

E AND R AMENDMENTS TO LB 525

Introduced by Hansen, 26, Chairman Enrollment and Review

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

3           Section 1. Section 71-1962, Revised Statutes Cumulative Supplement,  
4 2014, is amended to read:

5           71-1962 (1) Not later than March 1, 2014, the State Department of  
6 Education shall create and operate the Nebraska Early Childhood  
7 Professional Record System. The system shall be designed in order to:

8           (a) Establish a data base of Nebraska's early childhood education  
9 workforce;

10           (b) Verify educational degrees and professional credentials held and  
11 relevant training completed by employees of participating applicable  
12 child care and early childhood education programs; and

13           (c) Provide such information to the Department of Health and Human  
14 Services for use in evaluating applications to be rated at a step above  
15 step one under section 71-1959.

16           (2) When an applicable child care or early childhood education  
17 program participating in the quality rating and improvement system  
18 developed pursuant to section 71-1955 applies under section 71-1959 to be  
19 rated at a step above step one, the child care or early childhood  
20 education program shall report the educational degrees and professional  
21 credentials held and relevant training completed by its child care and  
22 early childhood education employees to the Nebraska Early Childhood  
23 Professional Record System for the program to be eligible for a quality  
24 scale rating above step one.

25           (3) Any child care or early childhood education provider residing or  
26 working in Nebraska may report his or her educational degrees and  
27 professional credentials held, relevant training completed, and work

1 history to the Nebraska Early Childhood Professional Record System.

2 Sec. 2. Section 79-101, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 79-101 For purposes of Chapter 79:

5 (1) School district means the territory under the jurisdiction of a  
6 single school board authorized by Chapter 79;

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

9 (3) Legal voter means a registered voter as defined in section  
10 32-115 who is domiciled in a precinct or ward in which he or she is  
11 registered to vote and which precinct or ward lies in whole or in part  
12 within the boundaries of a school district for which the registered voter  
13 chooses to exercise his or her right to vote at a school district  
14 election or at an annual or special meeting of a Class I school district;

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

18 (5) Elementary grades means grades kindergarten through eight,  
19 inclusive;

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

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

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

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

29 (10) Administrator means any certified employee such as  
30 superintendent, assistant superintendent, principal, assistant principal,  
31 school nurse, or other supervisory or administrative personnel who do not

1 have as a primary duty the instruction of pupils in the public schools;

2 (11) School board means the governing body of any school district.

3 Board of education has the same meaning as school board;

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

13 (13) Permanent school fund means the fund described in section  
14 79-1035.01;

15 (14) Temporary school fund means the fund described in section  
16 79-1035.02; ~~and~~

17 (15) School lands means the lands described in section 79-1035.03.  
18 Educational lands has the same meaning as school lands; ~~-~~

19 (16) Community eligibility provision means the alternative to  
20 household applications for free and reduced-price meals in high-poverty  
21 schools enacted in section 104(a) of the federal Healthy, Hunger-Free  
22 Kids Act of 2010, section 11(a)(1) of the Richard B. Russell National  
23 School Lunch Act, 42 U.S.C. 1759a(a)(1), as such act and section existed  
24 on January 1, 2015, and administered by the United States Department of  
25 Agriculture; and

26 (17) Certificate, certificated, or certified, when referring to an  
27 individual holding a certificate to teach, administer, or provide special  
28 services, also includes an individual who holds a permit issued by the  
29 Commissioner of Education pursuant to sections 79-806 to 79-815.

30 The State Board of Education may adopt and promulgate rules and  
31 regulations to define school day and other appropriate units of the

1 school calendar.

2 Sec. 3. The Legislature finds that:

3 (1) In order for Nebraska's students to adequately prepare for  
4 postsecondary education and careers, public schools in conjunction with  
5 educational service units in Nebraska should offer courses of increased  
6 educational rigor and relevancy, including, but not limited to, academic  
7 programs of excellence, dual-enrollment courses, and career academies;

8 (2) The startup costs of implementing and the ongoing costs of  
9 offering such programs, courses, and academies, including, but not  
10 limited to, curricula, textbooks, testing fees, postsecondary tuition,  
11 technology, equipment, staffing, staff training, and other related  
12 expenses, can often exceed the resources available to a school district  
13 or an educational service unit; and

14 (3) It is in the best interests of the state to provide a dedicated  
15 source of funding to public schools in Nebraska through educational  
16 service units for such programs, courses, and academies.

17 Sec. 4. For purposes of sections 3 to 8 of this act:

18 (1) Academic program of excellence means a nationally recognized  
19 program, offered in the high school grades, that includes a curriculum  
20 and pedagogy, professional development for teachers, and a rigorous  
21 assessment external to the school system;

22 (2) Career academy means a career academy established pursuant to  
23 section 79-777; and

24 (3) Dual-enrollment course means a course taught to students for  
25 credit at both a high school and a postsecondary educational institution  
26 accredited by an accrediting organization recognized by the United States  
27 Department of Education.

28 Sec. 5. (1) Educational service units shall apply on behalf of  
29 member school districts to the State Department of Education for  
30 reimbursement calculated pursuant to section 6 of this act. School  
31 districts seeking reimbursement pursuant to such section shall provide

1 documentation to the appropriate educational service unit of the number  
2 of students in each program, course, or academy for which reimbursement  
3 is requested and the number of students successfully completing such  
4 program, course, or academy.

5 (2) Reimbursement shall be available based on students who  
6 successfully complete an academic program of excellence, a dual-  
7 enrollment course, or a career academy. Applications shall be submitted  
8 based on completions during the immediately preceding fiscal year not  
9 later than August 1, 2016, and on or before August 1 of each year  
10 thereafter. The department shall award the reimbursements provided for in  
11 this section and distribute such reimbursements after September 1 and no  
12 later than October 1 of every year beginning in 2016.

13 Sec. 6. (1) For each student who successfully completes an academic  
14 program of excellence, a dual-enrollment course, or a career academy, the  
15 State Department of Education shall approve and reimburse the school  
16 district through its educational service unit as provided in this section  
17 if the school district through its educational service unit has applied  
18 pursuant to section 5 of this act.

19 (2) The reimbursement for each qualifying school district shall be  
20 determined by (a) dividing the statewide aggregate number of approved  
21 students completing academic programs of excellence, dual-enrollment  
22 courses, and career academies into the total funds appropriated for such  
23 purpose and (b) multiplying the result by the district's number of such  
24 approved students.

25 (3) For purposes of the general fund budget of expenditures as  
26 defined in section 79-1003, funds received pursuant to this section shall  
27 be considered special grant funds.

28 Sec. 7. The State Board of Education shall adopt and promulgate  
29 rules and regulations to carry out sections 3 to 8 of this act. Such  
30 rules and regulations shall include, but not be limited to, mechanisms to  
31 determine successful student completion of an academic program of

1 excellence, a dual-enrollment course, or a career academy for purposes of  
2 reimbursement authorized by section 6 of this act.

3       Sec. 8. It is the intent of the Legislature to appropriate from the  
4 General Fund two million dollars for fiscal year 2016-17 to carry out the  
5 purposes of section 6 of this act.

6       Sec. 9. A parent or guardian of any student enrolled in, or in the  
7 process of enrolling in, any school district in the state may voluntarily  
8 provide information on any application submitted pursuant to Nebraska  
9 law, rules, and regulations regarding the applicant's potential to meet  
10 the qualifications for free or reduced-price lunches without regard to  
11 whether the school the child attends, or will attend, is a school that  
12 uses such information to qualify students for free or reduced-price meals  
13 or a school that provides free meals to all students pursuant to the  
14 community eligibility provision. Each school district shall process  
15 information provided pursuant to this section for students who attend a  
16 school that provides free meals to all students pursuant to the community  
17 eligibility provision in the same manner to determine the qualification  
18 status of the student as the information for students who attend school  
19 in a school building that uses such information to qualify students for  
20 free or reduced-price meals. Each school district shall comply with the  
21 federal Family Educational Rights and Privacy Act of 1974, 20 U.S.C.  
22 1232g, as such act and section existed on January 1, 2015, and  
23 regulations adopted thereunder with regard to any information collected  
24 pursuant to this section. If no such information is provided, the student  
25 shall be presumed not to qualify for free or reduced-price lunches for  
26 the purposes of the application.

27       Sec. 10. Section 79-215, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29       79-215 (1) Except as otherwise provided in this section, a student  
30 is a resident of the school district where he or she resides and shall be  
31 admitted to any such school district upon request without charge.

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

3 (3) A school board shall admit any homeless student upon request  
4 without charge if the district is the district in which the student (a)  
5 is currently located, (b) attended when permanently housed, or (c) was  
6 last enrolled.

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

10 (5) A school board may admit nonresident students to the school  
11 district pursuant to a contract with the district where the student is a  
12 resident and shall collect tuition pursuant to the contract.

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

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

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

24 (9) When a student as a ward of the state or as a ward of any court  
25 (a) has been placed in a school district other than the district in which  
26 he or she resided at the time he or she became a ward and such ward does  
27 not reside in a foster family home licensed or approved by the Department  
28 of Health and Human Services or a foster home maintained or used pursuant  
29 to section 83-108.04 or (b) has been placed in any institution which  
30 maintains a special education program which has been approved by the  
31 State Department of Education and such institution is not owned or

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

17 (10)(a) When a student is not a ward of the state or a ward of any  
18 court and is residing in a residential setting located in Nebraska for  
19 reasons other than to receive an education and the residential setting is  
20 operated by a service provider which is certified or licensed by the  
21 Department of Health and Human Services or is enrolled in the medical  
22 assistance program established pursuant to the Medical Assistance Act and  
23 Title XIX or XXI of the federal Social Security Act, as amended, the  
24 student shall remain a resident of the district in which he or she  
25 resided immediately prior to residing in such residential setting. The  
26 resident district for a student who is not a ward of the state or a ward  
27 of any court does not change when the student moves from one residential  
28 setting to another.

29 (b) If a student is residing in a residential setting as described  
30 in subdivision (10)(a) of this section and such residential setting does  
31 not maintain an interim-program school as defined in section 79-1119.01

1 or an approved or accredited school, the resident school district shall  
2 contract with the district in which such residential setting is located  
3 for the provision of all educational services, including all special  
4 education services and support services as defined in section 79-1125.01,  
5 unless a parent or guardian and the resident school district agree that  
6 an appropriate education will be provided by the resident school district  
7 while the student is residing in such residential setting. If the  
8 resident school district is required to contract, the district in which  
9 such residential setting is located shall contract with the resident  
10 district and provide all educational services, including all special  
11 education services, to the student. If the two districts cannot agree on  
12 the amount of the contract, the State Department of Education shall  
13 determine the amount to be paid by the resident district to the district  
14 in which such residential setting is located based on the needs of the  
15 student, approved special education rates, the department's general  
16 experience with special education budgets, and the cost per student in  
17 the district in which such residential setting is located. Once the  
18 contract has been entered into, all legal responsibility for special  
19 education and related services shall be transferred to the school  
20 district in which the residential setting is located.

21 (c) If a student is residing in a residential setting as described  
22 in subdivision (10)(a) of this section and such residential setting  
23 maintains an interim-program school as defined in section 79-1119.01 or  
24 an approved or accredited school, the department shall reimburse such  
25 residential setting for the provision of all educational services,  
26 including all special education services and support services, with the  
27 amount of payment for all educational services determined pursuant to the  
28 average per pupil cost of the service agency as defined in section  
29 79-1116. The resident school district shall retain responsibility for  
30 such student's individualized education plan, if any. The educational  
31 services may be provided through (i) such interim-program school or

1 approved or accredited school, (ii) a contract between the residential  
2 setting and the school district in which such residential setting is  
3 located, (iii) a contract between the residential setting and another  
4 service agency as defined in section 79-1124, or (iv) a combination of  
5 such educational service providers.

6 (d) If a school district pays a school district in which a  
7 residential setting is located for educational services provided pursuant  
8 to subdivision (10)(b) of this section and it is later determined that a  
9 different school district was the resident school district for such  
10 student at the time such educational services were provided, the school  
11 district that was later determined to be the resident school district  
12 shall reimburse the school district that initially paid for the  
13 educational services one hundred ten percent of the amount paid.

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

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

31 (12) No tuition shall be charged for students who may be by law

1 allowed to attend the school without charge.

