

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016
COMMITTEE STATEMENT (CORRECTED)
LB1067

Hearing Date: Monday February 22, 2016
Committee On: Education
Introducer: Sullivan
One Liner: Change provisions relating to learning communities

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	7	Senators Baker, Kolowski, Krist, Morfeld, Pansing Brooks, Schnoor, Sullivan
Nay:	1	Senator Groene
Absent:		
Present Not Voting:		

Verbal Testimony:

Proponents:

Senator Kate Sullivan
Kevin Riley
Jim Sutfin
Terry Haack
Steve Baker
Andy Rikli
Brett Richards
Brian Osborn
Melissa Poloncic
Frank Harwood
Blane McCann
Dan Schnoes
Kyle Fisher
David Black
John Bachman
Dennis VanMoorleghe
Rita Sanders

Representing:

Introducer
Gretna Public Schools
Millard Public Schools
Bennington Public Schools
Elkhorn Public Schools
Papillion LaVista Community Schools
Springfield Platteview Community Schools
Springfield Platteview Community Schools
Douglas County West Community Schools
Bellevue Public Schools
Westside Community Schools
Educational Service Unit #3
self
City of Papillion
Eastern Nebraska Development Council
Metro Omaha Builders Association
City of Bellevue

Opponents:

Connie Knoche
Mark Adler

Representing:

Omaha Public Schools
Ralston Public Schools

Neutral:

Lorraine Chang
John Cavanaugh
Joel Dougherty

Representing:

Learning Community of Douglas and Sarpy Counties
Holland Children's Movement
One World Community Health Centers

Summary of purpose and/or changes:

Legislative Bill 1067 would modify provisions related to learning communities, address community achievement issues, and adjust option enrollment provisions.

Changes to learning communities would include removing school board members from learning community coordinating councils, eliminating common levies and providing transition aid, converting open enrollment students to option enrollment students, eliminating learning community coordinating council duties in the reorganization process, and adding a learning community administrator to the Educational Service Unit (ESU) Coordinating Council.

In addition the measure would provide for community achievement plans and funding to bring districts, ESU's, and learning communities together for the purpose of addressing achievement equity and achievement barriers across the community. Community achievement plans would be required for learning communities, while other school districts and ESU's would also be given the opportunity to form similar partnerships to address these issues within their communities.

Option enrollment changes would apply to all school districts and would include requiring district policies regarding transportation for option students, allowing districts to offer free transportation (instead of a reimbursement) to option students qualifying for free lunches, and including option enrollment and open enrollment information on the fall membership report.

Coordinating Council

Section 3 (32-546.01) would be amended to limit the membership of learning community coordinating councils to those elected to the council beginning January 5, 2017. Obsolete language regarding the payment of per diems would be eliminated.

Section 4 (32-604) would be amended to harmonize with the removal of school board members from membership on learning community coordinating councils in the provisions otherwise prohibiting simultaneously holding more than one high elective office.

Section 58 (79-2104) would be amended by modifying learning community coordinating council authority. Authority to levy general fund common levies would be limited to fiscal years prior to 2017-18, and authority to levy special building fund common levies would be eliminated. Authorization to submit reorganization plans would be eliminated. Authorization would be added to develop, submit, administer, and evaluate community achievement plans and to develop procedures for determining and disseminating best practices for addressing student achievement barriers. Cross references to subdivisions of 77-3442 would be modified to harmonize with proposed changes to that section.

Section 59 (79-2104.01) would be amended by modifying learning community advisory committee duties. The duty to make recommendations for improving academic achievement across the learning community would be replaced with a requirement to collaborate with the coordinating council on the development, implementation, and evaluation of the community achievement plan. The responsibility to submit an early childhood education plan would be updated to require the committee to review results and make recommendations. The review of issues related to open enrollment would be eliminated.

Section 60 (new section) would require learning community coordinating councils to select at least 2 members to meet with the advisory council and learning community administrators at least twice annually to discuss the community achievement plan, results of evaluations conducted with learning community or school district funds, best practices for improving achievement, learning community programs, and other matters related to improving education with the learning community and throughout the state.

