LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1066

Introduced by Sullivan, 41.
Read first time January 20, 2016
Committee: Education

A BILL FOR AN ACT relating to education; to amend sections 79-234, 79-237, 79-238, 79-576, 79-607, 79-734, 79-760.03, 79-772, 79-773, 79-774, 79-775, 79-1005.01, 79-1031, and 79-1065.01, Reissue Revised Statutes of Nebraska, section 71-1958, Revised Statutes Cumulative Supplement, 2014, and sections 79-8,137.01, 79-8,137.03, 79-8,137.04, 79-1003, and 79-1028.01, Revised Statutes Supplement, 2015; to change provisions relating to the enrollment option program, the textbook loan program, state assessments, student loan repayment assistance, and the Tax Equity and Educational Opportunities Support Act; to rename an act; to eliminate support grants for consolidation, a fund, and obsolete provisions relating to the American Recovery and Reinvestment Act percentage; to harmonize provisions; to repeal the original sections; and to outright repeal sections 79-1011, 79-1012, 79-1028.02, and 79-1028.04, Reissue Revised Statutes of Nebraska.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 71-1958, Revised Statutes Cumulative Supplement, 2014, is amended to read:

71-1958 (1) Quality rating criteria shall be used as provided in this section to assign a quality scale rating to each applicable child care or early childhood education program if the program applies under section 71-1957 to participate in the quality rating and improvement system developed pursuant to section 71-1955.

(2) Licensure under the Child Care Licensing Act for a program which serves children from birth to kindergarten-entrance age shall be sufficient criteria to be rated at step one.

(3) Meeting criteria established by the State Department of Education for a prekindergarten service or prekindergarten program established pursuant to section 79-1104 and reporting to the Nebraska Early Childhood Professional Record System created under section 71-1962 shall be sufficient criteria to be rated at step three.

(4) Meeting performance standards required by the federal government for a federal Head Start program or Early Head Start program and reporting to the Nebraska Early Childhood Professional Record System created under section 71-1962 shall be sufficient criteria to be rated at step three.

(5) Accreditation by a nationally recognized accrediting body approved by the State Department of Education and reporting to the Nebraska Early Childhood Professional Record System created under section 71-1962 shall be sufficient criteria to be rated at step three.

(6) A participating applicable child care or early childhood education program operating under a provisional license shall have a quality scale rating at step one even if it meets other quality rating criteria. If a participating applicable child care or early childhood education program is at a quality scale rating higher than step one and the program's license is placed on corrective action status, disciplinary limitation, probation, or suspension, such program shall have its quality...
scale rating changed to step one. If an applicable child care or early
childhood education program's license is revoked, the program is not
eligible to participate in or receive a quality scale rating under the
quality rating and improvement system until the program has an operating
license which is in full force and effect.

Sec. 2. Section 79-234, Reissue Revised Statutes of Nebraska, is
amended to read:

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

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

Sec. 3. Section 79-237, Reissue Revised Statutes of Nebraska, is
amended to read:

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

(2) A student who relocates to a different resident school district after February 1 or whose option school district merges with another district effective after February 1, or whose qualification for the option for school year 2013-14 is changed pursuant to the changes made to subsection (1) of section 79-234 by Laws 2013, LB410, may submit an application to the school board of an option school district for attendance during the immediately following and subsequent school years. Such application does not require the release approval of the resident school district. The option school district shall accept or reject such application within forty-five days.

(3) For a student who resides in a learning community to begin
attendance in an option school district which is a member of such learning community, the student's parent or legal guardian shall submit an application to the school board of the option school district (a) for any learning community established prior to February 13, 2009, between February 13, 2009, and April 1, 2009, or (b) for any learning community established thereafter, between September 1 and March 15. Applications submitted after such deadlines shall be accompanied by a written release from the resident school district. Students who reside in a learning community shall only begin attendance in an option school district which is a member of such learning community prior to the end of the first full school year for which the option school district is a member of such learning community. The option school district shall provide the resident school district with the name of the applicant within five days after the applicable deadline. The option school district shall notify, in writing, the parent or legal guardian of the student and the resident school district whether the application is accepted or rejected on or before April 1. A parent or guardian may provide information on the application regarding the applicant's potential qualification for free or reduced-price lunches. Any such information provided shall be subject to verification and shall only be used for the purposes of subsection (4) of section 79-238. Nothing in this subsection requires a parent or guardian to provide such information. Determinations about an applicant's qualification for free or reduced-price lunches for purposes of subsection (4) of section 79-238 shall be based on any verified information provided on the application. If no such information is provided, the student shall be presumed not to qualify for free or reduced-price lunches for the purposes of subsection (4) of section 79-238.

(4) Applications for students who do not actually attend the option school district may be withdrawn in good standing upon mutual agreement by both the resident and option school districts.
(5) No option student shall attend an option school district for less than one school year unless the student relocates to a different resident school district, completes requirements for graduation prior to the end of his or her senior year, transfers to a private or parochial school, or upon mutual agreement of the resident and option school districts cancels the enrollment option and returns to the resident school district.