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

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

15 Sec. 11. Section 79-2,144, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 79-2,144 The state school security director appointed pursuant to  
18 section 79-2,143 shall be responsible for providing leadership and  
19 support for safety and security for the public schools. Duties of the  
20 director include, but are not limited to:

21 (1) Collecting safety and security plans, required pursuant to rules  
22 and regulations of the State Department of Education relating to  
23 accreditation of schools, and other school security information from each  
24 school system in Nebraska. School districts shall provide the state  
25 school security director with the safety and security plans of the school  
26 district and any other security information requested by the director,  
27 but any plans or information submitted by a school district may be  
28 withheld by the department pursuant to subdivision (8) of section  
29 84-712.05;

30 (2) Recommending minimum standards for school security on or before  
31 January 1, 2016, to the State Board of Education;

1 (3) Conducting an assessment of the security of each public school  
2 building, which assessment shall be completed by August 31, 2017;

3 (4) Identifying deficiencies in school security based on the minimum  
4 standards adopted by the State Board of Education and making  
5 recommendations to school boards for remedying such deficiencies;

6 (5) Establishing security awareness and preparedness tools and  
7 training programs for public school staff;

8 (6) Establishing research-based model instructional programs for  
9 staff, students, and parents to address the underlying causes for violent  
10 attacks on schools;

11 (7) Overseeing suicide awareness and prevention training in public  
12 schools pursuant to section 79-2,146;

13 (8) Establishing tornado preparedness standards which shall include,  
14 but not be limited to, ensuring that every school conduct at least two  
15 tornado drills per year;~~and~~

16 (9) Responding to inquiries and requests for assistance relating to  
17 school security from private, denominational, and parochial schools;  
18 and -

19 (10) Recommending curricular and extracurricular materials to assist  
20 school districts in preventing and responding to cyberbullying and  
21 digital citizenship issues.

22 Sec. 12. Section 79-301, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 79-301 (1) The State Department of Education provided for in Article  
25 VII, section 2, of the Constitution of Nebraska shall consist of a State  
26 Board of Education and a Commissioner of Education. The State Department  
27 of Education shall have general supervision and administration of the  
28 school system of the state and of such other activities as the  
29 Legislature may direct.

30 (2) The State Board of Education, acting as a unit, shall be the  
31 policy-forming, planning, and evaluative body for the state school

1 program. Except in the appointment of a Commissioner of Education, the  
2 board shall deliberate and take action with the professional advice and  
3 counsel of the Commissioner of Education.

4 (3) The Commissioner of Education shall be the executive officer of  
5 the State Board of Education and the administrative head of the  
6 professional, technical, and clerical staff of the State Department of  
7 Education. The commissioner shall act under the authority of the State  
8 Board of Education. The commissioner shall have the responsibility for  
9 carrying out the requirements of law and of board policies, standards,  
10 rules, and regulations and for providing the educational leadership and  
11 services deemed necessary by the board for the proper conduct of the  
12 state school program. In the event of vacancy in office or the absence or  
13 incapacity of the Commissioner of Education, ~~a~~ the deputy commissioner  
14 shall carry out any all the duties imposed by law upon the commissioner.

15 Sec. 13. Section 79-308, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 79-308 (1) The Commissioner of Education shall organize institutes  
18 and conferences at such times and places as he or she deems practicable.  
19 He or she shall, as far as practicable, attend such institutes and  
20 conferences, provide proper instructors for the same, and in other ways  
21 seek to improve the efficiency of teachers and advance the cause of  
22 education in the state.

23 (2) The Legislature finds that (a) an educator-effectiveness system  
24 includes a quality evaluation system with the primary goal of improving  
25 instruction and learning in every school district and (b) school  
26 districts have an opportunity to receive training on the quality  
27 evaluation models.

28 (3) Beginning with the 2016-17 school year through the 2019-20  
29 school year, school districts may apply to the State Department of  
30 Education for grant funding for a period of up to two years to implement  
31 an evaluation model for effective educators and to obtain the necessary

1 training for administrators and teachers for such model.

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

4 Sec. 14. Section 79-309.01, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 79-309.01 ~~(1)(a) Beginning in 2016, the Commissioner of Education~~  
7 ~~shall annually collect data from each school district prior to February~~  
8 ~~25 and determine whether at least seventy-five percent of the school~~  
9 ~~districts have included a system for distributing apportionment funds~~  
10 ~~attributable to income from solar or wind agreements on school lands for~~  
11 ~~teacher performance pay within such districts' local collective-~~  
12 ~~bargaining agreements for the ensuing school fiscal year.~~

13 The (b)(i) If the seventy-five percent requirement has been met for  
14 the year, the Commissioner of Education shall use the separate accounting  
15 provided by the State Treasurer under subdivision (1)(b) of section  
16 79-1035 to determine the amount of the apportionment to each school  
17 district under section 79-1035 that is attributable to income from solar  
18 or wind agreements on school lands. This amount shall provide funds for  
19 the grants described in section 79-308 through the 2019-20 school year  
20 ~~The commissioner shall notify each school district of such amount within~~  
21 ~~five days after certification of the apportionment required pursuant to~~  
22 ~~subsection (3) of section 79-1035. Each school district shall use the~~  
23 ~~amount of apportionment funds specified in the notice provided by the~~  
24 ~~commissioner for the purpose of teacher performance pay. Such amount~~  
25 ~~shall be used as a supplement to the salary schedule as provided in local~~  
26 ~~collective bargaining agreements. For purposes of distribution of such~~  
27 ~~funds only, the Legislature finds that teacher performance pay~~  
28 ~~measurements, criteria, and payout amounts are mandatory topics of~~  
29 ~~collective bargaining. If a school district has not included a system for~~  
30 ~~distributing apportionment funds attributable to income from solar or~~  
31 ~~wind agreements on school lands for teacher performance pay within its~~

1 ~~local collective bargaining agreement, the amount of apportionment funds~~  
2 ~~specified in the notice provided by the commissioner shall be returned to~~  
3 ~~the State Treasurer within one month of receipt of such funds. The State~~  
4 ~~Treasurer shall immediately credit any funds returned under this section~~  
5 ~~to the temporary school fund. Any funds returned under this section shall~~  
6 ~~be redistributed from the temporary school fund in the following year and~~  
7 ~~shall no longer be designated as income attributable to solar or wind~~  
8 ~~agreements on school lands.~~

9 ~~(ii) If the seventy-five percent requirement has not been met for~~  
10 ~~the year, then subdivision (1)(b)(i) of this section shall not apply for~~  
11 ~~that year.~~

12 ~~(2) If the seventy-five percent requirement has not been met in~~  
13 ~~2016, 2017, or 2018, then this section shall not apply in 2019 or any~~  
14 ~~year thereafter.~~

15 ~~(3) For purposes of this section, agreement ÷~~

16 ~~(a) Agreement means any lease, easement, covenant, or other such~~  
17 ~~contractual arrangement. ; and~~

18 ~~(b) Teacher performance pay means a systematic process for measuring~~  
19 ~~teachers' performance and linking the measurements to changes in teacher~~  
20 ~~pay. Indicators of teacher performance may include improving professional~~  
21 ~~skills and knowledge, classroom performance or instructional behavior,~~  
22 ~~and instructional outcomes. Teacher performance pay may include~~  
23 ~~predetermined bonus amounts and payout criteria.~~

24 ~~Sec. 15. Section 79-318, Reissue Revised Statutes of Nebraska, is~~  
25 ~~amended to read:~~

26 ~~79-318 The State Board of Education shall:~~

27 ~~(1) Appoint and fix the compensation of the Commissioner of~~  
28 ~~Education;~~

29 ~~(2) Remove the commissioner from office at any time for conviction~~  
30 ~~of any crime involving moral turpitude or felonious act, for~~  
31 ~~inefficiency, or for willful and continuous disregard of his or her~~

1 duties as commissioner or of the directives of the board;

2 (3) Upon recommendation of the commissioner, appoint and fix the  
3 compensation of all new professional positions in the department,  
4 including any deputy commissioners a deputy commissioner and all  
5 professional employees of the board;

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

10 (5) Provide, through the commissioner and his or her professional  
11 staff, enlightened professional leadership, guidance, and supervision of  
12 the state school system, including educational service units. In order  
13 that the commissioner and his or her staff may carry out their duties,  
14 the board shall, through the commissioner: (a) Provide supervisory and  
15 consultation services to the schools of the state; (b) issue materials  
16 helpful in the development, maintenance, and improvement of educational  
17 facilities and programs; (c) establish rules and regulations which govern  
18 standards and procedures for the approval and legal operation of all  
19 schools in the state and for the accreditation of all schools requesting  
20 state accreditation. All public, private, denominational, or parochial  
21 schools shall either comply with the accreditation or approval  
22 requirements prescribed in this section and section 79-703 or, for those  
23 schools which elect not to meet accreditation or approval requirements,  
24 the requirements prescribed in subsections (2) through (6) of section  
25 79-1601. Standards and procedures for approval and accreditation shall be  
26 based upon the program of studies, guidance services, the number and  
27 preparation of teachers in relation to the curriculum and enrollment,  
28 instructional materials and equipment, science facilities and equipment,  
29 library facilities and materials, and health and safety factors in  
30 buildings and grounds. Rules and regulations which govern standards and  
31 procedures for private, denominational, and parochial schools which

1 elect, pursuant to the procedures prescribed in subsections (2) through  
2 (6) of section 79-1601, not to meet state accreditation or approval  
3 requirements shall be as described in such section; (d) institute a  
4 statewide system of testing to determine the degree of achievement and  
5 accomplishment of all the students within the state's school systems if  
6 it determines such testing would be advisable; (e) prescribe a uniform  
7 system of records and accounting for keeping adequate educational and  
8 financial records, for gathering and reporting necessary educational  
9 data, and for evaluating educational progress; (f) cause to be published  
10 laws, rules, and regulations governing the schools and the school lands  
11 and funds with explanatory notes for the guidance of those charged with  
12 the administration of the schools of the state; (g) approve teacher  
13 education programs conducted in Nebraska postsecondary educational  
14 institutions designed for the purpose of certificating teachers and  
15 administrators; (h) approve certificated-employee evaluation policies and  
16 procedures developed by school districts and educational service units;  
17 and (i) approve general plans and adopt educational policies, standards,  
18 rules, and regulations for carrying out the board's responsibilities and  
19 those assigned to the State Department of Education by the Legislature;

20 (6) Adopt and promulgate rules and regulations for the guidance,  
21 supervision, accreditation, and coordination of educational service  
22 units. Such rules and regulations for accreditation shall include, but  
23 not be limited to, (a) a requirement that programs and services offered  
24 to school districts by each educational service unit shall be evaluated  
25 on a regular basis, but not less than every seven years, to assure that  
26 educational service units remain responsive to school district needs and  
27 (b) guidelines for the use and management of funds generated from the  
28 property tax levy and from other sources of revenue as may be available  
29 to the educational service units, to assure that public funds are used to  
30 accomplish the purposes and goals assigned to the educational service  
31 units by section 79-1204. The State Board of Education shall establish

1 procedures to encourage the coordination of activities among educational  
2 service units and to encourage effective and efficient educational  
3 service delivery on a statewide basis;

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

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

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

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

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

20 (12) With the advice of the Department of Motor Vehicles, adopt and  
21 promulgate rules and regulations containing reasonable standards, not  
22 inconsistent with existing statutes, governing: (a) The general design,  
23 equipment, color, operation, and maintenance of any vehicle with a  
24 manufacturer's rated seating capacity of eleven or more passengers used  
25 for the transportation of public, private, denominational, or parochial  
26 school students; and (b) the equipment, operation, and maintenance of any  
27 vehicle with a capacity of ten or less passengers used for the  
28 transportation of public, private, denominational, or parochial school  
29 students, when such vehicles are owned, operated, or owned and operated  
30 by any public, private, denominational, or parochial school or privately  
31 owned or operated under contract with any such school in this state,

1 except for vehicles owned by individuals operating a school which elects  
2 pursuant to section 79-1601 not to meet accreditation or approval  
3 requirements. Similar rules and regulations shall be adopted and  
4 promulgated for operators of such vehicles as provided in section 79-607;

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

12 (14) Accept, in order to administer the Interstate Compact on  
13 Educational Opportunity for Military Children, any devise, donation, or  
14 bequest received by the State Department of Education pursuant to section  
15 79-2206; and

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

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

28 Sec. 16. Section 79-420, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 79-420 Within thirty days after the creation of a new school  
31 district pursuant to sections 79-413 to 79-419, the State Committee for

1 the Reorganization of School Districts shall appoint from among the legal  
2 voters of the new school district created the number of members necessary  
3 to constitute a school board of the class in which the new school  
4 district has been classified. Members of the first board shall be  
5 appointed so that their terms will expire in accord with provisions of  
6 law governing school districts of the class involved. The board so  
7 appointed shall organize at once in the manner prescribed by law. A  
8 reorganized school district shall be formed, organized, and have a  
9 governing board not later than June ~~April~~ 1 following the last legal  
10 action, as prescribed in section 79-413, necessary to effect the changes  
11 in boundaries as set forth in the petition, although the physical  
12 reorganization of such reorganized school district may not take effect  
13 until the commencement of the following school year. At the next ~~annual~~  
14 ~~school meeting or~~ election following the establishment of the new school  
15 district and at subsequent ~~annual meetings or~~ elections, successors shall  
16 be elected in the manner provided by law for election of board members of  
17 the class to which the school district belongs.

