

E AND R AMENDMENTS TO LB 1067

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 13-508, Revised Statutes Cumulative Supplement,  
4 2014, is amended to read:

5           13-508 (1) After publication and hearing thereon and within the time  
6 prescribed by law, each governing body, except as provided in subsection  
7 (3) of this section, shall file with and certify to the levying board or  
8 boards on or before September 20 of each year or September 20 of the  
9 final year of a biennial period and file with the auditor a copy of the  
10 adopted budget statement which complies with sections 13-518 to 13-522 or  
11 79-1023 to 79-1030, together with the amount of the tax required to fund  
12 the adopted budget, setting out separately (a) the amount to be levied  
13 for the payment of principal or interest on bonds issued by the governing  
14 body and (b) the amount to be levied for all other purposes. Proof of  
15 publication shall be attached to the statements. For fiscal years prior  
16 to fiscal year 2017-18, learning Learning communities shall also file a  
17 copy of such adopted budget statement with member school districts on or  
18 before September 1 of each year. The governing body, in certifying the  
19 amount required, may make allowance for delinquent taxes not exceeding  
20 five percent of the amount required plus the actual percentage of  
21 delinquent taxes for the preceding tax year or biennial period and for  
22 the amount of estimated tax loss from any pending or anticipated  
23 litigation which involves taxation and in which tax collections have been  
24 or can be withheld or escrowed by court order. For purposes of this  
25 section, anticipated litigation shall be limited to the anticipation of  
26 an action being filed by a taxpayer who or which filed a similar action  
27 for the preceding year or biennial period which is still pending. Except

1 for such allowances, a governing body shall not certify an amount of tax  
2 more than one percent greater or lesser than the amount determined under  
3 section 13-505.

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

9 (3)(a) A Class I school district shall do the filing and  
10 certification required by subsection (1) of this section on or before  
11 August 1 of each year.

12 (b) For fiscal years prior to fiscal year 2017-18, learning  
13 communities ~~A learning community~~ shall do such filing and certification  
14 on or before September 1 of each year.

15 Sec. 2. Section 13-511, Revised Statutes Supplement, 2015, is  
16 amended to read:

17 13-511 (1) Unless otherwise provided by law, whenever during the  
18 current fiscal year or biennial period it becomes apparent to a governing  
19 body that (a) there are circumstances which could not reasonably have  
20 been anticipated at the time the budget for the current year or biennial  
21 period was adopted, (b) the budget adopted violated sections 13-518 to  
22 13-522, such that the revenue of the current fiscal year or biennial  
23 period for any fund thereof will be insufficient, additional expenses  
24 will be necessarily incurred, or there is a need to reduce the budget  
25 requirements to comply with sections 13-518 to 13-522, or (c) the  
26 governing body has been notified by the auditor of a mathematical or  
27 accounting error or noncompliance with the Nebraska Budget Act, such  
28 governing body may propose to revise the previously adopted budget  
29 statement and shall conduct a public hearing on such proposal. The public  
30 hearing requirement shall not apply to emergency expenditures pursuant to  
31 section 81-829.51.

1 (2) Notice of the time and place of the hearing shall be published  
2 at least five days prior to the date set for hearing in a newspaper of  
3 general circulation within the governing body's jurisdiction. Such  
4 published notice shall set forth (a) the time and place of the hearing,  
5 (b) the amount in dollars of additional or reduced money required and for  
6 what purpose, (c) a statement setting forth the nature of the  
7 unanticipated circumstances and, if the budget requirements are to be  
8 increased, the reasons why the previously adopted budget of expenditures  
9 cannot be reduced during the remainder of the current year or biennial  
10 period to meet the need for additional money in that manner, (d) a copy  
11 of the summary of the originally adopted budget previously published, and  
12 (e) a copy of the summary of the proposed revised budget.

13 (3) At such hearing any taxpayer may appear or file a written  
14 statement protesting any application for additional money. A written  
15 record shall be kept of all such hearings.

16 (4) Upon conclusion of the public hearing on the proposed revised  
17 budget and approval of the proposed revised budget by the governing body,  
18 the governing body shall file with the county clerk of the county or  
19 counties in which such governing body is located, with the learning  
20 community coordinating council for fiscal years prior to fiscal year  
21 2017-18 for school districts that are members of learning communities,  
22 and with the auditor, a copy of the revised budget, as adopted. The  
23 governing body may then issue warrants in payment for expenditures  
24 authorized by the adopted revised budget. Such warrants shall be referred  
25 to as registered warrants and shall be repaid during the next fiscal year  
26 or biennial period from funds derived from taxes levied therefor.

27 (5) Within thirty days after the adoption of the budget under  
28 section 13-506, a governing body may, or within thirty days after  
29 notification of an error by the auditor, a governing body shall, correct  
30 an adopted budget which contains a clerical, mathematical, or accounting  
31 error which does not affect the total amount budgeted by more than one

1 percent or increase the amount required from property taxes. No public  
2 hearing shall be required for such a correction. After correction, the  
3 governing body shall file a copy of the corrected budget with the county  
4 clerk of the county or counties in which such governing body is located  
5 and with the auditor. The governing body may then issue warrants in  
6 payment for expenditures authorized by the budget.

7 Sec. 3. Section 32-546.01, Revised Statutes Cumulative Supplement,  
8 2014, is amended to read:

9 32-546.01 (1) Each learning community shall be governed by a  
10 learning community coordinating council. Through January 4, 2017, each  
11 council shall consist ~~consisting~~ of eighteen voting members, with twelve  
12 members elected on a nonpartisan ballot from six numbered subcouncil  
13 districts created pursuant to section 32-555.01 and with six members  
14 appointed from such subcouncil districts pursuant to this section.  
15 Beginning January 5, 2017, each learning community coordinating council  
16 shall consist of twelve members elected on a nonpartisan ballot from six  
17 numbered subcouncil districts created pursuant to section 32-555.01.  
18 Members elected at the general election in 2014 shall continue to serve  
19 until the terms for which they were elected expire, and such members may  
20 run for reelection. Each voter shall be allowed to cast votes for one  
21 candidate at both the primary and general elections to represent the  
22 subcouncil district in which the voter resides. The four candidates  
23 receiving the most votes at the primary election shall advance to the  
24 general election. The two candidates receiving the most votes at the  
25 general election shall be elected. A candidate shall reside in the  
26 subcouncil district for which he or she is a candidate. Coordinating  
27 council members shall be elected on the nonpartisan ballot.

28 (2) The initial elected members shall be nominated at the statewide  
29 primary election and elected at the statewide general election  
30 immediately following the certification of the establishment of the  
31 learning community, and subsequent members shall be nominated at

1 subsequent statewide primary elections and elected at subsequent  
2 statewide general elections. Except as provided in this section, such  
3 elections shall be conducted pursuant to the Election Act.

4 (3) Vacancies in office for elected members shall occur as set forth  
5 in section 32-560. Whenever any such vacancy occurs, the remaining  
6 elected members of such council shall appoint an individual residing  
7 within the geographical boundaries of the subcouncil district for the  
8 balance of the unexpired term.

9 (4) Members elected to represent odd-numbered districts in the first  
10 election for the learning community coordinating council shall be elected  
11 for two-year terms. Members elected to represent even-numbered districts  
12 in the first election for the learning community coordinating council  
13 shall be elected for four-year terms. Members elected in subsequent  
14 elections shall be elected for four-year terms and until their successors  
15 are elected and qualified.

16 (5) The appointed members shall be appointed in November of each  
17 even-numbered year through 2014 after the general election. Appointed  
18 members shall be school board members of school districts in the learning  
19 community either elected to take office the following January or  
20 continuing their current term of office for the following two years. For  
21 learning communities to be established prior to the effective date of  
22 this act ~~the following January~~ pursuant to orders issued pursuant to  
23 section 79-2102, the Secretary of State shall hold a meeting of the  
24 school board members of the school districts in such learning community  
25 to appoint one member from such school boards to represent each of the  
26 subcouncil districts on the coordinating council of such learning  
27 community. For subsequent appointments, the current appointed members of  
28 the coordinating council shall hold a meeting of the school board members  
29 of such school districts to appoint one member from such school boards to  
30 represent each of the subcouncil districts on the coordinating council of  
31 the learning community. The appointed members shall be selected by the

1 school board members of the school districts in the learning community  
2 who reside in the subcouncil district to be represented pursuant to a  
3 secret ballot, shall reside in the subcouncil district to be represented,  
4 and shall be appointed for two-year terms and until their successors are  
5 appointed and qualified.

6 (6) Vacancies in office for appointed members shall occur upon the  
7 resignation, death, or disqualification from office of an appointed  
8 member. Disqualification from office shall include ceasing membership on  
9 the school board for which membership qualified the member for the  
10 appointment to the learning community coordinating council or ceasing to  
11 reside in the subcouncil district represented by such member of the  
12 learning community coordinating council. Whenever such vacancy occurs,  
13 the remaining appointed members shall hold a meeting of the school board  
14 members of the school districts in such learning community to appoint a  
15 member from such school boards who lives in the subcouncil district to be  
16 represented to serve for the balance of the unexpired term.

17 (7) Through January 4, 2017, each ~~Each~~ learning community  
18 coordinating council shall also have a nonvoting member from each member  
19 school district which does not have either an elected or an appointed  
20 member who resides in the school district on the council. Such nonvoting  
21 members shall be appointed by the school board of the school district to  
22 be represented to serve for two-year terms, and notice of the nonvoting  
23 member selected shall be submitted to the Secretary of State by such  
24 board prior to December 31 of each even-numbered year through 2014. Each  
25 such nonvoting member shall be a resident of the appointing school  
26 district and shall not be a school administrator employed by such school  
27 district. Whenever a vacancy occurs, the school board of such school  
28 district shall appoint a new nonvoting member and submit notice to the  
29 Secretary of State and to the learning community coordinating council.

30 (8) Members of a learning community coordinating council shall take  
31 office on the first Thursday after the first Tuesday in January following

1 their election or appointment, except that members appointed to fill  
2 vacancies shall take office immediately following administration of the  
3 oath of office. ~~Each voting member elected or appointed prior to April 6,~~  
4 ~~2010, shall be paid a per diem in an amount determined by such council up~~  
5 ~~to two hundred dollars per day for official meetings of the council and~~  
6 ~~the achievement subcouncil for which he or she is a member, for meetings~~  
7 ~~that occur during the term of office for which the election or~~  
8 ~~appointment of the member took place prior to April 6, 2010, up to a~~  
9 ~~maximum of twelve thousand dollars per fiscal year.~~ Each voting member  
10 shall be eligible for reimbursement of reasonable expenses related to  
11 service on the learning community coordinating council. Each nonvoting  
12 member shall be eligible for reimbursement of reasonable expenses related  
13 to service on the learning community coordinating council.

14 Sec. 4. Section 32-604, Revised Statutes Cumulative Supplement,  
15 2014, is amended to read:

16 32-604 (1) Except as provided in subsection (2) or (4) of this  
17 section, no person shall be precluded from being elected or appointed to  
18 or holding an elective office for the reason that he or she has been  
19 elected or appointed to or holds another elective office.

20 (2) No person serving as a member of the Legislature or in an  
21 elective office described in Article IV, section 1 or 20, or Article VII,  
22 section 3 or 10, of the Constitution of Nebraska shall simultaneously  
23 serve in any other elective office, except that such a person may  
24 simultaneously serve in another elective office which is filled at an  
25 election held in conjunction with the annual meeting of a public body.

26 (3) Whenever an incumbent serving as a member of the Legislature or  
27 in an elective office described in Article IV, section 1 or 20, or  
28 Article VII, section 3 or 10, of the Constitution of Nebraska assumes  
29 another elective office, except an elective office filled at an election  
30 held in conjunction with the annual meeting of a public body, the office  
31 first held by the incumbent shall be deemed vacant.

1 (4) No person serving in a high elective office shall simultaneously  
2 serve in any other high elective office, except that a county attorney  
3 may serve as the county attorney for more than one county if appointed  
4 under subsection (2) of section 23-1201.01.

5 (5) Notwithstanding subsection (4) of this section, any person  
6 holding more than one high elective office upon July 15, 2010, shall be  
7 entitled to serve the remainder of all terms for which he or she was  
8 elected or appointed.

9 (6) For purposes of this section, (a) elective office has the  
10 meaning found in section 32-109 and includes an office which is filled at  
11 an election held in conjunction with the annual meeting of a public body  
12 created by an act of the Legislature but does not include a member of a  
13 learning community coordinating council appointed pursuant to subsection  
14 (5) or (7) of section 32-546.01 prior to January 5, 2017, and (b) high  
15 elective office means a member of the Legislature, an elective office  
16 described in Article IV, section 1 or 20, or Article VII, section 3 or  
17 10, of the Constitution of Nebraska, or a county, city, community college  
18 area, learning community, or school district elective office.

19 Sec. 5. Section 43-2515, Revised Statutes Cumulative Supplement,  
20 2014, is amended to read:

21 43-2515 For years 1993 through 2015, on or before October 1, the  
22 Department of Health and Human Services and the State Department of  
23 Education shall jointly certify to the budget administrator of the budget  
24 division of the Department of Administrative Services the amount of  
25 federal medicaid funds paid to school districts pursuant to the Early  
26 Intervention Act for special education services for children five years  
27 of age and older for the immediately preceding fiscal year. The General  
28 Fund appropriation to the State Department of Education for state special  
29 education aid for the then-current fiscal year shall be decreased by an  
30 amount equal to the amount that would have been reimbursed with state  
31 general funds to the school districts through the special education

1 reimbursement process for special education services for children five  
2 years of age and older that was paid to school districts or approved  
3 cooperatives with federal medicaid funds.

4 For fiscal years through fiscal year 2015-16, it is the intent of  
5 the Legislature that an amount equal to the amount that would have been  
6 reimbursed with state general funds to the school districts, certified to  
7 the budget administrator, be appropriated from the General Fund to aid in  
8 carrying out the provisions of the Early Intervention Act and other  
9 related early intervention services.

10 For 2015 and each year thereafter, on or before December 1, the  
11 Department of Health and Human Services and the State Department of  
12 Education shall jointly certify to the budget administrator of the budget  
13 division of the Department of Administrative Services the aggregate  
14 amount to be included in the local system formula resources pursuant to  
15 subdivision (15 ~~16~~) of section 79-1018.01 for all local systems for aid  
16 to be calculated pursuant to the Tax Equity and Educational Opportunities  
17 Support Act for the next school fiscal year.

18 For fiscal year 2016-17 and each fiscal year thereafter, it is the  
19 intent of the Legislature that, in addition to other state and federal  
20 funds used to carry out the Early Intervention Act, funds equal to the  
21 lesser of the amount certified to the budget administrator or the amount  
22 appropriated or transferred for such purposes pursuant to this section  
23 for the immediately preceding fiscal year increased by five percent be  
24 appropriated from the General Fund to aid in carrying out the provisions  
25 of the Early Intervention Act and other related early intervention  
26 services.

27 Sec. 6. Section 70-651.04, Revised Statutes Cumulative Supplement,  
28 2014, is amended to read:

29 70-651.04 All payments which are based on retail revenue from each  
30 incorporated city or village shall be divided and distributed by the  
31 county treasurer to that city or village, to the school districts located

1 in that city or village, to any learning community located in that city  
2 or village for payments distributed prior to September 1, 2017, and to  
3 the county in which may be located any such incorporated city or village  
4 in the proportion that their respective property tax levies in the  
5 preceding year bore to the total of such levies, except that the only  
6 learning community levies to be included are the common levies for which  
7 the proceeds are distributed to member school districts pursuant to  
8 section 79-1073 sections ~~79-1073 and 79-1073.01~~.

9 Sec. 7. Section 77-1704.01, Revised Statutes Cumulative Supplement,  
10 2014, is amended to read:

11 77-1704.01 (1) The county treasurer shall include with each tax  
12 notice to every taxpayer and with each receipt provided to a taxpayer the  
13 following information:

14 (a) The total amount of aid from state sources appropriated to the  
15 county and each city, village, and school district in the county;

16 (b) The net amount of property taxes to be levied by the county and  
17 each city, village, school district, and learning community in the  
18 county; ~~and~~

19 (c) For real property, the amount of taxes reflected on the  
20 statement that are levied by the county, city, village, school district,  
21 learning community, and other subdivisions for the tax year and for the  
22 immediately past year on the same parcel; ~~and -~~

23 (d) For taxes levied for fiscal year 2017-18 on real property within  
24 a learning community, statements explaining that the school district  
25 levies for learning community member districts are increasing, in part,  
26 as a result of the expiration of the learning community common levies,  
27 the proceeds of which were distributed directly to school districts, and  
28 that the remaining learning community levies fund activities of the  
29 learning community.

30 (2) The necessary form for furnishing the information required by  
31 subdivisions (1)(a), ~~and (b)~~, and (d) of this section shall be prescribed

1 by the Department of Revenue. The necessary information required by  
2 subdivision (1)(a) of this section shall be furnished to the county  
3 treasurer by the Department of Revenue prior to October 1 of each year.  
4 The form prescribed by the Department of Revenue shall contain the  
5 following statement:

6 THE AMOUNT OF STATE FUNDS SHOWN ABOVE WOULD HAVE BEEN ADDITIONAL  
7 PROPERTY TAXES IF NOT ALLOCATED TO THE COUNTY, CITY, VILLAGE, AND SCHOOL  
8 DISTRICT BY THE LEGISLATURE.

9 Sec. 8. Section 77-1736.06, Revised Statutes Cumulative Supplement,  
10 2014, is amended to read:

11 77-1736.06 The following procedure shall apply when making a  
12 property tax refund:

13 (1) Within thirty days of the entry of a final nonappealable order,  
14 an unprotested determination of a county assessor, an unappealed decision  
15 of a county board of equalization, or other final action requiring a  
16 refund of real or personal property taxes paid or, for property valued by  
17 the state, within thirty days of a recertification of value by the  
18 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the  
19 county assessor shall determine the amount of refund due the person  
20 entitled to the refund, certify that amount to the county treasurer, and  
21 send a copy of such certification to the person entitled to the refund.  
22 Within thirty days from the date the county assessor certifies the amount  
23 of the refund, the county treasurer shall notify each political  
24 subdivision, including any school district receiving a distribution  
25 pursuant to section 79-1073 or ~~79-1073.01~~ and any land bank receiving  
26 real property taxes pursuant to subdivision (3)(a) of section 19-5211, of  
27 its respective share of the refund, except that for any political  
28 subdivision whose share of the refund is two hundred dollars or less, the  
29 county board may waive this notice requirement. Notification shall be by  
30 first-class mail, postage prepaid, to the last-known address of record of  
31 the political subdivision. The county treasurer shall pay the refund from

1 funds in his or her possession belonging to any political subdivision,  
2 including any school district receiving a distribution pursuant to  
3 section 79-1073 or ~~79-1073.01~~ and any land bank receiving real property  
4 taxes pursuant to subdivision (3)(a) of section 19-5211, which received  
5 any part of the tax or penalty being refunded. If sufficient funds are  
6 not available or the political subdivision, within thirty days of the  
7 mailing of the notice by the county treasurer if applicable, certifies to  
8 the county treasurer that a hardship would result and create a serious  
9 interference with its governmental functions if the refund of the tax or  
10 penalty is paid, the county treasurer shall register the refund or  
11 portion thereof which remains unpaid as a claim against such political  
12 subdivision and shall issue the person entitled to the refund a receipt  
13 for the registration of the claim. The certification by a political  
14 subdivision declaring a hardship shall be binding upon the county  
15 treasurer;

16 (2) The refund of a tax or penalty or the receipt for the  
17 registration of a claim made or issued pursuant to this section shall be  
18 satisfied in full as soon as practicable and in no event later than five  
19 years from the date the final order or other action approving a refund is  
20 entered. The governing body of the political subdivision shall make  
21 provisions in its budget for the amount of any refund or claim to be  
22 satisfied pursuant to this section. If a receipt for the registration of  
23 a claim is given:

24 (a) Such receipt shall be applied to satisfy any tax levied or  
25 assessed by that political subdivision next falling due from the person  
26 holding the receipt after the sixth next succeeding levy is made on  
27 behalf of the political subdivision following the final order or other  
28 action approving the refund; and

29 (b) To the extent the amount of such receipt exceeds the amount of  
30 such tax liability, the unsatisfied balance of the receipt shall be paid  
31 and satisfied within the five-year period prescribed in this subdivision

1 from a combination of a credit against taxes anticipated to be due to the  
2 political subdivision during such period and cash payment from any funds  
3 expected to accrue to the political subdivision pursuant to a written  
4 plan to be filed by the political subdivision with the county treasurer  
5 no later than thirty days after the claim against the political  
6 subdivision is first reduced by operation of a credit against taxes due  
7 to such political subdivision.

