unit
14 with only one member school district, shall be composed of one member
15 elected to represent each election district established pursuant to
16 section 79-1217.01. Successors to the members initially appointed
17 pursuant to section 79-1212 shall be elected pursuant to section
18 32-515.

19 (2) Vacancies in office shall occur as set forth in
20 section 32-560, except as otherwise provided in section 79-1212
21 regarding the requirement to live in the district represented, or in
22 the case of absences, unless excused by a majority of the remaining
23 members of the board, when a member is absent from the geographical
24 boundaries of the educational service unit for a continuous period of
25 sixty days at one time or from more than two consecutive regular

1 meetings of the board. Whenever any vacancy occurs on the board, the
2 remaining members of such board shall appoint an individual residing
3 within the election district of the educational service unit for
4 which the vacancy exists and meeting the qualifications for the
5 office to fill such vacancy for the balance of the unexpired term.

6 (3) Members of the board shall receive no compensation
7 for their services but shall be reimbursed for the actual and
8 necessary expenses incurred in the performance of their duties under
9 the Educational Service Units Act as provided in sections 81-1174 to
10 81-1177.

11 (4) Except as provided in subsection (5) of this section,
12 any joint school district located in two or more counties shall be
13 considered a part of the educational service unit in which the
14 greater number of school-age children of such joint school district
15 reside.

16 (5) Any ~~Class I~~ district that maintains only elementary
17 grades under the direction of a single school board which is part of
18 a ~~Class VI~~ district maintaining only high school grades or grades
19 seven through twelve or six through twelve under the direction of a
20 single school board shall be considered a part of the educational
21 service unit of which the ~~Class VI~~ district maintaining only high
22 school grades or grades seven through twelve or six through twelve
23 under the direction of a single school board is a member. If the
24 ~~Class VI~~ district maintaining only high school grades or grades seven
25 through twelve or six through twelve under the direction of a single

1 school board has removed itself from an educational service unit,
2 each ~~Class I~~-district maintaining only elementary grades under the
3 direction of a single school board which is part of such ~~Class VI~~
4 district may continue its existing membership in an educational
5 service unit or may change its status relative to membership in an
6 educational service unit in accordance with section 79-1209. The
7 patrons of a ~~Class I~~-district maintaining only elementary grades
8 under the direction of a single school board maintaining membership
9 in an educational service unit pursuant to this subsection shall have
10 the same rights and privileges as other patrons of the educational
11 service unit, and the taxable valuation of the taxable property
12 within the geographic boundaries of such ~~Class I~~-district shall be
13 subject to the educational service unit's tax levy established
14 pursuant to section 79-1225.

15 (6) The administrator of each educational service unit,
16 prior to July 1 of each year in which a statewide primary election is
17 to be held, shall certify to the election commissioner or county
18 clerk of each county located within the unit the corporate name of
19 each school district, as described in section 79-405, located within
20 the county. If a school district is a joint school district located
21 in two or more counties, the administrator shall certify to each
22 election commissioner or county clerk the educational service unit of
23 which the school district is considered to be a part.

24 (7) An educational service unit may consist of a single
25 school district if the single school district is either a ~~Class IV~~ or

1 ~~Class V school district embraces territory having a population of~~
2 ~~more than two hundred thousand inhabitants and maintains both~~
3 ~~elementary and high school grades under the direction of a single~~
4 ~~school board.~~ An educational service unit with only one member school
5 district shall be governed by the school board of such school
6 district and shall participate in one or more of the statewide
7 projects managed by the Educational Service Unit Coordinating
8 Council.

9 Sec. 215. Section 79-1217.01, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-1217.01 By December 31, 2007, and after each decennial
12 census pursuant to section 32-553, each educational service unit
13 board, except boards of educational service units with only one
14 member school district, shall divide the territory of the educational
15 service unit into ~~at least five and up to twelve~~ numbered districts
16 for the purpose of electing members to the board, ~~in compliance with~~
17 ~~section 32-553.~~ Such districts shall be compact and contiguous and
18 substantially equal in population. The newly established election
19 districts shall apply beginning with the nomination and election of
20 educational service unit board members in 2008.

21 Sec. 216. Section 79-1225, Revised Statutes Cumulative
22 Supplement, 2012, is amended to read:

23 79-1225 (1) After the adoption of its budget statement,
24 the board for each educational service unit, except as provided in
25 subsection (2) of this section, may levy a tax in the amount which it

1 requires under its adopted budget statement to be received from
2 taxation. The levy shall be subject to the limits established by
3 section 77-3442. The amount of such levy shall be certified by the
4 secretary of the educational service unit board to the county board
5 of equalization of each county in which any part of the geographical
6 area of the educational service unit is located on or before
7 September 20 of each year. Such tax shall be levied and assessed in
8 the same manner as other property taxes and entered on the books of
9 the county treasurer. The proceeds of such tax, as collected, shall
10 be remitted to the treasurer of the board on or before the fifteenth
11 day of each month or more frequently as provided in section 77-1759.

12 (2) For fiscal year 2013-14 and each fiscal year
13 thereafter, only an educational service unit which has four or more
14 member school districts or an educational service unit composed of a
15 single ~~Class IV or Class V~~ school district may levy a tax on the
16 taxable value of the taxable property within the geographic
17 boundaries of the educational service unit.