18 Sec. 17. Section 79-760.01, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 79-760.01 The State Board of Education shall adopt measurable  
21 academic content standards for at least the grade levels required for  
22 statewide assessment pursuant to section 79-760.03. The standards shall  
23 cover the subject areas of reading, writing, mathematics, science, and  
24 social studies. The standards adopted shall be sufficiently clear and  
25 measurable to be used for testing student performance with respect to  
26 mastery of the content described in the state standards. The State Board  
27 of Education shall develop a plan to review and update standards for each  
28 subject area every seven five years. ~~The state board shall review and~~  
29 ~~update the standards in reading by July 1, 2009, the standards in~~  
30 ~~mathematics by July 1, 2010, and the standards in all other subject areas~~  
31 ~~by July 1, 2013.~~ The state board plan shall include a review of commonly

1 accepted standards adopted by school districts.

2 Sec. 18. Section 79-760.02, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 79-760.02 In accordance with timelines that are adopted by the State  
5 Board of Education, but in no event later than one year following the  
6 adoption or modification of state standards, each school district shall  
7 adopt measurable quality academic content standards in the subject areas  
8 of reading, writing, mathematics, science, and social studies. The  
9 standards may be the same as, or may be equal to or exceed in rigor, the  
10 measurable academic content standards adopted by the state board and  
11 shall cover at least the same grade levels. School districts may work  
12 collaboratively with educational service units, with learning  
13 communities, or through interlocal agreements to develop such standards.  
14 ~~Educational service units and learning communities shall develop a~~  
15 ~~composite set of standards shared by member school districts.~~

16 Sec. 19. Section 79-760.06, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 79-760.06 (1) On or before August 1, 2012, the State Board of  
19 Education shall establish an accountability system to be used to measure  
20 the performance of individual public schools and school districts. The  
21 accountability system shall combine multiple indicators, including, but  
22 not limited to, graduation rates, student growth and student improvement  
23 on the assessment instruments provided in section 79-760.03, and other  
24 indicators of the performance of public schools and school districts as  
25 established by the state board.

26 (2) Beginning with the reporting of data from school year 2014-15,  
27 the indicators selected by the state board for the accountability system  
28 shall be combined into a school performance score and district  
29 performance score. The state board shall establish levels of performance  
30 based upon school performance scores and district performance scores in  
31 order to classify the performance of public schools and school districts

1 beginning with the reporting of data from school year 2014-15. The state  
2 board shall designate priority schools based on such classification.  
3 Schools designated as priority schools shall be at the lowest performance  
4 level at the time of the initial priority school designation. Schools  
5 designated as priority schools shall remain priority schools until such  
6 designation is removed by the state board. No more than three schools may  
7 have a priority school designation at one time. Schools designated as  
8 priority schools shall be subject to the requirements of section  
9 79-760.07. Progress plans for the initial schools designated as priority  
10 schools shall be approved by the state board no later than August 15 ~~1~~,  
11 2016. The State Department of Education shall annually report the  
12 performance level of individual public schools and school districts as  
13 part of the statewide assessment and reporting system.

14 Sec. 20. Section 79-761, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-761 The State Board of Education shall develop guidelines for  
17 mentor teacher programs in local systems in order to provide ongoing  
18 support for individuals entering the teaching profession. Mentor teachers  
19 shall not participate in the formal evaluation of beginning teachers  
20 which shall be the responsibility of school administrators. Local systems  
21 ~~The mentor teacher programs~~ shall identify criteria for selecting  
22 excellent, experienced, and qualified teachers to be participants in the  
23 local system mentor teacher program which are consistent with the  
24 guidelines developed by the State Board of Education.

25 Sec. 21. Section 79-8,137, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 79-8,137 (1)(a) Prior to receiving any money from a loan pursuant to  
28 the Attracting Excellence to Teaching Program, an eligible student shall  
29 enter into a contract with the department. Such contract shall provide  
30 notice to the eligible student that funding for loans pursuant to the  
31 Attracting Excellence to Teaching Program terminates on June 30, 2016.

1 Such contract shall be exempt from the requirements of sections 73-501 to  
2 73-510.

3 (b) For eligible students who applied for the first time prior to  
4 April 23, 2009, the contract shall require that if (i) the borrower is  
5 not employed as a teacher in Nebraska for a time period equal to the  
6 number of years required for loan forgiveness pursuant to subsection (2)  
7 of this section and is not enrolled as a full-time student in a graduate  
8 program within six months after obtaining an undergraduate degree for  
9 which a loan from the program was obtained or (ii) the borrower does not  
10 complete the requirements for graduation within five consecutive years  
11 after receiving the initial loan under the program, then the loan must be  
12 repaid, with interest at the rate fixed pursuant to section 45-103  
13 accruing as of the date the borrower signed the contract, and an  
14 appropriate penalty as determined by the department may be assessed. If a  
15 borrower fails to remain enrolled at an eligible institution or otherwise  
16 fails to meet the requirements of an eligible student, repayment of the  
17 loan shall commence within six months after such change in eligibility.  
18 The State Board of Education may by rules and regulations provide for  
19 exceptions to the conditions of repayment pursuant to this subdivision  
20 based upon mitigating circumstances.

21 (c) For eligible students who apply for the first time on or after  
22 April 23, 2009, the contract shall require that if (i) the borrower is  
23 not employed as a full-time teacher teaching in an approved or accredited  
24 school in Nebraska and teaching at least a portion of the time in the  
25 shortage area for which the loan was received for a time period equal to  
26 the number of years required for loan forgiveness pursuant to subsection  
27 (3) of this section and is not enrolled as a full-time student in a  
28 graduate program within six months after obtaining an undergraduate  
29 degree for which a loan from the program was obtained or (ii) the  
30 borrower does not complete the requirements for graduation within five  
31 consecutive years after receiving the initial loan under the program,

1 then the loan shall be repaid with interest at the rate fixed pursuant to  
2 section 45-103 accruing as of the date the borrower signed the contract  
3 and actual collection costs as determined by the department. If a  
4 borrower fails to remain enrolled at an eligible institution or otherwise  
5 fails to continue to be an eligible student, repayment of the loan shall  
6 commence within six months after such change in eligibility. The State  
7 Board of Education may by rule and regulation provide for exceptions to  
8 the conditions of repayment pursuant to this subdivision based upon  
9 mitigating circumstances.

10 (2) If the borrower applied for the first time prior to April 23,  
11 2009, and (a) successfully completes the teacher education program and  
12 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes  
13 employed as a teacher in this state within six months of becoming  
14 certified, and (c) otherwise meets the requirements of the contract,  
15 payments shall be suspended for the number of years that the borrower is  
16 required to remain employed as a teacher in this state under the  
17 contract. For each year that the borrower teaches in Nebraska pursuant to  
18 the contract, payments shall be forgiven in an amount equal to the amount  
19 borrowed for one year, except that if the borrower teaches in a school  
20 district that is in a local system classified as very sparse as defined  
21 in section 79-1003 or teaches in a school district in which at least  
22 forty percent of the students are poverty students as defined in section  
23 79-1003, payments shall be forgiven each year in an amount equal to the  
24 amount borrowed for two years.

25 (3) If the borrower applies for the first time on or after April 23,  
26 2009, and (a) successfully completes the teacher education program and  
27 major for which the borrower is receiving a forgivable loan pursuant to  
28 the program and becomes certified pursuant to sections 79-806 to 79-815  
29 with an endorsement in the shortage area for which the loan was received,  
30 (b) becomes employed as a full-time teacher teaching at least a portion  
31 of the time in the shortage area for which the loan was received in an

1 approved or accredited school in this state within six months of becoming  
2 certified, and (c) otherwise meets the requirements of the contract,  
3 payments shall be suspended for the number of years that the borrower is  
4 required to remain employed as a teacher in this state under the  
5 contract. Beginning after the first two years of teaching full-time in  
6 Nebraska following graduation for the degree for which the loan was  
7 received, for each year that the borrower teaches full-time in Nebraska  
8 pursuant to the contract, the loan shall be forgiven in an amount equal  
9 to three thousand dollars, except that if the borrower teaches full-time  
10 in a school district that is in a local system classified as very sparse  
11 as defined in section 79-1003, teaches in a school building in which at  
12 least forty percent of the formula students are poverty students as  
13 defined in section 79-1003, teaches in a school building that provides  
14 free meals to all students pursuant to the community eligibility  
15 provision, or teaches in an accredited or approved private school in  
16 Nebraska in which at least forty percent of the enrolled students  
17 qualified for free lunches as determined by the most recent data  
18 available from the department, payments shall be forgiven each year in an  
19 amount equal to six thousand dollars.

20 Sec. 22. Section 79-8,137.04, Reissue Revised Statutes of Nebraska,  
21 is amended to read:

22 79-8,137.04 (1) Prior to receiving any money from a loan pursuant to  
23 the Enhancing Excellence in Teaching Program, an eligible student shall  
24 enter into a contract with the department. Such contract shall provide  
25 notice to the eligible student that funding for loans pursuant to the  
26 Enhancing Excellence in Teaching Program terminates on June 30, 2016.  
27 Such contract shall be exempt from the requirements of sections 73-501 to  
28 73-510. The contract shall require that if (a) the borrower is not  
29 employed as a full-time teacher teaching in an approved or accredited  
30 school in Nebraska for a time period equal to the number of years  
31 required for loan forgiveness pursuant to subsection (2) of this section

1 or (b) the borrower does not complete the requirements for graduation  
2 within five consecutive years after receiving the initial loan under the  
3 program, then the loan shall be repaid, with interest at the rate fixed  
4 pursuant to section 45-103 accruing as of the date the borrower signed  
5 the contract and actual collection costs as determined by the department.  
6 If a borrower fails to remain enrolled at an eligible institution or  
7 otherwise fails to meet the requirements of an eligible student,  
8 repayment of the loan shall commence within six months after such change  
9 in eligibility. The State Board of Education may by rules and regulations  
10 provide for exceptions to the conditions of repayment pursuant to this  
11 subsection based upon mitigating circumstances.

12 (2) If the borrower (a) successfully completes the eligible graduate  
13 program and major for which the borrower is receiving a forgivable loan  
14 pursuant to the Enhancing Excellence in Teaching Program and maintains  
15 certification pursuant to sections 79-806 to 79-815, (b) maintains  
16 employment as a teacher in an approved or accredited school in this  
17 state, and (c) otherwise meets the requirements of the contract, payments  
18 shall be suspended for the number of years that the borrower is required  
19 to remain employed as a teacher in this state under the contract.  
20 Beginning after the first two years of teaching full-time in Nebraska  
21 following graduation for the degree for which the loan was received, for  
22 each year that the borrower teaches full-time in Nebraska pursuant to the  
23 contract, the loan shall be forgiven in an amount equal to three thousand  
24 dollars, except that if the borrower teaches full-time in a school  
25 district that is in a local system classified as very sparse as defined  
26 in section 79-1003, teaches in a school building in which at least forty  
27 percent of the students are poverty students as defined in section  
28 79-1003, teaches in a school building that provides free meals to all  
29 students pursuant to the community eligibility provision, or teaches in  
30 an accredited or approved private school in Nebraska in which at least  
31 forty percent of the enrolled students qualified for free lunches as

1 determined by the most recent data available from the department,  
2 payments shall be forgiven each year in an amount equal to six thousand  
3 dollars.