8 If a political subdivision fails to fully satisfy the refund or  
9 claim prior to the sixth next succeeding levy following the entry of a  
10 final nonappealable order or other action approving a refund, interest  
11 shall accrue on the unpaid balance commencing on the sixth next  
12 succeeding levy following such entry or action at the rate set forth in  
13 section 45-103;

14 (3) The county treasurer shall mail the refund or the receipt by  
15 first-class mail, postage prepaid, to the last-known address of the  
16 person entitled thereto. Multiple refunds to the same person may be  
17 combined into one refund or credit. If a refund is not claimed by June 1  
18 of the year following the year of mailing, the refund shall be canceled  
19 and the resultant amount credited to the various funds originally  
20 charged;

21 (4) When the refund involves property valued by the state, the Tax  
22 Commissioner shall be authorized to negotiate a settlement of the amount  
23 of the refund or claim due pursuant to this section on behalf of the  
24 political subdivision from which such refund or claim is due. Any  
25 political subdivision which does not agree with the settlement terms as  
26 negotiated may reject such terms, and the refund or claim due from the  
27 political subdivision then shall be satisfied as set forth in this  
28 section as if no such negotiation had occurred;

29 (5) In the event that the Legislature appropriates state funds to be  
30 disbursed for the purposes of satisfying all or any portion of any refund  
31 or claim, the Tax Commissioner shall order the county treasurer to

1 disburse such refund amounts directly to the persons entitled to the  
2 refund in partial or total satisfaction of such persons' claims. The  
3 county treasurer shall disburse such amounts within forty-five days after  
4 receipt thereof; and

5 (6) If all or any portion of the refund is reduced by way of  
6 settlement or forgiveness by the person entitled to the refund, the  
7 proportionate amount of the refund that was paid by an appropriation of  
8 state funds shall be reimbursed by the county treasurer to the State  
9 Treasurer within forty-five days after receipt of the settlement  
10 agreement or receipt of the forgiven refund. The amount so reimbursed  
11 shall be credited to the General Fund.

12 Sec. 9. Section 77-3442, Revised Statutes Supplement, 2015, is  
13 amended to read:

14 77-3442 (1) Property tax levies for the support of local governments  
15 for fiscal years beginning on or after July 1, 1998, shall be limited to  
16 the amounts set forth in this section except as provided in section  
17 77-3444.

18 (2)(a) Except as provided in subdivisions (2)(b) and subdivision (2)  
19 (e) of this section, school districts and multiple-district school  
20 systems, ~~except learning communities and school districts that are~~  
21 ~~members of learning communities,~~ may levy a maximum levy of one dollar  
22 and five cents per one hundred dollars of taxable valuation of property  
23 subject to the levy.

24 (b) For each fiscal year prior to fiscal year 2017-18, learning  
25 communities may levy a maximum levy for the general fund budgets of  
26 member school districts of ninety-five cents per one hundred dollars of  
27 taxable valuation of property subject to the levy. The proceeds from the  
28 levy pursuant to this subdivision shall be distributed pursuant to  
29 section 79-1073.

30 (c) Except as provided in subdivision (2)(e) of this section, for  
31 each fiscal year prior to fiscal year 2017-18, school districts that are

1 members of learning communities may levy for purposes of such districts'  
2 general fund budget and special building funds a maximum combined levy of  
3 the difference of one dollar and five cents on each one hundred dollars  
4 of taxable property subject to the levy minus the learning community levy  
5 ~~levies~~ pursuant to subdivision (2)(b) ~~subdivisions (2)(b) and (2)(g)~~ of  
6 this section for such learning community.

7 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
8 of this section are amounts levied to pay for sums agreed to be paid by a  
9 school district to certificated employees in exchange for a voluntary  
10 termination of employment and amounts levied to pay for special building  
11 funds and sinking funds established for projects commenced prior to April  
12 1, 1996, for construction, expansion, or alteration of school district  
13 buildings. For purposes of this subsection, commenced means any action  
14 taken by the school board on the record which commits the board to expend  
15 district funds in planning, constructing, or carrying out the project.

16 (e) Federal aid school districts may exceed the maximum levy  
17 prescribed by subdivision (2)(a) or (2)(c) of this section only to the  
18 extent necessary to qualify to receive federal aid pursuant to Title VIII  
19 of Public Law 103-382, as such title existed on September 1, 2001. For  
20 purposes of this subdivision, federal aid school district means any  
21 school district which receives ten percent or more of the revenue for its  
22 general fund budget from federal government sources pursuant to Title  
23 VIII of Public Law 103-382, as such title existed on September 1, 2001.

24 ~~(f) For school fiscal year 2002-03 through school fiscal year~~  
25 ~~2007-08, school districts and multiple-district school systems may, upon~~  
26 ~~a three-fourths majority vote of the school board of the school district,~~  
27 ~~the board of the unified system, or the school board of the high school~~  
28 ~~district of the multiple-district school system that is not a unified~~  
29 ~~system, exceed the maximum levy prescribed by subdivision (2)(a) of this~~  
30 ~~section in an amount equal to the net difference between the amount of~~  
31 ~~state aid that would have been provided under the Tax Equity and~~

1 ~~Educational Opportunities Support Act without the temporary aid~~  
2 ~~adjustment factor as defined in section 79-1003 for the ensuing school~~  
3 ~~fiscal year for the school district or multiple-district school system~~  
4 ~~and the amount provided with the temporary aid adjustment factor. The~~  
5 ~~State Department of Education shall certify to the school districts and~~  
6 ~~multiple-district school systems the amount by which the maximum levy may~~  
7 ~~be exceeded for the next school fiscal year pursuant to this subdivision~~  
8 ~~(f) of this subsection on or before February 15 for school fiscal years~~  
9 ~~2004-05 through 2007-08.~~

10 (g) ~~For each fiscal year, learning communities may levy a maximum~~  
11 ~~levy of two cents on each one hundred dollars of taxable property subject~~  
12 ~~to the levy for special building funds for member school districts. The~~  
13 ~~proceeds from the levy pursuant to this subdivision shall be distributed~~  
14 ~~pursuant to section 79-1073.01.~~

15 (f h) ~~For each fiscal year, learning communities may levy a maximum~~  
16 ~~levy of one-half cent on each one hundred dollars of taxable property~~  
17 ~~subject to the levy for elementary learning center facility leases, for~~  
18 ~~remodeling of leased elementary learning center facilities, and for up to~~  
19 ~~fifty percent of the estimated cost for focus school or program capital~~  
20 ~~projects approved by the learning community coordinating council pursuant~~  
21 ~~to section 79-2111.~~

22 (g i) ~~For each fiscal year, learning communities may levy a maximum~~  
23 ~~levy of one and one-half cents on each one hundred dollars of taxable~~  
24 ~~property subject to the levy for early childhood education programs for~~  
25 ~~children in poverty, for elementary learning center employees, for~~  
26 ~~contracts with other entities or individuals who are not employees of the~~  
27 ~~learning community for elementary learning center programs and services,~~  
28 ~~and for pilot projects, except that no more than ten percent of such levy~~  
29 ~~may be used for elementary learning center employees.~~

30 (3)(a) ~~For fiscal years 2011-12 and 2012-13, community college areas~~  
31 ~~may levy a maximum of ten and one-quarter cents per one hundred dollars~~

1 of taxable valuation of property subject to the levy for operating  
2 expenditures and may also levy the additional levies provided in  
3 subdivisions (1)(b) and (c) of section 85-1517.

4 (b) For fiscal year 2013-14 and each fiscal year thereafter,  
5 community college areas may levy the levies provided in subdivisions (2)  
6 (a) through (c) of section 85-1517, in accordance with the provisions of  
7 such subdivisions. A community college area may exceed the levy provided  
8 in subdivision (2)(b) of section 85-1517 by the amount necessary to  
9 retire general obligation bonds assumed by the community college area or  
10 issued pursuant to section 85-1515 according to the terms of such bonds  
11 or for any obligation pursuant to section 85-1535 entered into prior to  
12 January 1, 1997.

13 (4)(a) Natural resources districts may levy a maximum levy of four  
14 and one-half cents per one hundred dollars of taxable valuation of  
15 property subject to the levy.

16 (b) Natural resources districts shall also have the power and  
17 authority to levy a tax equal to the dollar amount by which their  
18 restricted funds budgeted to administer and implement ground water  
19 management activities and integrated management activities under the  
20 Nebraska Ground Water Management and Protection Act exceed their  
21 restricted funds budgeted to administer and implement ground water  
22 management activities and integrated management activities for FY2003-04,  
23 not to exceed one cent on each one hundred dollars of taxable valuation  
24 annually on all of the taxable property within the district.

25 (c) In addition, natural resources districts located in a river  
26 basin, subbasin, or reach that has been determined to be fully  
27 appropriated pursuant to section 46-714 or designated as overappropriated  
28 pursuant to section 46-713 by the Department of Natural Resources shall  
29 also have the power and authority to levy a tax equal to the dollar  
30 amount by which their restricted funds budgeted to administer and  
31 implement ground water management activities and integrated management

1 activities under the Nebraska Ground Water Management and Protection Act  
2 exceed their restricted funds budgeted to administer and implement ground  
3 water management activities and integrated management activities for  
4 FY2005-06, not to exceed three cents on each one hundred dollars of  
5 taxable valuation on all of the taxable property within the district for  
6 fiscal year 2006-07 and each fiscal year thereafter through fiscal year  
7 2017-18.

8 (5) Any educational service unit authorized to levy a property tax  
9 pursuant to section 79-1225 may levy a maximum levy of one and one-half  
10 cents per one hundred dollars of taxable valuation of property subject to  
11 the levy.

12 (6)(a) Incorporated cities and villages which are not within the  
13 boundaries of a municipal county may levy a maximum levy of forty-five  
14 cents per one hundred dollars of taxable valuation of property subject to  
15 the levy plus an additional five cents per one hundred dollars of taxable  
16 valuation to provide financing for the municipality's share of revenue  
17 required under an agreement or agreements executed pursuant to the  
18 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum  
19 levy shall include amounts levied to pay for sums to support a library  
20 pursuant to section 51-201, museum pursuant to section 51-501, visiting  
21 community nurse, home health nurse, or home health agency pursuant to  
22 section 71-1637, or statue, memorial, or monument pursuant to section  
23 80-202.

24 (b) Incorporated cities and villages which are within the boundaries  
25 of a municipal county may levy a maximum levy of ninety cents per one  
26 hundred dollars of taxable valuation of property subject to the levy. The  
27 maximum levy shall include amounts paid to a municipal county for county  
28 services, amounts levied to pay for sums to support a library pursuant to  
29 section 51-201, a museum pursuant to section 51-501, a visiting community  
30 nurse, home health nurse, or home health agency pursuant to section  
31 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

1 (7) Sanitary and improvement districts which have been in existence  
2 for more than five years may levy a maximum levy of forty cents per one  
3 hundred dollars of taxable valuation of property subject to the levy, and  
4 sanitary and improvement districts which have been in existence for five  
5 years or less shall not have a maximum levy. Unconsolidated sanitary and  
6 improvement districts which have been in existence for more than five  
7 years and are located in a municipal county may levy a maximum of eighty-  
8 five cents per hundred dollars of taxable valuation of property subject  
9 to the levy.

10 (8) Counties may levy or authorize a maximum levy of fifty cents per  
11 one hundred dollars of taxable valuation of property subject to the levy,  
12 except that five cents per one hundred dollars of taxable valuation of  
13 property subject to the levy may only be levied to provide financing for  
14 the county's share of revenue required under an agreement or agreements  
15 executed pursuant to the Interlocal Cooperation Act or the Joint Public  
16 Agency Act. The maximum levy shall include amounts levied to pay for sums  
17 to support a library pursuant to section 51-201 or museum pursuant to  
18 section 51-501. The county may allocate up to fifteen cents of its  
19 authority to other political subdivisions subject to allocation of  
20 property tax authority under subsection (1) of section 77-3443 and not  
21 specifically covered in this section to levy taxes as authorized by law  
22 which do not collectively exceed fifteen cents per one hundred dollars of  
23 taxable valuation on any parcel or item of taxable property. The county  
24 may allocate to one or more other political subdivisions subject to  
25 allocation of property tax authority by the county under subsection (1)  
26 of section 77-3443 some or all of the county's five cents per one hundred  
27 dollars of valuation authorized for support of an agreement or agreements  
28 to be levied by the political subdivision for the purpose of supporting  
29 that political subdivision's share of revenue required under an agreement  
30 or agreements executed pursuant to the Interlocal Cooperation Act or the  
31 Joint Public Agency Act. If an allocation by a county would cause another

1 county to exceed its levy authority under this section, the second county  
2 may exceed the levy authority in order to levy the amount allocated.

3 (9) Municipal counties may levy or authorize a maximum levy of one  
4 dollar per one hundred dollars of taxable valuation of property subject  
5 to the levy. The municipal county may allocate levy authority to any  
6 political subdivision or entity subject to allocation under section  
7 77-3443.

8 (10) Rural and suburban fire protection districts may levy a maximum  
9 levy of ten and one-half cents per one hundred dollars of taxable  
10 valuation of property subject to the levy if (a) such district is located  
11 in a county that had a levy pursuant to subsection (8) of this section in  
12 the previous year of at least forty cents per one hundred dollars of  
13 taxable valuation of property subject to the levy or (b) for any rural or  
14 suburban fire protection district that had a levy request pursuant to  
15 section 77-3443 in the previous year, the county board of the county in  
16 which the greatest portion of the valuation of such district is located  
17 did not authorize any levy authority to such district in the previous  
18 year.

19 (11) Property tax levies (a) for judgments, except judgments or  
20 orders from the Commission of Industrial Relations, obtained against a  
21 political subdivision which require or obligate a political subdivision  
22 to pay such judgment, to the extent such judgment is not paid by  
23 liability insurance coverage of a political subdivision, (b) for  
24 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)  
25 for bonds as defined in section 10-134 approved according to law and  
26 secured by a levy on property except as provided in section 44-4317 for  
27 bonded indebtedness issued by educational service units and school  
28 districts, and (d) for payments by a public airport to retire interest-  
29 free loans from the Department of Aeronautics in lieu of bonded  
30 indebtedness at a lower cost to the public airport are not included in  
31 the levy limits established by this section.

1 (12) The limitations on tax levies provided in this section are to  
2 include all other general or special levies provided by law.  
3 Notwithstanding other provisions of law, the only exceptions to the  
4 limits in this section are those provided by or authorized by sections  
5 77-3442 to 77-3444.

6 (13) Tax levies in excess of the limitations in this section shall  
7 be considered unauthorized levies under section 77-1606 unless approved  
8 under section 77-3444.

9 (14) For purposes of sections 77-3442 to 77-3444, political  
10 subdivision means a political subdivision of this state and a county  
11 agricultural society.

12 (15) For school districts that file a binding resolution on or  
13 before May 9, 2008, with the county assessors, county clerks, and county  
14 treasurers for all counties in which the school district has territory  
15 pursuant to subsection (7) of section 79-458, if the combined levies,  
16 except levies for bonded indebtedness approved by the voters of the  
17 school district and levies for the refinancing of such bonded  
18 indebtedness, are in excess of the greater of (a) one dollar and twenty  
19 cents per one hundred dollars of taxable valuation of property subject to  
20 the levy or (b) the maximum levy authorized by a vote pursuant to section  
21 77-3444, all school district levies, except levies for bonded  
22 indebtedness approved by the voters of the school district and levies for  
23 the refinancing of such bonded indebtedness, shall be considered  
24 unauthorized levies under section 77-1606.

25 Sec. 10. Section 79-215, Revised Statutes Supplement, 2015, is  
26 amended to read:

27 79-215 (1) Except as otherwise provided in this section, a student  
28 is a resident of the school district where he or she resides and shall be  
29 admitted to any such school district upon request without charge.

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

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

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

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

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

15 (7) For school years prior to school year 2017-18, a A school board  
16 of any school district that is a member of a learning community shall  
17 admit nonresident students to the school district pursuant to the open  
18 enrollment provisions of a diversity plan in a learning community as  
19 authorized by section 79-2110, and such admission shall be without  
20 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 79-233, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 79-233 For purposes of sections 79-232 to 79-246 and section 14 of  
18 this act:

19 (1) Enrollment option program means the program established in  
20 section 79-234;

21 (2) Option school district means the public school district that an  
22 option student chooses to attend instead of his or her resident school  
23 district;

24 (3) Option student means a student that has chosen to attend an  
25 option school district, including a student who resides in a learning  
26 community and began attendance as an option student in an option school  
27 district in such learning community prior to the end of the first full  
28 school year for which the option school district will be a member of such  
29 learning community or an open enrollment option student, but, for school  
30 years prior to school year 2017-18, but not including a student who  
31 resides in a learning community and who attends pursuant to section

1 79-2110 another school district in such learning community;

2 (4) Open enrollment option student means a student who resides in a  
3 school district that is a member of a learning community, attended a  
4 school building in another school district in such learning community as  
5 an open enrollment student pursuant to section 79-2110, and attends such  
6 school building as an option student pursuant to section 14 of this act;

7 (5 4) Resident school district means the public school district in  
8 which a student resides or the school district in which the student is  
9 admitted as a resident of the school district pursuant to section 79-215;  
10 and

11 (6 5) Siblings means all children residing in the same household on  
12 a permanent basis who have the same mother or father or who are  
13 stepbrother or stepsister to each other.

14 Sec. 12. Section 79-234, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-234 (1) An enrollment option program is hereby established to  
17 enable any kindergarten through twelfth grade Nebraska student to attend  
18 a school in a Nebraska public school district in which the student does  
19 not reside subject to the limitations prescribed in section 79-238. The  
20 option shall be available only once to each student prior to graduation,  
21 except that the option does not count toward such limitation if such  
22 option meets, or met at the time of the option, one of the following  
23 criteria: (a) The student relocates to a different resident school  
24 district, (b) the option school district merges with another district,  
25 (c) the option school district is a Class I district, (d) the student  
26 will have completed either the grades offered in the school building  
27 originally attended in the option school district or the grades  
28 immediately preceding the lowest grade offered in the school building for  
29 which a new option is sought, (e) the option would allow the student to  
30 continue current enrollment in a school district, ~~or~~ (f) the option would  
31 allow the student to enroll in a school district in which the student was

1 previously enrolled as a resident student, or (g) the student is an open  
2 enrollment option student. Sections 79-232 to 79-246 and section 14 of  
3 this act do not relieve a parent or guardian from the compulsory  
4 attendance requirements in section 79-201.

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

9 Sec. 13. Section 79-235, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 79-235 For purposes of all duties, entitlements, and rights  
12 established by law, including special education as provided in section  
13 79-1127, except as provided in section 79-241 and, for open enrollment  
14 option students, except as provided in section 14 of this act, option  
15 students shall be treated as resident students of the option school  
16 district. The option student may request a particular school building,  
17 but the building assignment of the option student shall be determined by  
18 the option school district except as provided in section 14 of this act  
19 for open enrollment option students and in subsection (3) of section  
20 79-2110 for students attending a focus school, focus program, or magnet  
21 school. In determining eligibility for extracurricular activities as  
22 defined in section 79-2,126, the option student shall be treated  
23 similarly to other students who transfer into the school from another  
24 public, private, denominational, or parochial school.

25 Sec. 14. Each student attending a school building outside of the  
26 resident school district as an open enrollment student for any part of  
27 school year 2016-17 shall be automatically approved as an open enrollment  
28 option student beginning with school year 2017-18 and allowed to continue  
29 attending such school building as an option student without submitting an  
30 additional application unless the student has completed the grades  
31 offered in such school building or has been expelled and is disqualified

1 pursuant to section 79-266.01. Except as provided in subsection (3) of  
2 section 79-2110 for students attending a focus school, focus program, or  
3 magnet school, approval as an open enrollment option student pursuant to  
4 this section does not permit the student to attend another school  
5 building within the option school district unless an application meeting  
6 the requirements prescribed in section 79-237 is approved by the school  
7 board of the option school district. Upon approval of an application  
8 meeting the requirements prescribed in section 79-237, a student  
9 previously enrolled as an open enrollment student in the option school  
10 district shall be treated as an option student of the option school  
11 district without regard to his or her former status as an open enrollment  
12 student. Except as otherwise provided in this section and sections  
13 79-234, 79-235, 79-237, and 79-238 and subsection (3) of section 79-2110,  
14 open enrollment option students shall be treated as option students of  
15 the option school district.

16       Sec. 15. Section 79-237, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18       79-237 (1) For a student to begin attendance as an option student in  
19 an option school district ~~which is not in a learning community~~ in which  
20 the student resides, the student's parent or legal guardian shall submit  
21 an application to the school board of the option school district between  
22 September 1 and March 15 for attendance during the following and  
23 subsequent school years. Except as provided in subsection (2) of this  
24 section, applications submitted after March 15 shall contain a release  
25 approval from the resident school district on the application form  
26 prescribed and furnished by the State Department of Education pursuant to  
27 subsection (8) of this section. A district may not accept or approve any  
28 applications submitted after such date without such a release approval.  
29 The option school district shall provide the resident school district  
30 with the name of the applicant on or before April 1 or, in the case of an  
31 application submitted after March 15, within sixty days after submission.

1 The option school district shall notify, in writing, the parent or legal  
2 guardian of the student and the resident school district whether the  
3 application is accepted or rejected on or before April 1 or, in the case  
4 of an application submitted after March 15, within sixty days after  
5 submission. An option school district that is a member of a learning  
6 community may not approve an application for a student who resides in  
7 such learning community to attend prior to school year 2017-18.

8 (2) A student who relocates to a different resident school district  
9 after February 1 ~~or~~ ~~7~~ whose option school district merges with another  
10 district effective after February 1, ~~or whose qualification for the~~  
11 ~~option for school year 2013-14 is changed pursuant to the changes made to~~  
12 ~~subsection (1) of section 79-234 by Laws 2013, LB410,~~ may submit an  
13 application to the school board of an option school district for  
14 attendance during the immediately following and subsequent school years  
15 unless the applicant is a resident of a learning community and the  
16 application is for attendance to begin prior to school year 2017-18 in an  
17 option school district that is also a member of such learning community.  
18 Such application does not require the release approval of the resident  
19 school district. The option school district shall accept or reject such  
20 application within forty-five days.

