

AMENDMENTS TO LB 641

(Amendments to Standing Committee amendments, AM1141)

Introduced by Adams, 24

1           1. Strike amendment 1 and insert the following new  
2 amendment:

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

5           Section 1. Section 77-3442, Revised Statutes Cumulative  
6 Supplement, 2006, is amended to read:

7           77-3442 (1) Property tax levies for the support of local  
8 governments for fiscal years beginning on or after July 1, 1998,  
9 shall be limited to the amounts set forth in this section except as  
10 provided in section 77-3444.

11           (2) (a) Except as provided in subdivision (2) (d) of this  
12 section, school districts and multiple-district school systems,  
13 except learning communities and school districts that are members  
14 of learning communities, may levy a maximum levy of one dollar and  
15 five cents per one hundred dollars of taxable valuation of property  
16 subject to the levy.

17           (b) Except as provided in subdivision (2) (d) of this  
18 section, for fiscal year 2008-09 and each fiscal year thereafter,  
19 (i) learning communities may levy a maximum levy ~~for the general~~  
20 ~~fund budgets of member school districts equal to the ratio of the~~  
21 ~~aggregate difference of one hundred ten percent of the formula~~  
22 ~~needs as calculated pursuant to section 79-1007.02 minus the amount~~

1 of state aid certified pursuant to section 79-1022 and minus the  
2 other actual receipts included in local system formula resources  
3 pursuant to section 79-1018.01 for each member school district  
4 for such school fiscal year divided by each one hundred dollars  
5 of taxable property subject to the levy, except that such levy  
6 shall not exceed one dollar and two cents on each one hundred  
7 dollars of taxable property subject to the levy, and (ii) school  
8 districts that are members of learning communities may levy a  
9 maximum levy of the difference of one dollar and two cents on  
10 each one hundred dollars of taxable property subject to the levy  
11 minus the learning community levy pursuant to this subdivision for  
12 purposes of such school district's general fund budget and special  
13 building funds, of five cents per one hundred dollars of taxable  
14 valuation of property subject to the levy. For fiscal year 2008-09  
15 and each fiscal year thereafter, school districts that are members  
16 of learning communities may levy a maximum levy of one dollar per  
17 one hundred dollars of taxable valuation of property subject to the  
18 levy.

19 (c) Excluded from the limitations in subdivisions (a) and  
20 (b) of this subsection are amounts levied to pay for sums agreed to  
21 be paid by a school district to certificated employees in exchange  
22 for a voluntary termination of employment and amounts levied  
23 to pay for special building funds and sinking funds established  
24 for projects commenced prior to April 1, 1996, for construction,  
25 expansion, or alteration of school district buildings. For purposes  
26 of this subsection, commenced means any action taken by the school  
27 board on the record which commits the board to expend district

1 funds in planning, constructing, or carrying out the project.

2 (d) Federal aid school districts may exceed the maximum  
3 levy prescribed by subdivision (2)(a) or (b) of this section  
4 only to the extent necessary to qualify to receive federal aid  
5 pursuant to Title VIII of Public Law 103-382, as such title existed  
6 on September 1, 2001. For purposes of this subdivision, federal  
7 aid school district means any school district which receives ten  
8 percent or more of the revenue for its general fund budget from  
9 federal government sources pursuant to Title VIII of Public Law  
10 103-382, as such title existed on September 1, 2001.

11 (e) For school fiscal year 2002-03 through school fiscal  
12 year 2007-08, school districts and multiple-district school systems  
13 may, upon a three-fourths majority vote of the school board of  
14 the school district, the board of the unified system, or the  
15 school board of the high school district of the multiple-district  
16 school system that is not a unified system, exceed the maximum  
17 levy prescribed by subdivision (2)(a) of this section in an amount  
18 equal to the net difference between the amount of state aid that  
19 would have been provided under the Tax Equity and Educational  
20 Opportunities Support Act without the temporary aid adjustment  
21 factor as defined in section 79-1003 for the ensuing school fiscal  
22 year for the school district or multiple-district school system  
23 and the amount provided with the temporary aid adjustment factor.  
24 The State Department of Education shall certify to the school  
25 districts and multiple-district school systems the amount by which  
26 the maximum levy may be exceeded for the next school fiscal year  
27 pursuant to this subdivision (e) of this subsection on or before

1 February 15 for school fiscal years 2004-05 through 2007-08.

2 ~~(f) For fiscal year 2008-09 and each fiscal year~~  
3 ~~thereafter, learning communities may levy a maximum levy of two~~  
4 ~~cents on each one hundred dollars of taxable property subject to~~  
5 ~~the levy for special building funds for member school districts.~~

6 ~~(g) For fiscal year 2008-09 and each fiscal year~~  
7 ~~thereafter, learning communities may levy a maximum levy of one~~  
8 ~~cent on each one hundred dollars of taxable property subject to the~~  
9 ~~levy for the learning community budget and for projects approved by~~  
10 ~~the learning community coordinating council.~~

11 (3) Community colleges may levy a maximum levy on each  
12 one hundred dollars of taxable property subject to the levy of  
13 seven cents, plus amounts allowed under subsection (7) of section  
14 85-1536.01, except that any community college whose valuation per  
15 reported aid equivalent student as defined in section 85-1503 was  
16 less than eighty-two percent of the average valuation per statewide  
17 reimbursable reported aid equivalent total as defined in section  
18 85-1503 for all community colleges for fiscal year 1997-98 may levy  
19 up to an additional one-half cent for each of fiscal years 2005-06  
20 and 2006-07 upon a three-fourths majority vote of the board.

21 (4) Natural resources districts may levy a maximum levy  
22 of four and one-half cents per one hundred dollars of taxable  
23 valuation of property subject to the levy. Natural resources  
24 districts shall also have the power and authority to levy a  
25 tax equal to the dollar amount by which their restricted funds  
26 budgeted to administer and implement ground water management  
27 activities and integrated management activities under the Nebraska

1 Ground Water Management and Protection Act exceed their restricted  
2 funds budgeted to administer and implement ground water management  
3 activities and integrated management activities for FY2003-04,  
4 not to exceed one cent on each one hundred dollars of taxable  
5 valuation annually on all of the taxable property within the  
6 district. In addition, natural resources districts located in a  
7 river basin, subbasin, or reach that has been determined to be  
8 fully appropriated pursuant to section 46-714 or designated as  
9 overappropriated pursuant to section 46-713 by the Department of  
10 Natural Resources shall also have the power and authority to  
11 levy a tax equal to the dollar amount by which their restricted  
12 funds budgeted to administer and implement ground water management  
13 activities and integrated management activities under the Nebraska  
14 Ground Water Management and Protection Act exceed their restricted  
15 funds budgeted to administer and implement ground water management  
16 activities and integrated management activities for FY2005-06, not  
17 to exceed three cents on each one hundred dollars of taxable  
18 valuation on all of the taxable property within the district for  
19 fiscal year 2006-07 and not to exceed two cents on each one  
20 hundred dollars of taxable valuation annually on all of the taxable  
21 property within the district for fiscal years 2007-08 and 2008-09.

22 (5) Educational service units may levy a maximum levy of  
23 one and one-half cents per one hundred dollars of taxable valuation  
24 of property subject to the levy.

25 (6) (a) Incorporated cities and villages which are not  
26 within the boundaries of a municipal county may levy a maximum levy  
27 of forty-five cents per one hundred dollars of taxable valuation

1 of property subject to the levy plus an additional five cents per  
2 one hundred dollars of taxable valuation to provide financing for  
3 the municipality's share of revenue required under an agreement  
4 or agreements executed pursuant to the Interlocal Cooperation Act  
5 or the Joint Public Agency Act. The maximum levy shall include  
6 amounts levied to pay for sums to support a library pursuant  
7 to section 51-201, museum pursuant to section 51-501, visiting  
8 community nurse, home health nurse, or home health agency pursuant  
9 to section 71-1637, or statue, memorial, or monument pursuant to  
10 section 80-202.

11 (b) Incorporated cities and villages which are within the  
12 boundaries of a municipal county may levy a maximum levy of ninety  
13 cents per one hundred dollars of taxable valuation of property  
14 subject to the levy. The maximum levy shall include amounts paid  
15 to a municipal county for county services, amounts levied to pay  
16 for sums to support a library pursuant to section 51-201, a museum  
17 pursuant to section 51-501, a visiting community nurse, home health  
18 nurse, or home health agency pursuant to section 71-1637, or a  
19 statue, memorial, or monument pursuant to section 80-202.

20 (7) Sanitary and improvement districts which have been in  
21 existence for more than five years may levy a maximum levy of forty  
22 cents per one hundred dollars of taxable valuation of property  
23 subject to the levy, and sanitary and improvement districts which  
24 have been in existence for five years or less shall not have  
25 a maximum levy. Unconsolidated sanitary and improvement districts  
26 which have been in existence for more than five years and are  
27 located in a municipal county may levy a maximum of eighty-five

1 cents per hundred dollars of taxable valuation of property subject  
2 to the levy.

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

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

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

8 (10) Property tax levies for judgments, except judgments  
9 or orders from the Commission of Industrial Relations, obtained  
10 against a political subdivision which require or obligate a  
11 political subdivision to pay such judgment, to the extent such  
12 judgment is not paid by liability insurance coverage of a  
13 political subdivision, for preexisting lease-purchase contracts  
14 approved prior to July 1, 1998, for bonded indebtedness approved  
15 according to law and secured by a levy on property, and for  
16 payments by a public airport to retire interest-free loans from the  
17 Department of Aeronautics in lieu of bonded indebtedness at a lower  
18 cost to the public airport are not included in the levy limits  
19 established by this section.

20 (11) The limitations on tax levies provided in this  
21 section are to include all other general or special levies  
22 provided by law. Notwithstanding other provisions of law, the  
23 only exceptions to the limits in this section are those provided by  
24 or authorized by sections 77-3442 to 77-3444.

25 (12) Tax levies in excess of the limitations in this  
26 section shall be considered unauthorized levies under section  
27 77-1606 unless approved under section 77-3444.

1           (13) For purposes of sections 77-3442 to 77-3444,  
2 political subdivision means a political subdivision of this state  
3 and a county agricultural society.

4           Sec. 2. Section 79-102, Revised Statutes Cumulative  
5 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
6 amended to read:

7           79-102 School districts in this state are classified as  
8 follows:

9           (1) Class I includes any school district that maintains  
10 only elementary grades under the direction of a single school  
11 board;

12           (2) Class II includes any school district embracing  
13 territory having a population of one thousand inhabitants or less  
14 that maintains both elementary and high school grades under the  
15 direction of a single school board;

16           (3) Class III includes any school district embracing  
17 territory having a population of more than one thousand and less  
18 than one hundred fifty thousand inhabitants that maintains both  
19 elementary and high school grades under the direction of a single  
20 school board. The boundaries of a Class III school district for  
21 which the principal office is located in a county in which a  
22 city of the metropolitan class is located shall not expand into  
23 territory of another school district except by mutual agreement of  
24 both districts. A Class III school district for which the principal  
25 office is located in a county that has a contiguous border of at  
26 least five miles in the aggregate with a city of the metropolitan  
27 class may alter boundaries as provided in sections 79-401 to

1 79-4,111;

2 (4) Class IV includes any school district embracing  
3 territory having a population of one hundred thousand or more  
4 inhabitants with a city of the primary class within the territory  
5 of the district that maintains both elementary and high school  
6 grades under the direction of a single school board;

7 (5) Class V includes any school district ~~whose employees~~  
8 ~~participate in a retirement system established pursuant to the~~  
9 ~~Class V School Employees Retirement Act and which embraces~~  
10 embracing territory having a population of two hundred thousand  
11 or more inhabitants with a city of the metropolitan class within  
12 the territory of the district that maintains both elementary grades  
13 and high school grades under the direction of a single school  
14 board. The boundaries of a Class V school district shall not expand  
15 upon the annexation of territory by a city of the metropolitan  
16 class into the territory of another school district except by  
17 mutual agreement of both districts; and ~~and any school district~~  
18 ~~with territory in a city of the metropolitan class created pursuant~~  
19 ~~to the Learning Community Reorganization Act and designated as a~~  
20 ~~Class V school district in the reorganization plan; and~~

21 (6) Class VI includes any school district in this state  
22 that maintains only a high school, or a high school and grades  
23 seven and eight or six through eight as provided in section 79-411,  
24 under the direction of a single school board.