Section 62 (79-2104.03) would be amended to reflect proposed changes in subdivision numbers in section 61 (79-2104.01) due modifications to learning community advisory committee duties.

Section 65 (79-2117) would be amended by eliminating the membership of school board members on learning

community achievement subcouncils as of January 5, 2017. The duty of subcouncils to approve or disapprove poverty and limited English proficiency plans would be replaced by a duty to offer suggestions to improve the plans and the coordination between the plans and the community achievement plan.

Common Levies

Section 1 (13-508) would be amended to limit filings related to learning community common levies to fiscal years prior to 2017-18.

Section 2 (13-511) would be amended to limit filings related to learning community common levies to fiscal years prior to 2017-18.

Section 6 (70-651.04) would be amended to limit distributions from cities and villages to learning communities based on common levies to payments made prior to September 1, 2017. The cross reference to learning community special building fund common levy distributions would be eliminated.

Section 7 (77-1704.01) would be amended to require an explanatory statement on tax notices for property within a learning community for 2017-18 indicating that school district levies are increasing, in part, as a result of the expiration of the learning community common levies and that remaining learning community levies fund activities of the learning community.

Section 8 (77-1736.06) would be amended to harmonize with the elimination of the special building fund common levy by striking a cross reference.

Section 9 (77-3442) would be amended to limit learning community common levies for the general funds of member school districts beginning with 2017-18 and eliminate learning community common levies for the special building funds of member districts as of the effective date of the act. Obsolete provisions regarding the temporary aid adjustment, which expired in 2008, would also be eliminated.

Section 27 (79-528) would be amended to include students that have transferred into or out of the district pursuant to option enrollment or open enrollment on the fall membership report. The department's report back to the learning community coordinating council based on fall membership reports would include the new information. The October learning community coordinating council report on common levies would only be required through 2016. A cross reference to the special building fund common levy would also be eliminated. (This section summary is also in the option enrollment area.)

Section 30 (79-1003) would be amended to recognize the community achievement plan allowance in the calculation of adjusted general fund operating expenditures. The definition of local systems would only include learning communities for aid calculated for school fiscal years prior to 2017-18. Obsolete language would be eliminated. (This section summary is also in the community achievement plan area.)

Section 40 (79-1022) would be amended to limit the directive for distributing aid to learning community districts to school fiscal years prior to 2017-18. The community achievement plan aid provisions specific to 2017-18 would be recognized as an exception to the general rule for certified aid to be distributed in 10 equal payments. Obsolete language would also be eliminated. (This section summary is also is also in the community achievement plan area.)

Section 41 (79-1024) would be amended by limiting learning community common levies as a basis for determining school money belonging to a district to school fiscal years prior to 2017-18.

Section 42 (79-1033) would be amended by limiting learning community common levies as a basis for determining school money belonging to a district to school fiscal years prior to 2017-18.

Section 43 (79-1036) would be amended by limiting the payment of in-lieu-of tax money to learning communities to

school fiscal years prior to 2017-18.

Section 44 (79-1041) would be amended to harmonize with the elimination of special building fund common levies.

Section 45 (79-1073) would be amended to limit the duty for learning community coordinating councils to determine distributions of common levies to years prior to 2017.

Section 46 (79-1075) would be amended to limit the duty for counties to levy learning community levies on behalf of school districts to years prior to 2017.

Section 47 (79-1083) would be amended to limit the duty for member school districts to deliver a copy of the adopted budget statement to learning community coordinating councils to school fiscal years prior to 2017-18.

Section 48 (79-1084) would be amended to limit the duty for member Class III school districts to report the revenue raised by the district to learning community coordinating councils to years prior to 2017.

Section 49 (79-1086) would be amended to limit the duty for member Class V school districts to report the revenue raised by the district to learning community coordinating councils to years prior to 2017.

Section 50 (79-10,120) would be amended by eliminating the distinction between learning community and non-learning community districts with regard to special building funds. The change harmonizes with the elimination of the special building fund common levy.