4 Sec. 23. Section 79-1003, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

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

8 (1) Adjusted general fund operating expenditures means (a) for  
9 school fiscal years 2013-14 through 2015-16, the difference of the  
10 general fund operating expenditures as calculated pursuant to subdivision  
11 (23 22) of this section increased by the cost growth factor calculated  
12 pursuant to section 79-1007.10, minus the transportation allowance,  
13 special receipts allowance, poverty allowance, limited English  
14 proficiency allowance, distance education and telecommunications  
15 allowance, elementary site allowance, summer school allowance,  
16 instructional time allowance, teacher education allowance, and focus  
17 school and program allowance, and (b) for school fiscal year 2016-17 and  
18 each school fiscal year thereafter, the difference of the general fund  
19 operating expenditures as calculated pursuant to subdivision (23 22) of  
20 this section increased by the cost growth factor calculated pursuant to  
21 section 79-1007.10, minus the transportation allowance, special receipts  
22 allowance, poverty allowance, limited English proficiency allowance,  
23 distance education and telecommunications allowance, elementary site  
24 allowance, summer school allowance, and focus school and program  
25 allowance;

26 (2) Adjusted valuation means the assessed valuation of taxable  
27 property of each local system in the state, adjusted pursuant to the  
28 adjustment factors described in section 79-1016. Adjusted valuation means  
29 the adjusted valuation for the property tax year ending during the school  
30 fiscal year immediately preceding the school fiscal year in which the aid  
31 based upon that value is to be paid. For purposes of determining the

1 local effort rate yield pursuant to section 79-1015.01, adjusted  
2 valuation does not include the value of any property which a court, by a  
3 final judgment from which no appeal is taken, has declared to be  
4 nontaxable or exempt from taxation;

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

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

13 (5) Base fiscal year means the first school fiscal year following  
14 the school fiscal year in which the reorganization or unification  
15 occurred;

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

17 (7) Categorical funds means funds limited to a specific purpose by  
18 federal or state law, including, but not limited to, Title I funds, Title  
19 VI funds, federal vocational education funds, federal school lunch funds,  
20 Indian education funds, Head Start funds, and funds from the Education  
21 Innovation Fund. Categorical funds does not include funds received  
22 pursuant to section 79-1028.02 or 79-1028.04;

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

26 (9) Converted contract means an expired contract that was in effect  
27 for at least fifteen school years beginning prior to school year 2012-13  
28 for the education of students in a nonresident district in exchange for  
29 tuition from the resident district when the expiration of such contract  
30 results in the nonresident district educating students, who would have  
31 been covered by the contract if the contract were still in effect, as

1 option students pursuant to the enrollment option program established in  
2 section 79-234;

3 (10) Converted contract option student means a student who will be  
4 an option student pursuant to the enrollment option program established  
5 in section 79-234 for the school fiscal year for which aid is being  
6 calculated and who would have been covered by a converted contract if the  
7 contract were still in effect and such school fiscal year is the first  
8 school fiscal year for which such contract is not in effect;

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

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

14 (13) Ensuing school fiscal year means the school fiscal year  
15 following the current school fiscal year;

16 (14) Equalization aid means the amount of assistance calculated to  
17 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,  
18 79-1007.25, 79-1008.01 to 79-1022, 79-1022.02, 79-1028.02, and  
19 79-1028.04;

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

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

26 (17) Formula students means:

27 (a) For state aid certified pursuant to section 79-1022, the sum of  
28 the product of fall membership from the school fiscal year immediately  
29 preceding the school fiscal year in which the aid is to be paid  
30 multiplied by the average ratio of average daily membership to fall  
31 membership for the second school fiscal year immediately preceding the

1 school fiscal year in which the aid is to be paid and the prior two  
2 school fiscal years plus sixty percent of the qualified early childhood  
3 education fall membership plus tuitioned students from the school fiscal  
4 year immediately preceding the school fiscal year in which aid is to be  
5 paid minus the product of the number of students enrolled in kindergarten  
6 that is not full-day kindergarten from the fall membership multiplied by  
7 0.5; and

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

15 (18) Free lunch and free milk calculated student means, for school  
16 fiscal year 2016-17 and each school fiscal year thereafter, using the  
17 most recent data available on November 1 of the school fiscal year  
18 immediately preceding the school fiscal year in which aid is to be paid,

19 (a) a student who qualified for free lunches or free milk and attended a  
20 school that uses information collected from parents and guardians  
21 pursuant to section 9 of this act to determine such qualifications  
22 pursuant to the federal Richard B. Russell National School Lunch Act, 42  
23 U.S.C 1751 et seq., and the federal Child Nutrition Act of 1966, 42  
24 U.S.C. 1771 et seq., as such acts and sections existed on January 1,  
25 2015, and rules and regulations adopted thereunder, plus (b) the product  
26 of the students who attend a school that provides free meals to all  
27 students pursuant to the community eligibility provision multiplied by  
28 the identified student percentage calculated pursuant to such federal  
29 provision;

30 (19) Free lunch and free milk student means, for school fiscal years  
31 prior to school fiscal year 2016-17, a student who qualified for free

1 lunches or free milk from the most recent data available on November 1 of  
2 the school fiscal year immediately preceding the school fiscal year in  
3 which aid is to be paid;

4 (20 ~~19~~) Full-day kindergarten means kindergarten offered by a  
5 district for at least one thousand thirty-two instructional hours;

6 (21 ~~20~~) General fund budget of expenditures means the total budget  
7 of disbursements and transfers for general fund purposes as certified in  
8 the budget statement adopted pursuant to the Nebraska Budget Act, except  
9 that for purposes of the limitation imposed in section 79-1023 and the  
10 calculation pursuant to subdivision (2) of section 79-1027.01, the  
11 general fund budget of expenditures does not include any special grant  
12 funds, exclusive of local matching funds, received by a district;

13 (22 ~~21~~) General fund expenditures means all expenditures from the  
14 general fund;

15 (23 ~~22~~) General fund operating expenditures means for state aid  
16 calculated for school fiscal years 2012-13 and each school fiscal year  
17 thereafter, as reported on the annual financial report for the second  
18 school fiscal year immediately preceding the school fiscal year in which  
19 aid is to be paid, the total general fund expenditures minus (a) the  
20 amount of all receipts to the general fund, to the extent that such  
21 receipts are not included in local system formula resources, from early  
22 childhood education tuition, summer school tuition, educational entities  
23 as defined in section 79-1201.01 for providing distance education courses  
24 through the Educational Service Unit Coordinating Council to such  
25 educational entities, private foundations, individuals, associations,  
26 charitable organizations, the textbook loan program authorized by section  
27 79-734, federal impact aid, and levy override elections pursuant to  
28 section 77-3444, (b) the amount of expenditures for categorical funds,  
29 tuition paid, transportation fees paid to other districts, adult  
30 education, community services, redemption of the principal portion of  
31 general fund debt service, retirement incentive plans authorized by

1 section 79-855, and staff development assistance authorized by section  
2 79-856, (c) the amount of any transfers from the general fund to any bond  
3 fund and transfers from other funds into the general fund, (d) any legal  
4 expenses in excess of fifteen-hundredths of one percent of the formula  
5 need for the school fiscal year in which the expenses occurred, (e)  
6 expenditures to pay for sums agreed to be paid by a school district to  
7 certificated employees in exchange for a voluntary termination occurring  
8 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
9 school year and prior to the first day of the 2013-14 school year, or, to  
10 the extent that a district has demonstrated to the State Board of  
11 Education pursuant to section 79-1028.01 that the agreement will result  
12 in a net savings in salary and benefit costs to the school district over  
13 a five-year period, occurring on or after the first day of the 2013-14  
14 school year, (f)(i) expenditures to pay for employer contributions  
15 pursuant to subsection (2) of section 79-958 to the School Employees  
16 Retirement System of the State of Nebraska to the extent that such  
17 expenditures exceed the employer contributions under such subsection that  
18 would have been made at a contribution rate of seven and thirty-five  
19 hundredths percent or (ii) expenditures to pay for school district  
20 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to  
21 the retirement system established pursuant to the Class V School  
22 Employees Retirement Act to the extent that such expenditures exceed the  
23 school district contributions under such subdivision that would have been  
24 made at a contribution rate of seven and thirty-seven hundredths percent,  
25 and (g) any amounts paid by the district for lobbyist fees and expenses  
26 reported to the Clerk of the Legislature pursuant to section 49-1483.

27 For purposes of this subdivision (~~23~~ 22) of this section, receipts  
28 from levy override elections shall equal ninety-nine percent of the  
29 difference of the total general fund levy minus a levy of one dollar and  
30 five cents per one hundred dollars of taxable valuation multiplied by the  
31 assessed valuation for school districts that have voted pursuant to

1 section 77-3444 to override the maximum levy provided pursuant to section  
2 77-3442;

3 (~~24~~ 23) High school district means a school district providing  
4 instruction in at least grades nine through twelve;

5 (~~25~~ 24) Income tax liability means the amount of the reported income  
6 tax liability for resident individuals pursuant to the Nebraska Revenue  
7 Act of 1967 less all nonrefundable credits earned and refunds made;

8 (~~26~~ 25) Income tax receipts means the amount of income tax collected  
9 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable  
10 credits earned and refunds made;

11 (~~27~~ 26) Limited English proficiency students means the number of  
12 students with limited English proficiency in a district from the most  
13 recent data available on November 1 of the school fiscal year preceding  
14 the school fiscal year in which aid is to be paid plus the difference of  
15 such students with limited English proficiency minus the average number  
16 of limited English proficiency students for such district, prior to such  
17 addition, for the three immediately preceding school fiscal years if such  
18 difference is greater than zero;

19 (~~28~~ 27) Local system means a learning community for purposes of  
20 calculation of state aid for the second full school fiscal year after  
21 becoming a learning community and each school fiscal year thereafter, a  
22 unified system, a Class VI district and the associated Class I districts,  
23 or a Class II, III, IV, or V district and any affiliated Class I  
24 districts or portions of Class I districts. The membership, expenditures,  
25 and resources of Class I districts that are affiliated with multiple high  
26 school districts will be attributed to local systems based on the percent  
27 of the Class I valuation that is affiliated with each high school  
28 district;

29 (~~29~~ 28) Low-income child means (a) for school fiscal years prior to  
30 2016-17, a child under nineteen years of age living in a household having  
31 an annual adjusted gross income for the second calendar year preceding

1 the beginning of the school fiscal year for which aid is being calculated  
2 equal to or less than the maximum household income that would allow a  
3 student from a family of four people to be a free lunch and free milk  
4 student during the school fiscal year immediately preceding the school  
5 fiscal year for which aid is being calculated and (b) for school fiscal  
6 year 2016-17 and each school fiscal year thereafter, a child under  
7 nineteen years of age living in a household having an annual adjusted  
8 gross income for the second calendar year preceding the beginning of the  
9 school fiscal year for which aid is being calculated equal to or less  
10 than the maximum household income pursuant to sections 9(b)(1) and 17(c)  
11 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.  
12 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)  
13 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)  
14 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections  
15 existed on January 1, 2015, for a household of that size that would have  
16 allowed the child to meet the income qualifications during the school  
17 fiscal year immediately preceding the school fiscal year for which aid is  
18 being calculated;

19 (30 29) Low-income students means the number of low-income children  
20 within the district multiplied by the ratio of the formula students in  
21 the district divided by the total children under nineteen years of age  
22 residing in the district as derived from income tax information;

23 (31 30) Most recently available complete data year means the most  
24 recent single school fiscal year for which the annual financial report,  
25 fall school district membership report, annual statistical summary,  
26 Nebraska income tax liability by school district for the calendar year in  
27 which the majority of the school fiscal year falls, and adjusted  
28 valuation data are available;

29 (32 31) Poverty students means (a) for school fiscal years prior to  
30 2016-17, the number of low-income students or the number of students who  
31 are free lunch and free milk students in a district plus the difference

1 of the number of low-income students or the number of students who are  
2 free lunch and free milk students in a district, whichever is greater,  
3 minus the average number of poverty students for such district, prior to  
4 such addition, for the three immediately preceding school fiscal years if  
5 such difference is greater than zero and (b) for school fiscal year  
6 2016-17 and each school fiscal year thereafter, the unadjusted poverty  
7 students plus the difference of such unadjusted poverty students minus  
8 the average number of poverty students for such district, prior to such  
9 addition, for the three immediately preceding school fiscal years if such  
10 difference is greater than zero;

11 (33 32) Qualified early childhood education average daily membership  
12 means the product of the average daily membership for school fiscal year  
13 2006-07 and each school fiscal year thereafter of students who will be  
14 eligible to attend kindergarten the following school year and are  
15 enrolled in an early childhood education program approved by the  
16 department pursuant to section 79-1103 for such school district for such  
17 school year multiplied by the ratio of the actual instructional hours of  
18 the program divided by one thousand thirty-two if: (a) The program is  
19 receiving a grant pursuant to such section for the third year; (b) the  
20 program has already received grants pursuant to such section for three  
21 years; or (c) the program has been approved pursuant to subsection (5) of  
22 section 79-1103 for such school year and the two preceding school years,  
23 including any such students in portions of any of such programs receiving  
24 an expansion grant;