25 Sec. 3. Section 79-233, Revised Statutes Cumulative  
26 Supplement, 2006, is amended to read:

27 79-233 For purposes of sections 79-232 to 79-246:

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

3           (2) Option school district means the public school  
4 district that a student chooses to attend instead of his or  
5 her resident school district; ~~except when a student chooses to~~  
6 ~~attend another school district in a learning community in which the~~  
7 ~~student resides pursuant to section 79-2110;~~

8           (3) Option student means a student that has chosen to  
9 attend an option school district;

10           (4) Resident school district means the public school  
11 district in which a student resides; and

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

15           Sec. 4. Section 79-4,117, Revised Statutes Cumulative  
16 Supplement, 2006, is amended to read:

17           79-4,117 Sections 79-4,117 to ~~79-4,130~~ 79-4,128 shall be  
18 known and may be cited as the Learning Community Reorganization  
19 Act.

20           Sec. 5. Section 79-4,118, Revised Statutes Cumulative  
21 Supplement, 2006, is amended to read:

22           79-4,118 For purposes of the Learning Community  
23 Reorganization Act:

24           (1) Learning community has the definition found in  
25 section 79-2101;

26           (2) Reorganization of school districts means the  
27 formation of new school districts that will become members of a

1 learning community, the alteration of boundaries of established  
2 school districts that are members of a learning community, the  
3 dissolution or disorganization of established school districts that  
4 are members of a learning community through or by means of any one  
5 or combination of the methods set out in section 79-4,120, and any  
6 other alteration of school district boundaries involving a school  
7 district that is a member of a learning community, except that no  
8 such alteration of boundaries shall take place within a county in  
9 which a city of the metropolitan class is located except by mutual  
10 agreement of the affected school districts; and

11 (3) State committee means the State Committee for the  
12 Reorganization of School Districts created by section 79-435.

13 Sec. 6. Section 79-4,120, Revised Statutes Cumulative  
14 Supplement, 2006, is amended to read:

15 79-4,120 Reorganization of school districts pursuant to  
16 the Learning Community Reorganization Act may be accomplished  
17 through or by means of any one or more of the following  
18 methods: (1) The creation of new districts; (2) the uniting of  
19 one or more established districts; (3) the subdivision of one or  
20 more established districts; (4) the transfer and attachment to  
21 an established district of a part of the territory of one or  
22 more districts; and (5) the dissolution or disorganization of an  
23 established district for any of the reasons specified by law. No  
24 such reorganization shall alter the boundaries of a school district  
25 for which the principal office is located in a county in which  
26 a city of the metropolitan class is located, except by mutual  
27 agreement of the affected school districts.

1           Sec. 7. Section 79-4,125, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           79-4,125 ~~Except as provided in section 79-4,130, if~~ If  
4 the state committee disapproves the plan pursuant to the Learning  
5 Community Reorganization Act, it shall be considered a disapproved  
6 plan and returned to the learning community coordinating council as  
7 a disapproved plan.

8           Sec. 8. Section 79-4,126, Revised Statutes Cumulative  
9 Supplement, 2006, is amended to read:

10          79-4,126 When a plan of reorganization or any part  
11 thereof has been approved by the state committee pursuant to the  
12 Learning Community Reorganization Act, it shall be designated as  
13 the final approved plan and shall be returned to the learning  
14 community coordinating council to be submitted to the school  
15 boards of the affected school districts for approval or rejection  
16 by such school boards within forty-five days. ~~\_\_\_~~, ~~except that~~  
17 ~~reorganizations required pursuant to section 79-4,130 shall not~~  
18 ~~require the approval of any school board and approval shall not be~~  
19 ~~required by any school board for dissolutions required pursuant to~~  
20 ~~section 79-2108.~~

21          Sec. 9. Section 79-549, Revised Statutes Cumulative  
22 Supplement, 2006, is amended to read:

23          79-549 ~~(1)~~ The school board of any Class III school  
24 district that is a member of a learning community may place before  
25 the legal voters of the school district the issue of whether to  
26 begin to have a caucus for nominations by adopting a resolution to  
27 place the issue before the legal voters and certifying the issue to

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

17 ~~(2)~~ (1) Any Class III school district that nominated  
18 school board members by caucus pursuant to this section as it  
19 existed immediately before July 14, 2006, shall continue such  
20 procedure until the legal voters of the district vote not to  
21 continue to have a caucus for nominations pursuant to subsection  
22 ~~(3)~~ (2) of this section. A caucus shall be held pursuant to  
23 subsection ~~(5)~~ (4) of this section not less than seventy days prior  
24 to the holding of the election to nominate two or more candidates  
25 for each vacancy to be voted upon at the election to be held  
26 in conjunction with the statewide primary election pursuant to  
27 subsection (1) of section 32-543. No candidate nominated shall have

1 his or her name placed upon the ballot for the general election  
2 unless, not more than ten days after his or her nomination, he  
3 or she files with the secretary of the school board a written  
4 statement accepting the nomination. The secretary of the school  
5 board shall certify the names of the candidates to the election  
6 commissioner or county clerk who shall prepare the official ballot  
7 listing the names as certified and without any area designation.  
8 All legal voters residing within the school district shall be  
9 permitted to vote at such election.

10           ~~(3)~~ (2) The school board may place before the legal  
11 voters of the school district the issue of whether to continue to  
12 have a caucus for nominations by adopting a resolution to place  
13 the issue before the legal voters and certifying the issue to the  
14 election commissioner or county clerk prior to September 1 for  
15 placement on the ballot at the next statewide general election. The  
16 legal voters of the school district may also have the issue placed  
17 on the ballot at the statewide general election by circulating a  
18 petition and gathering the signatures of the legal voters residing  
19 within the school district at least equal to seven percent of  
20 the number of persons registered to vote in the school district  
21 at the last statewide primary election. The petitions shall be  
22 filed with the election commissioner or county clerk for signature  
23 verification on or before August 15 prior to a statewide general  
24 election. If the election commissioner or county clerk determines  
25 that the appropriate number of legal voters signed the petition, he  
26 or she shall place the issue on the ballot for the next statewide  
27 general election. The issue shall not be placed on the ballot again

1 within four years after voting on the issue at a statewide general  
2 election.

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

12 ~~(5)~~ (4) A school district which uses a caucus for  
13 nominations shall develop rules and procedures for conducting the  
14 caucus which will ensure:

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

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

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

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

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

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

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

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

10 Sec. 10. Section 79-611, Revised Statutes Cumulative  
11 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
12 amended to read:

13 79-611 (1) The school board of any school district that  
14 is not subject to subsection (2) of this section shall either  
15 provide free transportation or pay an allowance for transportation  
16 in lieu of free transportation as follows:

17 (a) When a student attends an elementary school in his  
18 or her own district and lives more than four miles from the public  
19 schoolhouse in such district;

20 (b) When a student is required to attend an elementary  
21 school outside of his or her own district and lives more than four  
22 miles from such elementary school;

23 (c) When a student attends a secondary school in his or  
24 her own Class II or Class III school district and lives more than  
25 four miles from the public schoolhouse. This subdivision does not  
26 apply when one or more Class I school districts merge with a Class  
27 VI school district to form a new Class II or III school district on

1 or after January 1, 1997; and

2 (d) When a student, other than a student in grades ten  
3 through twelve in a Class V district, attends an elementary or  
4 junior high school in his or her own Class V district and lives  
5 more than four miles from the public schoolhouse in such district.

6 (2) The school board of any school district that is a  
7 member of a learning community ~~subject to the enrollment provisions~~  
8 ~~of section 79-2110~~ shall provide free transportation for a student  
9 if ~~(a) the student is a resident of any school district that is~~  
10 ~~a member of such learning community,~~ ~~(b) the student is attending~~  
11 ~~a school in the school district under the control of such school~~  
12 ~~board,~~ and ~~(c) the student does not reside in the attendance~~  
13 ~~area for such school.~~ the student is transferring pursuant to the  
14 open enrollment provisions of section 41 of this act and (a) the  
15 student is a poverty student as defined in subsection (9) of this  
16 section, (b) the student is moving to a building at which not  
17 less than one-half of the students who live in the attendance area  
18 of the school and attend the school are poverty students, or (c)  
19 the student is attending a focus school. Transportation shall be  
20 provided from the school building providing education in at least  
21 kindergarten through grade three in the attendance area in which  
22 the student resides to the school building the student attends.  
23 Interdistrict transportation shall not be provided to students who  
24 do not improve the socioeconomic diversity of the school building  
25 they attend as defined in subsection (9) of this section. This  
26 subsection does not prohibit a school district from providing  
27 additional transportation to any intradistrict student.

1           (3) The transportation allowance which may be paid to  
2 the parent, custodial parent, or guardian of students qualifying  
3 for free transportation pursuant to subsection (1) or (2) of this  
4 section shall equal two hundred eighty-five percent of the mileage  
5 rate provided in section 81-1176, multiplied by each mile actually  
6 and necessarily traveled, on each day of attendance, beyond which  
7 the one-way distance from the residence of the student to the  
8 schoolhouse exceeds three miles.

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

12           (a) To the parent, custodial parent, or guardian  
13 providing transportation for students from other families, one  
14 hundred percent of the amount prescribed in subsection (3) of  
15 this section for the transportation of students of such parent's,  
16 custodial parent's, or guardian's own family and an additional  
17 five percent for students of each other family not to exceed a  
18 maximum of one hundred twenty-five percent of the amount determined  
19 pursuant to subsection (3) of this section; and

20           (b) To the parent, custodial parent, or guardian not  
21 providing transportation for students of other families, two  
22 hundred eighty-five percent of the mileage rate provided in section  
23 81-1176 multiplied by each mile actually and necessarily traveled,  
24 on each day of attendance, from the residence of the student to  
25 the pick-up point at which students transfer to the vehicle of a  
26 parent, custodial parent, or guardian described in subdivision (a)  
27 of this subsection.

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

12           (6)     No     more     than     one     allowance     shall     be     made     to     a  
13    family     irrespective     of     the     number     of     students     in     a     family     being  
14    transported     to     school.     If     a     family     resides     in     a     Class     I     district  
15    which     is     part     of     a     Class     VI     district     and     has     students     enrolled     in  
16    any     of     the     grades     offered     by     the     Class     I     district     and     in     any     of  
17    the     non-high-school     grades     offered     by     the     Class     VI     district,     such  
18    family     shall     receive     not     more     than     one     allowance     for     the     distance  
19    actually     traveled     when     both     districts     are     on     the     same     direct     travel  
20    route     with     one     district     being     located     a     greater     distance     from     the  
21    residence     than     the     other.     In     such     cases,     the     travel     allowance     shall  
22    be     prorated     among     the     school     districts     involved.

23           (7)     No     student     shall     be     exempt     from     school     attendance     on  
24    account     of     distance     from     the     public     schoolhouse.

25           (8)     The     State     Department     of     Education     shall     set     a  
26    universal     fee     for     student-paid     transportation     in     the     state.