(6) Except as provided in subsection (5) of this section, the option student shall attend the option school district until graduation unless the student relocates in a different resident school district, transfers to a private or parochial school, or chooses to return to the resident school district.

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

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

(9) An option student who subsequently chooses to attend a private or parochial school shall be automatically accepted to return to either the resident school district or option school district upon the completion of the grade levels offered at the private or parochial school. If such student chooses to return to the option school district, the student's parent or legal guardian shall submit another application to the school board of the option school district which shall be automatically accepted, and the deadlines prescribed in this section shall be waived.

Sec. 4. Section 79-238, Reissue Revised Statutes of Nebraska, is amended to read:
79-238 (1) Except as provided in section 79-240, the school board of the option school district shall adopt by resolution specific standards for acceptance and rejection of applications. Standards may include the capacity of a program, class, grade level, or school building or the availability of appropriate special education programs operated by the option school district. Capacity shall be determined by setting a maximum number of option students that a district will accept in any program, class, grade level, or school building, based upon available staff, facilities, projected enrollment of resident students, projected number of students with which the option school district will contract based on existing contractual arrangements, and availability of appropriate special education programs. The school board of the option school district may by resolution declare a program, a class, or a school unavailable to option students due to lack of capacity. Standards shall not include previous academic achievement, athletic or other extracurricular ability, disabilities, proficiency in the English language, or previous disciplinary proceedings except as provided in section 79-266.01. False or substantively misleading information submitted by a parent or guardian on an application to an option school district may be cause for the option school district to reject a previously accepted application if the rejection occurs prior to the student's attendance as an option student.

(2) The school board of every school district shall also adopt specific standards and conditions for acceptance or rejection of a request for release of a resident or option student submitting an application to an option school district after March 15 under subsection (1) of section 79-237. Standards shall not include that a request occurred after the deadline set forth in this subsection.

(3) Any option school district shall give first priority for enrollment to siblings of option students, except that the option school district shall not be required to accept the sibling of an option student
if the district is at capacity except as provided in subsection (1) of
section 79-240.

(4) Any option school district that is in a learning community shall
give second priority for enrollment to students who reside in the
learning community and who contribute to the socioeconomic diversity of
enrollment as defined in section 79-2110 at the school building to which
the student will be assigned pursuant to section 79-235.

Sec. 5. Section 79-576, Reissue Revised Statutes of Nebraska, is
amended to read:

79-576 The secretary of a Class I, II, III, IV, or VI school
district shall be clerk of the school board and of all
district meetings
when present, but if he or she is not present the school board legal
voters may appoint a clerk for the time being, who shall certify the
proceedings to the secretary clerk to be recorded by him or her.

Sec. 6. Section 79-607, Reissue Revised Statutes of Nebraska, is
amended to read:

79-607 The State Board of Education shall adopt and promulgate rules
and regulations for operators of pupil transportation vehicles as to
physical and mental qualities, driving skills and practices, and
knowledge of traffic laws, rules, and regulations which relate to school
bus transportation. Such traffic rules and regulations shall by reference
be made a part of any such contract with a school district. Any officer
or employee of any school district who violates any of the traffic rules
or regulations or fails to include obligations to comply with the traffic
rules and regulations in any contract executed by him or her on behalf of
a school district shall be guilty of a Class V misdemeanor and shall,
upon conviction thereof, be subject to removal from office or employment.
Any person operating a school bus under contract with a school district
who fails to comply with any of such traffic rules and regulations shall
be guilty of breach of contract, and such contract may be canceled
after notice and hearing by the responsible officers of such school

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Sec. 7. Section 79-734, Reissue Revised Statutes of Nebraska, is amended to read:

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

(2) School boards and boards of education shall purchase and loan textbooks to all children who are enrolled in kindergarten to grade twelve of a public school and, upon individual request, to children who are enrolled in kindergarten to grade twelve of a private school which is approved for continued legal operation under rules and regulations established by the State Board of Education pursuant to subdivision (5)(c) of section 79-318. The Legislature may appropriate funds to carry out the provisions of this subsection. A school district is not obligated to spend any money for the purchase and loan of textbooks to children enrolled in private schools other than funds specifically appropriated by the Legislature to be distributed by the State Department of Education for the purpose of purchasing and loaning textbooks as provided in this subsection. Textbooks loaned to children enrolled in kindergarten to grade twelve of such private schools shall be textbooks which are designated for use in the public schools of the school district in which the child resides or the school district in which the private school the child attends is located. Such textbooks shall be loaned free to such children subject to such rules and regulations as are or may be prescribed by such school boards or boards of education. The State Department of Education shall adopt and promulgate rules and regulations to carry out this section. The rules and regulations shall include provisions for the distribution of funds appropriated for textbooks. The rules and regulations shall include a deadline for applications from school districts for distribution of funds. If funds are not appropriated
to cover the entire cost of applications, a pro rata reduction shall be made. For purposes of this subsection, textbook means a reusable set of printed sheets of paper that are bound together inside a cover which is used in a course of study in a school by a student, and includes any of the versions of a textbook provided by a publisher or manufacturer under section 79-734.01 to a school district for student use, including any reusable workbooks or manuals whether bound or in another medium provided to the school district.