Section 51 (79-10,126) would be amended to apply the provisions for general and special building funds for Class V school districts that are not members of a learning community to all Class V districts beginning with 2017-18.

Section 52 (79-10,126.01) would be amended to limit the provisions for general and special building funds for Class V school districts that are members of a learning community to school fiscal years prior to 2017-18. A reference to the special building fund common levy would be eliminated to harmonize with the elimination of the levy authority.

Section 64 (79-2111) would be amended by harmonizing with changes in subdivision numbers in section 77-3442.

Section 67 (outright repeals) would outright repeal 79-1073.01, which provides for the distribution of the special building fund common levy.

Transition Aid

Section 39 (new section) would provide for learning community transition aid. Aid would be calculated for 2017-18 through 2019-20 for each learning community district by:

1. Dividing the district formula need by the learning community aggregate formula need to determine the district's formula need ratio;
2. Subtracting the learning community aggregate formula resources from the learning community aggregate formula need to determine an aggregate equalization amount;
3. Adding the aggregate equalization amount to the learning community aggregate local effort rate yield to determine the aggregate total;
4. Multiplying the aggregate total by the district's formula need ratio to determine the district share of the aggregate total;
5. Adding the district's equalization aid to the district's local effort rate yield to determine the comparison total;
6. Subtracting the comparison total from the district's share of the aggregate total to determine the transition difference, except if such difference is not greater than 0, the transition difference would be 0; and
7. Multiplying the transition difference by 75% for 2017-18, 50% for 2018-19, and 25% for 2019-20 to determine the aid to be paid to the district.

The aid would not count as a formula resource.

Option Enrollment

Section 10 (79-215) would be amended to limit provisions requiring open enrollment students to be admitted in learning community member districts to school years prior to 2017-18. The section would also be amended to include the new open enrollment option provisions in section 14 in a cross reference to other option provisions.

Section 11 (79-233) would be amended by adding a definition for open enrollment option students to the option program definitions. Open enrollment option students would mean students who reside in a learning community, attended a school building in another school district in that learning community as an open enrollment student, and attends the same building as an option student pursuant to the new provisions in section 14. The definition of option students would be modified to include open enrollment option students and by limiting the exclusion of students transferring between districts in a learning community to school years prior to 2017-18. The option program definitions would also apply to the new open enrollment option provisions in section 14.

Section 12 (79-234) would be amended to not count a student's status as an open enrollment option students against the general limit of one option per student. The option program allows a student to continue in an option district through graduation. For open enrollment option students, the program would only allow the student to continue in the district through the completion of the grades in their school. The additional option would allow the student and the district to make decisions regarding the remainder of the student's education. The new open enrollment option provisions in section 14, like other option provisions, would not relieve a parent or guardian from compulsory attendance requirements.

Section 13 (79-235) would be amended to recognize new exceptions in section 14 to the general requirements for option students to be treated as resident students of the option district and for option districts to determine building assignments.

Section 14 (new section) would provide for open enrollment students to become open enrollment option students beginning with the 2017-18 school year. Open enrollment students for any part of the 2016-17 school year would be automatically approved as open enrollment options students for 2017-18 and could continue in the same school without submitting an additional application unless the student has complete the grades offered in the school or is disqualified due to an expulsion. Unless attending a focus school, focus program, or magnet school, open enrollment option student would be required to apply and be approved through the regular enrollment option procedures to attend another school in the option district. Except as otherwise provided, open enrollment option students would be treated as option students in the option district.

Section 15 (79-237) would be amended to allow option applications for students to transfer between districts in a learning community beginning with the 2017-18 school year. Parents and guardians would be allowed to voluntarily provide information on the application for learning community option districts regarding potential qualification for free or reduced-price lunches. The information would only be used to qualify for an acceptance priority pursuant to 79-238 based on socio-economic diversity. Provisions differentiating option enrollment for new learning communities would be stricken along with other obsolete language.