21 ~~(3) For a student who resides in a learning community to begin~~  
22 ~~attendance in an option school district which is a member of such~~  
23 ~~learning community, the student's parent or legal guardian shall submit~~  
24 ~~an application to the school board of the option school district (a) for~~  
25 ~~any learning community established prior to February 13, 2009, between~~  
26 ~~February 13, 2009, and April 1, 2009, or (b) for any learning community~~  
27 ~~established thereafter, between September 1 and March 15. Applications~~  
28 ~~submitted after such deadlines shall be accompanied by a written release~~  
29 ~~from the resident school district. Students who reside in a learning~~  
30 ~~community shall only begin attendance in an option school district which~~  
31 ~~is a member of such learning community prior to the end of the first full~~

~~1 school year for which the option school district is a member of such~~  
~~2 learning community. The option school district shall provide the resident~~  
~~3 school district with the name of the applicant within five days after the~~  
~~4 applicable deadline. The option school district shall notify, in writing,~~  
~~5 the parent or legal guardian of the student and the resident school~~  
~~6 district whether the application is accepted or rejected on or before~~  
7 April 1. A parent or guardian may provide information on the application  
8 for an option school district that is a member of a learning community  
9 regarding the applicant's potential qualification for free or reduced-  
10 price lunches. Any such information provided shall be subject to  
11 verification and shall only be used for the purposes of subsection (4) of  
12 section 79-238. Nothing in this subsection requires a parent or guardian  
13 to provide such information. Determinations about an applicant's  
14 qualification for free or reduced-price lunches for purposes of  
15 subsection (4) of section 79-238 shall be based on any verified  
16 information provided on the application. If no such information is  
17 provided, the student shall be presumed not to qualify for free or  
18 reduced-price lunches for the purposes of subsection (4) of section  
19 79-238.

20 (4) Applications for students who do not actually attend the option  
21 school district may be withdrawn in good standing upon mutual agreement  
22 by both the resident and option school districts.

23 (5) No option student shall attend an option school district for  
24 less than one school year unless the student relocates to a different  
25 resident school district, completes requirements for graduation prior to  
26 the end of his or her senior year, transfers to a private or parochial  
27 school, or upon mutual agreement of the resident and option school  
28 districts cancels the enrollment option and returns to the resident  
29 school district.

30 (6) Except as provided in subsection (5) of this section or, for  
31 open enrollment option students, in section 14 of this act, the option

1 student shall attend the option school district until graduation unless  
2 the student relocates in a different resident school district, transfers  
3 to a private or parochial school, or chooses to return to the resident  
4 school district.

5 (7) In each case of cancellation pursuant to subsections (5) and (6)  
6 of this section, the student's parent or legal guardian shall provide  
7 written notification to the school board of the option school district  
8 and the resident school district on forms prescribed and furnished by the  
9 department under subsection (8) of this section in advance of such  
10 cancellation.

11 (8) The application and cancellation forms shall be prescribed and  
12 furnished by the State Department of Education.

13 (9) An option student who subsequently chooses to attend a private  
14 or parochial school and who is not an open enrollment option student  
15 shall be automatically accepted to return to either the resident school  
16 district or option school district upon the completion of the grade  
17 levels offered at the private or parochial school. If such student  
18 chooses to return to the option school district, the student's parent or  
19 legal guardian shall submit another application to the school board of  
20 the option school district which shall be automatically accepted, and the  
21 deadlines prescribed in this section shall be waived.

22 Sec. 16. Section 79-238, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 79-238 (1) Except as provided in this section, section 79-240, and  
25 section 14 of this act, the school board of the option school district  
26 shall adopt by resolution specific standards for acceptance and rejection  
27 of applications and for providing transportation for option students.  
28 Standards may include the capacity of a program, class, grade level, or  
29 school building or the availability of appropriate special education  
30 programs operated by the option school district. For a school district  
31 that is not a member of a learning community, capacity Capacity shall be

1 determined by setting a maximum number of option students that a district  
2 will accept in any program, class, grade level, or school building, based  
3 upon available staff, facilities, projected enrollment of resident  
4 students, projected number of students with which the option school  
5 district will contract based on existing contractual arrangements, and  
6 availability of appropriate special education programs. To facilitate  
7 option enrollment within a learning community, member school districts  
8 shall annually (a) establish and report a maximum capacity for each  
9 school building under such district's control pursuant to procedures,  
10 criteria, and deadlines established by the learning community  
11 coordinating council and (b) provide a copy of the standards for  
12 acceptance and rejection of applications and transportation policies for  
13 option students to the learning community coordinating council. Except as  
14 otherwise provided in this section, the ~~The~~ school board of the option  
15 school district may by resolution declare a program, a class, or a school  
16 unavailable to option students due to lack of capacity. Standards shall  
17 not include previous academic achievement, athletic or other  
18 extracurricular ability, disabilities, proficiency in the English  
19 language, or previous disciplinary proceedings except as provided in  
20 section 79-266.01. False or substantively misleading information  
21 submitted by a parent or guardian on an application to an option school  
22 district may be cause for the option school district to reject a  
23 previously accepted application if the rejection occurs prior to the  
24 student's attendance as an option student.

25 (2) The school board of every school district shall also adopt  
26 standards and conditions for acceptance or rejection of a request for  
27 release of a resident student submitting an application to an option  
28 school district after March 15 under subsection (1) of section 79-237.

29 (3) Any option school district that is not a member of a learning  
30 community shall give first priority for enrollment to siblings of option  
31 students, except that the option school district shall not be required to

1 accept the sibling of an option student if the district is at capacity  
2 except as provided in subsection (1) of section 79-240.

3 (4) Any option school district that is in a learning community shall  
4 give first priority for enrollment to siblings of option students  
5 enrolled in the option school district, second priority for enrollment to  
6 students who have previously been enrolled in the option school district  
7 as an open enrollment student, third priority for enrollment to students  
8 who reside in the learning community and who contribute to the  
9 socioeconomic diversity of enrollment as defined in section 79-2110 at  
10 the school building to which the student will be assigned pursuant to  
11 section 79-235, and final priority for enrollment to other students who  
12 reside in the learning community. The option school district shall not be  
13 required to accept a student meeting the priority criteria in this  
14 section if the district is at capacity as determined pursuant to  
15 subsection (1) of this section except as provided in section 79-240 or  
16 section 14 of this act. For purposes of the enrollment option program, a  
17 student who contributes to the socioeconomic diversity of enrollment at a  
18 school building within a learning community means (a) a student who does  
19 not qualify for free or reduced-price lunches when, based upon the  
20 certification pursuant to section 79-2120, the school building the  
21 student will be assigned to attend either has more students qualifying  
22 for free or reduced-price lunches than the average percentage of such  
23 students in all school buildings in the learning community or provides  
24 free meals to all students pursuant to the community eligibility  
25 provision or (b) a student who qualifies for free or reduced-price  
26 lunches based on information collected voluntarily from parents and  
27 guardians pursuant to section 79-237 when, based upon the certification  
28 pursuant to section 79-2120, the school building the student will be  
29 assigned to attend has fewer students qualifying for free or reduced-  
30 price lunches than the average percentage of such students in all school  
31 buildings in the learning community and does not provide free meals to

1 all students pursuant to the community eligibility provision.

2       Sec. 17. Section 79-241, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4       79-241 (1) Except as otherwise provided in ~~subsection (2)~~ of this  
5 section, section 79-611 does not apply to the transportation of an option  
6 student. The parent or legal guardian of the option student shall be  
7 responsible for required transportation. A school district may, upon  
8 mutual agreement with the parent or legal guardian of an option student,  
9 provide transportation to the option student on the same basis as  
10 provided for resident students. The school district may charge the  
11 parents of each option student transported a fee sufficient to recover  
12 the additional costs of such transportation.

13       (2) ~~Option Parents or guardians of option~~ students who qualify for  
14 free lunches shall be eligible for either free transportation or  
15 transportation reimbursement as described in section 79-611 from the  
16 option school district pursuant to policies established by the school  
17 district in compliance with this section, except that they shall be  
18 reimbursed at the rate of one hundred forty-two and one-half percent of  
19 the mandatorily established mileage rate provided in section 81-1176 for  
20 each mile actually and necessarily traveled on each day of attendance by  
21 which the distance traveled one way from the residence of such student to  
22 the schoolhouse exceeds three miles.

23       (3) For open enrollment option students who received free  
24 transportation for school year 2016-17 pursuant to subsection (2) of  
25 section 79-611, the school board of the option school district shall  
26 continue to provide free transportation for the duration of the student's  
27 status as an open enrollment option student or for the duration of the  
28 student's enrollment in a pathway pursuant to subsection (3) of section  
29 79-2110 unless the student relocates to a school district that would have  
30 prevented the student from qualifying for free transportation for the  
31 2016-17 school year pursuant to subsection (2) of section 79-611.

1           (4 3) For option students verified as having a disability as defined  
2 in section 79-1118.01, the transportation services set forth in section  
3 79-1129 shall be provided by the resident school district. The State  
4 Department of Education shall reimburse the resident school district for  
5 the cost of transportation in accordance with section 79-1144.

6           Sec. 18. Section 79-245, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8           79-245 The Tax Equity and Educational Opportunities Support Act  
9 shall apply to the enrollment option program as provided in this section.  
10 For purposes of the act, ~~(1)~~ option students shall not be counted as  
11 formula students by the resident school district and shall be counted as  
12 formula students by the option school district ~~and (2) the option school~~  
13 ~~district shall include the funds received pursuant to this section in the~~  
14 ~~calculation of other actual receipts as required by section 79-1018.01.~~

15           Sec. 19. Section 79-4,119, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17           79-4,119 Any reorganization of school districts that affects a  
18 school district that is a member of a learning community, except  
19 dissolutions pursuant to section 79-470, 79-498, 79-499, or 79-598, shall  
20 only be accomplished pursuant to the Learning Community Reorganization  
21 Act, ~~based on a plan submitted to the state committee by the learning~~  
22 ~~community coordinating council.~~

23           Sec. 20. Section 79-4,121, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25           79-4,121 In the review of a plan for the reorganization of school  
26 districts pursuant to the Learning Community Reorganization Act, the  
27 state committee shall give due consideration to (1) the educational needs  
28 of pupils in the learning community, (2) economies in administration  
29 costs, (3) the future use of existing satisfactory school buildings,  
30 sites, and play fields, (4) the convenience and welfare of pupils, (5)  
31 transportation requirements, (6) the equalization of the educational

1 opportunity of pupils, (7) the amount of outstanding indebtedness of each  
2 district and proposed disposition thereof, (8) the equitable adjustment  
3 of all property, debts, and liabilities among the districts involved, (9)  
4 any additional statutory requirements for learning community  
5 organization, and (10) any other matters which, in its judgment, are of  
6 importance. ~~The learning community coordinating council proposing the~~  
7 ~~plan of reorganization, in preparation or review of a plan for~~  
8 ~~reorganization, shall take into consideration any advice or suggestions~~  
9 ~~offered by the state committee.~~

10 Sec. 21. Section 79-4,122, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 79-4,122 Before any plan of reorganization ~~submitted by a learning~~  
13 ~~community coordinating council~~ is approved by the state committee  
14 pursuant to the Learning Community Reorganization Act, the state  
15 committee shall hold one or more public hearings. At such hearings, the  
16 state committee shall hear any and all persons interested with respect to  
17 the areas of consideration listed in section 79-4,121. The state  
18 committee shall keep a record of all hearings in the formulation or  
19 approval of plans for the reorganization of school districts. Notice of  
20 such public hearings of the state committee shall be given by publication  
21 in a legal newspaper of general circulation in the county or counties in  
22 which the affected districts are located at least ten days prior to such  
23 hearing.

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

26 79-4,123 After one or more public hearings have been held, the state  
27 committee may approve a plan or plans of reorganization pursuant to the  
28 Learning Community Reorganization Act. Such plan shall contain:

29 (1) A description of the proposed boundaries of the reorganized  
30 districts and a designation of the class for each district;

31 (2) A summary of the reasons for each proposed change, realignment,

1 or adjustment of the boundaries which shall include, but not be limited  
2 to, an explanation of how the plan complies with any statutory  
3 requirements for learning community organization and an assurance that  
4 the plan does not increase the geographic size of any school district  
5 that has more than twenty-five thousand formula students for the most  
6 recent certification of state aid pursuant to section 79-1022 ~~students~~;

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

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

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

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

24 Sec. 23. Section 79-4,124, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 79-4,124 The state committee shall, within thirty days after holding  
27 the hearings provided for in section 79-4,122, notify the affected school  
28 districts ~~learning community~~ whether or not it approves or disapproves  
29 such plan or plans.

30 Sec. 24. Section 79-4,125, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           79-4,125 If the state committee disapproves the plan pursuant to the  
2 Learning Community Reorganization Act, it shall be considered a  
3 disapproved plan and returned to the affected school districts learning  
4 community coordinating council as a disapproved plan.

5           Sec. 25. Section 79-4,126, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7           79-4,126 (1) The school board of any school district in a learning  
8 community may propose a plan of reorganization. When at least sixty  
9 percent of the members of the school board of each affected school  
10 district vote to approve the plan, such plan may be submitted to the  
11 state committee. When any area is added or removed from any school  
12 district in a learning community as part of a plan, such school district  
13 shall be deemed an affected school district.

14           (2) When a plan of reorganization or any part thereof has been  
15 approved by the state committee pursuant to the Learning Community  
16 Reorganization Act, it shall be designated as the final approved plan and  
17 shall be returned to the learning community coordinating council to be  
18 submitted to the county clerk pursuant to section 79-4,128 and to school  
19 boards of the affected school districts for approval or rejection by such  
20 school boards within forty-five days.

21           Sec. 26. Section 79-4,128, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23           79-4,128 If the plan of reorganization is approved by the state  
24 committee and the school board of each affected school district pursuant  
25 to the Learning Community Reorganization Act, the county clerk shall  
26 proceed to cause the changes, realignment, and adjustment of districts to  
27 be carried out as provided in the plan. The county clerk shall classify  
28 the school districts according to the plan of reorganization. He or she  
29 shall also file certificates with the county assessor, county treasurer,  
30 learning community coordinating council, and state committee showing the  
31 boundaries of the various districts under the approved plan of

1 reorganization.

2 Sec. 27. Section 79-528, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 79-528 (1)(a) On or before July 20 in all school districts, the  
5 superintendent shall file with the State Department of Education a report  
6 showing the number of children from five through eighteen years of age  
7 belonging to the school district according to the census taken as  
8 provided in sections 79-524 and 79-578. On or before August 31, the  
9 department shall issue to each learning community coordinating council a  
10 report showing the number of children from five through eighteen years of  
11 age belonging to the learning community based on the member school  
12 districts according to the school district reports filed with the  
13 department.

14 (b) Each Class I school district which is part of a Class VI school  
15 district offering instruction (i) in grades kindergarten through five  
16 shall report children from five through ten years of age, (ii) in grades  
17 kindergarten through six shall report children from five through eleven  
18 years of age, and (iii) in grades kindergarten through eight shall report  
19 children from five through thirteen years of age.

20 (c) Each Class VI school district offering instruction (i) in grades  
21 six through twelve shall report children who are eleven through eighteen  
22 years of age, (ii) in grades seven through twelve shall report children  
23 who are twelve through eighteen years of age, and (iii) in grades nine  
24 through twelve children who are fourteen through eighteen years of age.

25 (d) Each Class I district which has affiliated in whole or in part  
26 shall report children from five through thirteen years of age.

27 (e) Each Class II, III, IV, or V district shall report children who  
28 are fourteen through eighteen years of age residing in Class I districts  
29 or portions thereof which have affiliated with such district.

30 (f) The board of any district neglecting to take and report the  
31 enumeration shall be liable to the school district for all school money

1 which such district may lose by such neglect.

2 (2) On or before June 30 the superintendent of each school district  
3 shall file with the Commissioner of Education a report described as an  
4 end-of-the-school-year annual statistical summary showing (a) the number  
5 of children attending school during the year under five years of age, (b)  
6 the length of time the school has been taught during the year by a  
7 qualified teacher, (c) the length of time taught by each substitute  
8 teacher, and (d) such other information as the Commissioner of Education  
9 directs. On or before July 31, the commissioner shall issue to each  
10 learning community coordinating council an end-of-the-school-year annual  
11 statistical summary for the learning community based on the member school  
12 districts according to the school district reports filed with the  
13 commissioner.

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

23 (b) On or before December 15, the commissioner shall issue to each  
24 learning community coordinating council an annual financial report for  
25 the learning community based on the member school districts according to  
26 the annual financial reports filed with the commissioner, showing (i) the  
27 aggregate amount of money received from all sources during the year for  
28 all member school districts and the aggregate amount of money expended by  
29 member school districts during the year, (ii) the aggregate amount of  
30 bonded indebtedness for all member school districts, (iii) such other  
31 aggregate information as shall be necessary to fulfill the requirements

1 of the Tax Equity and Educational Opportunities Support Act and section  
2 79-1114 for all member school districts, and (iv) such other aggregate  
3 information as the Commissioner of Education directs for all member  
4 school districts.

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

17 (b) On or before October 15 of each year prior to 2017, each  
18 learning community coordinating council shall issue to the department a  
19 report which enumerates the learning community levies pursuant to  
20 subdivision (2)(b) subdivisions ~~(2)(b) and (g)~~ of section 77-3442 and  
21 total assessed valuation for the current fiscal year.

22 (c) On or before November 15 of each year, the department shall  
23 issue to each learning community coordinating council the fall learning  
24 community membership report, which report shall include the aggregate  
25 number of children from birth through twenty years of age enrolled in the  
26 member school districts on the last Friday in September of a given school  
27 year for all member school districts. The report shall enumerate (i) the  
28 aggregate students by grade level for all member school districts, (ii)  
29 school district levies and total assessed valuation for the current  
30 fiscal year, ~~and~~ (iii) students enrolled in the district as option  
31 students, resident students enrolled in another district as option

1 students, students enrolled in the district as open enrollment students,  
2 and resident students enrolled in another district as open enrollment  
3 students, and (iv) such other information as the Commissioner of  
4 Education directs for all member school districts.

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

14 Sec. 28. Section 79-611, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-611 (1) The school board of any school district shall provide  
17 free transportation, partially provide free transportation, or pay an  
18 allowance for transportation in lieu of free transportation as follows:

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

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

29 (c) When a student attends a secondary school in his or her own  
30 Class II or Class III school district and lives more than four miles from  
31 the public schoolhouse as measured by the shortest route that must

1 actually and necessarily be traveled by motor vehicle to reach the  
2 student's residence. This subdivision does not apply when one or more  
3 Class I school districts merge with a Class VI school district to form a  
4 new Class II or III school district on or after January 1, 1997; and

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

11 (2)(a) For school years prior to school year 2017-18, the The school  
12 board of any school district that is a member of a learning community  
13 shall provide free transportation for a student who resides in such  
14 learning community and attends school in such school district if (i) the  
15 student is transferring pursuant to the open enrollment provisions of  
16 section 79-2110, qualifies for free or reduced-price lunches, lives more  
17 than one mile from the school to which he or she transfers, and is not  
18 otherwise disqualified under subdivision (2)(c) of this section, (ii) the  
19 student is transferring pursuant to the open enrollment provisions of  
20 section 79-2110, is a student who contributes to the socioeconomic  
21 diversity of enrollment at the school building he or she attends, lives  
22 more than one mile from the school to which he or she transfers, and is  
23 not otherwise disqualified under subdivision (2)(c) of this section,  
24 (iii) the student is attending a focus school or program and lives more  
25 than one mile from the school building housing the focus school or  
26 program, or (iv) the student is attending a magnet school or program and  
27 lives more than one mile from the magnet school or the school housing the  
28 magnet program.

29 (b) For purposes of this subsection, student who contributes to the  
30 socioeconomic diversity of enrollment at the school building he or she  
31 attends has the definition found in section 79-2110. This subsection does

1 not prohibit a school district that is a member of a learning community  
2 from providing transportation to any intradistrict student.

3 (c) For any student who resides within a learning community and  
4 transfers to another school building pursuant to the open enrollment  
5 provisions of section 79-2110 and who had not been accepted for open  
6 enrollment into any school building within such district prior to  
7 September 6, 2013, the school board is exempt from the requirement of  
8 subdivision (2)(a) of this section if (i) the student is transferring to  
9 another school building within his or her home school district or (ii)  
10 the student is transferring to a school building in a school district  
11 that does not share a common border with his or her home school district.

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

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

24 (a) To the parent, custodial parent, or guardian providing  
25 transportation for students from other families, one hundred percent of  
26 the amount prescribed in subsection (3) of this section for the  
27 transportation of students of such parent's, custodial parent's, or  
28 guardian's own family and an additional five percent for students of each  
29 other family not to exceed a maximum of one hundred twenty-five percent  
30 of the amount determined pursuant to subsection (3) of this section; and

31 (b) To the parent, custodial parent, or guardian not providing

1 transportation for students of other families, two hundred eighty-five  
2 percent of the mileage rate provided in section 81-1176 multiplied by  
3 each mile actually and necessarily traveled, on each day of attendance,  
4 from the residence of the student to the pick-up point at which students  
5 transfer to the vehicle of a parent, custodial parent, or guardian  
6 described in subdivision (a) of this subsection.