27           (9)     For     purposes     of     this     section:

1           (a) Poverty student means (i) a student who is a  
2 child under nineteen years of age living in a household having  
3 an annual adjusted gross income for the second calendar year  
4 preceding the beginning of the school fiscal year for which aid  
5 is being calculated equal to or less than the maximum household  
6 income that would allow a student from a family of four people  
7 to be a free lunch and free milk student during the school  
8 fiscal year immediately preceding the school fiscal year for which  
9 transportation is being provided or (ii) a student who qualified  
10 for free lunch or free milk from the most recent data available  
11 on November 1 of the school fiscal year immediately preceding the  
12 school fiscal year in which transportation is being provided; and

13           (b) Student who contributes to the socioeconomic  
14 diversity of the receiving school means (i) a student who is not a  
15 poverty student when, based upon official membership, the receiving  
16 school has more poverty students than the average percentage of  
17 poverty students in all school buildings in the learning community  
18 and (ii) a poverty student when, based upon official membership,  
19 the receiving school has fewer poverty students than the average  
20 percentage of poverty students in all school buildings in the  
21 learning community.

22           Sec. 11. Section 79-979, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24           79-979 (1) Prior to September 13, 1997, in each Class  
25 V school district in the State of Nebraska there is hereby  
26 established a separate retirement system for all regular employees  
27 of such school district. Such system shall be for the purpose

1 of providing retirement benefits for all regular employees of  
2 the school district as provided in the Class V School Employees  
3 Retirement Act. The system shall be known as School Employees'  
4 Retirement System of (corporate name of the school district  
5 as described in section 79-405). All of its business shall be  
6 transacted, all of its funds shall be invested, and all of its cash  
7 and securities and other property shall be held in trust by such  
8 name for the purposes set forth in the act. Such funds shall be  
9 kept separate from all other funds of the school district and shall  
10 be used for no other purpose.

11           (2) ~~Except as provided in subsection (3) of this section,~~  
12 ~~if~~ If any new Class V school districts are formed after September  
13 13, 1997, such new Class V school district shall elect to become or  
14 remain a part of the retirement system established pursuant to the  
15 School Employees Retirement Act.

16           ~~(3) Any new Class V school districts formed pursuant~~  
17 ~~to the Learning Community Reorganization Act shall continue to~~  
18 ~~participate in the retirement system established pursuant to the~~  
19 ~~Class V School Employees Retirement Act if such new Class V~~  
20 ~~school district was formed at least in part by territory that~~  
21 ~~had been in a Class V school district that participated in the~~  
22 ~~retirement system established pursuant to the Class V School~~  
23 ~~Employees Retirement Act.~~

24           Sec. 12. Section 79-980, Revised Statutes Cumulative  
25 Supplement, 2006, is amended to read:

26           79-980 ~~(1) At any time that the retirement system~~  
27 ~~consists of only one Class V school district, the~~ The general

1 administration of the retirement system is hereby vested in the  
2 board of education. The board shall appoint, by a majority of  
3 all its members, ten trustees to serve as executive officers  
4 to administer the Class V School Employees Retirement Act. Such  
5 trustees shall consist of ~~(a)~~ (1) the superintendent of schools, as  
6 ex officio trustee, ~~(b)~~ (2) four members of the retirement system,  
7 two from the certificated staff, one from the classified staff,  
8 and one from the annuitants, ~~(c)~~ (3) three members of the board  
9 of education, and ~~(d)~~ (4) two trustees who are business persons  
10 qualified in financial affairs and who are not members of the  
11 retirement system. The trustees shall serve without compensation,  
12 but they shall be reimbursed from the funds of the retirement  
13 system for expenses that they may incur through service on the  
14 board of trustees as provided in sections 81-1174 to 81-1177.  
15 A trustee shall serve until a successor qualifies, except that  
16 trustees who are members of the retirement system or members of the  
17 board of education shall be disqualified as trustees immediately  
18 upon ceasing to be a member of the retirement system or of the  
19 board of education. Each trustee shall be entitled to one vote on  
20 the board of trustees, and six trustees shall constitute a quorum  
21 for the transaction of any business. The trustees who are appointed  
22 from the board of education and the membership shall be appointed  
23 for each fiscal year. The two trustees who are not members of the  
24 board of education or of the retirement system shall be appointed  
25 for three fiscal years each. The trustees and the administrator  
26 of the retirement system shall administer the retirement system  
27 in compliance with the tax-qualification requirements applicable to

1 government retirement plans under section 401(a) of the Internal  
2 Revenue Code, as defined in section 49-801.01.

3           ~~(2) At any time that the retirement system consists of~~  
4 ~~more than one Class V school district, the general administration~~  
5 ~~of the retirement system is hereby vested in a Class V Retirement~~  
6 ~~System Board composed of three members of the school board for each~~  
7 ~~participating Class V school district. The board shall appoint,~~  
8 ~~by a majority of all its members, trustees to serve as executive~~  
9 ~~officers to administer the Class V School Employees Retirement~~  
10 ~~Act. Such trustees shall consist of (a) the superintendent of each~~  
11 ~~participating Class V school district, as ex officio trustees, (b)~~  
12 ~~four members of the retirement system, two from the certificated~~  
13 ~~staff, one from the classified staff, and one from the annuitants,~~  
14 ~~(c) three members of the board, and (d) two trustees who are~~  
15 ~~business persons qualified in financial affairs and who are not~~  
16 ~~members of the retirement system. The trustees who are appointed~~  
17 ~~from the board and the membership shall, to the extent feasible, be~~  
18 ~~appointed equally from each participating Class V school district.~~  
19 ~~The trustees shall serve without compensation, but they shall be~~  
20 ~~reimbursed from the funds of the retirement system for expenses~~  
21 ~~that they may incur through service on the board of trustees~~  
22 ~~as provided in sections 81-1174 to 81-1177. A trustee shall~~  
23 ~~serve until a successor qualifies, except that trustees who are~~  
24 ~~members of the retirement system or members of the board shall be~~  
25 ~~disqualified as trustees immediately upon ceasing to be a member~~  
26 ~~of the retirement system or of the board. Each trustee shall be~~  
27 ~~entitled to one vote on the board of trustees, and six trustees~~

1 shall constitute a quorum for the transaction of any business. The  
2 trustees who are appointed from the board and the membership shall  
3 be appointed for each fiscal year. The two trustees who are not  
4 members of the board or of the retirement system shall be appointed  
5 for three fiscal years each. The trustees and the administrator  
6 of the retirement system shall administer the retirement system  
7 in compliance with the tax-qualification requirements applicable to  
8 government retirement plans under section 401(a) of the Internal  
9 Revenue Code, as defined in section 49-801.01.

10           Sec. 13. Section 79-981, Revised Statutes Cumulative  
11 Supplement, 2006, is amended to read:

12           79-981 The board of education or Class V Retirement  
13 System Board shall from time to time establish rules and  
14 regulations for the administration of the retirement system and for  
15 the transaction of its business and shall appoint an administrator  
16 of the retirement system. The board may contract for such medical  
17 and other services as shall be required to transact the business of  
18 the retirement system. Compensation for all persons employed by the  
19 board and all other expenses of the board necessary for the proper  
20 and efficient operation of the retirement system shall be paid in  
21 such amounts as the board determines and approves.

22           In addition to such duties and other duties arising out  
23 of the Class V School Employees Retirement Act not specifically  
24 reserved or assigned to others, the board shall maintain a separate  
25 account of each member's contribution, the record of which shall  
26 be available to the member upon request, compile such data as may  
27 be necessary for the required actuarial valuation, consider and

1 pass on all applications for annuities or other benefits and have  
2 examinations made when advisable of persons receiving disability  
3 benefits, and direct and determine all policies necessary in the  
4 administration of the act.

5           Sec. 14. Section 79-983, Revised Statutes Cumulative  
6 Supplement, 2006, is amended to read:

7           79-983 The administrator of the retirement system shall  
8 keep the minutes and records of the retirement system, shall be the  
9 executive officer in charge of the administration of the detailed  
10 affairs of the retirement system, and shall perform such other  
11 duties as may be assigned by the board of education, ~~the Class V~~  
12 ~~Retirement System Board,~~ or the trustees.

13           Sec. 15. Section 79-984, Revised Statutes Cumulative  
14 Supplement, 2006, is amended to read:

15           79-984 The board of education ~~or Class V Retirement~~  
16 ~~System Board~~ shall contract for the services of an actuary who  
17 shall be the technical advisor of the board and the trustees  
18 on matters regarding the operation of the retirement system. The  
19 actuary shall (1) make a general investigation of the operation  
20 of the retirement system at least once in every three years,  
21 which investigation shall cover mortality, retirement, disability,  
22 employment, turnover, interest, and earnable compensation, and  
23 (2) recommend tables to be used for all required actuarial  
24 calculations. The actuary shall perform such other duties as  
25 may be assigned by the board.

26           Sec. 16. Section 79-985, Revised Statutes Cumulative  
27 Supplement, 2006, is amended to read:

1           79-985 The attorney for the board of education ~~or Class V~~  
2 ~~Retirement System Board~~ shall be the legal advisor to the trustees.

3           Sec. 17. Section 79-986, Revised Statutes Cumulative  
4 Supplement, 2006, is amended to read:

5           79-986 The school district~~, if there is only one Class~~  
6 ~~V school district in the retirement system, or the Class V school~~  
7 ~~district designated by the Class V Retirement System Board, if~~  
8 ~~there is more than one Class V school district in the retirement~~  
9 ~~system,~~ shall act as the treasurer of the system and the official  
10 custodian of the cash and securities belonging to the retirement  
11 system, shall provide adequate safe deposit facilities for the  
12 preservation of such securities, and shall hold such cash and  
13 securities subject to the order of the board of education. ~~or Class~~  
14 ~~V Retirement System Board.~~

15           The school district ~~or designated school district~~ shall  
16 receive all items of taxes or cash belonging to the retirement  
17 system and shall deposit in banks approved by the board of  
18 education ~~or Class V Retirement System Board~~ all such amounts  
19 in trust or custodial accounts. Notwithstanding any limitations  
20 elsewhere imposed by statute on the location of the retirement  
21 system's depository bank, such limitations shall not apply to  
22 the use of depository banks for the custody of the system's  
23 cash, securities, and other investments. The school district~~, or~~  
24 ~~designated school district,~~ as treasurer of the system, shall make  
25 payments for purposes specified in the Class V School Employees  
26 Retirement Act. All banks and custodians which receive and hold  
27 securities and investments for the retirement system may hold

1 and evidence such securities by book entry account rather than  
2 obtaining and retaining the original certificate, indenture, or  
3 governing instrument for such security.

4 Sec. 18. Section 79-9,107, Revised Statutes Cumulative  
5 Supplement, 2006, is amended to read:

6 79-9,107 The funds of the retirement system which are not  
7 required for current operations shall be invested and reinvested by  
8 the trustees subject to the approval of the board of education ~~or~~  
9 ~~Class V Retirement System Board~~ as provided in sections 79-9,108  
10 to 79-9,111. Except as otherwise provided in the Class V School  
11 Employees Retirement Act, no trustee and no member of the board  
12 shall have any direct interest in the income, gains, or profits  
13 of any investment made by the trustees, nor shall any such person  
14 receive any pay or emolument for services in connection with any  
15 such investment. No trustee or member of the board shall become an  
16 endorser or surety or in any manner an obligor for money loaned by  
17 or borrowed from the retirement system. Any person who violates any  
18 of these restrictions shall be guilty of a Class II misdemeanor.

19 Sec. 19. Section 79-9,108, Revised Statutes Cumulative  
20 Supplement, 2006, is amended to read:

21 79-9,108 The trustees, with approval of the board of  
22 education, ~~or Class V Retirement System Board,~~ shall invest and  
23 reinvest funds of the retirement system. A professional investment  
24 manager may be employed by the trustees subject to approval of  
25 the board of education. ~~or Class V Retirement System Board.~~  
26 The professional investment manager shall be responsible for the  
27 purchase, sale, exchange, investment, or reinvestment of such funds

1 subject to guidelines determined by the trustees. The trustees  
2 shall each month submit a report to the board of education ~~or Class~~  
3 ~~V Retirement System Board~~ with respect to the investment of funds.  
4 The board of education ~~or Class V Retirement System Board~~ shall  
5 approve or disapprove the investments in the report, and in the  
6 event of disapproval of any investment, the board shall direct the  
7 sale of all or part of such investment or establish future policy  
8 with respect to that type of investment.