Section 16 (79-238) would be amended to provide for the acceptance of option students by school districts that are members of a learning community and to require the adoption of transportation policies for option students. The requirement for learning community districts to establish and report capacity for each school pursuant to procedures established by the learning community coordinating council for open enrollment would be continued for option enrollment. In addition, the districts would be required to provide copies of their standards for acceptance and rejection of option applications and their transportation policies for option students to the coordinating council.

The priority for the acceptance of option students for learning community districts would be in the following order:

1. Siblings, which is the same as other districts;
2. Students who have been enrolled in the district as open enrollment students;

3. Students who reside in the learning community and contribute to the socioeconomic diversity of enrollment; and
4. Other students who reside in the learning community.

The district would not be required to accept a student meeting priority criteria if the district is at capacity unless the student is an open enrollment option student or is a relocated student pursuant to section 79-240. The current definition of socioeconomic diversity of enrollment in section 79-2110 for open enrollment would be included in the section.

Section 17 (79-241) would be amended by continuing free transportation for open enrollment option students who received transportation for 2016-17. The requirement would continue for the duration of the student's attendance as an open enrollment option student or for the duration of the student's attendance in a pathway, unless the student relocates to a school district that would have prevented qualification for free transportation during 2016-17. Option students in any district who qualify for free lunches would be eligible for either free transportation or reimbursement, where they are now only eligible for the reimbursement. All districts would also be required to establish policies regarding transportation for option students.

Section 18 (79-245) would be amended to harmonize with the streamlined treatment of net option funding in the Tax Equity and Educational Opportunities Support Act (TEEOSA), without making substantive changes. Provisions would also be clarified by stating that option students are counted as formula students by the option school district.

Section 27 (79-528) would be amended to include students that have transferred into or out of the district pursuant to option enrollment or open enrollment on the fall membership report. The department's report back to the learning community coordinating council based on fall membership reports would include the new information. The October learning community coordinating council report on common levies would only be required through 2016. A cross reference to the special building fund common levy would also be eliminated. (This section summary is also in the common levy area.)

Section 28 (79-611) would be amended to limit the open enrollment transportation requirements to school years prior to 2017-18. The changes in section 17 (79-241) would continue the transportation requirements for open enrollment option students who received transportation for 2016-17.

Section 36 (79-1009) would be amended to include open enrollment students in the calculation of net option funding for 2017-18.

Section 37 (79-1017.01) would be amended by including references to other actual receipts, net option funding, and community achievement plan aid in local system formula resources. Other actual receipts and net option funding are currently included in local system formula resources, but are not referenced in this section. Readability is also improved by clarifying that the adjustments pursuant to section 79-1008.02 are minimum levy adjustments. (This section summary is also in the community achievement plan area.)

Section 38 (79-1018.01) would be amended by removing receipts pursuant to the enrollment option program from other actual receipts. Net option funding would be specifically included in formula resources pursuant to the proposed changes in section 37 (79-1017.01).

Section 5 (43-2515) would be amended to harmonize with the renumbering of subdivisions in section 79-1018.01 with regard to formula resources.

Section 53 (79-1140) would be amended to include section 14 (open enrollment option students) in a citation of option enrollment sections.

Section 63 (79-2110) would be amended to limit open enrollment to school years prior to 2017-18. Open enrollment students would be allowed to continue attending a building as open enrollment students through 2016-17. Students attending a focus program or focus school outside of the school district would be considered open enrollment students for 2016-17, and option enrollment students thereafter. The requirement for parents to provide notice of the student's plans to attend another school in the district as a continuing student would be modified to require notice that the student

will apply to enroll as an option student to continue enrollment in the district and the school building the student would prefer to attend. Resident students attending a school pursuant to open enrollment during 2016-17 would be allowed to continue in the same building until the grades offered in the building have been completed or the student has been expelled.

Section 67 (outright repeals) would outright repeal section 79-1007.02, which provides for the new learning community transportation adjustment.