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

21 (6) The board may authorize school-provided transportation to any  
22 student who does not qualify under the mileage requirements of subsection  
23 (1) of this section and may charge a fee to the parent or guardian of the  
24 student for such service. An affiliated high school district may provide  
25 free transportation or pay the allowance described in this section for  
26 high school students residing in an affiliated Class I district. No  
27 transportation payments shall be made to a family for mileage not  
28 actually traveled by such family. The number of days the student has  
29 attended school shall be reported monthly by the teacher to the board of  
30 such public school district.

31 (7) No more than one allowance shall be made to a family

1 irrespective of the number of students in a family being transported to  
2 school. If a family resides in a Class I district which is part of a  
3 Class VI district and has students enrolled in any of the grades offered  
4 by the Class I district and in any of the non-high-school grades offered  
5 by the Class VI district, such family shall receive not more than one  
6 allowance for the distance actually traveled when both districts are on  
7 the same direct travel route with one district being located a greater  
8 distance from the residence than the other. In such cases, the travel  
9 allowance shall be prorated among the school districts involved.

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

12 Sec. 29. Section 79-1001, Revised Statutes Supplement, 2015, is  
13 amended to read:

14 79-1001 Sections 79-1001 to 79-1033 and sections 31 and 40 of this  
15 act shall be known and may be cited as the Tax Equity and Educational  
16 Opportunities Support Act.

17 Sec. 30. Section 79-1003, Revised Statutes Supplement, 2015, is  
18 amended to read:

19 79-1003 For purposes of the Tax Equity and Educational Opportunities  
20 Support Act:

21 (1) Adjusted general fund operating expenditures means (a) for  
22 school fiscal years 2013-14 through 2015-16, the difference of the  
23 general fund operating expenditures as calculated pursuant to subdivision  
24 (23) of this section increased by the cost growth factor calculated  
25 pursuant to section 79-1007.10, minus the transportation allowance,  
26 special receipts allowance, poverty allowance, limited English  
27 proficiency allowance, distance education and telecommunications  
28 allowance, elementary site allowance, summer school allowance,  
29 instructional time allowance, teacher education allowance, and focus  
30 school and program allowance, ~~and~~ (b) for school fiscal year 2016-17 ~~and~~  
31 ~~each school fiscal year thereafter~~, the difference of the general fund

1 operating expenditures as calculated pursuant to subdivision (23) of this  
2 section increased by the cost growth factor calculated pursuant to  
3 section 79-1007.10, minus the transportation allowance, special receipts  
4 allowance, poverty allowance, limited English proficiency allowance,  
5 distance education and telecommunications allowance, elementary site  
6 allowance, summer school allowance, best practices allowance, and focus  
7 school and program allowance, and (c) for school fiscal year 2017-18 and  
8 each school fiscal year thereafter, the difference of the general fund  
9 operating expenditures as calculated pursuant to subdivision (23) of this  
10 section increased by the cost growth factor calculated pursuant to  
11 section 79-1007.10, minus the transportation allowance, special receipts  
12 allowance, poverty allowance, limited English proficiency allowance,  
13 distance education and telecommunications allowance, elementary site  
14 allowance, summer school allowance, best practices allowance, community  
15 achievement plan allowance, and focus school and program allowance;

16 (2) Adjusted valuation means the assessed valuation of taxable  
17 property of each local system in the state, adjusted pursuant to the  
18 adjustment factors described in section 79-1016. Adjusted valuation means  
19 the adjusted valuation for the property tax year ending during the school  
20 fiscal year immediately preceding the school fiscal year in which the aid  
21 based upon that value is to be paid. For purposes of determining the  
22 local effort rate yield pursuant to section 79-1015.01, adjusted  
23 valuation does not include the value of any property which a court, by a  
24 final judgment from which no appeal is taken, has declared to be  
25 nontaxable or exempt from taxation;

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

29 (4) Average daily membership means the average daily membership for  
30 grades kindergarten through twelve attributable to the local system, as  
31 provided in each district's annual statistical summary, and includes the

1 proportionate share of students enrolled in a public school instructional  
2 program on less than a full-time basis;

3 (5) Base fiscal year means the first school fiscal year following  
4 the school fiscal year in which the reorganization or unification  
5 occurred;

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

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

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

16 (9) Converted contract means an expired contract that was in effect  
17 for at least fifteen school years beginning prior to school year 2012-13  
18 for the education of students in a nonresident district in exchange for  
19 tuition from the resident district when the expiration of such contract  
20 results in the nonresident district educating students, who would have  
21 been covered by the contract if the contract were still in effect, as  
22 option students pursuant to the enrollment option program established in  
23 section 79-234;

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

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

31 (12) District means any Class I, II, III, IV, V, or VI school

1 district and, beginning with the calculation of state aid for school  
2 fiscal year 2011-12 and each school fiscal year thereafter, a unified  
3 system as defined in section 79-4,108;

4 (13) Ensuing school fiscal year means the school fiscal year  
5 following the current school fiscal year;

6 (14) Equalization aid means the amount of assistance calculated to  
7 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,  
8 79-1007.25, 79-1008.01 to 79-1022, 79-1022.02, 79-1028.02, and  
9 79-1028.04;

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

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

16 (17) Formula students means:

17 (a) For state aid certified pursuant to section 79-1022, the sum of  
18 the product of fall membership from the school fiscal year immediately  
19 preceding the school fiscal year in which the aid is to be paid  
20 multiplied by the average ratio of average daily membership to fall  
21 membership for the second school fiscal year immediately preceding the  
22 school fiscal year in which the aid is to be paid and the prior two  
23 school fiscal years plus sixty percent of the qualified early childhood  
24 education fall membership plus tuitioned students from the school fiscal  
25 year immediately preceding the school fiscal year in which aid is to be  
26 paid minus the product of the number of students enrolled in kindergarten  
27 that is not full-day kindergarten from the fall membership multiplied by  
28 0.5; and

29 (b) For the final calculation of state aid pursuant to section  
30 79-1065, the sum of average daily membership plus sixty percent of the  
31 qualified early childhood education average daily membership plus

1 tuitioned students minus the product of the number of students enrolled  
2 in kindergarten that is not full-day kindergarten from the average daily  
3 membership multiplied by 0.5 from the school fiscal year immediately  
4 preceding the school fiscal year in which aid was paid;

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

9 (a) a student who qualified for free lunches or free milk and attended a  
10 school that uses information collected from parents and guardians  
11 pursuant to section 79-10,143 to determine such qualifications pursuant  
12 to the federal Richard B. Russell National School Lunch Act, 42 U.S.C.  
13 1751 et seq., and the federal Child Nutrition Act of 1966, 42 U.S.C. 1771  
14 et seq., as such acts and sections existed on January 1, 2015, and rules  
15 and regulations adopted thereunder, plus (b) the product of the students  
16 who attend a school that provides free meals to all students pursuant to  
17 the community eligibility provision multiplied by the identified student  
18 percentage calculated pursuant to such federal provision;

19 (19) Free lunch and free milk student means, for school fiscal years  
20 prior to school fiscal year 2016-17, a student who qualified for free  
21 lunches or free milk from the most recent data available on November 1 of  
22 the school fiscal year immediately preceding the school fiscal year in  
23 which aid is to be paid;

24 (20) Full-day kindergarten means kindergarten offered by a district  
25 for at least one thousand thirty-two instructional hours;

26 (21) General fund budget of expenditures means the total budget of  
27 disbursements and transfers for general fund purposes as certified in the  
28 budget statement adopted pursuant to the Nebraska Budget Act, except that  
29 for purposes of the limitation imposed in section 79-1023 and the  
30 calculation pursuant to subdivision (2) of section 79-1027.01, the  
31 general fund budget of expenditures does not include any special grant

1 funds, exclusive of local matching funds, received by a district;

2 (22) General fund expenditures means all expenditures from the  
3 general fund;

4 (23) General fund operating expenditures means for state aid  
5 calculated for school fiscal years 2012-13 and each school fiscal year  
6 thereafter, as reported on the annual financial report for the second  
7 school fiscal year immediately preceding the school fiscal year in which  
8 aid is to be paid, the total general fund expenditures minus (a) the  
9 amount of all receipts to the general fund, to the extent that such  
10 receipts are not included in local system formula resources, from early  
11 childhood education tuition, summer school tuition, educational entities  
12 as defined in section 79-1201.01 for providing distance education courses  
13 through the Educational Service Unit Coordinating Council to such  
14 educational entities, private foundations, individuals, associations,  
15 charitable organizations, the textbook loan program authorized by section  
16 79-734, federal impact aid, and levy override elections pursuant to  
17 section 77-3444, (b) the amount of expenditures for categorical funds,  
18 tuition paid, transportation fees paid to other districts, adult  
19 education, community services, redemption of the principal portion of  
20 general fund debt service, retirement incentive plans authorized by  
21 section 79-855, and staff development assistance authorized by section  
22 79-856, (c) the amount of any transfers from the general fund to any bond  
23 fund and transfers from other funds into the general fund, (d) any legal  
24 expenses in excess of fifteen-hundredths of one percent of the formula  
25 need for the school fiscal year in which the expenses occurred, (e)  
26 expenditures to pay for sums agreed to be paid by a school district to  
27 certificated employees in exchange for a voluntary termination occurring  
28 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
29 school year and prior to the first day of the 2013-14 school year, or, to  
30 the extent that a district has demonstrated to the State Board of  
31 Education pursuant to section 79-1028.01 that the agreement will result

1 in a net savings in salary and benefit costs to the school district over  
2 a five-year period, occurring on or after the first day of the 2013-14  
3 school year, (f)(i) expenditures to pay for employer contributions  
4 pursuant to subsection (2) of section 79-958 to the School Employees  
5 Retirement System of the State of Nebraska to the extent that such  
6 expenditures exceed the employer contributions under such subsection that  
7 would have been made at a contribution rate of seven and thirty-five  
8 hundredths percent or (ii) expenditures to pay for school district  
9 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to  
10 the retirement system established pursuant to the Class V School  
11 Employees Retirement Act to the extent that such expenditures exceed the  
12 school district contributions under such subdivision that would have been  
13 made at a contribution rate of seven and thirty-seven hundredths percent,  
14 and (g) any amounts paid by the district for lobbyist fees and expenses  
15 reported to the Clerk of the Legislature pursuant to section 49-1483.

16 For purposes of this subdivision (23) of this section, receipts from  
17 levy override elections shall equal ninety-nine percent of the difference  
18 of the total general fund levy minus a levy of one dollar and five cents  
19 per one hundred dollars of taxable valuation multiplied by the assessed  
20 valuation for school districts that have voted pursuant to section  
21 77-3444 to override the maximum levy provided pursuant to section  
22 77-3442;

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

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

28 (26) Income tax receipts means the amount of income tax collected  
29 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable  
30 credits earned and refunds made;

31 (27) Limited English proficiency students means the number of

1 students with limited English proficiency in a district from the most  
2 recent data available on November 1 of the school fiscal year preceding  
3 the school fiscal year in which aid is to be paid plus the difference of  
4 such students with limited English proficiency minus the average number  
5 of limited English proficiency students for such district, prior to such  
6 addition, for the three immediately preceding school fiscal years if such  
7 difference is greater than zero;

8 (28) Local system means a learning community for purposes of  
9 calculation of state aid for each school fiscal year prior to school  
10 fiscal year 2017-18 ~~the second full school fiscal year after becoming a~~  
11 ~~learning community and each school fiscal year thereafter~~, a unified  
12 system, a Class VI district and the associated Class I districts, or a  
13 Class II, III, IV, or V district and any affiliated Class I districts or  
14 portions of Class I districts. The membership, expenditures, and  
15 resources of Class I districts that are affiliated with multiple high  
16 school districts will be attributed to local systems based on the percent  
17 of the Class I valuation that is affiliated with each high school  
18 district;

19 (29) Low-income child means (a) for school fiscal years prior to  
20 2016-17, a child under nineteen years of age living in a household having  
21 an annual adjusted gross income for the second calendar year preceding  
22 the beginning of the school fiscal year for which aid is being calculated  
23 equal to or less than the maximum household income that would allow a  
24 student from a family of four people to be a free lunch and free milk  
25 student during the school fiscal year immediately preceding the school  
26 fiscal year for which aid is being calculated and (b) for school fiscal  
27 year 2016-17 and each school fiscal year thereafter, a child under  
28 nineteen years of age living in a household having an annual adjusted  
29 gross income for the second calendar year preceding the beginning of the  
30 school fiscal year for which aid is being calculated equal to or less  
31 than the maximum household income pursuant to sections 9(b)(1) and 17(c)

1 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.  
2 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)  
3 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)  
4 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections  
5 existed on January 1, 2015, for a household of that size that would have  
6 allowed the child to meet the income qualifications for free meals during  
7 the school fiscal year immediately preceding the school fiscal year for  
8 which aid is being calculated;

9 (30) Low-income students means the number of low-income children  
10 within the district multiplied by the ratio of the formula students in  
11 the district divided by the total children under nineteen years of age  
12 residing in the district as derived from income tax information;

13 (31) Most recently available complete data year means the most  
14 recent single school fiscal year for which the annual financial report,  
15 fall school district membership report, annual statistical summary,  
16 Nebraska income tax liability by school district for the calendar year in  
17 which the majority of the school fiscal year falls, and adjusted  
18 valuation data are available;

19 (32) Poverty students means (a) for school fiscal years prior to  
20 2016-17, the number of low-income students or the number of students who  
21 are free lunch and free milk students in a district plus the difference  
22 of the number of low-income students or the number of students who are  
23 free lunch and free milk students in a district, whichever is greater,  
24 minus the average number of poverty students for such district, prior to  
25 such addition, for the three immediately preceding school fiscal years if  
26 such difference is greater than zero and (b) for school fiscal year  
27 2016-17 and each school fiscal year thereafter, the unadjusted poverty  
28 students plus the difference of such unadjusted poverty students minus  
29 the average number of poverty students for such district, prior to such  
30 addition, for the three immediately preceding school fiscal years if such  
31 difference is greater than zero;

1           (33) Qualified early childhood education average daily membership  
2 means the product of the average daily membership for school fiscal year  
3 2006-07 and each school fiscal year thereafter of students who will be  
4 eligible to attend kindergarten the following school year and are  
5 enrolled in an early childhood education program approved by the  
6 department pursuant to section 79-1103 for such school district for such  
7 school year multiplied by the ratio of the actual instructional hours of  
8 the program divided by one thousand thirty-two if: (a) The program is  
9 receiving a grant pursuant to such section for the third year; (b) the  
10 program has already received grants pursuant to such section for three  
11 years; or (c) the program has been approved pursuant to subsection (5) of  
12 section 79-1103 for such school year and the two preceding school years,  
13 including any such students in portions of any of such programs receiving  
14 an expansion grant;

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

28           (35) Regular route transportation means the transportation of  
29 students on regularly scheduled daily routes to and from the attendance  
30 center;

31           (36) Reorganized district means any district involved in a

1 consolidation and currently educating students following consolidation;

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

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

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

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

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

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

22 (39) Special education means specially designed kindergarten through  
23 grade twelve instruction pursuant to section 79-1125, and includes  
24 special education transportation;

25 (40) Special grant funds means the budgeted receipts for grants,  
26 including, but not limited to, categorical funds, reimbursements for  
27 wards of the court, short-term borrowings including, but not limited to,  
28 registered warrants and tax anticipation notes, interfund loans,  
29 insurance settlements, and reimbursements to county government for  
30 previous overpayment. The state board shall approve a listing of grants  
31 that qualify as special grant funds;

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

3 (42) State board means the State Board of Education;

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

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

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

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

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

26 (48) Tuition receipts from converted contracts means tuition  
27 receipts received by a district from another district in the most  
28 recently available complete data year pursuant to a converted contract  
29 prior to the expiration of the contract;

30 (49) Tuitioned students means students in kindergarten through grade  
31 twelve of the district whose tuition is paid by the district to some

1 other district or education agency;

2 (50) Unadjusted poverty students means, for school fiscal year  
3 2016-17 and each school fiscal year thereafter, the greater of the number  
4 of low-income students or the free lunch and free milk calculated  
5 students in a district; and

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

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

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

18 Sec. 31. (1) For school fiscal year 2017-18 and each school fiscal  
19 year thereafter, the department shall determine the community achievement  
20 plan allowance or new community achievement plan adjustment for  
21 qualifying school districts. For the first two school fiscal years a  
22 school district will participate in a community achievement plan approved  
23 by the State Board of Education pursuant to section 56 of this act, such  
24 school district shall receive a new community achievement plan adjustment  
25 equal to two percent of the poverty allowance calculated pursuant to  
26 section 79-1007.06 plus two percent of the limited English proficiency  
27 allowance calculated pursuant to section 79-1007.08 for such school  
28 fiscal year. For all other school fiscal years a district will  
29 participate in a community achievement plan approved by the State Board  
30 of Education, such district shall receive a community achievement plan  
31 allowance equal to five percent of the poverty allowance calculated

1 pursuant to section 79-1007.06 for such school fiscal year.

2 (2) Except as otherwise provided in this section, for each school  
3 fiscal year that a new community achievement plan adjustment or a  
4 community achievement plan allowance is calculated for a school district,  
5 the school district shall receive community achievement plan aid in such  
6 amount which shall be included as a formula resource pursuant to section  
7 79-1017.01.

8 (3) For school fiscal year 2017-18, a new community achievement plan  
9 adjustment shall be calculated for school districts that are members of a  
10 learning community. Community achievement aid shall be included in  
11 formula resources pursuant to section 79-1017.01 in such amount  
12 regardless of the status of the approval of a community achievement plan,  
13 but community achievement aid shall not be paid to such school districts  
14 until a community achievement plan for such learning community is  
15 approved by the state board. If a community achievement plan is not  
16 approved for such learning community prior to September 1, 2017, the  
17 adjustment and aid calculated pursuant to this section shall be removed  
18 for the final calculation of state aid pursuant to section 79-1065 for  
19 school fiscal year 2017-18 and such amount shall be subtracted from the  
20 state aid appropriated by the Legislature for the determination of the  
21 local effort rate pursuant to section 79-1015.01 for the final  
22 calculation of state aid for school fiscal year 2017-18.

23 Sec. 32. Section 79-1007.06, Revised Statutes Supplement, 2015, is  
24 amended to read:

25 79-1007.06 (1) ~~The For school fiscal year 2008-09 and each school~~  
26 ~~fiscal year thereafter,~~ the department shall determine the poverty  
27 allowance for each school district that meets the requirements of this  
28 section and section 79-1007.07. Each school district shall designate a  
29 maximum poverty allowance on a form prescribed by the department on or  
30 before October 15 of the school fiscal year immediately preceding the  
31 school fiscal year for which aid is being calculated. The school district

1 may decline to participate in the poverty allowance by providing the  
2 department with a maximum poverty allowance of zero dollars on such form  
3 on or before October 15 of the school fiscal year immediately preceding  
4 the school fiscal year for which aid is being calculated. Each school  
5 district designating a maximum poverty allowance greater than zero  
6 dollars shall submit a poverty plan pursuant to section 79-1013.

7 (2) For school fiscal years prior to school fiscal year 2019-20, the  
8 ~~The~~ poverty allowance for each school district shall equal the lesser of:

9 (a) The maximum amount designated pursuant to subsection (1) of this  
10 section by the school district in the local system, if such school  
11 district designated a maximum amount, for the school fiscal year for  
12 which aid is being calculated; or

13 (b) The sum of:

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

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

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

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

30 (v) The statewide average general fund operating expenditures per  
31 formula student multiplied by 0.1875 then multiplied by the poverty

1 students comprising more than twenty-five percent and not more than  
2 thirty percent of the formula students in the school district; plus

3 (vi) The statewide average general fund operating expenditures per  
4 formula student multiplied by 0.2250 then multiplied by the poverty  
5 students comprising more than thirty percent of the formula students in  
6 the school district.

7 (3) For school fiscal year 2019-20 and each school fiscal year  
8 thereafter, the poverty allowance for each school district shall equal  
9 the lesser of:

10 (a) The maximum amount designated pursuant to subsection (1) of this  
11 section by the school district in the local system, if such school  
12 district designated a maximum amount, for the school fiscal year for  
13 which aid is being calculated; or

14 (b) The sum of:

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

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

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

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

31 (v) The statewide average general fund operating expenditures per

1 formula student multiplied by 0.1875 then multiplied by the poverty  
2 students comprising more than twenty-five percent and not more than  
3 thirty percent of the formula students in the school district; plus

4 (vi) The statewide average general fund operating expenditures per  
5 formula student multiplied by 0.2250 then multiplied by the poverty  
6 students comprising more than thirty percent and not more than forty  
7 percent of the formula students in the school district; plus

8 (vii) The statewide average general fund operating expenditures per  
9 formula student multiplied by 0.2450 then multiplied by the poverty  
10 students comprising more than forty percent of the formula students in  
11 the school district.

12 (4) For school fiscal year 2017-18, each school district with  
13 poverty students comprising more than forty percent of the formula  
14 students in the school district shall have a poverty allowance adjustment  
15 calculated equal to the statewide average general fund operating  
16 expenditures per formula student multiplied by 0.0125 then multiplied by  
17 the difference of the poverty students minus forty percent of the formula  
18 students for such school district.

19 (5) For school fiscal year 2018-19, each school district with  
20 poverty students comprising more than forty percent of the formula  
21 students in the school district shall have a poverty allowance adjustment  
22 calculated equal to the statewide average general fund operating  
23 expenditures per formula student multiplied by 0.0200 then multiplied by  
24 the difference of the poverty students minus forty percent of the formula  
25 students for such school district.