9           Sec. 20. Section 79-9,109, Revised Statutes Cumulative  
10 Supplement, 2006, is amended to read:

11           79-9,109 In the event of default in the payment of  
12 principal of, or interest on, the investments made, the trustees  
13 are authorized to institute the proper proceedings to collect  
14 such matured principal or interest, and may, with approval of  
15 the board of education, ~~or Class V Retirement System Board,~~  
16 accept for exchange purposes, refunding bonds or other evidences  
17 of indebtedness with interest rates to be agreed upon with the  
18 obligor. The trustees, with the approval of the board of education, ~~or~~  
19 ~~Class V Retirement System Board,~~ are further authorized to make  
20 such compromises, adjustments, or disposition of the past-due  
21 interest or principal as are in default, or to make such  
22 compromises and adjustments as to future payments of interest  
23 or principal as deemed advisable for the purpose of protecting the  
24 investment.

25           Sec. 21. Section 79-1003, Revised Statutes Cumulative  
26 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
27 amended to read:

1                   79-1003 For purposes of the Tax Equity and Educational  
2 Opportunities Support Act:

3                   (1) Adjusted general fund operating expenditures means  
4 (a) for school fiscal years before school fiscal year 2007-08,  
5 general fund operating expenditures as calculated pursuant to  
6 subdivision (24) of this section minus the transportation allowance  
7 and minus the special receipts allowance, (b) for school fiscal  
8 year 2007-08, general fund operating expenditures as calculated  
9 pursuant to subdivision (24) of this section minus the sum of  
10 the transportation, special receipts, and distance education and  
11 telecommunications allowances, and (c) for school fiscal year  
12 2008-09 and each school fiscal year thereafter, the difference  
13 of the product of the general fund operating expenditures as  
14 calculated pursuant to subdivision (24) of this section multiplied  
15 by the cost growth factor for the school district's cost grouping  
16 calculated pursuant to section 79-1007.10 minus the transportation  
17 allowance, special receipts allowance, poverty allowance, limited  
18 English proficiency allowance, elementary class size allowance, and  
19 focus school and program allowance;

20                   (2) Adjusted valuation means the assessed valuation of  
21 taxable property of each local system in the state, adjusted  
22 pursuant to the adjustment factors described in section 79-1016.  
23 Adjusted valuation means the adjusted valuation for the property  
24 tax year ending during the school fiscal year immediately preceding  
25 the school fiscal year in which the aid based upon that value is  
26 to be paid. For purposes of determining the local effort rate yield  
27 pursuant to section 79-1015.01, adjusted valuation does not include

1 the value of any property which a court, by a final judgment from  
2 which no appeal is taken, has declared to be nontaxable or exempt  
3 from taxation;

4 (3) Allocated income tax funds means the amount of  
5 assistance paid to a local system pursuant to section 79-1005.01 or  
6 79-1005.02 as adjusted by the minimum levy adjustment pursuant to  
7 section 79-1008.02;

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

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

18 (6) Base fiscal year means the first school fiscal year  
19 following the school fiscal year in which the reorganization or  
20 unification occurred;

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

22 (8) Categorical funds means funds limited to a specific  
23 purpose by federal or state law, including, but not limited to,  
24 Title I funds, Title VI funds, federal vocational education funds,  
25 federal school lunch funds, Indian education funds, Head Start  
26 funds, and funds from the Education Innovation Fund;

27 (9) Consolidate means to voluntarily reduce the number of

1 school districts providing education to a grade group and does not  
2 include dissolution pursuant to section 79-498;

3 (10) Converted contract means an expired contract that  
4 was in effect for at least fifteen years for the education of  
5 students in a nonresident district in exchange for tuition from  
6 the resident district when the expiration of such contract results  
7 in the nonresident district educating students who would have been  
8 covered by the contract if the contract were still in effect  
9 as option students pursuant to the enrollment option program  
10 established in section 79-234;

11 (11) Converted contract option students means students  
12 who will be option students pursuant to the enrollment option  
13 program established in section 79-234 for the school fiscal year  
14 for which aid is being calculated and who would have been covered  
15 by a converted contract if the contract were still in effect and  
16 such school fiscal year is the first school fiscal year for which  
17 such contract is not in effect;

18 (12) Department means the State Department of Education;

19 (13) Distance education and telecommunications allowance  
20 means, for state aid calculated for school fiscal year 2007-08  
21 and each school fiscal year thereafter, eighty-five percent of  
22 the difference of the costs for (a) telecommunications services,  
23 (b) access to data transmission networks that transmit data to  
24 and from the school district, and (c) the transmission of data  
25 on such networks paid by the school districts in the local  
26 system as reported on the annual financial report for the most  
27 recently available complete data year minus the receipts from the

1 federal Universal Service Fund pursuant to section 254 of the  
2 Telecommunications Act of 1996, 47 U.S.C. 254, as such section  
3 existed on January 1, 2006, for the school districts in the local  
4 system as reported on the annual financial report for the most  
5 recently available complete data year;

6 (14) District means any Class I, II, III, IV, V, or VI  
7 school district;

8 (15) Ensuing school fiscal year means the school fiscal  
9 year following the current school fiscal year;

10 (16) Equalization aid means the amount of assistance  
11 calculated to be paid to a local system pursuant to sections  
12 79-1008.01 to 79-1022 and 79-1022.02;

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

17 (18) Fiscal year means the state fiscal year which is the  
18 period from July 1 to the following June 30;

19 (19) Formula students means (a) for state aid certified  
20 pursuant to section 79-1022, the sum of fall membership from the  
21 school fiscal year immediately preceding the school fiscal year in  
22 which the aid is to be paid, multiplied by the average ratio of  
23 average daily membership to fall membership for the second school  
24 fiscal year immediately preceding the school fiscal year in which  
25 aid is to be paid and the prior two school fiscal years, plus  
26 qualified early childhood education fall membership plus tuitioned  
27 students from the school fiscal year immediately preceding the

1 school fiscal year in which the aid is to be paid and (b) for final  
2 calculation of state aid pursuant to section 79-1065, the sum of  
3 average daily membership plus qualified early childhood education  
4 average daily membership plus tuitioned students from the school  
5 fiscal year immediately preceding the school fiscal year in which  
6 the aid was paid;

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

11 (21) Full-day kindergarten means kindergarten offered by  
12 a district for at least one thousand thirty-two instructional  
13 hours;

14 (22) General fund budget of expenditures means the total  
15 budget of disbursements and transfers for general fund purposes as  
16 certified in the budget statement adopted pursuant to the Nebraska  
17 Budget Act, except that for purposes of the limitation imposed in  
18 section 79-1023, the calculation of Class I total allowable general  
19 fund budget of expenditures minus the special education budget of  
20 expenditures pursuant to section 79-1083.03, and the calculation  
21 pursuant to subdivision (2) of section 79-1027.01, the general fund  
22 budget of expenditures does not include any special grant funds,  
23 exclusive of local matching funds, received by a district subject  
24 to the approval of the department;

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

27 (24) General fund operating expenditures means the total

1 general fund expenditures minus categorical funds, tuition paid,  
2 transportation fees paid to other districts, adult education,  
3 summer school, community services, redemption of the principal  
4 portion of general fund debt service, retirement incentive plans,  
5 staff development assistance, and transfers from other funds into  
6 the general fund for the second school fiscal year immediately  
7 preceding the school fiscal year in which aid is to be paid;

8 (25) High school district means a school district  
9 providing instruction in at least grades nine through twelve;

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

14 (27) Income tax receipts means the amount of income tax  
15 collected pursuant to the Nebraska Revenue Act of 1967 less all  
16 nonrefundable credits earned and refunds made;

17 (28) Limited English proficiency student means a student  
18 with limited English proficiency from the most recent data  
19 available on November 1 of the school fiscal year preceding  
20 the school fiscal year in which aid is to be paid;

21 (29) Local system means a Class VI district and the  
22 associated Class I districts or a Class II, III, IV, or V district  
23 and any affiliated Class I districts or portions of Class I  
24 districts and ~~for school fiscal year 2008-09 and each school fiscal~~  
25 ~~year thereafter, a learning community or a Class II, III, IV,~~  
26 ~~or V district, that is not a member of a learning community.~~  
27 The membership, expenditures, and resources of Class I districts

1 that are affiliated with multiple high school districts will be  
2 attributed to local systems based on the percent of the Class I  
3 valuation that is affiliated with each high school district;

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

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

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

1 fiscal year falls, and adjusted valuation data are available;

2 (33) Poverty students means the number of low-income  
3 students or the number of formula students who are free lunch and  
4 free milk students in a local system, whichever is greater;

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

20 (35) Qualified early childhood education fall membership  
21 means the product of membership on the last Friday in September  
22 2006 and each year thereafter of students who will be eligible  
23 to attend kindergarten the following school year and are enrolled  
24 in an early childhood education program approved by the department  
25 pursuant to section 79-1103 for such school district for such  
26 school year if: (a) The program is receiving a grant pursuant  
27 to such section for the third year; (b) the program has already

1 received grants pursuant to such section for three years; or (c)  
2 the program has been approved pursuant to subsection (5) of section  
3 79-1103 for such school year and the two preceding school years,  
4 including any such students in portions of any of such programs  
5 receiving an expansion grant, multiplied by the ratio of the  
6 planned instructional hours of the program divided by one thousand  
7 thirty-two;

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

11 (37) Reorganized district means any district involved  
12 in a consolidation and currently educating students following  
13 consolidation;

14 (38) School year or school fiscal year means the fiscal  
15 year of a school district as defined in section 79-1091;

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

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

27 (41) Special receipts allowance means the amount of

1 special education, state ward, and accelerated or differentiated  
2 curriculum program receipts included in local system formula  
3 resources under subdivisions (7), (8), (16), and (17) of section  
4 79-1018.01 attributable to the school district;

5 (42) State aid means the amount of assistance paid to a  
6 district pursuant to the Tax Equity and Educational Opportunities  
7 Support Act;

8 (43) State board means the State Board of Education;

9 (44) State support means all funds provided to districts  
10 by the State of Nebraska for the general fund support of elementary  
11 and secondary education;

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

25 (46) Transportation allowance means the lesser of (a)  
26 each local system's general fund expenditures for regular route  
27 transportation and in lieu of transportation expenditures pursuant

1 to section 79-611 in the second school fiscal year immediately  
2 preceding the school fiscal year in which aid is to be paid,  
3 but not including special education transportation expenditures or  
4 other expenditures previously excluded from general fund operating  
5 expenditures, or (b) the number of miles traveled in the second  
6 school fiscal year immediately preceding the school fiscal year in  
7 which aid is to be paid by vehicles owned, leased, or contracted  
8 by the district or the districts in the local system for the  
9 purpose of regular route transportation multiplied by four hundred  
10 percent of the mileage rate established by the Department of  
11 Administrative Services pursuant to section 81-1176 as of January 1  
12 of the most recently available complete data year added to in lieu  
13 of transportation expenditures pursuant to section 79-611 from the  
14 same data year;

15 (47) Tuition receipts from converted contracts means  
16 tuition receipts received by a district from another district  
17 in the most recently available complete data year pursuant to a  
18 converted contract prior to the expiration of the contract; and

19 (48) Tuitioned students means students in kindergarten  
20 through grade twelve of the district whose tuition is paid by the  
21 district to some other district or education agency.