25 (34 33) Qualified early childhood education fall membership means  
26 the product of membership on the last Friday in September 2006 and each  
27 year thereafter of students who will be eligible to attend kindergarten  
28 the following school year and are enrolled in an early childhood  
29 education program approved by the department pursuant to section 79-1103  
30 for such school district for such school year multiplied by the ratio of  
31 the planned instructional hours of the program divided by one thousand

1 thirty-two if: (a) The program is receiving a grant pursuant to such  
2 section for the third year; (b) the program has already received grants  
3 pursuant to such section for three years; or (c) the program has been  
4 approved pursuant to subsection (5) of section 79-1103 for such school  
5 year and the two preceding school years, including any such students in  
6 portions of any of such programs receiving an expansion grant;

7 (35 34) Regular route transportation means the transportation of  
8 students on regularly scheduled daily routes to and from the attendance  
9 center;

10 (36 35) Reorganized district means any district involved in a  
11 consolidation and currently educating students following consolidation;

12 (37 36) School year or school fiscal year means the fiscal year of a  
13 school district as defined in section 79-1091;

14 (38 37) Sparse local system means a local system that is not a very  
15 sparse local system but which meets the following criteria:

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

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

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

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

1           (39 38) Special education means specially designed kindergarten  
2 through grade twelve instruction pursuant to section 79-1125, and  
3 includes special education transportation;

4           (40 39) Special grant funds means the budgeted receipts for grants,  
5 including, but not limited to, categorical funds, reimbursements for  
6 wards of the court, short-term borrowings including, but not limited to,  
7 registered warrants and tax anticipation notes, interfund loans,  
8 insurance settlements, and reimbursements to county government for  
9 previous overpayment. The state board shall approve a listing of grants  
10 that qualify as special grant funds;

11           (41 40) State aid means the amount of assistance paid to a district  
12 pursuant to the Tax Equity and Educational Opportunities Support Act;

13           (42 41) State board means the State Board of Education;

14           (43 42) State support means all funds provided to districts by the  
15 State of Nebraska for the general fund support of elementary and  
16 secondary education;

17           (44 43) Statewide average basic funding per formula student means  
18 the statewide total basic funding for all districts divided by the  
19 statewide total formula students for all districts;

20           (45 44) Statewide average general fund operating expenditures per  
21 formula student means the statewide total general fund operating  
22 expenditures for all districts divided by the statewide total formula  
23 students for all districts;

24           (46 45) Teacher has the definition found in section 79-101;

25           (47 46) Temporary aid adjustment factor means (a) for school fiscal  
26 years before school fiscal year 2007-08, one and one-fourth percent of  
27 the sum of the local system's transportation allowance, the local  
28 system's special receipts allowance, and the product of the local  
29 system's adjusted formula students multiplied by the average formula cost  
30 per student in the local system's cost grouping and (b) for school fiscal  
31 year 2007-08, one and one-fourth percent of the sum of the local system's

1 transportation allowance, special receipts allowance, and distance  
2 education and telecommunications allowance and the product of the local  
3 system's adjusted formula students multiplied by the average formula cost  
4 per student in the local system's cost grouping;

5 (48 47) Tuition receipts from converted contracts means tuition  
6 receipts received by a district from another district in the most  
7 recently available complete data year pursuant to a converted contract  
8 prior to the expiration of the contract;

9 (49 48) Tuitioned students means students in kindergarten through  
10 grade twelve of the district whose tuition is paid by the district to  
11 some other district or education agency; ~~and~~

12 (50) Unadjusted poverty students means, for school fiscal year  
13 2016-17 and each school fiscal year thereafter, the greater of the number  
14 of low-income students or the free lunch and free milk calculated  
15 students in a district; and

16 (51 49) Very sparse local system means a local system that has:

17 (a)(i) Less than one-half student per square mile in each county in  
18 which each high school attendance center is located based on the school  
19 district census, (ii) less than one formula student per square mile in  
20 the local system, and (iii) more than fifteen miles between the high  
21 school attendance center and the next closest high school attendance  
22 center on paved roads; or

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

28 Sec. 24. Section 79-1003.01, Reissue Revised Statutes of Nebraska,  
29 is amended to read:

30 79-1003.01 (1) The department shall calculate a summer school  
31 allowance for each district which submits the information required for

1 the calculation on a form prescribed by the department on or before  
2 October 15 of the school fiscal year preceding the school fiscal year for  
3 which aid is being calculated. For aid calculated for school fiscal years  
4 through school fiscal year 2013-14, the summer school allowance shall be  
5 equal to two and one-half percent of the summer school student units for  
6 such district multiplied by eighty-five percent of the statewide average  
7 general fund operating expenditures per formula student. For aid  
8 calculated for school fiscal year 2014-15 and each school fiscal year  
9 thereafter, the summer school allowance shall be equal to the lesser of  
10 two and one-half percent of the product of the summer school student  
11 units for such district multiplied by eighty-five percent of the  
12 statewide average general fund operating expenditures per formula student  
13 or the summer school and early childhood summer school expenditures that  
14 are paid for with noncategorical funds generated by state or local taxes  
15 as reported on the annual financial report for the most recently  
16 available data year and that are not included in other allowances.

17 (2) Summer school student units shall be calculated for each student  
18 enrolled in summer school as defined in section 79-536 in a school  
19 district who attends such summer school for at least twelve days in the  
20 most recently available complete data year, whether or not the student is  
21 in the membership of the school district. The initial number of units for  
22 each such student shall equal the sum of the ratios, each rounded down to  
23 the nearest whole number, of the number of days for which the student  
24 attended summer school classes in such district for at least three hours  
25 and less than six hours per day divided by twelve days and of two times  
26 the number of days for which the student attended summer school classes  
27 in such district for six or more hours per day divided by twelve days.

28 (3) Each school district shall receive an additional summer school  
29 student unit for each summer school student unit attributed to remedial  
30 math or reading programs. Each school district shall also receive an  
31 additional summer school student unit for each summer school student unit

1 attributed to a ~~free lunch and free milk~~ student who in the school year  
2 immediately preceding summer school either (a) qualified for free lunches  
3 or free milk and attended a school that uses information collected from  
4 parents and guardians to determine such qualifications or (b) attended a  
5 school that provides free meals to all students pursuant to the community  
6 eligibility provision.

7 (4) Beginning with state aid calculated for school fiscal year  
8 2012-13, summer school student units shall be calculated for each student  
9 who was both enrolled in the most recently available complete data year  
10 in a summer session of an early childhood education program for which a  
11 qualified early childhood education fall membership greater than zero has  
12 been calculated for the school fiscal year for which aid is being  
13 calculated and eligible to attend kindergarten in the fall immediately  
14 following such summer session. The initial number of units for each such  
15 early childhood education student shall equal the sum of the ratios, each  
16 rounded down to the nearest whole number, of the number of days for which  
17 the student attended the summer session in such district for at least  
18 three hours and less than six hours per day divided by twelve days and of  
19 two times the number of days for which the student attended the summer  
20 session in such district for six or more hours per day divided by twelve  
21 days. The initial summer school student units for early childhood  
22 education students shall be multiplied by six-tenths. Instructional hours  
23 included in the calculation of the qualified early childhood education  
24 fall membership or the qualified early childhood education average daily  
25 membership shall not be included in the calculation of the summer school  
26 allowance.

27 (5) Each school district shall receive an additional six-tenths of a  
28 summer school student unit for each early childhood education student  
29 unit attributed to an a free lunch and free milk early childhood  
30 education student who is either qualified for free lunches or free milk  
31 based on information collected from parents and guardians to determine

1 such qualifications or is registered to attend a school in the school  
2 year immediately following such summer that provides free meals to all  
3 students pursuant to the community eligibility provision.

4 (6) This section does not prevent school districts from requiring  
5 and collecting fees for summer school or summer sessions of early  
6 childhood education programs, except that summer school student units  
7 shall not be calculated for school districts which collect fees for  
8 summer school from students who qualify for free or reduced-price lunches  
9 under United States Department of Agriculture child nutrition programs or  
10 who attended, or are registered to attend, a school in the school year  
11 immediately following such summer that provides free meals to all  
12 students pursuant to the community eligibility provision.

13 Sec. 25. Section 79-1007.06, Reissue Revised Statutes of Nebraska,  
14 is amended to read:

15 79-1007.06 (1) For school fiscal year 2008-09 and each school fiscal  
16 year thereafter, the department shall determine the poverty allowance for  
17 each school district that meets the requirements of this section and ~~has~~  
18 ~~not been disqualified pursuant to~~ section 79-1007.07. Each school  
19 district shall designate a maximum poverty allowance on a form prescribed  
20 by the department on or before October 15 of the school fiscal year  
21 immediately preceding the school fiscal year for which aid is being  
22 calculated. The school district may decline to participate in the poverty  
23 allowance by providing the department with a maximum poverty allowance of  
24 zero dollars on such form on or before October 15 of the school fiscal  
25 year immediately preceding the school fiscal year for which aid is being  
26 calculated. Each school district designating a maximum poverty allowance  
27 greater than zero dollars shall submit a poverty plan pursuant to section  
28 79-1013.

29 (2) The poverty allowance for each school district ~~that has not been~~  
30 ~~disqualified pursuant to section 79-1007.07~~ shall equal the lesser of:

31 (a) The maximum amount designated pursuant to subsection (1) of this

1 section by the school district in the local system, if such school  
2 district designated a maximum amount, for the school fiscal year for  
3 which aid is being calculated; or

4 (b) The sum of:

5 (i) The statewide average general fund operating expenditures per  
6 formula student multiplied by 0.0375 then multiplied by the poverty  
7 students comprising more than five percent and not more than ten percent  
8 of the formula students in the school district; plus

9 (ii) The statewide average general fund operating expenditures per  
10 formula student multiplied by 0.0750 then multiplied by the poverty  
11 students comprising more than ten percent and not more than fifteen  
12 percent of the formula students in the school district; plus

13 (iii) The statewide average general fund operating expenditures per  
14 formula student multiplied by 0.1125 then multiplied by the poverty  
15 students comprising more than fifteen percent and not more than twenty  
16 percent of the formula students in the school district; plus

17 (iv) The statewide average general fund operating expenditures per  
18 formula student multiplied by 0.1500 then multiplied by the poverty  
19 students comprising more than twenty percent and not more than twenty-  
20 five percent of the formula students in the school district; plus

21 (v) The statewide average general fund operating expenditures per  
22 formula student multiplied by 0.1875 then multiplied by the poverty  
23 students comprising more than twenty-five percent and not more than  
24 thirty percent of the formula students in the school district; plus

25 (vi) The statewide average general fund operating expenditures per  
26 formula student multiplied by 0.2250 then multiplied by the poverty  
27 students comprising more than thirty percent of the formula students in  
28 the school district.

29 Sec. 26. Section 79-1007.07, Reissue Revised Statutes of Nebraska,  
30 is amended to read:

31 79-1007.07 (1)(a) The annual financial report required pursuant to

1 section 79-528 shall include:

2 (i) The amount of the poverty allowance used in the certification of  
3 state aid pursuant to section 79-1022 for such school fiscal year;

4 (ii) The amount of federal funds received based on poverty as  
5 defined by the federal program providing the funds;

6 (iii) The expenditures and sources of funding for each program  
7 related to poverty with a narrative description of the program, the  
8 method used to allocate money to the program and within the program, and  
9 the program's relationship to the poverty plan submitted pursuant to  
10 section 79-1013 for such school fiscal year;

11 (iv) The expenditures and sources of funding for support costs  
12 directly attributable to implementing the district's poverty plan; and

13 (v) An explanation of how any required elements of the poverty plan  
14 for such school fiscal year were met.

15 (b) The department shall set up accounting codes for the receipts  
16 and expenditures required to be reported on the annual financial report  
17 pursuant to this subsection.

18 (2) The department shall determine the poverty allowance  
19 expenditures using the reported expenditures on the annual financial  
20 report for the most recently available complete data year that would  
21 include in the poverty allowance expenditures only those expenditures  
22 that are not included in other allowances, that were used to specifically  
23 address issues related to the education of students living in poverty or  
24 to the implementation of the poverty plan, that do not replace  
25 expenditures that would have occurred if the students involved in the  
26 program did not live in poverty, and that are paid for with  
27 noncategorical funds generated by state or local taxes or funds  
28 distributed through the Tax Equity and Educational Opportunities Support  
29 Act pursuant to the federal American Recovery and Reinvestment Act of  
30 2009 or the federal Education Jobs Fund created pursuant to Public Law  
31 111-226. The department shall establish a procedure to allow school

1 districts to receive preapproval for categories of expenditures that  
2 could be included in poverty allowance expenditures.