26 Sec. 33. Section 79-1007.11, Revised Statutes Supplement, 2015, is  
27 amended to read:

28 79-1007.11 (1) Except as otherwise provided in this section, for  
29 school fiscal years 2013-14 through 2015-16, each school district's  
30 formula need shall equal the difference of the sum of the school  
31 district's basic funding, poverty allowance, limited English proficiency

1 allowance, focus school and program allowance, summer school allowance,  
2 special receipts allowance, transportation allowance, elementary site  
3 allowance, instructional time allowance, teacher education allowance,  
4 distance education and telecommunications allowance, averaging  
5 adjustment, new learning community transportation adjustment, student  
6 growth adjustment, any positive student growth adjustment correction, and  
7 new school adjustment, minus the sum of the limited English proficiency  
8 allowance correction, poverty allowance correction, and any negative  
9 student growth adjustment correction.

10 (2) Except as otherwise provided in this section, for school fiscal  
11 year 2016-17 ~~and each school fiscal year thereafter~~, each school  
12 district's formula need shall equal the difference of the sum of the  
13 school district's basic funding, poverty allowance, limited English  
14 proficiency allowance, focus school and program allowance, summer school  
15 allowance, special receipts allowance, transportation allowance,  
16 elementary site allowance, best practices allowance, distance education  
17 and telecommunications allowance, averaging adjustment, new learning  
18 community transportation adjustment, student growth adjustment, any  
19 positive student growth adjustment correction, and new school adjustment,  
20 minus the sum of the limited English proficiency allowance correction,  
21 poverty allowance correction, and any negative student growth adjustment  
22 correction.

23 (3) Except as otherwise provided in this section, for school fiscal  
24 year 2017-18 and each school fiscal year thereafter, each school  
25 district's formula need shall equal the difference of the sum of the  
26 school district's basic funding, poverty allowance, poverty allowance  
27 adjustment, limited English proficiency allowance, focus school and  
28 program allowance, summer school allowance, special receipts allowance,  
29 transportation allowance, elementary site allowance, best practices  
30 allowance, distance education and telecommunications allowance, community  
31 achievement plan allowance averaging adjustment, new community

1 achievement plan adjustment, student growth adjustment, any positive  
2 student growth adjustment correction, and new school adjustment minus the  
3 sum of the limited English proficiency allowance correction, poverty  
4 allowance correction, and any negative student growth adjustment  
5 correction.

6 (4 3) If the formula need calculated for a school district pursuant  
7 to subsections (1) through (3) and ~~(2)~~ of this section is less than one  
8 hundred percent of the formula need for such district for the school  
9 fiscal year immediately preceding the school fiscal year for which aid is  
10 being calculated, the formula need for such district shall equal one  
11 hundred percent of the formula need for such district for the school  
12 fiscal year immediately preceding the school fiscal year for which aid is  
13 being calculated.

14 (5 4) ~~If Except as provided in subsection (6) of this section, if~~  
15 the formula need calculated for a school district pursuant to subsections  
16 (1) through (3) and ~~(2)~~ of this section is more than one hundred twelve  
17 percent of the formula need for such district for the school fiscal year  
18 immediately preceding the school fiscal year for which aid is being  
19 calculated, the formula need for such district shall equal one hundred  
20 twelve percent of the formula need for such district for the school  
21 fiscal year immediately preceding the school fiscal year for which aid is  
22 being calculated, except that the formula need shall not be reduced  
23 pursuant to this subsection for any district receiving a student growth  
24 adjustment for the school fiscal year for which aid is being calculated.

25 (6 5) For purposes of subsections ~~(3)~~ and (4) and (5) of this  
26 section, the formula need for the school fiscal year immediately  
27 preceding the school fiscal year for which aid is being calculated shall  
28 be the formula need used in the final calculation of aid pursuant to  
29 section 79-1065 and for districts that were affected by a reorganization  
30 with an effective date in the calendar year preceding the calendar year  
31 in which aid is certified for the school fiscal year for which aid is

1 being calculated, the formula need for the school fiscal year immediately  
2 preceding the school fiscal year for which aid is being calculated shall  
3 be attributed to the affected school districts based on information  
4 provided to the department by the school districts or proportionally  
5 based on the adjusted valuation transferred if sufficient information has  
6 not been provided to the department.

7 ~~(6) For state aid calculated for the first full school fiscal year~~  
8 ~~of a new learning community, if the formula need calculated for a member~~  
9 ~~school district pursuant to subsections (1) through (3) of this section~~  
10 ~~is less than the sum of the school district's state aid certified for the~~  
11 ~~school fiscal year immediately preceding the first full school fiscal~~  
12 ~~year of the learning community plus the school district's other actual~~  
13 ~~receipts included in local system formula resources pursuant to section~~  
14 ~~79-1018.01 for such school fiscal year plus the product of the school~~  
15 ~~district's general fund levy for such school fiscal year up to one dollar~~  
16 ~~and five cents multiplied by the school district's assessed valuation for~~  
17 ~~such school fiscal year, the formula need for such school district for~~  
18 ~~the school fiscal year for which aid is being calculated shall equal such~~  
19 ~~sum.~~

20 Sec. 34. Section 79-1007.13, Reissue Revised Statutes of Nebraska,  
21 is amended to read:

22 79-1007.13 The department shall calculate a special receipts  
23 allowance for each district equal to the amount of special education,  
24 state ward, and accelerated or differentiated curriculum program receipts  
25 included in local system formula resources under subdivisions (7), (8),  
26 (15), and (16), ~~and (17)~~ of section 79-1018.01 attributable to the school  
27 district.

28 Sec. 35. Section 79-1007.18, Reissue Revised Statutes of Nebraska,  
29 is amended to read:

30 79-1007.18 (1) The department shall calculate an averaging  
31 adjustment for districts if the basic funding per formula student is less

1 than the averaging adjustment threshold and the general fund levy for the  
2 school fiscal year immediately preceding the school fiscal year for which  
3 aid is being calculated was at least one dollar per one hundred dollars  
4 of taxable valuation. For the calculation of aid for school fiscal years  
5 prior to school fiscal year 2018-19, the general fund levy for school  
6 districts that are members of a learning community ~~school districts that~~  
7 ~~are members of a learning community,~~ the general fund levy for purposes  
8 of this section includes both the common general fund levy and the school  
9 district general fund levy authorized pursuant to subdivisions (2)(b) and  
10 (2)(c) of section 77-3442. The averaging adjustment shall equal the  
11 district's formula students multiplied by the percentage specified in  
12 this section for such district of the difference between the averaging  
13 adjustment threshold minus such district's basic funding per formula  
14 student.

15 (2)(a) For school fiscal years 2012-13 and 2013-14, the averaging  
16 adjustment threshold shall equal the lesser of (i) the averaging  
17 adjustment threshold for the school fiscal year immediately preceding the  
18 school fiscal year for which aid is being calculated increased by the  
19 basic allowable growth rate or (ii) the statewide average basic funding  
20 per formula student for the school fiscal year for which aid is being  
21 calculated.

22 (b) For school fiscal year 2014-15 and each school fiscal year  
23 thereafter, the averaging adjustment threshold shall equal the aggregate  
24 basic funding for all districts with nine hundred or more formula  
25 students divided by the aggregate formula students for all districts with  
26 nine hundred or more formula students for the school fiscal year for  
27 which aid is being calculated.

28 (3) The percentage to be used in the calculation of an averaging  
29 adjustment shall be based on the general fund levy for the school fiscal  
30 year immediately preceding the school fiscal year for which aid is being  
31 calculated.

1 (4) The percentages to be used in the calculation of averaging  
2 adjustments shall be as follows:

3 (a) If such levy was at least one dollar per one hundred dollars of  
4 taxable valuation but less than one dollar and one cent per one hundred  
5 dollars of taxable valuation, the percentage shall be fifty percent;

6 (b) If such levy was at least one dollar and one cent per one  
7 hundred dollars of taxable valuation but less than one dollar and two  
8 cents per one hundred dollars of taxable valuation, the percentage shall  
9 be sixty percent;

10 (c) If such levy was at least one dollar and two cents per one  
11 hundred dollars of taxable valuation but less than one dollar and three  
12 cents per one hundred dollars of taxable valuation, the percentage shall  
13 be seventy percent;

14 (d) If such levy was at least one dollar and three cents per one  
15 hundred dollars of taxable valuation but less than one dollar and four  
16 cents per one hundred dollars of taxable valuation, the percentage shall  
17 be eighty percent; and

18 (e) If such levy was at least one dollar and four cents per one  
19 hundred dollars of taxable valuation, the percentage shall be ninety  
20 percent.

21 Sec. 36. Section 79-1008.02, Reissue Revised Statutes of Nebraska,  
22 is amended to read:

23 79-1008.02 A minimum levy adjustment shall be calculated and applied  
24 to any local system that has a general fund common levy for the fiscal  
25 year during which aid is certified that is less than the maximum levy,  
26 for such fiscal year for such local system, allowed pursuant to  
27 subdivision (2)(a) or (b) of section 77-3442 without a vote pursuant to  
28 section 77-3444 less five cents for learning communities for the  
29 calculation of aid for school fiscal years prior to school fiscal year  
30 2018-19 and less ten cents for all other local systems. To calculate the  
31 minimum levy adjustment, the department shall subtract the local system

1 general fund common levy for such fiscal year for such local system from  
2 the maximum levy allowed pursuant to subdivision (2)(a) or (b) of section  
3 77-3442 without a vote pursuant to section 77-3444 less five cents for  
4 learning communities for the calculation of aid for school fiscal years  
5 prior to school fiscal year 2018-19 and less ten cents for all other  
6 local systems and multiply the result by the local system's adjusted  
7 valuation divided by one hundred. The minimum levy adjustment shall be  
8 added to the formula resources of the local system for the determination  
9 of equalization aid pursuant to section 79-1008.01. If the minimum levy  
10 adjustment is greater than or equal to the allocated income tax funds  
11 calculated pursuant to section 79-1005.01, the local system shall not  
12 receive allocated income tax funds. If the minimum levy adjustment is  
13 less than the allocated income tax funds calculated pursuant to section  
14 79-1005.01, the local system shall receive allocated income tax funds in  
15 the amount of the difference between the allocated income tax funds  
16 calculated pursuant to section 79-1005.01 and the minimum levy  
17 adjustment. ~~This section does not apply to the calculation of aid for a~~  
18 ~~local system containing a learning community for the first school fiscal~~  
19 ~~year for which aid is calculated for such local system.~~

20 Sec. 37. Section 79-1009, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 79-1009 (1)(a) A district shall receive net option funding if (i)  
23 option students as defined in section 79-233 ~~(i)~~ were actually enrolled  
24 in the school year immediately preceding the school year in which the aid  
25 is to be paid, ~~or~~ (ii) option students as defined in such section will be  
26 enrolled in the school year in which the aid is to be paid as converted  
27 contract option students, or (iii) for the calculation of aid for school  
28 fiscal year 2017-18 for school districts that are members of a learning  
29 community, open enrollment students were actually enrolled for school  
30 year 2016-17 pursuant to section 79-2110.

31 (b) The determination of the net number of option students shall be

1 based on (i) the number of students enrolled in the district as option  
2 students and the number of students residing in the district but enrolled  
3 in another district as option students as of the day of the fall  
4 membership count pursuant to section 79-528, for the school fiscal year  
5 immediately preceding the school fiscal year in which aid is to be paid,  
6 ~~and~~ (ii) the number of option students that will be enrolled in the  
7 district or enrolled in another district as converted contract option  
8 students for the fiscal year in which the aid is to be paid, and (iii)  
9 for the calculation of aid for school fiscal year 2017-18 for school  
10 districts that are members of a learning community, the number of  
11 students enrolled in the district as open enrollment students and the  
12 number of students residing in the district but enrolled in another  
13 district as open enrollment students as of the day of the fall membership  
14 count pursuant to section 79-528 for school fiscal year 2016-17.

15 (c) Except as otherwise provided in this subsection, net ~~Net~~ number  
16 of option students means the difference of the number of option students  
17 enrolled in the district minus the number of students residing in the  
18 district but enrolled in another district as option students. For  
19 purposes of the calculation of aid for school fiscal year 2017-18 for  
20 school districts that are members of a learning community, net number of  
21 option students means the difference of the number of students residing  
22 in another school district who are option students or open enrollment  
23 students enrolled in the district minus the number of students residing  
24 in the district but enrolled in another district as option students or  
25 open enrollment students.

26 (2) For purposes of this section, net option funding shall be the  
27 sum of the product of the net number of option students multiplied by the  
28 statewide average basic funding per formula student.

29 (3) A district's net option funding shall be zero if the calculation  
30 produces a negative result.

31 Payments made under this section shall be made from the funds to be

1     disbursed under section 79-1005.01.

2             Such payments shall go directly to the option school district but  
3 shall count as a formula resource for the local system.

4             Sec. 38. Section 79-1017.01, Revised Statutes Supplement, 2015, is  
5 amended to read:

6             79-1017.01 (1) For state aid calculated for school fiscal years  
7 2014-15 and 2015-16, local system formula resources includes other actual  
8 receipts determined pursuant to section 79-1018.01, net option funding  
9 determined pursuant to section 79-1009, teacher education aid determined  
10 for each district pursuant to section 79-1007.25, instructional time aid  
11 determined pursuant to subsection (2) of section 79-1007.23, allocated  
12 income tax funds determined for each district pursuant to section  
13 79-1005.01, and minimum levy adjustments determined pursuant to section  
14 79-1008.02 and is reduced by amounts paid by the district in the most  
15 recently available complete data year as property tax refunds pursuant to  
16 or in the manner prescribed by section 77-1736.06.

17             (2) For state aid calculated for school fiscal year 2016-17 and each  
18 school fiscal year thereafter, local system formula resources includes  
19 other actual receipts determined pursuant to section 79-1018.01, net  
20 option funding determined pursuant to section 79-1009, best practices aid  
21 determined pursuant to section 79-1004, if any districts in the local  
22 system qualify, allocated income tax funds determined for each district  
23 pursuant to section 79-1005.01, community achievement plan aid determined  
24 pursuant to section 31 of this act, and minimum levy adjustments  
25 determined ~~and adjustments~~ pursuant to section 79-1008.02 and is reduced  
26 by amounts paid by the district in the most recently available complete  
27 data year as property tax refunds pursuant to or in the manner prescribed  
28 by section 77-1736.06.

29             Sec. 39. Section 79-1018.01, Revised Statutes Supplement, 2015, is  
30 amended to read:

31             79-1018.01 Except as otherwise provided in this section, local

1 system formula resources include other actual receipts available for the  
2 funding of general fund operating expenditures as determined by the  
3 department for the second school fiscal year immediately preceding the  
4 school fiscal year in which aid is to be paid. Other actual receipts  
5 include:

6 (1) Public power district sales tax revenue;

7 (2) Fines and license fees;

8 (3) Tuition receipts from individuals, other districts, or any other  
9 source except receipts derived from adult education, receipts derived  
10 from summer school tuition, receipts derived from early childhood  
11 education tuition, tuition receipts from converted contracts beginning  
12 with the calculation of state aid to be distributed in school fiscal year  
13 2011-12, and receipts from educational entities as defined in section  
14 79-1201.01 for providing distance education courses through the  
15 Educational Service Unit Coordinating Council to such educational  
16 entities;

17 (4) Transportation receipts;

18 (5) Interest on investments;

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

22 (7) Special education receipts;

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

25 (9) All receipts from the temporary school fund. Receipts from the  
26 temporary school fund shall only include (a) receipts pursuant to section  
27 79-1035 and (b) the receipt of funds pursuant to section 79-1036 for  
28 property leased for a public purpose as set forth in subdivision (1)(a)  
29 of section 77-202;

30 (10) Motor vehicle tax receipts received;

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

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

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

6 (14) All other noncategorical federal receipts;

7 ~~(15) All receipts pursuant to the enrollment option program under~~  
8 ~~sections 79-232 to 79-246;~~

9 ~~(15 16)~~ Receipts under the federal Medicare Catastrophic Coverage  
10 Act of 1988, as such act existed on January 1, 2014, as authorized  
11 pursuant to sections 43-2510 and 43-2511 for services to school-age  
12 children, excluding amounts designated as reimbursement for costs  
13 associated with the implementation and administration of the billing  
14 system pursuant to section 43-2511;

15 ~~(16 17)~~ Receipts for accelerated or differentiated curriculum  
16 programs pursuant to sections 79-1106 to 79-1108.03; and

17 ~~(17 18)~~ Revenue received from the nameplate capacity tax distributed  
18 pursuant to section 77-6204.

19 Sec. 40. (1) For school fiscal years 2017-18 through 2018-19, the  
20 department shall calculate the amount of learning community transition  
21 aid, if any, to be paid to each school district that is a member of a  
22 learning community which levied a common levy for member school districts  
23 prior to school fiscal year 2017-18. Learning community transition aid  
24 for each such district shall be calculated by:

25 (a) Dividing the total formula need used to calculate equalization  
26 aid pursuant to section 79-1008.01 for the individual district by the  
27 aggregate total formula need used to calculate equalization aid pursuant  
28 to section 79-1008.01 for all member school districts in the learning  
29 community for which the school district is a member to determine the  
30 formula need ratio for the individual district;

31 (b) Subtracting the aggregate total formula resources used to

1 calculate equalization aid pursuant to section 79-1008.01 for all member  
2 school districts in such learning community from the aggregate total  
3 formula need used to calculate equalization aid pursuant to section  
4 79-1008.01 for all member school districts in such learning community to  
5 determine an aggregate equalization amount;

6 (c) Adding the aggregate equalization amount to the aggregate  
7 allocated income tax funds calculated pursuant to section 79-1005.01 for  
8 all member school districts in such learning community to determine the  
9 aggregate total equalization plus allocated income taxes;

10 (d) Multiplying the aggregate total equalization plus allocated  
11 income taxes by the formula need ratio for the district to determine the  
12 member school district share of the aggregate total equalization plus  
13 allocated income taxes;

14 (e) Dividing the difference of the formula need for the individual  
15 member district minus the share of the aggregate total equalization plus  
16 allocated income taxes minus the individual member district net option  
17 funding by the difference of the aggregate total formula need for all  
18 member school districts minus the aggregate total equalization plus  
19 allocated income taxes minus the aggregate total net option funding for  
20 all member school districts to determine the member school district share  
21 of unmet formula need;

22 (f) Multiplying the aggregate yield from local effort rate for all  
23 member school districts by the member school district share of unmet  
24 formula need to determine the member school district share of common levy  
25 yield from local effort rate;

26 (g) Adding the member school district share of the aggregate total  
27 equalization plus allocated income taxes to the member school district  
28 share of the common levy yield from local effort rate to determine the  
29 individual common levy total for the member school district;

30 (h) Adding the individual equalization aid calculated pursuant to  
31 section 79-1008.01 and allocated income tax funds calculated pursuant to

1 section 79-1005.01 to the local effort rate yield calculated pursuant to  
2 section 79-1015.01 for the member school district to determine the  
3 individual comparison total;

4 (i) Subtracting the individual comparison total from the individual  
5 common levy total for member school district to determine the transition  
6 difference, except if such difference is not greater than zero, the  
7 transition difference shall equal zero; and

8 (j) Multiplying the transition difference by fifty percent for  
9 school fiscal year 2017-18 and twenty-five percent for school fiscal year  
10 2018-19 to determine the amount of learning community transition aid to  
11 be paid to the member school district.

12 (2) Learning community transition aid shall not be considered in the  
13 calculation of formula resources pursuant to section 79-1017.01.

14 Sec. 41. Section 79-1022, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-1022 (1) On or before ~~April 10, 2014,~~ and on or before March 1 of  
17 each year thereafter for each ensuing fiscal year, the department shall  
18 determine the amounts to be distributed to each local system and each  
19 district for the ensuing school fiscal year pursuant to the Tax Equity  
20 and Educational Opportunities Support Act and shall certify the amounts  
21 to the Director of Administrative Services, the Auditor of Public  
22 Accounts, each learning community for school fiscal years prior to school  
23 fiscal year 2017-18, and each district. Except as otherwise provided in  
24 this section, the The amount to be distributed to each district ~~that is~~  
25 ~~not a member of a learning community~~ from the amount certified for a  
26 local system shall be proportional based on the formula students  
27 attributed to each district in the local system. For school fiscal years  
28 prior to school fiscal year 2017-18, the ~~The~~ amount to be distributed to  
29 each district that is a member of a learning community from the amount  
30 certified for the local system shall be proportional based on the formula  
31 needs calculated for each district in the local system. On or before

1 ~~April 10, 2014, and on or before~~ March 1 of each year thereafter for each  
2 ensuing fiscal year, the department shall report the necessary funding  
3 level for the ensuing school fiscal year to the Governor, the  
4 Appropriations Committee of the Legislature, and the Education Committee  
5 of the Legislature. The report submitted to the committees of the  
6 Legislature shall be submitted electronically. Except as otherwise  
7 provided in this subsection, certified state aid amounts, including  
8 adjustments pursuant to section 79-1065.02, shall be shown as budgeted  
9 non-property-tax receipts and deducted prior to calculating the property  
10 tax request in the district's general fund budget statement as provided  
11 to the Auditor of Public Accounts pursuant to section 79-1024.

12 (2) Except as provided in this subsection, subsection (8) of section  
13 79-1016, and sections 79-1033 and 79-1065.02 and section 31 of this act,  
14 the amounts certified pursuant to subsection (1) of this section shall be  
15 distributed in ten as nearly as possible equal payments on the last  
16 business day of each month beginning in September of each ensuing school  
17 fiscal year and ending in June of the following year, except that when a  
18 school district is to receive a monthly payment of less than one thousand  
19 dollars, such payment shall be one lump-sum payment on the last business  
20 day of December during the ensuing school fiscal year.