18 Sec. 217. Section 79-1504, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-1504 The provisions of Article III, SECTION A., of the
21 Compact for Education notwithstanding, the members of the Education
22 Commission of the States representing this state shall consist of the
23 Governor, three members of the Legislature selected by the Executive
24 Board of the Legislative Council, and three members appointed by the
25 Governor. Of the three members appointed by the Governor, one member

1 shall be a member of a school board or board of education of a ~~Class~~
2 ~~II, III, IV, V, or VI~~ school district offering instruction in at
3 least grades nine through twelve or an appointed representative of a
4 state association of school boards or boards of education
5 representing such districts.

6 Sec. 218. Section 79-2116, Revised Statutes Cumulative
7 Supplement, 2012, is amended to read:

8 79-2116 Terms and conditions of employment of school
9 employees providing services for an elementary learning center shall
10 be established by the negotiated agreement of the learning community
11 employing such school employees to provide services. For certificated
12 employees as defined in section 79-824, the learning community shall
13 be deemed to be a public employer as defined in section 48-801.
14 Compensation paid to school employees for services provided to a
15 learning community shall be subject to the School Employees
16 Retirement Act unless such employee is employed by a ~~Class V~~ school
17 district participating in a retirement plan pursuant to the Alternate
18 School Employees Retirement Act, in which case compensation paid such
19 school employee shall be subject to ~~the Class V School Employees~~
20 ~~Retirement Act.~~ such act.

21 Sec. 219. Original sections 4-108, 10-704, 10-716.01,
22 13-2903, 23-1601, 23-3302, 32-541, 32-553, 32-555, 32-609, 77-3444,
23 77-3523, 79-2,126, 79-401, 79-402, 79-403, 79-406, 79-411, 79-415,
24 79-416, 79-418, 79-419, 79-423, 79-424, 79-425, 79-431, 79-434,
25 79-443, 79-447, 79-450, 79-451, 79-452, 79-454, 79-455, 79-458,

1 79-470, 79-472, 79-473, 79-474, 79-477, 79-478, 79-479, 79-492,
2 79-493, 79-494, 79-495, 79-496, 79-499, 79-4,100, 79-4,101, 79-4,102,
3 79-4,103, 79-4,109, 79-4,110, 79-4,111, 79-4,123, 79-4,128, 79-501,
4 79-506, 79-519, 79-520, 79-521, 79-523, 79-524, 79-525, 79-526,
5 79-534, 79-540, 79-543, 79-547, 79-548, 79-549, 79-550, 79-554,
6 79-557, 79-558, 79-565, 79-567, 79-570, 79-572, 79-576, 79-577,
7 79-578, 79-579, 79-580, 79-581, 79-584, 79-586, 79-587, 79-588,
8 79-590, 79-593, 79-5,104, 79-5,105, 79-5,107, 79-5,108, 79-716,
9 79-717, 79-728, 79-734, 79-824, 79-840, 79-841, 79-850, 79-8,110,
10 79-939, 79-979, 79-981, 79-983, 79-985, 79-986, 79-988, 79-994,
11 79-995, 79-997, 79-9,107, 79-9,108, 79-9,109, 79-9,115, 79-1027.01,
12 79-1043, 79-1045, 79-1065.02, 79-1070, 79-1072, 79-1075, 79-1077,
13 79-1078, 79-1080, 79-1081, 79-1082, 79-1083.02, 79-1087, 79-1089,
14 79-1090, 79-1092, 79-1093, 79-1098, 79-1099, 79-10,103, 79-10,111,
15 79-10,113, 79-10,114, 79-10,116, 79-10,117, 79-10,118, 79-10,119,
16 79-10,120, 79-10,121, 79-10,122, 79-10,124, 79-10,126, 79-10,126.01,
17 79-10,127, 79-1217.01, and 79-1504, Reissue Revised Statutes of
18 Nebraska, sections 32-618, 32-811, 32-1303, 48-816, 68-621, 79-101,
19 79-408, 79-413, 79-4,108, 79-528, 79-569, 79-828, 79-942, 79-944,
20 79-947, 79-978, 79-978.01, 79-980, 79-988.01, 79-998, 79-9,104,
21 79-1005.01, 79-1011, 79-1025, 79-1029, 79-1030, 79-1036, 79-1084,
22 79-10,110, 79-1108.02, 79-1217, 79-1225, and 79-2116, Revised
23 Statutes Cumulative Supplement, 2012, and sections 13-508, 32-101,
24 32-552, 32-554, 32-570, 32-606, 32-1007, 79-234, 79-4,129, 79-611,
25 79-902, 79-916, 79-966, 79-984, 79-991, 79-992, 79-9,100, 79-9,102,

1 79-9,103, 79-9,113, 79-1003, and 79-1028.01, Revised Statutes
2 Supplement, 2013, are repealed.

3 Sec. 220. The following sections are outright repealed:
4 Section 32-542, 32-543, 32-544, 32-546, 79-102, 79-103, 79-104,
5 79-404, 79-407, 79-409, 79-410, 79-417, 79-426, 79-475, 79-476,
6 79-522, 79-535, 79-537, 79-551, 79-553, 79-555, 79-556, 79-560,
7 79-561, 79-562, 79-563, 79-564, 79-566, 79-568, 79-573, 79-574,
8 79-582, 79-583, 79-585, 79-589, 79-591, 79-594, 79-595, 79-596,
9 79-597, 79-5,106, 79-1085, and 79-10,115, Reissue Revised Statutes of
10 Nebraska, sections 79-592 and 79-1086, Revised Statutes Cumulative
11 Supplement, 2012, and sections 32-545, 79-552, and 79-559, Revised
12 Statutes Supplement, 2013.