22 Sec. 22. Section 79-1007.07, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24 79-1007.07 (1)(a) For school fiscal year 2007-08, the  
25 annual financial report required pursuant to section 79-528 shall  
26 include:

27 (i) The amount of federal funds received based on poverty

1 as defined by the federal program providing the funds; and

2 (ii) The expenditures and sources of funding for each  
3 program related to poverty with a narrative description of the  
4 program and the method used to allocate money to the program and  
5 within the program.

6 (b) The department shall set up accounting codes for the  
7 receipts and expenditures required to be reported on the annual  
8 financial report pursuant to this subsection. The department shall  
9 also determine for each school district an amount that shall  
10 be deemed the poverty allowance for purposes of this section.  
11 Such amount shall equal the adjustments to the weighted formula  
12 students pursuant to subdivision (1)(c)(iii) of section 79-1007.01  
13 multiplied by the average formula cost per student in the school  
14 district's cost grouping.

15 (2)(a) For school fiscal year 2008-09 and each school  
16 fiscal year thereafter, the annual financial report required  
17 pursuant to section 79-528 shall include:

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

21 (ii) The amount of federal funds received based on  
22 poverty as defined by the federal program providing the funds; and

23 (iii) The expenditures and sources of funding for each  
24 program related to poverty with a narrative description of the  
25 program, and the method used to allocate money to the program and  
26 within the program.

27 (b) The department shall set up accounting codes for the

1 receipts and expenditures required to be reported on the annual  
2 financial report pursuant to this subsection.

3 (3) For school fiscal year 2009-10 and each school  
4 fiscal year thereafter, the department shall determine the poverty  
5 allowance expenditures using the reported expenditures on the most  
6 recent annual financial report for the most recently available  
7 complete data year filed by the school district with the department  
8 that would include in the poverty allowance expenditures only those  
9 expenditures that were used to specifically address issues related  
10 to the education of students living in poverty, ~~that do not replace~~  
11 ~~expenditures that would have occurred if the students involved in~~  
12 ~~the program did not live in poverty,~~ and that are not paid for  
13 with federal funds. The department shall establish a procedure  
14 to allow school districts to receive preapproval for categories  
15 of expenditures that ~~could be included in~~ will be considered as  
16 poverty allowance expenditures, including, but not limited to, the  
17 following programs for school districts with thirty-five percent  
18 or more poverty students enrolled in the district, pursuant to the  
19 most recent fall membership report, and in which at least fifty  
20 percent of the students participating in the applicable program  
21 are poverty students: (a) Prekindergarten; (b) small class size,  
22 meaning no fewer than ten and no more than twenty students per  
23 class; (c) before- and after-school educational and enrichment  
24 programs; (d) summer school; (e) student mentoring and tutoring;  
25 (f) safe, secure, and disciplined school programs; (g) parental  
26 involvement programs; (h) alternative education programs; and (i)  
27 teacher professional development related to teaching students of

1 poverty.

2           (4) For school fiscal year 2009-10 and each school fiscal  
3 year thereafter, if the poverty allowance expenditures do not  
4 equal 117.65 percent or more of the poverty allowance for the  
5 most recently available complete data year, the department shall  
6 calculate a poverty allowance correction. The poverty allowance  
7 correction shall equal the poverty allowance minus eighty-five  
8 percent of the poverty allowance expenditures. If the poverty  
9 allowance expenditures do not equal fifty percent or more of the  
10 allowance for such school fiscal year, the school district shall  
11 also be disqualified from receiving a poverty allowance for the  
12 school fiscal year for which aid is being calculated.

13           (5) The department may request additional information  
14 from any school district to assist with calculations pursuant to  
15 this section. If the school district ~~does not~~ intentionally refuses  
16 to provide information upon the request of the department that is  
17 reasonably necessary for the department to make its calculations  
18 pursuant to this section, the school district shall be disqualified  
19 from receiving a poverty allowance for the school fiscal year for  
20 which aid is being calculated.

21           (6) The department shall annually provide the Legislature  
22 with a report containing a general description of the expenditures  
23 and funding sources for programs related to poverty statewide and  
24 specific descriptions of the expenditures and funding sources for  
25 programs related to poverty for each school district.

26           (7) The state board shall establish a procedure for  
27 appeal of decisions of the department to the state board for a

1 final determination.

2           Sec. 23. Section 79-1007.09, Revised Statutes Cumulative  
3 Supplement, 2006, is amended to read:

4           79-1007.09 (1)(a) For school fiscal year 2007-08, the  
5 annual financial report required pursuant to section 79-528 shall  
6 include:

7           (i) The amount of federal funds received based on  
8 students who are limited English proficient as defined by the  
9 federal program providing the funds; and

10           (ii) The expenditures and sources of funding for each  
11 program related to limited English proficiency with a narrative  
12 description of the program and the method used to allocate money to  
13 the program and within the program.

14           (b) The department shall set up accounting codes for the  
15 receipts and expenditures required to be reported on the annual  
16 financial report pursuant to this subsection. The department shall  
17 also determine for each school district an amount that shall  
18 be deemed the limited English proficiency allowance for purposes  
19 of this section. Such amount shall equal the adjustments to the  
20 weighted formula students pursuant to subdivision (1)(c)(ii) of  
21 section 79-1007.01 multiplied by the average formula cost per  
22 student in the school district's cost grouping.

23           (2)(a) For school fiscal year 2008-09 and each school  
24 fiscal year thereafter, the annual financial report required  
25 pursuant to section 79-528 shall include:

26           (i) The amount of the limited English proficiency  
27 allowance used in the certification of state aid pursuant to

1 section 79-1022 for such school fiscal year;

2 (ii) The amount of federal funds received based on  
3 students who are limited English proficient as defined by the  
4 federal program providing the funds; and

5 (iii) The expenditures and sources of funding for each  
6 program related to limited English proficiency with a narrative  
7 description of the program and the method used to allocate money to  
8 the program and within the program.

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

12 (3) For school fiscal year 2009-10 and each school  
13 fiscal year thereafter, the department shall determine the limited  
14 English proficiency allowance expenditures using the reported  
15 expenditures on the most recent annual financial report for the  
16 most recently available complete data year filed by the school  
17 district with the department that would only include in the limited  
18 English proficiency allowance expenditures those expenditures  
19 that were used to specifically address issues related to the  
20 education of students with limited English proficiency, ~~that do~~  
21 ~~not replace expenditures that would have occurred if the students~~  
22 ~~involved in the program did not have limited English proficiency,~~  
23 and that are not paid for with federal funds. The department  
24 shall establish a procedure to allow school districts to receive  
25 preapproval for categories of expenditures that ~~could be included~~  
26 ~~in~~ shall be considered as limited English proficiency allowance  
27 expenditures, such expenditures shall include, but shall not be

1 limited to, the following programs for school districts with six  
2 percent or more limited English proficient students enrolled as  
3 of November 1 of the immediately preceding school year: (a) Dual  
4 language educational programs; (b) English-as-a-second-language  
5 programs; (c) bilingual endorsement certification programs for  
6 teachers; (d) bilingual education programs; (e) recruitment  
7 expenses associated with recruitment and retention of bilingual  
8 teachers and paraprofessionals; (f) small class size, meaning no  
9 fewer than ten and no more than twenty students; and (g) teacher  
10 professional development related to teaching limited English  
11 proficient students.

12           (4) For school fiscal year 2009-10 and each school fiscal  
13 year thereafter, if the limited English proficiency allowance  
14 expenditures do not equal 117.65 percent or more of the limited  
15 English proficiency allowance for the most recently available  
16 complete data year, the department shall calculate a limited  
17 English proficiency allowance correction. The limited English  
18 proficiency allowance correction shall equal the limited English  
19 proficiency allowance minus eighty-five percent of the limited  
20 English proficiency allowance expenditures. If the limited English  
21 proficiency allowance expenditures do not equal fifty percent or  
22 more of the allowance for such school fiscal year, the school  
23 district shall also be disqualified from receiving a limited  
24 English proficiency allowance for the school fiscal year for which  
25 aid is being calculated.

26           (5) The department may request additional information  
27 from any school district to assist with calculations pursuant to

1 this section. If the school district ~~does not~~ intentionally refuses  
2 to provide information upon the request of the department that is  
3 reasonably necessary for the department to make its calculations  
4 pursuant to this section, the school district shall be disqualified  
5 from receiving a limited English proficiency allowance for the  
6 school fiscal year for which aid is being calculated.

7 (6) The department shall annually provide the Legislature  
8 with a report containing a general description of the expenditures  
9 and funding sources for programs related to limited English  
10 proficiency statewide and specific descriptions of the expenditures  
11 and funding sources for programs related to limited English  
12 proficiency for each school district.

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

16 Sec. 24. Section 79-1008.01, Revised Statutes Cumulative  
17 Supplement, 2006, is amended to read:

18 79-1008.01 (1) Except as provided in ~~subsection (2)~~  
19 subsections (2) and (7) of this section and sections 79-1008.02  
20 to 79-1010, each local system shall receive equalization aid in  
21 the amount that the total formula need of each local system, as  
22 determined pursuant to sections 79-1007.01 to 79-1007.10, exceeds  
23 its total formula resources as determined pursuant to sections  
24 79-1015.01 to 79-1018.01.

25 (2) Except as provided in section 79-1008.02, a local  
26 system shall not receive state aid for any school fiscal year,  
27 except school fiscal years 2002-03 through 2007-08, which is less

1 than an amount equal to the difference of eighty-five percent of  
2 the amount of aid certified in the preceding school fiscal year  
3 minus an amount equal to any increase in the adjusted valuation  
4 between the adjusted valuation used for the certification of aid in  
5 the preceding school fiscal year and the adjusted valuation used  
6 for the aid being calculated multiplied by the maximum levy, for  
7 the school fiscal year for which aid is being certified, pursuant  
8 to subdivision (2)(a) or (b) of section 77-3442 without a vote  
9 pursuant to section 77-3444.

10 (3) Except as provided in section 79-1008.02, a local  
11 system shall not receive state aid for school fiscal years  
12 2002-03 through 2007-08 which is less than an amount equal to  
13 the difference of eighty-three and three-fourths percent of the  
14 amount of aid certified in the preceding school fiscal year minus  
15 an amount equal to any increase in the adjusted valuation between  
16 the adjusted valuation used for the certification of aid in the  
17 preceding school fiscal year and the adjusted valuation used for  
18 the aid being calculated multiplied by the maximum levy, for the  
19 school fiscal year for which aid is being certified, pursuant to  
20 subdivision (2)(a) of section 77-3442 without a vote pursuant to  
21 section 77-3444.

22 (4) Except as provided in subsection (2) or (3) of this  
23 section, no local system may receive equalization aid such that,  
24 when total aid is added to a levy ten cents less than the maximum  
25 levy, for the school fiscal year for which aid is being certified,  
26 pursuant to subdivision (2)(a) or (b) of section 77-3442 without a  
27 vote pursuant to section 77-3444, multiplied by the local system's

1 adjusted valuation, would result in total local system revenue from  
2 state aid plus property tax receipts which exceeds the total of:

3 (a) The sum of state aid, receipts from other school  
4 districts related to annexation, and property tax receipts received  
5 by the local system during the preceding school fiscal year  
6 multiplied by the total of (i) 1.01 plus (ii) the applicable  
7 allowable growth rate for the local system calculated pursuant  
8 to section 79-1026 as determined for the school fiscal year  
9 immediately preceding the school fiscal year when aid is to be  
10 distributed plus (iii) the percentage growth in formula students  
11 from the certification of state aid for the immediately preceding  
12 school fiscal year to the formula students for the certification  
13 of state aid for the current school fiscal year, except that the  
14 percentage growth shall not be less than zero;

15 (b) Unused budget authority authorized pursuant to  
16 section 79-1030 for all school districts in the local system;

17 (c) The difference between the other actual receipts  
18 included in local system formula resources for the certification  
19 of state aid in the preceding school fiscal year and other  
20 actual receipts included in local system formula resources for the  
21 certification of state aid for the current school fiscal year,  
22 except that such difference shall not be less than zero; and

23 (d) The absolute value of any negative prior year  
24 adjustment pursuant to section 79-1065.