21 Sec. 42. Section 79-1024, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 79-1024 (1) The department may require each district to submit to  
24 the department a duplicate copy of such portions of the district's budget  
25 statement as the Commissioner of Education directs. The department may  
26 verify any data used to meet the requirements of the Tax Equity and  
27 Educational Opportunities Support Act. The Auditor of Public Accounts  
28 shall review each district's budget statement for statutory compliance,  
29 make necessary changes in the budget documents for districts to  
30 effectuate the budget limitations imposed pursuant to sections 79-1023 to  
31 79-1030, and notify the Commissioner of Education of any district failing

1 to submit to the auditor the budget documents required pursuant to this  
2 subsection by the date established in subsection (1) of section 13-508 or  
3 failing to make any corrections of errors in the documents pursuant to  
4 section 13-504 or 13-511.

5 (2) If a school district fails to submit to the department or the  
6 auditor the budget documents required pursuant to subsection (1) of this  
7 section by the date established in subsection (1) of section 13-508 or  
8 fails to make any corrections of errors in the documents pursuant to  
9 section 13-504 or 13-511, the commissioner, upon notification from the  
10 auditor or upon his or her own knowledge that the required budget  
11 documents and any required corrections of errors from any school district  
12 have not been properly filed in accordance with the Nebraska Budget Act  
13 and after notice to the district and an opportunity to be heard, shall  
14 direct that any state aid granted pursuant to the Tax Equity and  
15 Educational Opportunities Support Act be withheld until such time as the  
16 required budget documents or corrections of errors are received by the  
17 auditor and the department. In addition, the commissioner shall direct  
18 the county treasurer to withhold all school money belonging to the school  
19 district until such time as the commissioner notifies the county  
20 treasurer of receipt of the required budget documents or corrections of  
21 errors. The county treasurer shall withhold such money. For school  
22 districts that are members of learning communities, a determination of  
23 school money belonging to the district shall be based on the  
24 proportionate share of property tax receipts allocated to the school  
25 district by the learning community coordinating council for school fiscal  
26 years prior to school fiscal year 2017-18, and the county treasurer shall  
27 withhold any such school money in the possession of the county treasurer  
28 from the school district. If the school district does not comply with  
29 this section prior to the end of the state's biennium following the  
30 biennium which included the fiscal year for which state aid was  
31 calculated, the state aid funds shall revert to the General Fund. The

1 amount of any reverted funds shall be included in data provided to the  
2 Governor in accordance with section 79-1031. The board of any district  
3 failing to submit to the department or the auditor the budget documents  
4 required pursuant to this section by the date established in subsection  
5 (1) of section 13-508 or failing to make any corrections of errors in the  
6 documents pursuant to section 13-504 or 13-511 shall be liable to the  
7 school district for all school money which such district may lose by such  
8 failing.

9 Sec. 43. Section 79-1033, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 79-1033 (1) Except as otherwise provided in the Tax Equity and  
12 Educational Opportunities Support Act, state aid payable pursuant to the  
13 act for each school fiscal year shall be based upon data found in  
14 applicable reports for the most recently available complete data year.  
15 The annual financial reports and the annual statistical summary of all  
16 school districts shall be submitted to the Commissioner of Education  
17 pursuant to the dates prescribed in section 79-528. If a school district  
18 fails to timely submit its reports, the commissioner, after notice to the  
19 district and an opportunity to be heard, shall direct that any state aid  
20 granted pursuant to the act be withheld until such time as the reports  
21 are received by the department. In addition, the commissioner shall  
22 direct the county treasurer to withhold all school money belonging to the  
23 school district until such time as the commissioner notifies the county  
24 treasurer of receipt of such reports. The county treasurer shall withhold  
25 such money. For school districts that are members of learning  
26 communities, a determination of school money belonging to the district  
27 shall be based on the proportionate share of state aid and property tax  
28 receipts allocated to the school district by the learning community  
29 coordinating council for school fiscal years prior to school fiscal year  
30 2017-18, and the county treasurer shall withhold any such school money in  
31 the possession of the county treasurer from the school district. If the

1 school district does not comply with this section prior to the end of the  
2 state's biennium following the biennium which included the school fiscal  
3 year for which state aid was calculated, the state aid funds shall revert  
4 to the General Fund. The amount of any reverted funds shall be included  
5 in data provided to the Governor in accordance with section 79-1031.

6 (2) A district which receives, or has received in the most recently  
7 available complete data year or in either of the two school fiscal years  
8 preceding the most recently available complete data year, federal funds  
9 in excess of twenty-five percent of its general fund budget of  
10 expenditures may apply for early payment of state aid paid pursuant to  
11 the act when such federal funds are not received in a timely manner. Such  
12 application may be made at any time by a district suffering such  
13 financial hardship and may be for any amount up to fifty percent of the  
14 remaining amount to which the district is entitled during the current  
15 school fiscal year. The state board may grant the entire amount applied  
16 for or any portion of such amount if the state board finds that a  
17 financial hardship exists in the district. The state board shall notify  
18 the Director of Administrative Services of the amount of funds to be paid  
19 in lump sum and the reduced amount of the monthly payments. The Director  
20 of Administrative Services shall, at the time of the next state aid  
21 payment made pursuant to section 79-1022, draw a warrant for the lump-sum  
22 amount from appropriated funds and forward such warrant to the district.  
23 For purposes of this subsection, financial hardship means a situation in  
24 which income to a district is exceeded by liabilities to such a degree  
25 that if early payment is not received it will be necessary for the  
26 district to discontinue vital services or functions.

27 Sec. 44. Section 79-1036, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 79-1036 (1) In making the apportionment under section 79-1035, the  
30 Commissioner of Education shall distribute from the school fund for  
31 school purposes, to (a) for school fiscal years prior to school fiscal

1 year 2017-18, any and all learning communities and school districts which  
2 are not members of a learning community, and (b) for school fiscal year  
3 2017-18 and each school fiscal year thereafter, all school districts, in  
4 which there are situated school lands which have not been sold and  
5 transferred by deed or saline lands owned by the state, which lands are  
6 being used for a public purpose, an amount in lieu of tax money that  
7 would be raised by school district levies ~~and learning community common~~  
8 ~~levies for which the proceeds are distributed to member school districts~~  
9 ~~pursuant to sections 79-1073 and 79-1073.01~~ if such lands were taxable,  
10 to be ascertained in accordance with subsection (2) of this section,  
11 except that:

12       (i) (a) For Class I districts or portions thereof which are  
13 affiliated and in which there are situated school or saline lands,  
14 38.6207 percent of the in lieu of land tax money calculated pursuant to  
15 subsection (2) of this section, based on the affiliated school system tax  
16 levy computed pursuant to section 79-1077, shall be distributed to the  
17 affiliated high school district and the remainder shall be distributed to  
18 the Class I district;

19       (ii) (b) For Class I districts or portions thereof which are part of  
20 a Class VI district which offers instruction in grades nine through  
21 twelve and in which there are situated school or saline lands, 38.6207  
22 percent of the in lieu of land tax money calculated pursuant to  
23 subsection (2) of this section, based on the Class VI school system levy  
24 computed pursuant to section 79-1078, shall be distributed to the Class  
25 VI district and the remainder shall be distributed to the Class I  
26 district;

27       (iii) (c) For Class I districts or portions thereof which are part  
28 of a Class VI district which offers instruction in grades seven through  
29 twelve and in which there are situated school or saline lands, 55.1724  
30 percent of the in lieu of land tax money calculated pursuant to  
31 subsection (2) of this section, based on the Class VI school system levy

1 computed pursuant to section 79-1078, shall be distributed to the Class  
2 VI district and the remainder shall be distributed to the Class I  
3 district; and

4 (iv) ~~(d)~~ For Class I districts or portions thereof which are part of  
5 a Class VI district which offers instruction in grades six through twelve  
6 and in which there are situated school or saline lands, 62.0690 percent  
7 of the in lieu of land tax money calculated pursuant to subsection (2) of  
8 this section, based on the Class VI school system levy computed pursuant  
9 to section 79-1078, shall be distributed to the Class VI district and the  
10 remainder shall be distributed to the Class I district.

11 (2) The county assessor shall certify to the Commissioner of  
12 Education the tax levies of each school district and, for levies  
13 certified prior to January 1, 2017, learning community in which school  
14 land or saline land is located and the last appraised value of such  
15 school land, which value shall be the same percentage of the appraised  
16 value as the percentage of the assessed value is of market value in  
17 subsection (2) of section 77-201 for the purpose of applying the  
18 applicable tax levies for each district and, for levies certified prior  
19 to January 1, 2017, learning community in determining the distribution to  
20 the districts of such amounts. The school board of any school district  
21 and, for levies certified prior to January 1, 2017, the learning  
22 community coordinating council of any learning community in which there  
23 is located any leased or undeeded school land or saline land subject to  
24 this section may appeal to the Board of Educational Lands and Funds for a  
25 reappraisal of such school land if such school board or learning  
26 community coordinating council deems the land not appraised in proportion  
27 to the value of adjoining land of the same or similar value. The Board of  
28 Educational Lands and Funds shall proceed to investigate the facts  
29 involved in such appeal and, if the contention of the school board or  
30 learning community coordinating council is correct, make the proper  
31 reappraisal. The value calculation in this subsection shall be used by

1 the Commissioner of Education for making distributions in each school  
2 fiscal year.

3 Sec. 45. Section 79-1041, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 79-1041 Each county treasurer of a county with territory in a  
6 learning community shall distribute any funds collected by such county  
7 treasurer from the common general fund levy ~~and the common building fund~~  
8 ~~levy~~ of such learning community to each member school district pursuant  
9 to section 79-1073 ~~sections 79-1073 and 79-1073.01~~ at least once each  
10 month.

11 Each county treasurer shall, upon request of a majority of the  
12 members of the school board or board of education in any school district,  
13 at least once each month distribute to the district any funds collected  
14 by such county treasurer for school purposes.

15 Sec. 46. Section 79-1073, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 79-1073 On or before September 1 for each year prior to 2017, each  
18 learning community coordinating council shall determine the expected  
19 amounts to be distributed by the county treasurers to each member school  
20 district from general fund property tax receipts pursuant to subdivision  
21 (2)(b) of section 77-3442 and shall certify such amounts to each member  
22 school district, the county treasurer for each county containing  
23 territory in the learning community, and the State Department of  
24 Education. Such property tax receipts shall be divided among member  
25 school districts proportionally based on the difference of the school  
26 district's formula need calculated pursuant to section 79-1007.11 minus  
27 the sum of the state aid certified pursuant to section 79-1022 and the  
28 other actual receipts included in local system formula resources pursuant  
29 to section 79-1018.01 for the school fiscal year for which the  
30 distribution is being made.

31 Each time the county treasurer distributes property tax receipts

1 from the common general fund levy to member school districts, the amount  
2 to be distributed to each district shall be proportional based on the  
3 total amounts to be distributed to each member school district for the  
4 school fiscal year. Each time the county treasurer certifies a property  
5 tax refund pursuant to section 77-1736.06 based on the common general  
6 fund levy for member school districts or any entity issues an in lieu of  
7 property tax reimbursement based on the common general fund levy for  
8 member school districts, including amounts paid pursuant to sections  
9 70-651.01 and 79-1036, the amount to be certified or reimbursed to each  
10 district shall be proportional on the same basis as property tax receipts  
11 from such levy are distributed to member school districts.

12 Sec. 47. Section 79-1075, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 79-1075 (1) The county board of the county in which is located the  
15 schoolhouse or the administrative office of any joint school district or,  
16 for years prior to 2017, learning community shall make a levy for the  
17 school district or, for years prior to 2017, learning community, as may  
18 be necessary, and the county clerk of that headquarters county shall  
19 certify the levy, on or before the date prescribed in section 77-1601, to  
20 the county clerk of each county in which is situated any portion of the  
21 joint school district or learning community. This section shall apply to  
22 all taxes levied on behalf of school districts, including, but not  
23 limited to, taxes authorized by sections 10-304, 10-711, 10-716.01,  
24 77-1601, 79-747, 79-1077, 79-1084, 79-1085, 79-1086, 79-10,100,  
25 79-10,110, 79-10,118, 79-10,120, 79-10,122, and 79-10,126.

26 (2) The county board of the county in which is located the  
27 schoolhouse or the administrative office of the high school district of a  
28 joint affiliated school system shall make a levy for the joint affiliated  
29 school system, as may be necessary, and the county clerk of that  
30 headquarters county shall certify the levy, on or before the date  
31 prescribed in section 77-1601, to the county clerk of each county in

1 which is situated any portion of the joint affiliated school system. This  
2 section shall apply to all taxes levied on behalf of affiliated school  
3 systems, including, but not limited to, taxes authorized by sections  
4 10-716.01, 79-1077, and 79-10,110.

5 Sec. 48. Section 79-1083, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 79-1083 At the time the budget statement is certified to the levying  
8 board, each school board shall deliver to the county clerk of the  
9 headquarters county a copy of its adopted budget statement. If the school  
10 district is a member of a learning community, the school board shall also  
11 deliver to the learning community coordinating council a copy of the  
12 adopted budget statement for school fiscal years prior to school fiscal  
13 year 2017-18.

14 Sec. 49. Section 79-1084, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-1084 The school board of a Class III school district shall  
17 annually, on or before September 20, report in writing to the county  
18 board and, for years prior to 2017, the learning community coordinating  
19 council if the school district is a member of a learning community the  
20 entire revenue raised by taxation and all other sources and received by  
21 the school board for the previous school fiscal year and a budget for the  
22 ensuing school fiscal year broken down generally as follows: (1) The  
23 amount of funds required for the support of the schools during the  
24 ensuing school fiscal year; (2) the amount of funds required for the  
25 purchase of school sites; (3) the amount of funds required for the  
26 erection of school buildings; (4) the amount of funds required for the  
27 payment of interest upon all bonds issued for school purposes; and (5)  
28 the amount of funds required for the creation of a sinking fund for the  
29 payment of such indebtedness. The secretary shall publish, within ten  
30 days after the filing of such budget, a copy of the fund summary pages of  
31 the budget one time at the legal rate prescribed for the publication of

1 legal notices in a legal newspaper published in and of general  
2 circulation in such city or village or, if none is published in such city  
3 or village, in a legal newspaper of general circulation in the city or  
4 village. The secretary of the school board failing or neglecting to  
5 comply with this section shall be deemed guilty of a Class V misdemeanor  
6 and, in the discretion of the court, the judgment of conviction may  
7 provide for the removal from office of such secretary for such failure or  
8 neglect. For Class III school districts that are not members of a  
9 learning community, the county board shall levy and collect such taxes as  
10 are necessary to provide the amount of revenue from property taxes as  
11 indicated by all the data contained in the budget and the certificate  
12 prescribed by this section, at the time and in the manner provided in  
13 section 77-1601.

14 Sec. 50. Section 79-1086, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-1086 (1) The board of education of a Class V school district that  
17 is not a member of a learning community shall annually during the month  
18 of July estimate the amount of resources likely to be received for school  
19 purposes, including the amounts available from fines, licenses, and other  
20 sources. Before the county board of equalization makes its levy each  
21 year, the board of education shall report to the county clerk the rate of  
22 tax deemed necessary to be levied upon the taxable value of all the  
23 taxable property of the district subject to taxation during the fiscal  
24 year next ensuing for (a) the support of the schools, (b) the purchase of  
25 school sites, (c) the erection, alteration, equipping, and furnishing of  
26 school buildings and additions to school buildings, (d) the payment of  
27 interest upon all bonds issued for school purposes, and (e) the creation  
28 of a sinking fund for the payment of such indebtedness. The county board  
29 of equalization shall levy the rate of tax so reported and demanded by  
30 the board of education and collect the tax in the same manner as other  
31 taxes are levied and collected.

1           (2) The school board of a Class V school district that is a member  
2 of a learning community shall annually, on or before September 20 of each  
3 year prior to 2017, report in writing to the county board and the  
4 learning community coordinating council the entire revenue raised by  
5 taxation and all other sources and received by the school board for the  
6 previous school fiscal year and a budget for the ensuing school fiscal  
7 year broken down generally as follows: (a) The amount of funds required  
8 for the support of the schools during the ensuing school fiscal year; (b)  
9 the amount of funds required for the purchase of school sites; (c) the  
10 amount of funds required for the erection of school buildings; (d) the  
11 amount of funds required for the payment of interest upon all bonds  
12 issued for school purposes; and (e) the amount of funds required for the  
13 creation of a sinking fund for the payment of such indebtedness. The  
14 secretary shall publish, within ten days after the filing of such budget,  
15 a copy of the fund summary pages of the budget one time at the legal rate  
16 prescribed for the publication of legal notices in a legal newspaper  
17 published in and of general circulation in such city or village or, if  
18 none is published in such city or village, in a legal newspaper of  
19 general circulation in the city or village. The secretary of the school  
20 board failing or neglecting to comply with this section shall be deemed  
21 guilty of a Class V misdemeanor and, in the discretion of the court, the  
22 judgment of conviction may provide for the removal from office of such  
23 secretary for such failure or neglect.

24           Sec. 51. Section 79-10,120, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26           79-10,120 The school board or board of education of a Class II, III,  
27 IV, V, or VI school district may establish a special fund for purposes of  
28 acquiring sites for school buildings or teacherages, purchasing existing  
29 buildings for use as school buildings or teacherages, including the sites  
30 upon which such buildings are located, and the erection, alteration,  
31 equipping, and furnishing of school buildings or teacherages and

1 additions to school buildings for elementary and high school grades and  
2 for no other purpose. ~~The For school districts that are not members of~~  
3 ~~learning communities,~~ the fund shall be established from the proceeds of  
4 an annual levy, to be determined by the board, of not to exceed fourteen  
5 cents on each one hundred dollars upon the taxable value of all taxable  
6 property in the district which shall be in addition to any other taxes  
7 authorized to be levied for school purposes. Such tax shall be levied and  
8 collected as are other taxes for school purposes. ~~For school districts~~  
9 ~~that are members of a learning community,~~ such fund shall be established  
10 ~~from the proceeds of the learning community special building funds levy~~  
11 ~~directed to the school district for such purpose pursuant to subdivision~~  
12 ~~(2)(g) of section 77-3442 and the proceeds of any school district special~~  
13 ~~building fund levy pursuant to subdivision (2)(c) of section 77-3442.~~

14 Sec. 52. Section 79-10,126, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-10,126 For school fiscal year 2017-18 and each school fiscal  
17 year thereafter, each A Class V school district ~~that is not a member of a~~  
18 ~~learning community~~ shall establish (1) for the general operation of the  
19 schools, such fund as will result from an annual levy of such rate of tax  
20 upon the taxable value of all the taxable property in such school  
21 district as the board of education determines to be necessary for such  
22 purpose, (2) a fund resulting from an annual amount of tax to be  
23 determined by the board of education of not to exceed fourteen cents on  
24 each one hundred dollars upon the taxable value of all the taxable  
25 property in the district for the purpose of acquiring sites of school  
26 buildings and the erection, alteration, equipping, and furnishing of  
27 school buildings and additions to school buildings, which tax levy shall  
28 be used for no other purposes, and (3) a further fund resulting from an  
29 annual amount of tax to be determined by the board of education to pay  
30 interest on and retiring, funding, or servicing of bonded indebtedness of  
31 the district.

1           Sec. 53. Section 79-10,126.01, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3           79-10,126.01 For school fiscal years prior to school fiscal year  
4 2017-18, each A Class V school district ~~that is a member of a learning~~  
5 ~~community~~ shall establish (1) for the general operation of the schools,  
6 such fund as will result from distributions pursuant to section 79-1073  
7 from the learning community levy and any annual levy of such rate of tax  
8 upon the taxable value of all the taxable property in such school  
9 district as the board of education determines to be necessary for such  
10 purpose and as authorized pursuant to subdivision (2)(c) of section  
11 77-3442, (2) for the purpose of acquiring sites of school buildings and  
12 the erection, alteration, equipping, and furnishing of school buildings  
13 and additions to school buildings, a fund as will result from  
14 distributions from ~~the learning community levy pursuant to section~~  
15 ~~79-1073.01~~ and any annual levy of such rate of tax upon the taxable value  
16 of all the taxable property in such school district as the school board  
17 determines to be necessary for such purpose and as authorized pursuant to  
18 subdivision (2)(c) of section 77-3442, which fund shall be used for no  
19 other purposes, and (3) a further fund resulting from an annual amount of  
20 tax to be determined by the board of education to pay interest on and for  
21 retiring, funding, or servicing of bonded indebtedness of the district.

22           Sec. 54. Section 79-1140, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24           79-1140 Except as provided in sections 79-232 to 79-246 and section  
25 14 of this act, each school district shall pay an amount equal to the  
26 average per pupil cost of the service agency of the preceding year or the  
27 cost as agreed upon pursuant to the contract to the agency providing the  
28 educational program for every child with a disability who is a resident  
29 of the district and is attending an educational program not operated by  
30 the school district, including programs operated by the State Department  
31 of Education, the Department of Health and Human Services, and any other

1 service agency whose programs are approved by the State Department of  
2 Education.

3 Sec. 55. Section 79-11,155, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 79-11,155 The Commissioner of Education shall appoint a student  
6 achievement coordinator, subject to confirmation by a majority vote of  
7 the members of the State Board of Education. The coordinator shall have a  
8 background and training in addressing the unique educational needs of  
9 low-achieving students, including students in poverty, limited English  
10 proficient students, and highly mobile students.