3 (3) If the poverty allowance expenditures do not equal 117.65  
4 percent or more of the poverty allowance for the most recently available  
5 complete data year, the department shall calculate a poverty allowance  
6 correction. The poverty allowance correction shall equal the poverty  
7 allowance minus eighty-five percent of the poverty allowance  
8 expenditures. For aid calculated for school fiscal years prior to school  
9 fiscal year 2016-17, if ~~If~~ the poverty allowance expenditures do not  
10 equal fifty percent or more of the allowance for such school fiscal year,  
11 the school district shall also be disqualified from receiving a poverty  
12 allowance for the school fiscal year for which aid is being calculated.

13 (4)(a)(i) For aid calculated for school fiscal years prior to school  
14 fiscal year 2016-17, if ~~If~~ the department determines that the school  
15 district did not meet the required elements of the poverty plan for the  
16 most recently available complete data year, the department shall  
17 calculate a poverty allowance correction equal to fifty percent of the  
18 poverty allowance for such school fiscal year and the school district  
19 shall also be disqualified from receiving a poverty allowance for the  
20 school fiscal year for which aid is being calculated.

21 (ii) For aid calculated for school fiscal year 2016-17 and each  
22 school fiscal year thereafter, if the department determines that the  
23 school district did not meet the required elements of the poverty plan  
24 for the most recently available complete data year, the department shall  
25 calculate a poverty allowance correction equal to five percent of the  
26 poverty allowance for such school fiscal year.

27 (b) Any poverty allowance correction calculated pursuant to this  
28 subsection shall be added to any poverty allowance correction calculated  
29 pursuant to subsection (3) of this section to arrive at the total poverty  
30 allowance correction.

31 (5) The department may request additional information from any

1 school district to assist with calculations and determinations pursuant  
2 to this section. If the school district does not provide information upon  
3 the request of the department pursuant to this section, the school  
4 district shall be disqualified from receiving a poverty allowance for the  
5 school fiscal year for which aid is being calculated.

6 (6) The department shall provide electronically an annual report to  
7 the Legislature containing a general description of the expenditures and  
8 funding sources for programs related to poverty statewide and specific  
9 descriptions of the expenditures and funding sources for programs related  
10 to poverty for each school district.

11 (7) The state board shall establish a procedure for appeal of  
12 decisions of the department to the state board for a final determination.

13 Sec. 27. Section 79-1007.13, Reissue Revised Statutes of Nebraska,  
14 is amended to read:

15 79-1007.13 The department shall calculate a special receipts  
16 allowance for each district equal to the amount of special education,  
17 state ward, and accelerated or differentiated curriculum program receipts  
18 included in local system formula resources under subdivisions (7), (8),  
19 (16), and (17) of section 79-1018.01 and reimbursements under subdivision  
20 (19) of section 79-1018.01 attributable to the school district.

21 Sec. 28. Section 79-1013, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 79-1013 (1) On or before October 15 of each year, each school  
24 district designating a maximum poverty allowance greater than zero  
25 dollars shall submit a poverty plan for the next school fiscal year to  
26 the department and to the learning community coordinating council of any  
27 learning community of which the school district is a member. On or before  
28 the immediately following December 1, (a) the department shall approve or  
29 disapprove such plan for school districts that are not members of a  
30 learning community based on the inclusion of the elements required  
31 pursuant to this section and (b) the learning community coordinating

1 council and, as to the applicable portions thereof, each achievement  
2 subcouncil, shall approve or disapprove such plan for school districts  
3 that are members of such learning community based on the inclusion of  
4 such elements. On or before the immediately following December 5, each  
5 learning community coordinating council shall certify to the department  
6 the approval or disapproval of the poverty plan for each member school  
7 district.

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

11 (a) Attendance, including absence followup and transportation for  
12 students qualifying for free or reduced-price lunches, regardless of the  
13 method of qualification, who reside more than one mile from the  
14 attendance center;

15 (b) Student mobility, including transportation to allow a student to  
16 continue attendance at the same school if the student moves to another  
17 attendance area within the same school district or within the same  
18 learning community;

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

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

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

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

29 (g) Access to early childhood education programs for children in  
30 poverty;

31 (h) Student access to social workers;

1 (i) Access to summer school, extended-school-day programs, or  
2 extended-school-year programs;

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

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

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

9 (m) An evaluation to determine the effectiveness of the elements of  
10 the poverty plan.

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

14 Sec. 29. Section 79-1018.01, Reissue Revised Statutes of Nebraska,  
15 is amended to read:

16 79-1018.01 Except as otherwise provided in this section, local  
17 system formula resources include other actual receipts available for the  
18 funding of general fund operating expenditures as determined by the  
19 department for the second school fiscal year immediately preceding the  
20 school fiscal year in which aid is to be paid. Other actual receipts  
21 include:

22 (1) Public power district sales tax revenue;

23 (2) Fines and license fees;

24 (3) Tuition receipts from individuals, other districts, or any other  
25 source except receipts derived from adult education, receipts derived  
26 from summer school tuition, receipts derived from early childhood  
27 education tuition, tuition receipts from converted contracts beginning  
28 with the calculation of state aid to be distributed in school fiscal year  
29 2011-12, and receipts from educational entities as defined in section  
30 79-1201.01 for providing distance education courses through the  
31 Educational Service Unit Coordinating Council to such educational

1 entities;

2 (4) Transportation receipts;

3 (5) Interest on investments;

4 (6) Other miscellaneous noncategorical local receipts, not including  
5 receipts from private foundations, individuals, associations, or  
6 charitable organizations;

7 (7) Special education receipts;

8 (8) Special education receipts and non-special education receipts  
9 from the state for wards of the court and wards of the state;

10 (9) All receipts from the temporary school fund. Receipts from the  
11 temporary school fund shall only include (a) receipts pursuant to section  
12 79-1035, ~~to the extent that such receipts for the calculation of aid for~~  
13 ~~school fiscal year 2018-19 and each school fiscal year thereafter are not~~  
14 ~~returned to the temporary school fund pursuant to section 79-309.01, and~~  
15 (b) the receipt of funds pursuant to section 79-1036 for property leased  
16 for a public purpose as set forth in subdivision (1)(a) of section  
17 77-202;

18 (10) Motor vehicle tax receipts received;

19 (11) Pro rata motor vehicle license fee receipts;

20 (12) Other miscellaneous state receipts excluding revenue from the  
21 textbook loan program authorized by section 79-734;

22 (13) Impact aid entitlements for the school fiscal year which have  
23 actually been received by the district to the extent allowed by federal  
24 law;

25 (14) All other noncategorical federal receipts;

26 (15) All receipts pursuant to the enrollment option program under  
27 sections 79-232 to 79-246;

28 (16) Receipts under the federal Medicare Catastrophic Coverage Act  
29 of 1988, as such act existed on January 1, 2014, as authorized pursuant  
30 to sections 43-2510 and 43-2511 for services to school-age children,  
31 excluding amounts designated as reimbursement for costs associated with

1 the implementation and administration of the billing system pursuant to  
2 section 43-2511;

3 (17) Receipts for accelerated or differentiated curriculum programs  
4 pursuant to sections 79-1106 to 79-1108.03; ~~and~~

5 (18) Revenue received from the nameplate capacity tax distributed  
6 pursuant to section 77-6204; and -

7 (19) Reimbursements pursuant to sections 3 to 8 of this act.

8 Sec. 30. Section 79-1028.01, Reissue Revised Statutes of Nebraska,  
9 is amended to read:

10 79-1028.01 (1) For each school fiscal year, a school district may  
11 exceed its budget authority for the general fund budget of expenditures  
12 as calculated pursuant to section 79-1023 for such school fiscal year by  
13 a specific dollar amount for the following exclusions:

14 (a) Expenditures for repairs to infrastructure damaged by a natural  
15 disaster which is declared a disaster emergency pursuant to the Emergency  
16 Management Act;

17 (b) Expenditures for judgments, except judgments or orders from the  
18 Commission of Industrial Relations, obtained against a school district  
19 which require or obligate a school district to pay such judgment, to the  
20 extent such judgment is not paid by liability insurance coverage of a  
21 school district;

22 (c) Expenditures pursuant to the Retirement Incentive Plan  
23 authorized in section 79-855 or the Staff Development Assistance  
24 authorized in section 79-856;

25 (d) Expenditures of amounts received from educational entities as  
26 defined in section 79-1201.01 for providing distance education courses  
27 through the Educational Service Unit Coordinating Council to such  
28 educational entities;

29 (e) Expenditures to pay for employer contributions pursuant to  
30 subsection (2) of section 79-958 to the School Employees Retirement  
31 System of the State of Nebraska to the extent that such expenditures

1 exceed the employer contributions under such subsection that would have  
2 been made at a contribution rate of seven and thirty-five hundredths  
3 percent;

4 (f) Expenditures to pay for school district contributions pursuant  
5 to subdivision (1)(c)(i) of section 79-9,113 to the retirement system  
6 established pursuant to the Class V School Employees Retirement Act to  
7 the extent that such expenditures exceed the school district  
8 contributions under such subdivision that would have been made at a  
9 contribution rate of seven and thirty-seven hundredths percent;

10 (g) Expenditures for sums agreed to be paid by a school district to  
11 certificated employees in exchange for a voluntary termination occurring  
12 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
13 school year and prior to the first day of the 2013-14 school year, or, to  
14 the extent that a district demonstrates to the State Board of Education  
15 pursuant to subsection (3) of this section that the agreement will result  
16 in a net savings in salary and benefit costs to the school district over  
17 a five-year period, occurring on or after the first day of the 2013-14  
18 school year;

19 ~~(h) Any expenditures in school fiscal years 2016-17 and 2017-18 of~~  
20 ~~amounts specified in the notice provided by the Commissioner of Education~~  
21 ~~pursuant to section 79-309.01 for teacher performance pay;~~

22 (h i) The special education budget of expenditures; and

23 (i j) Expenditures of special grant funds.

24 (2) For each school fiscal year, a school district may exceed its  
25 budget authority for the general fund budget of expenditures as  
26 calculated pursuant to section 79-1023 for such school fiscal year by a  
27 specific dollar amount and include such dollar amount in the budget of  
28 expenditures used to calculate budget authority for the general fund  
29 budget of expenditures pursuant to section 79-1023 for future years for  
30 the following exclusions:

31 (a) Expenditures of support grants to be received in such school

1 fiscal year pursuant to section 79-1011;

2 (b) The first school fiscal year the district will be participating  
3 in Network Nebraska for the full school fiscal year, for the difference  
4 of the estimated expenditures for such school fiscal year for  
5 telecommunications services, access to data transmission networks that  
6 transmit data to and from the school district, and the transmission of  
7 data on such networks as such expenditures are defined by the department  
8 for purposes of the distance education and telecommunications allowance  
9 minus the dollar amount of such expenditures for the second school fiscal  
10 year preceding the first full school fiscal year the district  
11 participates in Network Nebraska;

12 (c) Expenditures for new elementary attendance sites in the first  
13 year of operation or the first year of operation after being closed for  
14 at least one school year if such elementary attendance site will most  
15 likely qualify for the elementary site allowance in the immediately  
16 following school fiscal year as determined by the state board;

17 (d) For the first school fiscal year for which early childhood  
18 education membership is included in formula students for the calculation  
19 of state aid, expenditures for early childhood education equal to the  
20 amount the school district received in early childhood education grants  
21 pursuant to section 79-1103 for the prior school fiscal year, increased  
22 by the basic allowable growth rate; and

23 (e) For school fiscal year 2013-14, an amount not to exceed two  
24 percent over the previous school year if such increase is approved by a  
25 seventy-five percent majority vote of the school board of such district.

26 (3) The state board shall approve, deny, or modify the amount  
27 allowed for any exclusions to the budget authority for the general fund  
28 budget of expenditures pursuant to this section.

29 Sec. 31. Section 79-1035, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 79-1035 (1)(a) The State Treasurer shall, each year on or before the

1 third Monday in January, make a complete exhibit of all money belonging  
2 to the permanent school fund and the temporary school fund as returned to  
3 him or her from the several counties, together with the amount derived  
4 from other sources, and deliver such exhibit duly certified to the  
5 Commissioner of Education.