Reorganization

Section 19 (79-4,119) would be amended by removing the requirement for reorganizations affecting learning community member school districts to be based on a plan submitted to the State Committee for the Reorganization of School Districts (State Committee) by the learning community coordinating council.

Section 20 (79-4,121) would be amended by removing the requirement for learning community coordinating councils to take into consideration the advice and suggestions offered by the State Committee. Clarification would be added that the State Committee's consideration of educational needs will be the educational needs of the pupils in the learning community.

Section 21 (79-4,122) would be amended by removing the requirement for reorganizations affecting learning community member school districts to be based on a plan submitted to the State Committee by the learning community coordinating council.

Section 22 (79-4,123) would be amended to clarify that the measurement of students for the purpose of determining if a district has more than 25,000 students, thus being prohibited from increasing in geographic size, would be based on formula students from the most recent certification of state aid.

Section 23 (79-4,124) would be amended by providing that the State Committee notify affected school districts, rather than the learning community coordinating council, regarding approval or disapproval of a reorganization plan.

Section 24 (79-4,125) would be amended by providing that the State Committee return disapproved plans to the affected school districts, rather than the learning community coordinating council.

Section 25 (79-4,126) would be amended by providing that the State Committee return approved plans only to the affected school districts, and not the learning community coordinating council.

Section 26 (79-4,128) would be amended by directing the county clerk's to file certificates of boundary changes with the learning community coordinating council in addition to the current requirement to file the certificates with the county assessor, county treasurer, and State Committee.

Section 67 (outright repeals) would outright repeal 79-2107, which freezes boundaries of school districts that will be in a learning community, until the learning community is formed, when a new city of the metropolitan class is designated.

Community Achievement Plans

Section 29 (79-1001) would be amended to include the new sections in the Tax Equity and Educational Opportunities Support Act (TEEOSA).

Section 30 (79-1003) would be amended to recognize the community achievement plan allowance in the calculation of adjusted general fund operating expenditures. The definition of local systems would only include learning communities for aid calculated for school fiscal years prior to 2017-18. Obsolete language would be eliminated. (This section summary is also in the common levy area.)

Section 31 (new section) would provide for the new community achievement plan adjustment and the community achievement plan allowance beginning with the calculation of aid for 2017-18. For the first 2 years of participation in an approved community achievement plan, districts would receive a new community achievement plan adjustment equal to 5% of the district's poverty allowance. Thereafter, the district would receive an allowance calculated in the same manner each year the district will participate in a plan. The adjustment adds money to the formula for the first two years to recognize the potential increase in spending, and the allowance continues to support that difference in spending between districts that participate in a plan and those that do not. The adjustment and allowance would be paid as community achievement plan aid and would be included in formula resources.

For 2017-18, a new community achievement plan adjustment would be calculated for all members of learning communities and included in formula resources regardless of the approval status of the community achievement plan, but the aid would not be paid until the plan is approved by the state board. If not approved prior to November 1, 2017 the adjustment and aid would be removed for the final calculation of 2017-18 aid, and the amount would be subtracted from the appropriated state aid.

Section 32 (79-1007.11) would be amended to include the new community achievement plan adjustment and the community achievement plan allowance in the calculation of formula need. The formula need hold harmless for new learning community member districts would be stricken. Obsolete language would also be eliminated.

Section 33 (79-1007.13) would be amended to reflect changes in subdivision numbers in section 79-1018.01 due to streamlining of formula resource provisions.

Section 34 (79-1007.18) would be amended to continue the use of learning community common levies for determining averaging adjustments through the calculation of 2017-18 aid.

Section 35 (79-1008.02) would be amended to continue the use of learning community common levies for determining minimum levy adjustments through the calculation of 2017-18 aid. Provisions regarding new learning communities would be eliminated.

Section 37 (79-1017.01) would be amended by including references to other actual receipts, net option funding, and community achievement plan aid in local system formula resources. Other actual receipts and net option funding are currently included in local system formula resources, but are not referenced in this section. Readability is also improved by clarifying that the adjustments pursuant to section 79-1008.02 are minimum levy adjustments. (This section summary is also in the option enrollment area.)