25 For local systems that have reorganized, state aid,  
26 property tax receipts, and number of formula students shall  
27 be attributed based on valuation. ~~The formation of a learning~~

1 ~~community shall be considered a reorganization for purposes of~~  
2 ~~this subsection.~~ The revenue from property tax receipts shall be  
3 calculated by multiplying the reported general fund common levy by  
4 the assessed valuation subject to the levy divided by one hundred.

5 (5) For all school fiscal years except school fiscal  
6 years 2002-03 through 2007-08, the aid that is not distributed  
7 through equalization based on subsection (4) of this section  
8 shall be distributed through this subsection to the extent local  
9 systems qualify for such distributions. Local systems qualify  
10 for distribution under this subsection if they have nine hundred  
11 or less formula students and adjusted general fund operating  
12 expenditures per formula student less than the average for all  
13 local systems with nine hundred or less formula students. The aid  
14 shall be distributed proportionally to qualifying districts based  
15 on the dollar amount each local system's calculated state aid plus  
16 the product of a levy of one dollar multiplied by the assessed  
17 valuation divided by one hundred is below ninety percent of state  
18 aid plus property tax receipts received by the local system during  
19 the preceding school fiscal year. No system shall receive aid  
20 pursuant to this subsection such that the calculated state aid plus  
21 the product of a levy of one dollar multiplied by the assessed  
22 valuation divided by one hundred is ninety percent or more of state  
23 aid plus property tax receipts received by the local system during  
24 the preceding school fiscal year.

25 (6) For school fiscal years 2002-03 through 2007-08,  
26 the aid that is not distributed through equalization based on  
27 subsection (3) of this section shall be distributed through

1 this subsection to the extent local systems qualify for such  
2 distributions. Local systems qualify for distribution under this  
3 subsection if they have nine hundred or less formula students and  
4 adjusted general fund operating expenditures per formula student  
5 less than the average for all local systems with nine hundred or  
6 less formula students. The aid shall be distributed proportionally  
7 to qualifying districts based on the dollar amount each local  
8 system's calculated state aid plus the product of a levy equal to  
9 the maximum levy, for the school fiscal year for which aid is being  
10 certified, pursuant to subdivision (2) (a) or (b) of section 77-3442  
11 without a vote pursuant to section 77-3444, multiplied by the  
12 assessed valuation is below eighty-eight and three-fourths percent  
13 of state aid plus property tax receipts received by the local  
14 system during the preceding school fiscal year. No system shall  
15 receive aid pursuant to this subsection such that the calculated  
16 state aid plus the product of a levy equal to the maximum levy, for  
17 the school fiscal year for which aid is being certified, pursuant  
18 to subdivision (2) (a) or (b) of section 77-3442 without a vote  
19 pursuant to section 77-3444, multiplied by the assessed valuation  
20 is eighty-eight and three-fourths percent or more of state aid  
21 plus property tax receipts received by the local system during the  
22 preceding school fiscal year.

23 (7) For fiscal year 2008-09 and each fiscal year  
24 thereafter, each school district that is a member of a learning  
25 community shall receive as state aid, in addition to the state  
26 aid calculated in accordance with subsection (1) of this section,  
27 an amount equal to five cents per one hundred dollars of taxable

1 valuation of property subject to the tax levy in such district.

2           Sec. 25. Section 79-1008.02, Revised Statutes Cumulative  
3 Supplement, 2006, is amended to read:

4           79-1008.02 A minimum levy adjustment shall be calculated  
5 and applied to any local system that has a general fund common levy  
6 in the calendar year in which aid is certified that is less than  
7 ninety percent of the maximum levy allowed pursuant to subdivision  
8 (2)(a) or (b) of section 77-3442 without a vote pursuant to  
9 section 77-3444. To calculate the minimum levy adjustment, the  
10 department shall subtract the local system general fund common levy  
11 in the calendar year when aid is certified from ninety percent  
12 of the maximum levy allowed pursuant to subdivision (2)(a) or  
13 (b) of section 77-3442 without a vote pursuant to section 77-3444  
14 and multiply the result by the local system's adjusted valuation  
15 divided by one hundred. The minimum levy adjustment shall be added  
16 to the formula resources of the local system for the determination  
17 of equalization aid pursuant to section 79-1008.01. If the minimum  
18 levy adjustment is greater than or equal to the allocated income  
19 tax funds calculated pursuant to section 79-1005.01 or 79-1005.02,  
20 the local system shall not receive allocated income tax funds. If  
21 the minimum levy adjustment is less than the allocated income tax  
22 funds calculated pursuant to section 79-1005.01 or 79-1005.02, the  
23 local system shall receive allocated income tax funds in the amount  
24 of the difference between the allocated income tax funds calculated  
25 pursuant to section 79-1005.01 or 79-1005.02 and the minimum levy  
26 adjustment. ~~This section does not apply to the calculation of aid~~  
27 ~~for a local system containing a learning community for the first~~

1 school fiscal year for which aid is calculated for such local  
2 system.

3 Sec. 26. Section 79-1015.01, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5 79-1015.01 (1) Local system formula resources shall  
6 include local effort rate yield which shall be computed as  
7 prescribed in this section.

8 (2) For state aid certified pursuant to section 79-1022,

9 (a) for school districts that are not members of learning  
10 communities and, for school fiscal year 2007-08 only, for school  
11 districts that are members of learning communities, the local  
12 effort rate shall be the maximum levy, for the school fiscal year  
13 for which aid is being certified, authorized pursuant to section  
14 77-3442 less ten cents- and (b) for school fiscal year 2008-09  
15 and each school fiscal year thereafter, the local effort rate for  
16 school districts that are members of learning communities shall be  
17 the maximum levy, for the school fiscal year for which aid is being  
18 certified, authorized pursuant to section 77-3442 less five cents.

19 (3) For the final calculation of state aid pursuant to  
20 section 79-1065, the local effort rate shall be the rate which,  
21 when multiplied by the total adjusted valuation of all taxable  
22 property in local systems receiving equalization aid pursuant to  
23 the Tax Equity and Educational Opportunities Support Act, will  
24 produce the amount needed to support the total formula need of  
25 such local systems when added to state aid appropriated by the  
26 Legislature and other actual receipts of local systems described in  
27 section 79-1018.01. The local effort rate yield shall be determined

1 by multiplying each local system's total adjusted valuation by the  
2 local effort rate.

3           Sec. 27. Section 79-1022, Revised Statutes Cumulative  
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
5 amended to read:

6           79-1022 (1) On or before ~~June 15, 2003, and on or~~  
7 ~~before~~ February 1 for each year, ~~thereafter,~~ the department shall  
8 determine the amounts to be distributed to each local system  
9 and each district pursuant to the Tax Equity and Educational  
10 Opportunities Support Act and shall certify the amounts to  
11 the Director of Administrative Services, the Auditor of Public  
12 Accounts, ~~each learning community,~~ and each district. The amount to  
13 be distributed to each district ~~that is not a member of a learning~~  
14 ~~community~~ from the amount certified for a local system shall be  
15 proportional based on the weighted formula students attributed to  
16 each district in the local system. ~~The amount to be distributed to~~  
17 ~~each district that is a member of a learning community from the~~  
18 ~~amount certified for the local system shall be proportional based~~  
19 ~~on the formula needs calculated for each district in the local~~  
20 ~~system.~~ On or before ~~June 15, 2003, and on or~~ before February 1 for  
21 each year, ~~thereafter,~~ the department shall report the necessary  
22 funding level to the Governor, the Appropriations Committee of  
23 the Legislature, and the Education Committee of the Legislature.  
24 Certified state aid amounts, including adjustments pursuant to  
25 section 79-1065.02, shall be shown as budgeted non-property-tax  
26 receipts and deducted prior to calculating the property tax request  
27 in the district's general fund budget statement as provided to the

1 Auditor of Public Accounts pursuant to section 79-1024.

2 (2) Except as provided in subsection (8) of section  
3 79-1016 and sections 79-1033 and 79-1065.02, the amounts certified  
4 pursuant to subsection (1) of this section shall be distributed in  
5 ten as nearly as possible equal payments on the last business day  
6 of each month beginning in September of each ensuing school fiscal  
7 year and ending in June of the following year, except that when a  
8 school district is to receive a monthly payment of less than one  
9 thousand dollars, such payment shall be one lump-sum payment on  
10 the last business day of December during the ensuing school fiscal  
11 year.

12 Sec. 28. Section 79-1023, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14 79-1023 No Class II, III, IV, V, or VI district shall  
15 increase its general fund budget of expenditures more than have  
16 authority to incur general fund expenditures in an amount greater  
17 than the greater of (1) the prior fiscal year's general fund  
18 expenditures increased by the local system's applicable allowable  
19 growth rate or (2) one hundred and three and one-half percent  
20 of the district's formula need for the applicable fiscal year as  
21 determined in accordance with section 79-1007.02.

22 Sec. 29. Section 79-1024, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24 79-1024 (1) The department may require each district  
25 to submit to the department a duplicate copy of such portions  
26 of the district's budget statement as the Commissioner of  
27 Education directs. The department may verify any data used

1 to meet the requirements of the Tax Equity and Educational  
2 Opportunities Support Act. The Auditor of Public Accounts shall  
3 review each district's budget statement for statutory compliance,  
4 make necessary changes in the budget documents for districts to  
5 effectuate the budget limitations imposed pursuant to sections  
6 79-1023 to 79-1030, and notify the Commissioner of Education (a) of  
7 any district failing to submit to the auditor the budget documents  
8 required pursuant to this subsection by the date established in  
9 subsection (1) of section 13-508 or failing to make any corrections  
10 of errors in the documents pursuant to section 13-504 or 13-511  
11 and (b) of any Class I district failing to submit the items  
12 required by this subsection to its high school districts by the  
13 date established in section 79-1083.03.

14 (2) If a school district fails to submit to the  
15 department or the auditor the budget documents required pursuant  
16 to subsection (1) of this section by the date established in  
17 subsection (1) of section 13-508 or fails to make any corrections  
18 of errors in the documents pursuant to section 13-504 or 13-511  
19 or a Class I district fails to submit the items required by  
20 subsection (1) of this section to its high school districts by  
21 the date established in section 79-1083.03, the commissioner,  
22 upon notification from the auditor or upon his or her own  
23 knowledge that the required budget documents and any required  
24 corrections of errors from any school district have not been  
25 properly filed in accordance with the Nebraska Budget Act and  
26 after notice to the district and an opportunity to be heard,  
27 shall direct that any state aid granted pursuant to the Tax Equity

1 and Educational Opportunities Support Act be withheld until such  
2 time as the required budget documents or corrections of errors  
3 are received by the auditor and the department. In addition, the  
4 commissioner shall direct the county treasurer to withhold all  
5 school money belonging to the school district until such time as  
6 the commissioner notifies the county treasurer of receipt of the  
7 required budget documents or corrections of errors. The county  
8 treasurer shall withhold such money. ~~For school districts that are~~  
9 ~~members of learning communities,~~ a determination of school money  
10 belonging to the district shall be based on the proportionate share  
11 of property tax receipts allocated to the school district by the  
12 learning community coordinating council, and the learning community  
13 coordinating council shall withhold any such school money in the  
14 possession of the learning community coordinating council from the  
15 school district. If the school district does not comply with this  
16 section prior to the end of the state's biennium following the  
17 biennium which included the fiscal year for which state aid was  
18 calculated, the state aid funds shall revert to the General Fund.  
19 The amount of any reverted funds shall be included in data provided  
20 to the Governor in accordance with section 79-1031. The board of  
21 any district failing to submit to the department or the auditor  
22 the budget documents required pursuant to this section by the date  
23 established in subsection (1) of section 13-508 or failing to make  
24 any corrections of errors in the documents pursuant to section  
25 13-504 or 13-511 or the board of a Class I district failing to  
26 submit the items required by subsection (1) of this section to its  
27 high school districts by the date established in section 79-1083.03

1 shall be liable to the school district for all school money which  
2 such district may lose by such failing.