6 (b) Beginning in 2016 and each year thereafter, the exhibit required  
7 in subdivision (1)(a) of this section shall include a separate  
8 accounting, not to exceed an amount of ten million dollars, of the income  
9 from solar and wind agreements on school lands. The amount of income from  
10 solar and wind agreements on school lands shall be used to fund the  
11 grants described in section 79-308. The Board of Educational Lands and  
12 Funds shall provide the State Treasurer with the information necessary to  
13 make the exhibit required by this subsection. Separate accounting shall  
14 not be made for income from solar or wind agreements on school lands that  
15 exceeds the sum of ten million dollars.

16 (2) On or before February 25 following receipt of the exhibit from  
17 the State Treasurer pursuant to subsection (1) of this section, the  
18 Commissioner of Education shall make the apportionment of the temporary  
19 school fund to each school district as follows: From the whole amount,  
20 less the amount of income from solar and wind agreements on school lands,  
21 there shall be paid to those districts in which there are school or  
22 saline lands, which lands are used for a public purpose, an amount in  
23 lieu of tax money that would be raised if such lands were taxable, to be  
24 fixed in the manner prescribed in section 79-1036; and the remainder  
25 shall be apportioned to the districts according to the pro rata  
26 enumeration of children who are five through eighteen years of age in  
27 each district last returned from the school district. The calculation of  
28 apportionment for each school fiscal year shall include any corrections  
29 to the prior school fiscal year's apportionment.

30 (3) The Commissioner of Education shall certify the amount of the  
31 apportionment of the temporary school fund as provided in subsection (2)

1 of this section to the Director of Administrative Services. The Director  
2 of Administrative Services shall draw a warrant on the State Treasurer in  
3 favor of the various districts for the respective amounts so certified by  
4 the Commissioner of Education.

5 (4) For purposes of this section, agreement means any lease,  
6 easement, covenant, or other such contractual arrangement.

7 Sec. 32. Section 79-1205, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 79-1205 On or before August 1 ~~July 31, 2007, and on or before July~~  
10 ~~31~~ of each year ~~thereafter~~, the State Board of Education shall adjust the  
11 boundaries of any educational service unit the boundaries of which do not  
12 align with the boundaries of the member school districts on August ~~July 1~~  
13 of such year. Such boundary adjustments shall align the boundaries of the  
14 educational service unit with the boundaries of the member school  
15 districts as the boundaries of the member school districts existed on  
16 August ~~July 1~~ of such year. Such boundary adjustments shall be referred  
17 to the appropriate county and educational service unit officials, and  
18 such officials shall implement the adjustments and make the necessary  
19 changes in the educational service unit maps and tax records.

20 Sec. 33. Section 79-1315, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 79-1315 (1) The Nebraska Educational Telecommunications Commission  
23 shall be composed of eleven members, as follows: (a) The Commissioner of  
24 Education or his or her designee; (b) the President of the University of  
25 Nebraska or his or her designee; (c) a representative of the state  
26 colleges; (d) a representative of the community colleges; (e) a  
27 representative of private educational institutions of the State of  
28 Nebraska; and (f) six members of the general public, none of whom shall  
29 be associated with any of the institutions listed in subdivisions (a)  
30 through (e) of this subsection and two of whom shall be from each  
31 congressional district. No more than four of the members shall be

1 actively engaged in the teaching profession or administration of an  
2 educational institution.

3 (2) The members described in subdivisions (1)(c) through (1)(f) of  
4 this section shall be appointed by the Governor with the approval of the  
5 Legislature for terms of four years, and the term of the member described  
6 in subdivision (1)(d) of this section shall be the same as the term of  
7 the member described in subdivision (1)(c) of this section. Vacancies  
8 shall be filled by the Governor for the unexpired term. The commission  
9 shall be nonpolitical in character, and selection of the members of the  
10 commission shall be made on a nonpolitical basis. No member of the  
11 commission shall receive any compensation for his or her services.  
12 Reimbursement shall be provided for reasonable and necessary expenses  
13 incurred in attending scheduled meetings of the commission as provided in  
14 sections 81-1174 to 81-1177.

15 If the Commissioner of Education is unable to attend a commission  
16 meeting, ~~the deputy commissioner of education or~~ his or her designee is  
17 authorized to act on ~~his or her~~ behalf of the commissioner, and if the  
18 President of the University of Nebraska or his or her designee is unable  
19 to attend a commission meeting, the Executive Vice President and Provost  
20 for academic affairs is authorized to act on his or her behalf.

21 Sec. 34. Section 79-2110, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 79-2110 (1)(a) Each diversity plan shall provide for open enrollment  
24 in all school buildings in the learning community, subject to specific  
25 limitations necessary to bring about diverse enrollments in each school  
26 building in the learning community. Such limitations, for school  
27 buildings other than focus schools and programs other than focus  
28 programs, shall include giving preference at each school building first  
29 to siblings of students who will be enrolled as continuing students in  
30 such school building or program for the first school year for which  
31 enrollment is sought in such school building and then to students that

1 contribute to the socioeconomic diversity of enrollment at each building  
2 and may include establishing zone limitations in which students may  
3 access several schools other than their home attendance area school.  
4 Notwithstanding the limitations necessary to bring about diversity, open  
5 enrollment shall include providing access to students who do not  
6 contribute to the socioeconomic diversity of a school building, if,  
7 subsequent to the open enrollment selection process that is subject to  
8 limitations necessary to bring about diverse enrollments, capacity  
9 remains in a school building. In such a case, students who have applied  
10 to attend such school building shall be selected to attend such school  
11 building on a random basis up to the remaining capacity of such building.  
12 A student who has otherwise been disqualified from the school building  
13 pursuant to the school district's code of conduct or related school  
14 discipline rules shall not be eligible for open enrollment pursuant to  
15 this section. Any student who attended a particular school building in  
16 the prior school year and who is seeking education in the grades offered  
17 in such school building shall be allowed to continue attending such  
18 school building as a continuing student.

19 (b) To facilitate the open enrollment provisions of this subsection,  
20 each school year each member school district in a learning community  
21 shall establish a maximum capacity for each school building under such  
22 district's control pursuant to procedures and criteria established by the  
23 learning community coordinating council. Each member school district  
24 shall also establish attendance areas for each school building under the  
25 district's control, except that the school board shall not establish  
26 attendance areas for focus schools or focus programs. The attendance  
27 areas shall be established such that all of the territory of the school  
28 district is within an attendance area for each grade. Students residing  
29 in a school district shall be allowed to attend a school building in such  
30 school district.

31 (c) For purposes of this section and sections 79-238 and 79-611,

1 student who contributes to the socioeconomic diversity of enrollment  
2 means (i) a student who does not qualify for free or reduced-price  
3 lunches when, based upon the certification pursuant to section 79-2120,  
4 the school building the student will attend either has more students  
5 qualifying for free or reduced-price lunches than the average percentage  
6 of such students in all school buildings in the learning community or  
7 provides free meals to all students pursuant to the community eligibility  
8 provision or (ii) a student who qualifies for free or reduced-price  
9 lunches based on information collected from parents and guardians when,  
10 based upon the certification pursuant to section 79-2120, the school  
11 building the student will attend has fewer students qualifying for free  
12 or reduced-price lunches than the average percentage of such students in  
13 all school buildings in the learning community and does not provide free  
14 meals to all students pursuant to the community eligibility provision.

15 (2)(a) On or before March 15 of each year beginning with the year  
16 immediately following the year in which the initial coordinating council  
17 for the learning community takes office, a parent or guardian of a  
18 student residing in a member school district in a learning community may  
19 submit an application to any school district in the learning community on  
20 behalf of a student who is applying to attend a school building for the  
21 following school year that is not in an attendance area where the  
22 applicant resides or a focus school, focus program, or magnet school as  
23 such terms are defined in section 79-769. On or before April 1 of each  
24 year beginning with the year immediately following the year in which the  
25 initial coordinating council for the learning community takes office, the  
26 school district shall accept or reject such applications based on the  
27 capacity of the school building, the eligibility of the applicant for the  
28 school building or program, the number of such applicants that will be  
29 accepted for a given school building, and whether or not the applicant  
30 contributes to the socioeconomic diversity of the school or program to  
31 which he or she has applied and for which he or she is eligible. The

1 school district shall notify such parent or guardian in writing of the  
2 acceptance or rejection.

3 (b) A parent or guardian may provide information on the application  
4 regarding the applicant's potential qualification for free or reduced-  
5 price lunches. Any such information provided shall be subject to  
6 verification and shall only be used for the purposes of this section.  
7 Nothing in this section requires a parent or guardian to provide such  
8 information. Determinations about an applicant's qualification for free  
9 or reduced-price lunches for purposes of this section shall be based on  
10 any verified information provided on the application. If no such  
11 information is provided the student shall be presumed not to qualify for  
12 free or reduced-price lunches for the purposes of this section.

13 (c) A student may not apply to attend a school building in the  
14 learning community for any grades that are offered by another school  
15 building for which the student had previously applied and been accepted  
16 pursuant to this section, absent a hardship exception as established by  
17 the individual school district. On or before September 1 of each year  
18 beginning with the year immediately following the year in which the  
19 initial coordinating council for the learning community takes office,  
20 each school district shall provide to the learning community coordinating  
21 council a complete and accurate report of all applications received,  
22 including the number of students who applied at each grade level at each  
23 building, the number of students accepted at each grade level at each  
24 building, the number of such students that contributed to the  
25 socioeconomic diversity that applied and were accepted, the number of  
26 applicants denied and the rationales for denial, and other such  
27 information as requested by the learning community coordinating council.

28 (3) Each diversity plan may also include establishment of one or  
29 more focus schools or focus programs and the involvement of every member  
30 school district in one or more pathways across member school districts.  
31 Enrollment in each focus school or focus program shall be designed to

1 reflect the socioeconomic diversity of the learning community as a whole.  
2 School district selection of students for focus schools or focus programs  
3 shall be on a random basis from two pools of applicants, those who  
4 qualify for free and reduced-price lunches and those who do not qualify  
5 for free and reduced-price lunches. The percentage of students selected  
6 for focus schools from the pool of applicants who qualify for free and  
7 reduced-price lunches shall be as nearly equal as possible to the  
8 percentage of the student body of the learning community who qualify for  
9 free and reduced-price lunches. The percentage of students selected for  
10 focus schools from the pool of applicants who do not qualify for free and  
11 reduced-price lunches shall be as nearly equal as possible to the  
12 percentage of the student body of the learning community who do not  
13 qualify for free and reduced-price lunches. If more capacity exists in a  
14 focus school or program than the number of applicants for such focus  
15 school or program that contribute to the socioeconomic diversity of the  
16 focus school or program, the school district shall randomly select  
17 applicants up to the number of applicants that will be accepted for such  
18 building. A student who will complete the grades offered at a focus  
19 program, focus school, or magnet school that is part of a pathway shall  
20 be allowed to attend the focus program, focus school, or magnet school  
21 offering the next grade level as part of the pathway as a continuing  
22 student. A student who completes the grades offered at a focus program,  
23 focus school, or magnet school shall be allowed to attend a school  
24 offering the next grade level in the school district responsible for the  
25 focus program, focus school, or magnet school as a continuing student. A  
26 student who attended a program or school in the school year immediately  
27 preceding the first school year for which the program or school will  
28 operate as a focus program or focus school approved by the learning  
29 community and meeting the requirements of section 79-769 and who has not  
30 completed the grades offered at the focus program or focus school shall  
31 be a continuing student in the program or school.

1           (4) On or before February 15 of each year beginning with the year  
2 immediately following the year in which the initial coordinating council  
3 for the learning community takes office, a parent or guardian of a  
4 student who is currently attending a school building or program, except a  
5 magnet school, focus school, or focus program, outside of the attendance  
6 area where the student resides and who will complete the grades offered  
7 at such school building prior to the following school year shall provide  
8 notice, on a form provided by the school district, to the school board of  
9 the school district containing such school building if such student will  
10 attend another school building within such district as a continuing  
11 student and which school building such student would prefer to attend. On  
12 or before March 1, such school board shall provide a notice to such  
13 parent or guardian stating which school building or buildings the student  
14 shall be allowed to attend in such school district as a continuing  
15 student for the following school year. If the student resides within the  
16 school district, the notice shall include the school building offering  
17 the grade the student will be entering for the following school year in  
18 the attendance area where the student resides. This subsection shall not  
19 apply to focus schools or programs.