11 The coordinator shall evaluate and coordinate existing resources for  
12 effective programs to increase achievement for such students across the  
13 state and shall review poverty plans submitted to the State Department of  
14 Education pursuant to section 79-1013 and limited English proficiency  
15 plans submitted to the department pursuant to section 79-1014 to  
16 ascertain successful practices being used by school districts in Nebraska  
17 and to assist school districts in improving their poverty and limited  
18 English proficiency plans, including the evaluation components. The  
19 coordinator need not review the poverty and limited English proficiency  
20 plans of each school district on an annual basis but shall develop a  
21 review schedule which assures that plans are reviewed periodically.

22 The coordinator or other department staff designated by the  
23 Commissioner of Education shall also consult with learning communities,  
24 educational service units, and school districts on the development,  
25 implementation, and evaluation of community achievement plans. In  
26 addition, the coordinator or other department staff designated by the  
27 commissioner shall conduct an initial review of submitted community  
28 achievement plans and return the plans with any suggestions or comments  
29 prior to the final submission of the plan for approval by the State Board  
30 of Education.

31 Sec. 56. (1) Community achievement plans shall be submitted by

1 learning community coordinating councils to the State Board of Education  
2 for approval and may be submitted by multidistrict educational service  
3 units that do not have territory in a learning community. School  
4 districts that are not members of a learning community but are members of  
5 an educational service unit that includes members of a learning community  
6 may choose to participate in the community achievement plan for such  
7 learning community. School districts that are in a single district  
8 educational service unit but are not members of a learning community may  
9 collaborate with a contiguous educational service unit and participate in  
10 any community achievement plan developed by such educational service  
11 unit.

12 (2) Community achievement plans shall be developed, in consultation  
13 with the student achievement coordinator or other department staff  
14 designated by the Commissioner of Education, by the learning community or  
15 educational service unit submitting the plan in collaboration with member  
16 school districts, other participating school districts, and, for learning  
17 communities, the advisory committee and educational service units with  
18 member school districts that are members of the learning community.

19 (3) Community achievement plans and plan renewals shall be submitted  
20 to the State Department of Education for an initial review by the student  
21 achievement coordinator or other department staff designated by the  
22 commissioner on or before January 1, 2017, for community achievement  
23 plans to be implemented beginning with school year 2017-18 and on or  
24 before January 1 immediately preceding the school year when the plan or  
25 plan renewal will be implemented. The student achievement coordinator or  
26 other department staff designated by the commissioner shall return the  
27 plan or plan renewal with any suggestions or comments on or before the  
28 immediately following February 15 to allow the plan to be revised prior  
29 to submission on or before March 15 for final approval by the state board  
30 at the state board's April meeting. If the state board rejects a plan or  
31 plan renewal, the reasons for the rejection shall be included with the

1 notice of rejection and an opportunity shall be provided to revise the  
2 plan or plan renewal and for participating collaborators to appear before  
3 the board prior to a reconsideration of approval.

4 (4) The state board shall not approve or renew a community  
5 achievement plan unless the plan:

6 (a) Receives the commitment of all member school districts and other  
7 participating school districts to participate in the plan for the three-  
8 year plan period;

9 (b) Clearly describes the plan responsibilities for each  
10 participating school district, the submitting learning community or  
11 educational service unit, and any other collaborating entities;

12 (c) Includes an evaluation of achievement equity and an  
13 identification of achievement barriers across the participating school  
14 districts;

15 (d) Relies on the collaboration of all participating districts to  
16 address achievement equity and barriers to achievement across such school  
17 districts using evidence-based methods;

18 (e) Aligns with plans used by participating districts for  
19 accreditation, poverty, limited English proficiency, and federal funds;

20 (f) Evaluates the effectiveness of the efforts to address  
21 achievement equity and barriers to achievement through the community  
22 achievement plan and through other aligned plans in an effort to  
23 determine, encourage, and promulgate best practices and the efficient use  
24 of resources;

25 (g) Has a high likelihood, in the opinion of the state board based  
26 on the evidence presented, of improving achievement equity and reducing  
27 the impact of barriers to achievement; and

28 (h) For renewals, reflects changes in the plans and the actions of  
29 the collaborators in response to evaluation results.

30 (5) An approved plan shall remain in effect for three years except  
31 as revised with the approval of the state board. The learning community

1 or educational service unit submitting the plan shall submit a report on  
2 the success of the plan, evaluation results, and proposed revisions by  
3 December 1 immediately following the completion of the first two years of  
4 implementation and every three years thereafter.

5 (6) The department shall adopt and promulgate rules and regulations  
6 establishing procedures for plan approval and technical assistance that  
7 allow for a preliminary review and recommendations from the department  
8 prior to submission of the final plan for approval by the state board.  
9 Such procedures shall also provide for an appeal process for plans that  
10 have not been approved, which includes an opportunity to present evidence  
11 to the state board.

12 Sec. 57. Section 79-1241.03, Reissue Revised Statutes of Nebraska,  
13 is amended to read:

14 79-1241.03 (1) Two percent of the funds appropriated for core  
15 services and technology infrastructure shall be transferred to the  
16 Educational Service Unit Coordinating Council. The remainder of such  
17 funds shall be distributed pursuant to subsections (2) through (5 ~~6~~) of  
18 this section.

19 (2)(a) The distance education and telecommunications allowance for  
20 each educational service unit shall equal eighty-five percent of the  
21 difference of the costs for telecommunications services, for access to  
22 data transmission networks that transmit data to and from the educational  
23 service unit, and for the transmission of data on such networks paid by  
24 the educational service unit as reported on the annual financial report  
25 for the most recently available complete data year minus the receipts  
26 from the federal Universal Service Fund pursuant to 47 U.S.C. 254, as  
27 such section existed on January 1, 2007, for the educational service unit  
28 as reported on the annual financial report for the most recently  
29 available complete data year and minus any receipts from school districts  
30 or other educational entities for payment of such costs as reported on  
31 the annual financial report of the educational service unit.

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

4 (c) The satellite office allocation for each educational service  
5 unit shall equal one percent of the funds appropriated for distribution  
6 pursuant to this section for each office of the educational service unit,  
7 except the educational service unit headquarters, up to the maximum  
8 number of satellite offices. The maximum number of satellite offices used  
9 for the calculation of the satellite office allocation for any  
10 educational service unit shall equal the difference of the ratio of the  
11 number of square miles within the boundaries of the educational service  
12 unit divided by four thousand minus one with the result rounded to the  
13 closest whole number.

14 (d) The statewide adjusted valuation shall equal the total adjusted  
15 valuation for all member districts of educational service units pursuant  
16 to section 79-1016 used for the calculation of state aid for school  
17 districts pursuant to the Tax Equity and Educational Opportunities  
18 Support Act for the school fiscal year for which the distribution is  
19 being calculated pursuant to this section.

20 (e) The adjusted valuation for each educational service unit shall  
21 equal the total adjusted valuation of the member school districts  
22 pursuant to section 79-1016 used for the calculation of state aid for  
23 school districts pursuant to the act for the school fiscal year for which  
24 the distribution is being calculated pursuant to this section, except  
25 that such adjusted valuation for member school districts that are also  
26 member districts of a learning community shall be reduced by fifty  
27 percent for school fiscal years 2008-09 and 2009-10, thirty percent for  
28 school fiscal year 2010-11, and ten percent for each school fiscal year  
29 thereafter. The adjusted valuation for each learning community shall  
30 equal fifty percent, for school fiscal years 2008-09 and 2009-10, thirty  
31 percent, for school fiscal year 2010-11, and ten percent, for each school

1 ~~fiscal year thereafter~~, of the total adjusted valuation of the member  
2 school districts pursuant to section 79-1016 used for the calculation of  
3 state aid for school districts pursuant to the act for the school fiscal  
4 year for which the distribution is being calculated pursuant to this  
5 section.

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

8 (g) The statewide student allocation shall equal the difference of  
9 the sum of the amount appropriated for distribution pursuant to this  
10 section plus the product of the statewide adjusted valuation multiplied  
11 by the local effort rate minus the distance education and  
12 telecommunications allowance, base allocation, and satellite office  
13 allocation for all educational service units and minus any adjustments  
14 required by subsection (~~4~~ 5) of this section.

15 (h) The sparsity adjustment for each educational service unit and  
16 learning community shall equal the sum of one plus one-tenth of the ratio  
17 of the square miles within the boundaries of the educational service unit  
18 divided by the fall membership of the member school districts for the  
19 school fiscal year immediately preceding the school fiscal year for which  
20 the distribution is being calculated pursuant to this section.

21 (i) The adjusted students for each multidistrict educational service  
22 unit shall equal the fall membership for the school fiscal year  
23 immediately preceding the school fiscal year for which aid is being  
24 calculated of the member school districts that will not be members of a  
25 learning community and ninety percent of the fall membership for such  
26 school fiscal year of the member school districts that will be members of  
27 a learning community pursuant to this section multiplied by the sparsity  
28 adjustment for the educational service unit. The adjusted students for  
29 each single-district educational service unit shall equal ninety-five  
30 percent of the fall membership for the school fiscal year immediately  
31 preceding the school fiscal year for which aid is being calculated if the

1 member school district will not be a member of a learning community and  
2 eighty-five percent of the fall membership for such school fiscal year if  
3 the member school district will be a member of a learning community  
4 pursuant to this section, multiplied by the sparsity adjustment for the  
5 educational service unit. The adjusted students for each learning  
6 community shall equal ten percent of the fall membership for such school  
7 fiscal year of the member school districts multiplied by the sparsity  
8 adjustment for the learning community.

9 (j) The per student allocation shall equal the statewide student  
10 allocation divided by the total adjusted students for all educational  
11 service units and learning communities.

12 (k) The student allocation for each educational service unit and  
13 learning community shall equal the per student allocation multiplied by  
14 the adjusted students for the educational service unit or learning  
15 community.

16 (l) The needs for each educational service unit shall equal the sum  
17 of the distance education and telecommunications allowance, base  
18 allocation, satellite office allocation, and student allocation for the  
19 educational service unit and the needs for each learning community shall  
20 equal the student allocation for the learning community.

21 (m) The distribution of core services and technology infrastructure  
22 funds for each educational service unit and learning community shall  
23 equal the needs for each educational service unit or learning community  
24 minus the product of the adjusted valuation for the educational service  
25 unit or learning community multiplied by the local effort rate.

26 (3) If an educational service unit is the result of a merger or  
27 received new member school districts from another educational service  
28 unit, the educational service unit shall be considered a new educational  
29 service unit for purposes of this section. For each new educational  
30 service unit, the needs minus the distance education and  
31 telecommunications allowance for such new educational service unit shall,

1 for each of the three fiscal years following the fiscal year in which the  
2 merger takes place or the new member school districts are received, equal  
3 an amount not less than the needs minus the distance education and  
4 telecommunications allowance for the portions of the educational service  
5 units transferred to the new educational service unit for the fiscal year  
6 immediately preceding the merger or receipt of new member school  
7 districts, except that if the total amount available to be distributed  
8 pursuant to subsections (2) through (5 6) of this section for the year  
9 for which needs are being calculated is less than the total amount  
10 distributed pursuant to such subsections for the fiscal year immediately  
11 preceding the merger or receipt of new member school districts, the  
12 minimum needs minus the distance education and telecommunications  
13 allowance for each educational service unit pursuant to this subsection  
14 shall be reduced by a percentage equal to the ratio of such difference  
15 divided by the total amount distributed pursuant to subsections (2)  
16 through (5 6) of this section for the fiscal year immediately preceding  
17 the merger or receipt of new member school districts. The needs minus the  
18 distance education and telecommunications allowance for the portions of  
19 educational service units transferred to the new educational service unit  
20 for the fiscal year immediately preceding a merger or receipt of new  
21 member school districts shall equal the needs minus the distance  
22 education and telecommunications allowance calculated for such fiscal  
23 year pursuant to subsections (2) through (5 6) of this section for any  
24 educational service unit affected by the merger or the transfer of school  
25 districts multiplied by a ratio equal to the valuation that was  
26 transferred to the new educational service unit for which the minimum is  
27 being calculated divided by the total valuation of the educational  
28 service unit transferring the territory.

29 ~~(4) For fiscal years 2010-11 through 2013-14, each educational~~  
30 ~~service unit shall have needs minus the distance education and~~  
31 ~~telecommunications allowance equal to an amount not less than ninety-five~~

1 ~~percent of the needs minus the distance education and telecommunications~~  
2 ~~allowance for the immediately preceding fiscal year, except that if the~~  
3 ~~total amount available to be distributed pursuant to subsections (2)~~  
4 ~~through (6) of this section for the year for which needs are being~~  
5 ~~calculated is less than the total amount distributed pursuant to such~~  
6 ~~subsections for the immediately preceding fiscal year, the minimum needs~~  
7 ~~minus the distance education and telecommunications allowance for each~~  
8 ~~educational service unit pursuant to this subsection shall be reduced by~~  
9 ~~a percentage equal to the ratio of such difference divided by the total~~  
10 ~~amount distributed pursuant to subsections (2) through (6) of this~~  
11 ~~section.~~

12 (4 5) If the minimum needs minus the distance education and  
13 telecommunications allowance pursuant to subsection (3) ~~or (4)~~ of this  
14 section for any educational service unit exceeds the amount that would  
15 otherwise be calculated for such educational service unit pursuant to  
16 subsection (2) of this section, the statewide student allocation shall be  
17 reduced such that the total amount to be distributed pursuant to this  
18 section equals the appropriation for core services and technology  
19 infrastructure funds and no educational service unit has needs minus the  
20 distance education and telecommunications allowance less than the greater  
21 of any minimum amounts calculated for such educational service unit  
22 pursuant to subsection (3) ~~subsections (3) and (4)~~ of this section.

23 (5 6) The State Department of Education shall certify the  
24 distribution of core services and technology infrastructure funds  
25 pursuant to subsections (2) through (5 6) of this section to each  
26 educational service unit and learning community on or before July 1 of  
27 each year for the following school fiscal year. Except as otherwise  
28 provided in this subsection, any funds appropriated for distribution  
29 pursuant to this section shall be distributed in ten as nearly as  
30 possible equal payments on the first business day of each month beginning  
31 in September of each school fiscal year and ending in June. ~~Funds to be~~

1 ~~distributed to a learning community in school fiscal year 2010-11 shall~~  
2 ~~be distributed in ten payments on the first business day of each month~~  
3 ~~beginning in September 2010 and ending in June 2011, with each of the~~  
4 ~~first five payments equal as nearly as possible to seventeen percent of~~  
5 ~~the amount to be distributed and with each of the last five payments~~  
6 ~~equal as nearly as possible to three percent of the amount to be~~  
7 ~~distributed.~~ Funds distributed to educational service units pursuant to  
8 this section shall be used for core services and technology  
9 infrastructure with the approval of representatives of two-thirds of the  
10 member school districts of the educational service unit, representing a  
11 majority of the adjusted students in the member school districts used in  
12 calculations pursuant to this section for such funds. The valuation of  
13 individual school districts shall not be considered in the utilization of  
14 such core services or technology infrastructure funds by member school  
15 districts for funds received after July 1, 2010. ~~Funds distributed to~~  
16 ~~learning communities on or before January 15, 2011, shall be used for~~  
17 ~~learning community purposes with the approval of the learning community~~  
18 ~~coordinating council.~~ Funds distributed to learning communities after  
19 ~~January 15, 2011,~~ shall be used for evaluation and research pursuant to  
20 section 79-2104.02 with the approval of the learning community  
21 coordinating council.

22 (6 7) For purposes of this section, the determination of whether or  
23 not a school district will be a member of an educational service unit or  
24 a learning community shall be based on the information available May 1  
25 for the following school fiscal year.

26 (7 8) It is the intent of the Legislature that:

27 (a) Funding for core services and technology infrastructure for each  
28 educational service unit consist of both amounts received pursuant to  
29 this section and an amount greater than or equal to the product of the  
30 adjusted valuation for the educational service unit multiplied by the  
31 local effort rate; and

1 (b) Each multidistrict educational service unit use an amount equal  
2 to at least five percent of such funding for core services and technology  
3 infrastructure for cooperative projects between member school districts  
4 and that each such educational service unit use an amount equal to at  
5 least five percent of such funding for core services and technology  
6 infrastructure for statewide projects managed by the Educational Service  
7 Unit Coordinating Council.

8 Sec. 58. Section 79-1245, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 79-1245 (1) The Educational Service Unit Coordinating Council is  
11 ~~created as of July 1, 2008. On such date the assets and liabilities of~~  
12 ~~the Distance Education Council shall be transferred to the Educational~~  
13 ~~Service Unit Coordinating Council.~~ The council shall be composed of one  
14 administrator from each educational service unit and beginning July 1,  
15 2017, one nonvoting administrator from each learning community. The  
16 council shall be funded from two percent of the core services and  
17 technology infrastructure funding appropriated pursuant to section  
18 79-1241.03, appropriations by the Legislature for distance education, and  
19 fees established for services provided to educational entities.

20 (2) The council is a political subdivision and a public body  
21 corporate and politic of this state, exercising public powers separate  
22 from the participating educational service units. The council shall have  
23 the duties, privileges, immunities, rights, liabilities, and disabilities  
24 of a political subdivision and a public body corporate and politic but  
25 shall not have taxing power.

26 (3) The council shall have power (a) to sue and be sued, (b) to have  
27 a seal and alter the same at will or to dispense with the necessity  
28 thereof, (c) to make and execute contracts and other instruments, (d) to  
29 receive, hold, and use money and real and personal property, (e) to hire  
30 and compensate employees, including certificated employees, (f) to act as  
31 a fiscal agent for statewide initiatives being implemented by employees

1 of one or more educational service units, and (g) from time to time, to  
2 make, amend, and repeal bylaws, rules, and regulations not inconsistent  
3 with sections 79-1245 to 79-1249. Such power shall only be used as  
4 necessary or convenient to carry out and effectuate the powers and  
5 purposes of the council.

6 Sec. 59. Section 79-2104, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 79-2104 A learning community coordinating council shall have the  
9 authority to:

10 (1) For fiscal years prior to fiscal year 2017-18, levy ~~levy~~ a  
11 common levy for the general funds of member school districts pursuant to  
12 sections 77-3442 and 79-1073;

13 ~~(2) Levy a common levy for the special building funds of member~~  
14 ~~school districts pursuant to sections 77-3442 and 79-1073.01;~~

15 ~~(2)~~ 3 Levy for elementary learning center facility leases, for  
16 remodeling of leased elementary learning center facilities, and for up to  
17 fifty percent of the estimated cost for focus school or program capital  
18 projects approved by the learning community coordinating council pursuant  
19 to subdivision ~~(2)(f)~~ (2)(h) of section 77-3442 and section 79-2111;

20 ~~(3)~~ 4 Levy for early childhood education programs for children in  
21 poverty, for elementary learning center employees, for contracts with  
22 other entities or individuals who are not employees of the learning  
23 community for elementary learning center programs and services, and for  
24 pilot projects pursuant to subdivision ~~(2)(g)~~ (2)(i) of section 77-3442,  
25 except that not more than ten percent of such levy may be used for  
26 elementary learning center employees;

27 (4) Develop, submit, administer, and evaluate community achievement  
28 plans in collaboration with the advisory committee, educational service  
29 units serving member school districts, member school districts, any other  
30 participating school districts, and the student achievement coordinator  
31 or other department staff designated by the Commissioner of Education;

1 (5) Collect, analyze, and report data and information, including,  
2 but not limited to, information provided by a school district pursuant to  
3 subsection (5) of section 79-201;

4 (6) Approve focus schools and focus programs to be operated by  
5 member school districts;

6 (7) Adopt, approve, and implement a diversity plan pursuant to  
7 sections 79-2110 and 79-2118 which shall include open enrollment and may  
8 include focus schools, focus programs, magnet schools, and pathways  
9 pursuant to section 79-2110;

10 (8) Through school year 2016-17, administer Administer the open  
11 enrollment provisions in section 79-2110 for the learning community as  
12 part of a diversity plan developed by the council to provide educational  
13 opportunities which will result in increased diversity in schools across  
14 the learning community;

15 (9) Annually conduct school fairs to provide students and parents  
16 the opportunity to explore the educational opportunities available at  
17 each school in the learning community and develop other methods for  
18 encouraging access to such information and promotional materials;

19 (10) Develop procedures for determining best practices for  
20 addressing student achievement barriers and for disseminating such  
21 practices within the learning community and to other school districts and  
22 approve reorganization plans for submission pursuant to the Learning  
23 Community Reorganization Act;

24 (11) Establish and administer elementary learning centers through  
25 achievement subcouncils pursuant to sections 79-2112 to 79-2114;

26 (12) Administer the learning community funds distributed to the  
27 learning community pursuant to section 79-2111;

28 (13) Approve or disapprove poverty plans and limited English  
29 proficiency plans for member school districts through achievement  
30 subcouncils established under section 79-2117;

31 (14) Establish a procedure for receiving community input and

1 complaints regarding the learning community;

2 (15) Establish a procedure to assist parents, citizens, and member  
3 school districts in accessing an approved center pursuant to the Dispute  
4 Resolution Act to resolve disputes involving member school districts or  
5 the learning community. Such procedure may include payment by the  
6 learning community for some mediation services;

7 (16) Establish and administer pilot projects related to enhancing  
8 the academic achievement of elementary students, particularly students  
9 who face challenges in the educational environment due to factors such as  
10 poverty, limited English skills, and mobility;

11 (17) Provide funding to public or private entities engaged in the  
12 juvenile justice system providing pre-filing and diversion programming  
13 designed to reduce excessive absenteeism and unnecessary involvement with  
14 the juvenile justice system; and

15 (18) Hold public hearings at its discretion in response to issues  
16 raised by residents regarding the learning community, a member school  
17 district, and academic achievement.