3 Sec. 30. Section 79-1033, Revised Statutes Cumulative  
4 Supplement, 2006, is amended to read:

5 79-1033 (1) Except as otherwise provided in the Tax  
6 Equity and Educational Opportunities Support Act, state aid payable  
7 pursuant to the act for each school fiscal year shall be based upon  
8 data found in applicable reports for the most recently available  
9 complete data year. The annual financial reports and the annual  
10 statistical summary of all school districts shall be submitted to  
11 the Commissioner of Education pursuant to the dates prescribed in  
12 section 79-528. If a school district fails to timely submit its  
13 reports, the commissioner, after notice to the district and an  
14 opportunity to be heard, shall direct that any state aid granted  
15 pursuant to the act be withheld until such time as the reports  
16 are received by the department. In addition, the commissioner shall  
17 direct the county treasurer to withhold all school money belonging  
18 to the school district until such time as the commissioner notifies  
19 the county treasurer of receipt of such reports. The county  
20 treasurer shall withhold such money. ~~For school districts that are~~  
21 ~~members of learning communities, a determination of school money~~  
22 ~~belonging to the district shall be based on the proportionate~~  
23 ~~share of state aid and property tax receipts allocated to the~~  
24 ~~school district by the learning community coordinating council, and~~  
25 ~~the treasurer of the learning community coordinating council shall~~  
26 ~~withhold any such school money in the possession of the learning~~  
27 ~~community coordinating council from the school district. If the~~

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

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

1 not received it will be necessary for the district to discontinue  
2 vital services or functions.

3 Sec. 31. Section 79-1084, Revised Statutes Cumulative  
4 Supplement, 2006, is amended to read:

5 79-1084 The school board of a Class III school district  
6 shall annually, on or before September 20, report in writing to  
7 the county board and the learning community coordinating council if  
8 the school district is a member of a learning community the entire  
9 revenue raised by taxation and all other sources and received by  
10 the school board for the previous school fiscal year and a budget  
11 for the ensuing school fiscal year in form of a resolution broken  
12 down generally as follows: (1) The amount of funds required for the  
13 support of the schools during the ensuing school fiscal year; (2)  
14 the amount of funds required for the purpose of school sites; (3)  
15 the amount of funds required for the erection of school buildings;  
16 (4) the amount of funds required for the payment of interest upon  
17 all bonds issued for school purposes; and (5) the amount of funds  
18 required for the creation of a sinking fund for the payment of such  
19 indebtedness. The secretary shall publish, within ten days after  
20 the filing of such budget, a copy of the fund summary pages of the  
21 budget one time at the legal rate prescribed for the publication  
22 of legal notices in a legal newspaper published in and of general  
23 circulation in such city or village or, if none is published in  
24 such city or village, in a legal newspaper of general circulation  
25 in the city or village. The secretary of the school board failing  
26 or neglecting to comply with this section shall be deemed guilty  
27 of a Class V misdemeanor and, in the discretion of the court, the

1 judgment of conviction may provide for the removal from office of  
2 such secretary for such failure or neglect. ~~For Class III school~~  
3 ~~districts that are not members of a learning community,~~ the The  
4 county board shall levy and collect such taxes as are necessary to  
5 provide the amount of revenue from property taxes as indicated by  
6 all the data contained in the budget and the certificate prescribed  
7 by this section, at the time and in the manner provided in section  
8 77-1601.

9           Sec. 32. Section 79-10,120, Revised Statutes Cumulative  
10 Supplement, 2006, is amended to read:

11           79-10,120 The school board or board of education of a  
12 Class II, III, IV, V, or VI school district may establish a  
13 special fund for purposes of acquiring sites for school buildings  
14 or teacherages, purchasing existing buildings for use as school  
15 buildings or teacherages, including the sites upon which such  
16 buildings are located, and the erection, alteration, equipping,  
17 and furnishing of school buildings or teacherages and additions  
18 to school buildings for elementary and high school grades and for  
19 no other purpose. ~~For school districts that are not members of~~  
20 ~~learning communities,~~ the The fund shall be established from the  
21 proceeds of an annual levy, to be determined by the board, of  
22 not to exceed fourteen cents on each one hundred dollars upon  
23 the taxable value of all taxable property in the district which  
24 shall be in addition to any other taxes authorized to be levied  
25 for school purposes. Such tax shall be levied and collected as  
26 are other taxes for school purposes. ~~For school districts that are~~  
27 ~~members of a learning community,~~ such fund shall be established

1 from the proceeds of the learning community special building funds  
2 levy directed to the school district for such purpose pursuant  
3 to subdivision (2)(f) of section 77-3442 and the proceeds of any  
4 school district special building fund levy pursuant to subdivision  
5 (2)(b) of section 77-3442.

6 Sec. 33. Section 79-10,126.01, Revised Statutes  
7 Cumulative Supplement, 2006, is amended to read:

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

24 Sec. 34. Section 79-2102, Revised Statutes Cumulative  
25 Supplement, 2006, is amended to read:

26 79-2102 (1) On or before August 1, ~~2006~~, 2007, and on  
27 or before August 1 following the official designation of any new

1 city of the metropolitan class or any valid request to form a  
2 new learning community, the Secretary of State shall certify the  
3 establishment of a new learning community with an effective date  
4 of September 1 of the year of such certification to the county  
5 clerks and county assessors of the counties with territory in  
6 the new learning community, to the Property Tax Administrator,  
7 to the State Department of Education, and to the school boards  
8 of the member school districts of the new learning community.  
9 A learning community shall be established for each city of the  
10 metropolitan class and shall include all school districts for which  
11 the principal office of the school district is located in the  
12 county where the city of the metropolitan class is located and  
13 all school districts for which the principal office of the school  
14 district is located in a county that has a contiguous border  
15 of at least five miles in the aggregate with such city of the  
16 metropolitan class. A learning community may also be established  
17 for one or more counties at the request of the school boards of  
18 all school districts for which the principal office of the school  
19 district is located in the specified county or counties if such  
20 school districts have a minimum combined total of at least two  
21 thousand students, except that districts in local systems that are  
22 in the sparse cost grouping or the very sparse cost grouping as  
23 described in section 79-1007.02 need not have a minimum combined  
24 total of at least two thousand students but a learning community  
25 with fewer than two thousand students shall include at least two  
26 school districts. Such requests shall be received by the Secretary  
27 of State on or before March 1 to be effective the following

1 September 1.

2 (2) ~~On or before September~~ Prior to January 1 following  
3 the certification of the establishment of a new learning community,  
4 the school board of each member school district shall appoint a  
5 member of such school board to serve on the learning community  
6 coordinating council and shall notify the Secretary of State of  
7 the appointment. The Secretary of State or his or her designee  
8 shall convene a meeting of the new council during the month  
9 of September and each month thereafter through the following  
10 June. At the September meeting, the council shall elect officers  
11 and shall begin taking the necessary steps to begin operating  
12 as a learning community. The Secretary of State or his or her  
13 designee shall schedule and host each meeting and shall serve as  
14 a facilitator at each meeting. The Secretary of State may contract  
15 for facilitation services. In any fiscal year that one or more  
16 new learning communities are established, the Secretary of State  
17 shall report to the Education Committee of the Legislature on or  
18 before December 31 and on or before June 30, regarding the progress  
19 of any new learning community coordinating councils. elections  
20 shall be held to determine the members of the learning community  
21 coordinating council.

22 Sec. 35. Section 79-2103, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24 79-2103 The State Department of Education shall provide  
25 transition aid to learning communities pursuant to this section.  
26 A learning community shall receive transition aid for the second  
27 school fiscal year of the learning community's existence for

1 ~~funding the general fund budget of the learning community during~~  
2 ~~the transition to property tax funding. Each learning community~~  
3 ~~established on September 1, 2006, shall also receive transition~~  
4 ~~aid for the third school fiscal year of the learning community's~~  
5 ~~existence.~~ Transition aid shall be distributed to each qualified  
6 learning community on or before July 5 of each school fiscal year  
7 in an amount equal to the amount appropriated for transition aid  
8 divided by the number of qualified learning communities.

9           Sec. 36. Section 79-2104, Revised Statutes Cumulative  
10 Supplement, 2006, is amended to read:

11           79-2104 A learning community coordinating council shall  
12 have the authority to:

13           (1) Levy and distribute a common levy for ~~the general~~  
14 ~~funds of member school districts,~~ poverty, diversity, limited  
15 English proficiency, and professional development programming as  
16 set forth in sections 41 to 44 of this act;

17           ~~(2) Levy and distribute a common levy for the special~~  
18 ~~building funds of member school districts,~~

19           ~~(3)~~ (2) Levy for the budget of the learning community  
20 and for projects approved by the learning community coordinating  
21 council;

22           ~~(4)~~ (3) Collect and report data and information as  
23 required;

24           ~~(5)~~ (4) Coordinate development of focus schools and  
25 programs to provide educational opportunities to diversified  
26 student populations, including exploration of a campus that would  
27 include focus schools and programs operated by different member

1 school districts;

2 ~~(6)~~ (5) Approve focus schools and programs to be operated  
3 by member school districts;

4 ~~(7)~~ (6) Annually conduct a school fair to allow students  
5 and parents to learn about each school in the learning community;

6 ~~(8)~~ (7) Develop reorganization plans for submission  
7 pursuant to the Learning Community Reorganization Act; and

8 ~~(9) Upon recommendation of the integration task force~~  
9 ~~for the learning community, adopt and implement an integration and~~  
10 ~~diversity plan.~~

11 (8) Develop and provide expertise for elementary learning  
12 centers as provided in section 40 of this act;

13 (9) Together with the achievement subcouncils as set  
14 forth in section 39 of this act, approve the diversity plan,  
15 poverty plan, limited English proficiency plan, and professional  
16 development plan developed pursuant to sections 41 to 44 of this  
17 act for the learning community;

18 (10) Establish a procedure for receiving community input  
19 and complaints, including, but not limited to, one or more  
20 ombudsmen;

21 (11) Establish a procedure for utilizing a mediation  
22 center to resolve disputes between or among member school  
23 districts; and

24 (12) Develop, in conjunction with local planning  
25 departments, a long-term plan for the deconcentration of affordable  
26 housing.

27 Sec. 37. Section 79-2105, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2           79-2105 A learning community shall be governed by a  
3 coordinating council composed of one school board member from  
4 each member school district, and the superintendent of each member  
5 school district shall serve as a nonvoting member. A vacancy shall  
6 occur whenever a learning community coordinating council member  
7 ceases to be a member of the school board being represented or  
8 ceases to be the superintendent of the school district being  
9 represented, and the vacancy shall be filled by the school  
10 board of such member school district. Members of a learning  
11 community coordinating council shall receive no compensation for  
12 their services but shall be reimbursed for the actual and necessary  
13 expenses incurred in the performance of their duties as provided  
14 in sections 81-1174 to 81-1177. (1) Each learning community  
15 coordinating council shall consist of eighteen members elected  
16 from electoral districts. For a learning community which includes  
17 the territory of a city of the metropolitan class, the learning  
18 community coordinating council shall be elected from six electoral  
19 districts, each electing three members. The election for member of  
20 the learning community coordinating council shall employ limited  
21 voting, whereby each voter shall be allowed to cast votes for up to  
22 two candidates. The three candidates receiving the most votes shall  
23 be elected to six-year terms.