Section 40 (79-1022) would be amended to limit the directive for distributing aid to learning community districts to school fiscal years prior to 2017-18. The community achievement plan aid provisions specific to 2017-18 would be recognized as an exception to the general rule for certified aid to be distributed in 10 equal payments. Obsolete language would also be eliminated. (This section summary is also in the common levy area.)

Section 54 (79-11,155) would be amended by requiring the student achievement coordinator to consult with learning communities, educational service units, and school districts on the development, implementation, and evaluation of community achievement plans. The coordinator would also conduct an initial review of submitted plans and return the plans with any suggestions or comments prior to the final submission for approval by the State Board.

Section 55 (new section) would provide for community achievement plans. Community achievement plans would be required for learning communities and optional for multi-district educational service units (ESU's) that do not have territory in a learning community, and would be submitted to the State Board of Education for approval. School districts that are not members of a learning community, but that are members of an ESU that includes members of a learning community, may choose to participate in the learning community plan. School districts that are not members of a learning community, but that are in a single district ESU, may collaborate with a contiguous ESU and participate in any plan developed by such ESU.

The plans would be developed, in consultation with the student achievement coordinator, by the learning community or ESU submitting the plan in collaboration with member districts, other participating school districts, and, for learning communities, the advisory committee and ESU's with member school districts that are members of the learning community.

Community achievement plans and plan renewals would be submitted for an initial review by January 1, 2017 to be implemented beginning with 2017-18 or January 1st immediately preceding the school year when the plan will be implemented. The student achievement coordinator would return the plan with any suggestions or comments by February 15th to allow revision prior to submission on or before March 15th for approval by the State Board at the April meeting. If the State Board rejects a plan, the reasons for the rejection would be included with the notice. An opportunity would be provided to revise the plan and to appear before the board prior to a reconsideration.

Requirements for approval include:

1. A 3 year participation commitment from all member districts and other participating districts;
2. Clear description of the plan responsibilities for each participating school district, the submitting learning community or educational services unit, and any other collaborating entities;
3. An evaluation of achievement equity and an identification of achievement barriers across participating districts;
4. Reliance on the collaboration of all districts to address achievement equity and barriers to achievement across the participating school districts using evidence based methods;
5. Alignment with plans for accreditation, poverty, limited English proficiency, and federal funds;
6. An evaluation of the effectiveness of efforts to address achievement equity and barriers to achievement through the community achievement plan and through other aligned plans to promulgate best practices and the efficient use of resources;
7. A high likelihood, in the opinion of the State Board, of improving achievement equity and reducing the impact of barriers to achievement; and
8. For renewals, changes in the plan and the actions of the collaborators in response to evaluation results.

An approved plan would remain in effect for 3 years, except as revised with the approval of the State Board. The learning community or ESU submitting the plan would submit a report on the success, evaluation results, and proposed revisions by December 1st following the completion of the first 2 years of implementation and every 3 years thereafter. The State Board would adopt procedures for approval and technical assistance allowing for a preliminary review prior to submission of the final plan. The procedures would also provide for an appeal process, which would include an opportunity to present evidence.

Section 56 (79-1241.03) would be amended to eliminate obsolete language from the provisions for the distribution of core services and technology infrastructure funds to ESU's and learning communities. Funds distributed to learning communities are currently used for evaluation and research pursuant to section 79-2104.02, which would be amended in section 59 to allow evaluation of community achievement plans.

Section 61 (79-2104.02) would be amended by adding the evaluation of programs related to the community achievement plan to the possible uses of core services and technology infrastructure funds. The evaluations would be required to be connected to the evaluation components of the member district poverty and limited English proficiency plans. The evaluation and research results would be included in the annual report to the Education Committee.

Educational Service Unit Coordinating Council

Section 57 (79-1245) would be amended to include one nonvoting administrator from each learning community on the ESU Coordinating Council beginning July 1, 2017. Obsolete language would be eliminated.

Kate Sullivan, Chairperson