20           (5) A parent or guardian of a student who moves to a new residence  
21 in the learning community after April 1 may apply directly to a school  
22 board within the learning community within ninety days after moving for  
23 the student to attend a school building outside of the attendance area  
24 where the student resides. Such school board shall accept or reject such  
25 application within fifteen days after receiving the application, based on  
26 the number of applications and qualifications pursuant to subsection (2)  
27 or (3) of this section for all other students.

28           (6) A parent or guardian of a student who wishes to change school  
29 buildings for emergency or hardship reasons may apply directly to a  
30 school board within the learning community at any time for the student to  
31 attend a school building outside of the attendance area where the student

1 resides. Such application shall state the emergency or hardship and shall  
2 be kept confidential by the school board. Such school board shall accept  
3 or reject such application within fifteen days after receiving the  
4 application. Applications shall only be accepted if an emergency or  
5 hardship was presented which justifies an exemption from the procedures  
6 in subsection (4) of this section based on the judgment of such school  
7 board, and such acceptance shall not exceed the number of applications  
8 that will be accepted for the school year pursuant to subsection (2) or  
9 (3) of this section for such building.

10 Sec. 35. Section 79-2113, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 79-2113 (1) On or before the second June 1 immediately following the  
13 establishment of a new learning community, the learning community  
14 coordinating council shall establish at least one elementary learning  
15 center for each twenty-five elementary schools in which either at least  
16 thirty-five percent of the students attending the school who reside in  
17 the attendance area of such school qualify for free or reduced-price  
18 lunches or free meals are provided to all students pursuant to the  
19 community eligibility provision. The council shall determine how many of  
20 the initial elementary learning centers shall be located in each  
21 subcouncil district on or before September 1 immediately following the  
22 establishment of a new learning community.

23 (2) Each achievement subcouncil shall submit a plan to the learning  
24 community coordinating council for any elementary learning center in its  
25 subcouncil district and the services to be provided by such elementary  
26 learning center. In developing the plan, the achievement subcouncil shall  
27 seek input from community resources and collaborate with such resources  
28 in order to maximize the available opportunities and the participation of  
29 elementary students and their families. An achievement subcouncil may, as  
30 part of such plan, recommend services be provided through contracts with,  
31 or grants to, entities other than school districts to provide some or all

1 of the services. Such entities may include collaborative groups which may  
2 include the participation of a school district. An achievement subcouncil  
3 may also, as part of such plan, recommend that the elementary learning  
4 center serve as a clearinghouse for recommending programs provided by  
5 school districts or other entities and that the elementary learning  
6 center assist students in accessing such programs. The plans for the  
7 initial elementary learning centers shall be submitted by the achievement  
8 subcouncils to the coordinating council on or before January 1  
9 immediately following the establishment of a new learning community.

10 (3) Each elementary learning center shall have at least one facility  
11 that is located in an area with a high concentration of poverty. Such  
12 facility may be owned or leased by the learning community, or the use of  
13 the facility may be donated to the learning community. Programs offered  
14 by the elementary learning center may be offered in such facility or in  
15 other facilities, including school buildings.

16 Sec. 36. Section 79-2115, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 79-2115 (1) Learning community funds distributed pursuant to section  
19 79-2103 may be used by the learning community coordinating council  
20 receiving the funds for:

21 (a) The administration and operation of the learning community;

22 (b) The administration, operations, and programs of elementary  
23 learning centers pursuant to sections 79-2112 to 79-2114;

24 (c) Supplements for extended hours to teachers in elementary schools  
25 in which at least thirty-five percent of the students attending the  
26 school who reside in the attendance area of such school qualify for free  
27 or reduced-price lunches and elementary schools that provide free meals  
28 to all students pursuant to the community eligibility provision;

29 (d) Transportation to elementary school functions for parents of  
30 elementary students who qualify for free or reduced-price lunches or who  
31 attend an elementary school that provides free meals to all students

1 ~~pursuant to the community eligibility provision to school functions of~~  
2 ~~such students in elementary schools;~~

3 (e) Up to six social workers to provide services through the  
4 elementary learning centers; and

5 (f) Pilot projects authorized pursuant to section 79-2104.

6 (2) Each learning community coordinating council shall adopt  
7 policies and procedures for granting supplements for extended hours and  
8 for providing transportation for parents if any such funds are to be used  
9 for such purposes. An example of a pilot project that could receive such  
10 funds would be a school designated as Jump Start Center focused on  
11 providing intensive literacy services for elementary students with low  
12 reading scores.

13 (3) Each learning community coordinating council shall provide for  
14 financial audits of elementary learning centers and pilot projects. A  
15 learning community coordinating council shall serve as the recipient of  
16 private funds donated to support any elementary learning center or pilot  
17 project receiving funds from such learning community coordinating council  
18 and shall assure that the use of such private funds is included in the  
19 financial audits required pursuant to this section.

20 Sec. 37. Section 79-2120, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 79-2120 On or before March 1, 2009, and February 1 of each year  
23 thereafter, for purposes of subsection (3) of section 79-238 and sections  
24 79-611 and 79-2110, the State Department of Education shall certify to  
25 each learning community and each member school district the average  
26 percentage of students qualifying for free or reduced-price lunches in  
27 each school building in each member school district and in the aggregate  
28 for all school buildings in the learning community based on the most  
29 current information available to the department on the immediately  
30 preceding January 1. For purposes of this section, the average percentage  
31 of students qualifying for free or reduced-price lunches in school

1 buildings that provide free meals to all students pursuant to the  
2 community eligibility provision shall equal the identified student  
3 percentage calculated pursuant to the community eligibility provision.

4 The State Board of Education may adopt and promulgate rules and  
5 regulations to carry out this section.

6 Sec. 38. Section 79-2204, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 79-2204 (1) The State Council on Educational Opportunity for  
9 Military Children is created within the department. The council shall  
10 consist of:

11 (a) The following ex officio members:

12 (i) The Commissioner of Education;

13 (ii) The chairperson of the Education Committee of the Legislature,  
14 who shall serve as a nonvoting member of the council;

15 (iii) The compact commissioner appointed pursuant to section  
16 79-2205; and

17 (iv) The military family education liaison, who shall serve as a  
18 member of the council after his or her appointment pursuant to subsection  
19 (3) of this section; and

20 (b) The following members appointed by the State Board of Education:

21 (i) The superintendent of a school district that has a high  
22 concentration of children of military families; and

23 (ii) A representative of a military installation located in this  
24 state.

25 (2) The members of the council appointed by the State Board of  
26 Education shall serve three-year terms. Vacancies in the council shall be  
27 filled in the same manner as the initial appointments. The members of the  
28 council shall be reimbursed for their actual and necessary expenses as  
29 provided in sections 81-1174 to 81-1177.

30 (3) The council shall have the following duties:

31 (a) To advise the department with regard to the state's

1 participation in and compliance with the Interstate Compact on  
2 Educational Opportunity for Military Children; and

3 (b) To appoint a military family education liaison to assist  
4 families and the state in implementing the compact.

5 (4) When the council holds a single meeting in a calendar year, that  
6 meeting may be held by videoconferencing notwithstanding subdivision (2)  
7 (e) of section 84-1411.

8 Sec. 39. Section 79-2205, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 79-2205 A The deputy commissioner of education as designated by the  
11 Commissioner of Education shall serve as the compact commissioner and  
12 shall be responsible for administering the state's participation in the  
13 Interstate Compact on Educational Opportunity for Military Children.

14 Sec. 40. Section 85-2102, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 85-2102 For purposes of the Access College Early Scholarship Program  
17 Act:

18 (1) Career plan of study means a sequence of at least three high  
19 school courses that (a) may include dual-credit or college credit  
20 courses, (b) are part of a career pathway program of study aligned with  
21 (i) the rules and regulations of the State Department of Education, (ii)  
22 a professional certification requirement, or (iii) the requirements for a  
23 postsecondary certification or diploma, and (c) have at least one local  
24 member of business or industry partnering as an official advisor to the  
25 program;

26 (2 ~~1~~) Commission means the Coordinating Commission for Postsecondary  
27 Education;

28 (3 ~~2~~) Extreme hardship means any event, including fire, illness,  
29 accident, or job loss, that has recently resulted in a significant  
30 financial difficulty for a student or the student's parent or legal  
31 guardian;

1           (4 3) Postsecondary educational institution means a two-year or  
2 four-year college or university which is a member institution of an  
3 accrediting body recognized by the United States Department of Education;

4           (5 4) Qualified postsecondary educational institution means a  
5 postsecondary educational institution located in Nebraska which has  
6 agreed, on a form developed and provided by the commission, to comply  
7 with the requirements of the act; and

8           (6 5) Student means a student attending a Nebraska high school with  
9 a reasonable expectation that such student will meet the residency  
10 requirements of section 85-502 upon graduation from a Nebraska high  
11 school.

12           Sec. 41. Section 85-2104, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14           85-2104   Applications for the Access College Early Scholarship  
15 Program shall be prioritized for students qualifying pursuant to  
16 subdivision (1) or (2) of this section, and applications for students  
17 qualifying only pursuant to subdivision (3) of this section shall only be  
18 considered if funds are available after fulfilling the applications for  
19 students qualifying pursuant to subdivision (1) or (2) of this section.  
20 Priority dates shall be determined by the commission on a term basis. A  
21 student who is applying to take one or more courses for credit from a  
22 qualified postsecondary educational institution is eligible for the  
23 Access College Early Scholarship Program if:

24           (1) Such student or the student's parent or legal guardian is  
25 eligible to receive:

26           (a) Supplemental Security Income;

27           (b) Supplemental Nutrition Assistance Program benefits;

28           (c) Free or reduced-price lunches under United States Department of  
29 Agriculture child nutrition programs;

30           (d) Aid to families with dependent children; or

31           (e) Assistance under the Special Supplemental Nutrition Program for

1 Women, Infants, and Children; ~~or~~

2 (2) The student or the student's parent or legal guardian has  
3 experienced an extreme hardship; or -

4 (3) Such student is requesting assistance pursuant to the program to  
5 cover the cost of tuition and fees for a course that is part of a career  
6 plan of study, up to two hundred fifty dollars per term, and the  
7 student's family has an annual household income at or below two hundred  
8 percent of the federal poverty level.

9 Sec. 42. Original sections 79-101, 79-215, 79-2,144, 79-301,  
10 79-308, 79-309.01, 79-318, 79-420, 79-760.01, 79-760.02, 79-760.06,  
11 79-761, 79-8,137, 79-8,137.04, 79-1003, 79-1003.01, 79-1007.06,  
12 79-1007.07, 79-1007.13, 79-1013, 79-1018.01, 79-1028.01, 79-1035,  
13 79-1205, 79-1315, 79-2110, 79-2113, 79-2115, 79-2120, 79-2204, 79-2205,  
14 85-2102, and 85-2104, Reissue Revised Statutes of Nebraska, and section  
15 71-1962, Revised Statutes Cumulative Supplement, 2014, are repealed.

16 2. On page 1, strike beginning with "73-106" in line 1 through line  
17 12 and insert "79-101, 79-215, 79-2,144, 79-301, 79-308, 79-309.01,  
18 79-318, 79-420, 79-760.01, 79-760.02, 79-760.06, 79-761, 79-8,137,  
19 79-8,137.04, 79-1003, 79-1003.01, 79-1007.06, 79-1007.07, 79-1007.13,  
20 79-1013, 79-1018.01, 79-1028.01, 79-1035, 79-1205, 79-1315, 79-2110,  
21 79-2113, 79-2115, 79-2120, 79-2204, 79-2205, 85-2102, and 85-2104,  
22 Reissue Revised Statutes of Nebraska, and section 71-1962, Revised  
23 Statutes Cumulative Supplement, 2014; to change provisions relating to  
24 the Nebraska Early Childhood Professional Record System, state aid for  
25 school districts, admission of homeless students, duties of the state  
26 school security director, deputy commissioners of education, duties of  
27 the State Board of Education, reorganization of school districts,  
28 academic content standards, the statewide assessment and reporting  
29 system, the mentor teacher program, the Attracting Excellence to Teaching  
30 Program, the Enhancing Excellence in Teaching Program, adjustment of  
31 educational service unit boundaries, the Nebraska Educational

1 Telecommunications Commission, learning communities, the State Council on  
2 Educational Opportunity for Military Children, and the Access to College  
3 Early Scholarship Program Act; to provide for state aid to certain school  
4 districts; to state intent relating to appropriations; to provide  
5 requirements for free or reduced-price lunches; to provide for an  
6 educator-effectiveness system; to define and redefine terms; to eliminate  
7 provisions relating to school lands and annual school meetings as  
8 prescribed; to harmonize provisions; and to repeal the original  
9 sections."