24           (2) (a) As soon as practicable following the formation of  
25 a new learning community, the Secretary of State shall convene  
26 the election commissioner or county clerk, as applicable, of each  
27 county with territory within the learning community for the purpose

1 of preparing for the election of a learning community coordinating  
2 council for such learning community.

3 (b) Proposed initial electoral districts shall be drawn  
4 jointly by the election commissioners or county clerks, as  
5 applicable of the applicable counties and submitted to the  
6 applicable county boards and the Executive Board of the Legislative  
7 Council for review. Each county board and the Executive Board  
8 of the Legislative Council shall hold a timely public hearing  
9 on the proposed electoral districts. The election commissioners  
10 or county clerks, as applicable, shall endeavor to accommodate  
11 concerns raised at such public hearings. Final initial electoral  
12 districts shall be drawn by the election commissioners or county  
13 clerks, as applicable, as soon as practicable following such public  
14 hearings. Following the drawing of initial districts pursuant  
15 to this section, additional redistricting thereafter shall be  
16 undertaken by the learning community coordinating council.

17 (c) It is the intent of the Legislature that principles  
18 for the drawing of electoral districts set forth in decisions of  
19 the United States Supreme Court and in applicable state and federal  
20 statutes, including, but not limited to, the federal Voting Rights  
21 Act of 1965, be employed in the drawing of the initial electoral  
22 districts.

23 (3) Following the final drawing of initial electoral  
24 districts pursuant to subsection (2) of this section, the Secretary  
25 of State and the applicable election commissioners or county clerks  
26 shall set a date for the election of the members of the learning  
27 community coordinating council.

1           (4) Members of the learning community coordinating  
2 council shall be paid an annual salary equal to the average salary  
3 paid in the most recent fiscal year to members of the city council  
4 of cities of the metropolitan class and members of the board of  
5 commissioners of counties containing cities of the metropolitan  
6 class and shall be eligible for reimbursement of reasonable  
7 expenses related to service on the learning community coordinating  
8 council as provided in sections 81-1174 to 81-1177.

9           Sec. 38. Section 79-2107, Revised Statutes Cumulative  
10 Supplement, 2006, is amended to read:

11           79-2107 The boundaries of all school districts for which  
12 the principal office of the school district is located in a county  
13 where a city of the metropolitan class is located, on July 14,  
14 2006, and all school districts for which the principal office of  
15 the school district is located in a county that has a contiguous  
16 border of at least five miles in the aggregate with such city  
17 of the metropolitan class, on July 14, 2006, shall remain as  
18 depicted on March 1, 2006, on the map kept by the county clerk  
19 pursuant to section 79-490, until a learning community has been  
20 formed for such city of the metropolitan class. Any changes to  
21 such boundaries thereafter shall take place in accordance with the  
22 Learning Community Reorganization Act.

23           Sec. 39. (1) Each learning community encompassing the  
24 territory of a city of the metropolitan class shall designate  
25 the three members from each electoral district as the achievement  
26 subcouncil for such electoral district. Each achievement subcouncil  
27 shall meet as necessary but shall meet and conduct a public hearing

1 within its electoral district at least once each school year.

2 (2) Each achievement subcouncil shall have authority to:

3 (a) Approve the portions of the learning community's  
4 diversity plan developed pursuant to section 41 of this act,  
5 poverty plan developed pursuant to section 42 of this act, limited  
6 English proficiency plan developed pursuant to section 43 of  
7 this act, and professional development plan developed pursuant to  
8 section 44 of this act that relate to the achievement subcouncils  
9 electoral district;

10 (b) Operate and manage any elementary learning centers  
11 within the achievement subcouncils electoral district;

12 (c) Provide a means to receive community input and  
13 complaints regarding student achievement from residents within the  
14 achievement subcouncils electoral district; and

15 (d) Authorize the use of mediation to resolve grievances  
16 in accordance with section 46 of this act.

17 Sec. 40. Each learning community shall operate at least  
18 one elementary learning center for every twenty-five elementary  
19 schools at which one-half of the students who live in the  
20 attendance area of the school and attend the school are poverty  
21 students as defined in section 79-611. The elementary learning  
22 center shall be located in an area with high concentrations  
23 of poverty students. Each elementary learning center shall be  
24 operated by the achievement subcouncil for the electoral district  
25 within which it is located. Services to be provided by the  
26 elementary learning center shall be considered services provided  
27 by a school district for purposes of compliance with state

1 regulations, including, but not limited to, regulations requiring  
2 certification of teachers, safety provisions, and compliance with  
3 state standards. Services may include, but need not be limited to:

4 (1) Summer school, extended-school-day programs and  
5 extended-school-year programs;

6 (2) Literacy centers for elementary-age students and  
7 parents of elementary-age students to enhance reading skills  
8 outside of the school day;

9 (3) Child care for parents working with students or on  
10 their own educational skills;

11 (4) Nutritional services;

12 (5) Transportation for participating families;

13 (6) Mentoring;

14 (7) Tutoring;

15 (8) Computer and technology labs;

16 (9) Services for transient students;

17 (10) Attendance advocates and transportation for truant  
18 students;

19 (11) Adult English classes;

20 (12) Health services;

21 (13) Distribution of clothes, backpacks, and school  
22 supplies;

23 (14) Information on other resources for participating  
24 families;

25 (15) Ombudsman services for students and parents; and

26 (16) Interpreter services.

27 Sec. 41. (1) Each learning community, together with its

1 member school districts, shall develop a diversity plan which may  
2 be revised from time to time. Each diversity plan for a learning  
3 community encompassing territory of a city of the metropolitan  
4 class shall include specific provisions with respect to each  
5 electoral district within such learning community. The specific  
6 provisions relating to each electoral district shall be approved by  
7 both the achievement subcouncil for such electoral district and by  
8 the learning community coordinating council.

9       (2) Each diversity plan shall provide for open enrollment  
10 within the learning community, except that specific limitations  
11 on open enrollment necessary to bring about diverse enrollments  
12 throughout the learning community may be approved by the learning  
13 community coordinating council following a public hearing.

14       (3) As a part of the diversity plan, each regular  
15 middle school building and high school building shall reserve five  
16 percent of its capacity for students from outside the attendance  
17 area. A universal method for determining building capacity shall  
18 be adopted by the learning community coordinating council. The  
19 learning community coordinating council may require member school  
20 districts to amend attendance center boundaries in order to  
21 equalize capacity.

22       (4) As a part of the diversity plan, each middle school  
23 building and high school building within the learning community  
24 shall report to the learning community coordinating council the  
25 available capacity, the number of applications from outside the  
26 attendance area, the number of applications accepted from outside  
27 the attendance area, and the poverty status of students named in

1 the accepted and rejected applications.

2 (5) Each diversity plan shall entail focus schools and  
3 magnet pathways across member districts, with the intent of each  
4 such focus school reflect the ratio of poverty students and  
5 non-poverty students within the learning community as a whole.

6 (6) Preference at each school building shall be given to  
7 students that bring the diversity of enrollment at each building  
8 closer to the average diversity of the entire enrollment of  
9 the learning community, as determined by the learning community  
10 coordinating council.

11 (7) The goal of the diversity plan shall be to annually  
12 increase the diversity of enrollment at each grade level in  
13 each school building within the learning community, until such  
14 enrollment reflects the average diversity of the entire enrollment  
15 of the learning community. The learning community shall annually  
16 publish statistics on changes in diversity at each grade level in  
17 each school building within the learning community.

18 Sec. 42. (1) Each learning community, together with its  
19 member school districts, shall develop a poverty plan which may  
20 be revised from time to time. Each poverty plan for a learning  
21 community encompassing territory of a city of the metropolitan  
22 class shall include specific provisions with respect to each  
23 electoral district within such learning community. The specific  
24 provisions relating to each electoral district shall be approved by  
25 both the achievement subcouncil for such electoral district and by  
26 the learning community coordinating council.

27 (2) Each poverty plan shall address, but need not be

1 limited to, the following:

2 (a) Attendance issues, including absence follow-up and  
3 transportation issues;

4 (b) Mobility issues, including provision of  
5 transportation;

6 (c) Parental involvement, including a parental  
7 involvement plan for each building and focus on involvement of  
8 parents of poverty students and of other diverse backgrounds;

9 (d) Class size reduction or maintenance of small classes  
10 for poverty students;

11 (e) Early childhood education;

12 (f) Uninterrupted teaching time;

13 (g) Access to social workers;

14 (h) Summer school, extended-school-day or  
15 extended-school-year programs;

16 (i) Mentoring of new and newly assigned teachers;

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

20 (k) Evaluation and data-gathering.

21 Sec. 43. (1) Each learning community, together with  
22 its member school districts, shall develop a limited English  
23 proficiency plan, which may be revised from time to time.

24 Each limited English proficiency plan for a learning community  
25 encompassing territory of a city of the metropolitan class  
26 shall include specific provisions with respect to each electoral  
27 district within such learning community. Those specific provisions

1 relating to each electoral district shall be approved by both  
2 the achievement subcouncil for such district and by the learning  
3 community coordinating council.

4 (2) Each limited English proficiency plan shall address,  
5 but need not be limited to, the following:

6 (a) Each of the items provided in section 42 of this act  
7 as such items specifically relate to students with limited English  
8 proficiency;

9 (b) English-as-a-second-language and dual-language  
10 programs; and

11 (c) Teacher recruitment and professional development.

12 Sec. 44. Each learning community, together with its  
13 member school districts, shall develop a professional development  
14 plan for teachers and administrators which may be revised from  
15 time to time. Each professional development plan for a learning  
16 community encompassing territory of a city of the metropolitan  
17 class shall include specific provisions with respect to each  
18 electoral district within such learning community. The specific  
19 provisions relating to each electoral district shall be approved  
20 by both the achievement subcouncil for such electoral district and  
21 by the learning community coordinating council. The professional  
22 development plan shall harmonize with the diversity plan, poverty  
23 plan, and limited English proficiency plan established pursuant to  
24 sections 41 to 43 of this act and shall reflect the professional  
25 development needs with respect thereto.

26 Sec. 45. No funds of the learning community shall  
27 be expended except in accordance with the plans adopted by

1 the learning community coordinating council and approved as to  
2 their respective election district by the applicable achievement  
3 subcouncil.

4           Sec. 46. At its discretion, each achievement subcouncil  
5 may hold a public hearing in its electoral district in response  
6 to an issue or complaint raised by residents of the electoral  
7 district. Following such public hearing, the achievement subcouncil  
8 may determine to approve a grievance on behalf of such residents.  
9 If such a grievance is approved, the achievement subcouncil and  
10 the applicable school district shall enter into a mediation process  
11 approved by the learning community coordinating council to attempt  
12 to resolve the matter.

13           Sec. 47. Original sections 79-1015.01 and 79-1023,  
14 Reissue Revised Statutes of Nebraska, sections 77-3442, 79-233,  
15 79-4,117, 79-4,118, 79-4,120, 79-4,125, 79-4,126, 79-549, 79-979,  
16 79-980, 79-981, 79-983, 79-984, 79-985, 79-986, 79-9,107, 79-9,108,  
17 79-9,109, 79-1007.07, 79-1007.09, 79-1008.01, 79-1008.02, 79-1024,  
18 79-1033, 79-1084, 79-10,120, 79-10,126.01, 79-2102, 79-2103,  
19 79-2104, 79-2105, and 79-2107, Revised Statutes Cumulative  
20 Supplement, 2006, and sections 79-102, 79-611, 79-1003, and  
21 79-1022, Revised Statutes Cumulative Supplement, 2006, as affected  
22 by Referendum 2006, No. 422, are repealed.

23           Sec. 48. The following sections are outright repealed:  
24 Sections 79-4,129, 79-4,130, 79-1073, 79-1073.01, 79-2106, 79-2108,  
25 79-2109, and 79-2110, Revised Statutes Cumulative Supplement, 2006.