18 Sec. 60. Section 79-2104.01, Reissue Revised Statutes of Nebraska,  
19 is amended to read:

20 79-2104.01 Each learning community coordinating council shall have  
21 an advisory committee composed of the superintendent from each member  
22 school district or his or her representative. The advisory committee  
23 shall:

24 (1) Collaborate with the learning community coordinating council on  
25 the development, implementation, and evaluation of the community  
26 achievement plan ~~Review issues related to open enrollment;~~

27 (2) Review proposals for focus programs, focus schools, magnet  
28 schools, and pathways;

29 ~~(3) Provide recommendations for improving academic achievement~~  
30 ~~across the learning community;~~

31 (3 4) Provide recommendations for improving the learning community's

1 diversity plan;

2 (4 5) Review results and provide recommendations ~~Submit a plan to~~  
3 the learning community coordinating council regarding ~~providing for~~ the  
4 implementation and administration of early childhood education programs  
5 for children in poverty; and

6 (5 6) Provide input to the learning community coordinating council  
7 on other issues as requested.

8 Sec. 61. Each learning community coordinating council shall be  
9 required to select at least two members to meet with the advisory council  
10 and learning community administrators at least twice annually to discuss  
11 the community achievement plan, results of evaluations conducted with  
12 learning community or school district funds, best practices for improving  
13 achievement, particularly for students with achievement obstacles,  
14 learning community programs, and other matters related to improving  
15 education for students within the learning community and throughout the  
16 state.

17 Sec. 62. Section 79-2104.02, Reissue Revised Statutes of Nebraska,  
18 is amended to read:

19 79-2104.02 Each learning community coordinating council shall use  
20 any funds received ~~after January 15, 2011,~~ pursuant to section 79-1241.03  
21 for evaluation of programs related to the community achievement plan  
22 developed with the assistance of the student achievement coordinator or  
23 other department staff designated by the Commissioner of Education and  
24 evaluation and research regarding the progress of the learning community  
25 ~~and research~~ pursuant to plans developed by the learning community  
26 coordinating council with assistance from the Educational Service Unit  
27 Coordinating Council and adjusted on an ongoing basis. The evaluation of of  
28 programs related to the community achievement plan shall be connected to  
29 the evaluation components of the member district poverty and limited  
30 English proficiency plans. The evaluation regarding the progress of the  
31 learning community shall be conducted by one or more other entities or

1 individuals who are not employees of the learning community and shall  
2 measure progress toward the goals and objectives of the learning  
3 community, which goals and objectives shall include reduction of  
4 excessive absenteeism of students in the member school districts of the  
5 learning community and closing academic achievement gaps based on  
6 socioeconomic status, and the effectiveness of the approaches used by the  
7 learning community or pilot project to reach such goals and objectives.  
8 Any research conducted pursuant to this section shall also be related to  
9 such goals and objectives or programs related to the community  
10 achievement plan. ~~Each . After the first full year of operation, each~~  
11 learning community shall report evaluation and research results  
12 electronically to the Education Committee of the Legislature on or before  
13 January 1 of each year.

14 Sec. 63. Section 79-2104.03, Reissue Revised Statutes of Nebraska,  
15 is amended to read:

16 79-2104.03 The advisory committee described in section 79-2104.01  
17 shall submit a plan as provided in subdivision (4 5) of section  
18 79-2104.01 to the learning community coordinating council for any early  
19 childhood education programs for children in poverty and the services to  
20 be provided by such programs. In developing the plan, the advisory  
21 committee shall seek input from member school districts and community  
22 resources and collaborate with such resources in order to maximize the  
23 available opportunities and resources for such programs. The advisory  
24 committee may, as part of such plan, recommend services to be provided  
25 through contract with, or grants to, school districts to provide or  
26 contract for some or all of the services. The advisory committee shall  
27 take special efforts to establish early childhood education programs for  
28 children in poverty so that such programs are readily available and  
29 accessible to children and families located in areas with a high  
30 concentration of poverty.

31 Sec. 64. Section 79-2110, Revised Statutes Supplement, 2015, is

1 amended to read:

2 79-2110 (1)(a) Each diversity plan shall provide for open enrollment  
3 in all school buildings in the learning community for school years prior  
4 to school year 2017-18, subject to specific limitations necessary to  
5 bring about diverse enrollments in each school building in the learning  
6 community. Such limitations, for school buildings other than focus  
7 schools and programs other than focus programs, shall include giving  
8 preference at each school building first to siblings of students who will  
9 be enrolled as continuing students in such school building or program for  
10 the first school year for which enrollment is sought in such school  
11 building and then to students that contribute to the socioeconomic  
12 diversity of enrollment at each building and may include establishing  
13 zone limitations in which students may access several schools other than  
14 their home attendance area school. Notwithstanding the limitations  
15 necessary to bring about diversity, open enrollment shall include  
16 providing access to students who do not contribute to the socioeconomic  
17 diversity of a school building, if, subsequent to the open enrollment  
18 selection process that is subject to limitations necessary to bring about  
19 diverse enrollments, capacity remains in a school building. In such a  
20 case, students who have applied to attend such school building shall be  
21 selected to attend such school building on a random basis up to the  
22 remaining capacity of such building. A student who has otherwise been  
23 disqualified from the school building pursuant to the school district's  
24 code of conduct or related school discipline rules shall not be eligible  
25 for open enrollment pursuant to this section. Any student who attended a  
26 particular school building in the prior school year and who is seeking  
27 education in the grades offered in such school building shall be allowed  
28 to continue attending such school building as a continuing open  
29 enrollment student through school year 2016-17.

30 (b) To facilitate the open enrollment provisions of this subsection,  
31 each school year each member school district in a learning community

1 shall establish a maximum capacity for each school building under such  
2 district's control pursuant to procedures and criteria established by the  
3 learning community coordinating council. Each member school district  
4 shall also establish attendance areas for each school building under the  
5 district's control, except that the school board shall not establish  
6 attendance areas for focus schools or focus programs. The attendance  
7 areas shall be established such that all of the territory of the school  
8 district is within an attendance area for each grade. Students residing  
9 in a school district shall be allowed to attend a school building in such  
10 school district.

11 (c) For purposes of this section and sections 79-238 and 79-611,  
12 student who contributes to the socioeconomic diversity of enrollment  
13 means (i) a student who does not qualify for free or reduced-price  
14 lunches when, based upon the certification pursuant to section 79-2120,  
15 the school building the student will attend either has more students  
16 qualifying for free or reduced-price lunches than the average percentage  
17 of such students in all school buildings in the learning community or  
18 provides free meals to all students pursuant to the community eligibility  
19 provision or (ii) a student who qualifies for free or reduced-price  
20 lunches based on information collected from parents and guardians when,  
21 based upon the certification pursuant to section 79-2120, the school  
22 building the student will attend has fewer students qualifying for free  
23 or reduced-price lunches than the average percentage of such students in  
24 all school buildings in the learning community and does not provide free  
25 meals to all students pursuant to the community eligibility provision.

26 (2)(a) On or before March 15 of each year prior to 2017 ~~beginning~~  
27 ~~with the year immediately following the year in which the initial~~  
28 ~~coordinating council for the learning community takes office,~~ a parent or  
29 guardian of a student residing in a member school district in a learning  
30 community may submit an application to any school district in the  
31 learning community on behalf of a student who is applying to attend a

1 school building for the following school year that is not in an  
2 attendance area where the applicant resides or a focus school, focus  
3 program, or magnet school as such terms are defined in section 79-769. On  
4 or before April 1 of each year beginning with the year immediately  
5 following the year in which the initial coordinating council for the  
6 learning community takes office, the school district shall accept or  
7 reject such applications based on the capacity of the school building,  
8 the eligibility of the applicant for the school building or program, the  
9 number of such applicants that will be accepted for a given school  
10 building, and whether or not the applicant contributes to the  
11 socioeconomic diversity of the school or program to which he or she has  
12 applied and for which he or she is eligible. The school district shall  
13 notify such parent or guardian in writing of the acceptance or rejection.

14 (b) A parent or guardian may provide information on the application  
15 regarding the applicant's potential qualification for free or reduced-  
16 price lunches. Any such information provided shall be subject to  
17 verification and shall only be used for the purposes of this section.  
18 Nothing in this section requires a parent or guardian to provide such  
19 information. Determinations about an applicant's qualification for free  
20 or reduced-price lunches for purposes of this section shall be based on  
21 any verified information provided on the application. If no such  
22 information is provided the student shall be presumed not to qualify for  
23 free or reduced-price lunches for the purposes of this section.

24 (c) A student may not apply to attend a school building in the  
25 learning community for any grades that are offered by another school  
26 building for which the student had previously applied and been accepted  
27 pursuant to this section, absent a hardship exception as established by  
28 the individual school district. On or before September 1 of each year  
29 ~~prior to 2017 beginning with the year immediately following the year in~~  
30 ~~which the initial coordinating council for the learning community takes~~  
31 ~~office,~~ each school district shall provide to the learning community

1 coordinating council a complete and accurate report of all applications  
2 received, including the number of students who applied at each grade  
3 level at each building, the number of students accepted at each grade  
4 level at each building, the number of such students that contributed to  
5 the socioeconomic diversity that applied and were accepted, the number of  
6 applicants denied and the rationales for denial, and other such  
7 information as requested by the learning community coordinating council.

8 (3) Each diversity plan may ~~also~~ include establishment of one or  
9 more focus schools or focus programs and the involvement of every member  
10 school district in one or more pathways across member school districts.  
11 Enrollment in each focus school or focus program shall be designed to  
12 reflect the socioeconomic diversity of the learning community as a whole.  
13 School district selection of students for focus schools or focus programs  
14 shall be on a random basis from two pools of applicants, those who  
15 qualify for free and reduced-price lunches and those who do not qualify  
16 for free and reduced-price lunches. The percentage of students selected  
17 for focus schools from the pool of applicants who qualify for free and  
18 reduced-price lunches shall be as nearly equal as possible to the  
19 percentage of the student body of the learning community who qualify for  
20 free and reduced-price lunches. The percentage of students selected for  
21 focus schools from the pool of applicants who do not qualify for free and  
22 reduced-price lunches shall be as nearly equal as possible to the  
23 percentage of the student body of the learning community who do not  
24 qualify for free and reduced-price lunches. If more capacity exists in a  
25 focus school or program than the number of applicants for such focus  
26 school or program that contribute to the socioeconomic diversity of the  
27 focus school or program, the school district shall randomly select  
28 applicants up to the number of applicants that will be accepted for such  
29 building. A student who will complete the grades offered at a focus  
30 program, focus school, or magnet school that is part of a pathway shall  
31 be allowed to attend the focus program, focus school, or magnet school

1 offering the next grade level as part of the pathway as a continuing  
2 student. A student who completes the grades offered at a focus program,  
3 focus school, or magnet school shall be allowed to attend a school  
4 offering the next grade level in the school district responsible for the  
5 focus program, focus school, or magnet school as a continuing student. A  
6 student who attended a program or school in the school year immediately  
7 preceding the first school year for which the program or school will  
8 operate as a focus program or focus school approved by the learning  
9 community and meeting the requirements of section 79-769 and who has not  
10 completed the grades offered at the focus program or focus school shall  
11 be a continuing student in the program or school. For school year  
12 2016-17, students attending a focus program or focus school outside of  
13 the school district shall be considered open enrollment students and, for  
14 school year 2017-18 and each school year thereafter, students attending a  
15 focus program or focus school shall be considered option enrollment  
16 students.

17 (4) On or before February 15 of each year ~~beginning with the year~~  
18 ~~immediately following the year in which the initial coordinating council~~  
19 ~~for the learning community takes office,~~ a parent or guardian of a  
20 student who is currently attending a school building or program, except a  
21 magnet school, focus school, or focus program, outside of the school  
22 district attendance area where the student resides and who will complete  
23 the grades offered at such school building prior to the following school  
24 year shall provide notice, on a form provided by the school district, to  
25 the school board of the school district containing such school building  
26 (a) for years prior to 2017, if such student will attend another school  
27 building within such district as a continuing student and which school  
28 building such student would prefer to attend or (b) for 2017 and each  
29 year thereafter, if such student will apply to enroll as an option  
30 student in another school building within such district and which school  
31 building such student would prefer to attend. On or before March 1, such

1 school board shall provide a notice to such parent or guardian stating  
2 which school building or buildings the student shall be allowed to attend  
3 in such school district as a continuing student or an option student for  
4 the following school year. If the student resides within the school  
5 district, the notice shall include the school building offering the grade  
6 the student will be entering for the following school year in the  
7 attendance area where the student resides. This subsection shall not  
8 apply to focus schools or programs.

9 (5) Prior to the beginning of school year 2017-18, a A parent or  
10 guardian of a student who moves to a new residence in the learning  
11 community after April 1 may apply directly to a school board within the  
12 learning community within ninety days after moving for the student to  
13 attend a school building outside of the attendance area where the student  
14 resides. Such school board shall accept or reject such application within  
15 fifteen days after receiving the application, based on the number of  
16 applications and qualifications pursuant to subsection (2) or (3) of this  
17 section for all other students.

18 (6) A parent or guardian of a student who wishes to change school  
19 buildings for emergency or hardship reasons may apply directly to a  
20 school board within the learning community at any time for the student to  
21 attend a school building outside of the attendance area where the student  
22 resides. Such application shall state the emergency or hardship and shall  
23 be kept confidential by the school board. Such school board shall accept  
24 or reject such application within fifteen days after receiving the  
25 application. Applications shall only be accepted if an emergency or  
26 hardship was presented which justifies an exemption from the procedures  
27 in subsection (4) of this section based on the judgment of such school  
28 board, and such acceptance shall not exceed the number of applications  
29 that will be accepted for the school year pursuant to subsection (2) or  
30 (3) of this section for such building.

31 (7) Each student attending a school building in the resident school

1 district as an open enrollment student for any part of school year  
2 2016-17 shall be allowed to continue attending such school building  
3 without submitting an additional application unless the student has  
4 completed the grades offered in such school building or has been expelled  
5 and is disqualified pursuant to section 79-266.01.

6 Sec. 65. Section 79-2111, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 79-2111 (1) A learning community may levy a maximum levy pursuant to  
9 subdivision ~~(2)(f)~~ ~~(2)(h)~~ of section 77-3442 for elementary learning  
10 center facility leases, for remodeling of leased elementary learning  
11 center facilities, and for up to fifty percent of the estimated costs for  
12 focus school or program capital projects approved pursuant to this  
13 section. The proceeds from such levy shall be used for elementary  
14 learning center facility leases, for remodeling of leased elementary  
15 learning center facilities, and to reduce the bonded indebtedness  
16 required for approved projects by up to fifty percent of the estimated  
17 cost of the approved project. The funds used for reductions of bonded  
18 indebtedness shall be transferred to the school district for which the  
19 project was approved and shall be deposited in such school district's  
20 special building fund for use on such project.

21 (2) The learning community may approve pursuant to this section  
22 funding for capital projects which will include the purchase,  
23 construction, or remodeling of facilities for a focus school or program  
24 designed to meet the requirements of section 79-769. Such approval shall  
25 include an estimated cost for the project and shall state the amount that  
26 will be provided by the learning community for such project.

27 (3) If, within the ten years following receipt of the funding for a  
28 capital project pursuant to this section, a school district receiving  
29 such funding uses the facility purchased, constructed, or remodeled with  
30 such funding for purposes other than those stated to qualify for the  
31 funds, the school district shall repay such funds to the learning

1 community with interest at the rate prescribed in section 45-104.02  
2 accruing from the date the funds were transferred to the school  
3 district's building fund as of the last date the facility was used for  
4 such purpose as determined by the learning community coordinating council  
5 or the date that the learning community coordinating council determines  
6 that the facility will not be used for such purpose or that such facility  
7 will not be purchased, constructed, or remodeled for such purpose.  
8 Interest shall continue to accrue on outstanding balances until the  
9 repayment has been completed. The remaining terms of repayment shall be  
10 determined by the learning community coordinating council. The learning  
11 community coordinating council may waive such repayment if the facility  
12 is used for a different focus school or program for a period of time that  
13 will result in the use of the facility for qualifying purposes for a  
14 total of at least ten years.

15 Sec. 66. Section 79-2117, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 79-2117 Each learning community coordinating council shall have an  
18 achievement subcouncil for each subcouncil district. Through January 4,  
19 2017, each ~~Each~~ achievement subcouncil shall consist of the three voting  
20 coordinating council members representing the subcouncil district plus  
21 any nonvoting coordinating council members choosing to participate who  
22 represent a school district that has territory within the subcouncil  
23 district. The voting coordinating council members shall also be the  
24 voting members on the achievement subcouncil. On and after January 5,  
25 2017, each achievement subcouncil shall consist of the two learning  
26 community coordinating council members representing the subcouncil  
27 district. Each achievement subcouncil shall meet as necessary but shall  
28 meet and conduct a public hearing within its subcouncil district at least  
29 once each school year. Each achievement subcouncil shall:

30 (1) Develop a diversity plan recommendation for the territory in its  
31 subcouncil district that will provide educational opportunities which

1 will result in increased diversity in schools in the subcouncil district;

2 (2) Administer elementary learning centers in cooperation with the  
3 elementary learning center executive director;

4 (3) ~~Review and approve or disapprove of the poverty plans and~~  
5 ~~limited English proficiency plans for the schools located in its~~  
6 ~~subcouncil district and offer suggestions to improve the plans and the~~  
7 ~~coordination between such plans and the community achievement plan;~~

8 (4) Receive community input and complaints regarding the learning  
9 community and academic achievement in the subcouncil district; and

10 (5) Hold public hearings at its discretion in its subcouncil  
11 district in response to issues raised by residents of the subcouncil  
12 district regarding the learning community, a member school district, and  
13 academic achievement in the subcouncil district.

14 Sec. 67. Original sections 79-233, 79-234, 79-235, 79-237, 79-238,  
15 79-241, 79-245, 79-4,119, 79-4,121, 79-4,122, 79-4,123, 79-4,124,  
16 79-4,125, 79-4,126, 79-4,128, 79-528, 79-611, 79-1007.13, 79-1007.18,  
17 79-1008.02, 79-1009, 79-1022, 79-1024, 79-1033, 79-1036, 79-1041,  
18 79-1073, 79-1075, 79-1083, 79-1084, 79-1086, 79-10,120, 79-10,126,  
19 79-10,126.01, 79-1140, 79-11,155, 79-1241.03, 79-1245, 79-2104,  
20 79-2104.01, 79-2104.02, 79-2104.03, 79-2111, and 79-2117, Reissue Revised  
21 Statutes of Nebraska, sections 13-508, 32-546.01, 32-604, 43-2515,  
22 70-651.04, 77-1704.01, and 77-1736.06, Revised Statutes Cumulative  
23 Supplement, 2014, and sections 13-511, 77-3442, 79-215, 79-1001, 79-1003,  
24 79-1007.06, 79-1007.11, 79-1017.01, 79-1018.01, and 79-2110, Revised  
25 Statutes Supplement, 2015, are repealed.

26 Sec. 68. The following sections are outright repealed: Sections  
27 79-1007.22, 79-1073.01, and 79-2107, Reissue Revised Statutes of  
28 Nebraska.

29 2. On page 1, strike beginning with "learning" in line 1 through  
30 line 21 and insert "education; to amend sections 79-233, 79-234, 79-235,  
31 79-237, 79-238, 79-241, 79-245, 79-4,119, 79-4,121, 79-4,122, 79-4,123,

1 79-4,124, 79-4,125, 79-4,126, 79-4,128, 79-528, 79-611, 79-1007.13,  
2 79-1007.18, 79-1008.02, 79-1009, 79-1022, 79-1024, 79-1033, 79-1036,  
3 79-1041, 79-1073, 79-1075, 79-1083, 79-1084, 79-1086, 79-10,120,  
4 79-10,126, 79-10,126.01, 79-1140, 79-11,155, 79-1241.03, 79-1245,  
5 79-2104, 79-2104.01, 79-2104.02, 79-2104.03, 79-2111, and 79-2117,  
6 Reissue Revised Statutes of Nebraska, sections 13-508, 32-546.01, 32-604,  
7 43-2515, 70-651.04, 77-1704.01, and 77-1736.06, Revised Statutes  
8 Cumulative Supplement, 2014, and sections 13-511, 77-3442, 79-215,  
9 79-1001, 79-1003, 79-1007.06, 79-1007.11, 79-1017.01, 79-1018.01, and  
10 79-2110, Revised Statutes Supplement, 2015; to adopt, change, and  
11 eliminate provisions relating to budget statements, property tax notices,  
12 levies, refunds, and distributions, the enrollment option program, open  
13 enrollment, state aid, reorganization of school districts, learning  
14 community coordinating councils, the student achievement coordinator,  
15 community achievement plans, learning communities, advisory committees,  
16 and powers and duties; to change provisions relating to educational  
17 service units; to harmonize provisions; to repeal the original sections;  
18 and to outright repeal sections 79-1007.22, 79-1073.01, and 79-2107,  
19 Reissue Revised Statutes of Nebraska."