Sec. 8. Section 79-760.03, Reissue Revised Statutes of Nebraska, is amended to read:

79-760.03 (1) For school year 2009-10 and each school year thereafter, the State Board of Education shall implement a statewide system for the assessment of student learning and for reporting the performance of school districts and learning communities pursuant to this section. The assessment and reporting system shall measure student knowledge of subject matter materials covered by measurable academic content standards selected by the state board.

(2) The state board shall adopt a plan for an assessment and reporting system and implement and maintain the assessment and reporting system according to such plan. The plan shall be submitted annually to the State Department of Education, the Governor, the chairperson of the Education Committee of the Legislature, and the Clerk of the Legislature. The plan submitted to the committee and the Clerk of the Legislature shall be submitted electronically. The state board shall select grade levels for assessment and reporting required pursuant to subsections (4) through (7) of this section. The purposes of the system are to:

(a) Determine how well public schools are performing in terms of achievement of public school students related to the state academic content standards;

(b) Report the performance of public schools based upon the results of state assessment instruments and national assessment instruments;
(c) Provide information for the public and policymakers on the performance of public schools; and

(d) Provide for the comparison among Nebraska public schools and the comparison of Nebraska public schools to public schools elsewhere.

(3) The Governor shall appoint a technical advisory committee to review (a) the statewide assessment plan, (b) and state assessment instruments, and (c) the accountability system developed under the Quality Education Accountability Act. The technical advisory committee shall consist of three nationally recognized experts in educational assessment and measurement, one administrator from a school in Nebraska, and one teacher from a school in Nebraska. The members shall serve terms of three years, except that two of the members shall be appointed for initial terms of two years. Any vacancy shall be filled by the Governor for the remainder of the term. One of the members shall be designated as chairperson by the Governor. Members shall be reimbursed for their actual and necessary expenses as provided in sections 81-1174 to 81-1177. The committee shall advise the Governor, the state board, and the State Department of Education on the development of statewide assessment instruments and the statewide assessment plan. The appointments to the committee shall be confirmed by the Legislature.

(4) The state board shall prescribe a statewide assessment of writing that relies on writing samples in each of three grades selected by the state board. Each year at least one of the three selected grades shall participate in the statewide writing assessment with each selected grade level participating at least once every three years.

(5) For school year 2009-10 and for each school year thereafter, the state board shall prescribe a statewide assessment of reading. The statewide assessment of reading shall include assessment instruments for each of the grade levels three through eight and for one grade in high school and standards adopted by the state board pursuant to section 79-760.01.
(6) For no later than school year 2010-11 and for each school year thereafter, the state board shall prescribe a statewide assessment of mathematics. The statewide assessment of mathematics shall include assessment instruments for each of the grade levels three through eight and for one grade in high school and standards adopted by the state board pursuant to section 79-760.01. If no statewide assessment of mathematics is administered in school year 2009-10, school districts shall report mathematics assessment results in the same manner as such information was reported in school year 2008-09.

(7) For no later than school year 2011-12 and each school year thereafter, the state board shall prescribe a statewide assessment of science. The statewide assessment of science shall include assessment instruments for each of the grade levels selected by the state board and standards adopted by the state board pursuant to section 79-760.01. The grade levels shall include at least one grade in elementary school, one grade in middle school or junior high school, and one grade in high school.

(8) The department shall conduct studies to verify the technical quality of assessment instruments and demonstrate the comparability of assessment instrument results required by the act. The department shall annually report such findings to the Governor, the Legislature, and the state board. The report submitted to the Legislature shall be submitted electronically.

(9) The state board shall recommend national assessment instruments for the purpose of national comparison. Each school district shall report individual student data for scores and sub-scores according to procedures established by the state board and the department pursuant to section 79-760.05.

(10) The aggregate results of assessment instruments and national assessment instruments shall be reported by the district on a building basis to the public in that district, to the learning community
coordinating council if such district is a member of a learning community, and to the department. Each learning community shall also report the aggregate results of any assessment instruments and national assessment instruments to the public in that learning community and to the department. The department shall report the aggregate results of any assessment instruments and national assessment instruments on a learning community, district, and building basis as part of the statewide assessment and reporting system.

(11)(a) The assessment and reporting plan shall:

(i) Provide for the confidentiality of the results of individual students; and

(ii) Include all public schools and all public school students.

(b) The state board shall adopt criteria for the inclusion of students with disabilities, students entering the school for the first time, and students with limited English proficiency.

The department may determine appropriate accommodations for the assessment of students with disabilities or any student receiving special education programs and services pursuant to section 79-1139. Alternate academic achievement standards in reading, mathematics, and science and alternate assessment instruments aligned with the standards may be among the accommodations for students with severe cognitive disabilities.

(12) The state board may select additional grade levels, and additional subject areas, or assessment instruments for statewide assessment consistent instruments to comply with federal requirements.

(13) The state board shall not require school districts to administer assessments or assessment instruments other than as prescribed by the act.

(14) The state board shall appoint committees of teachers, from each appropriate subject area, and administrators to assist in the development of statewide assessment instruments required by the act.

Sec. 9. Section 79-772, Reissue Revised Statutes of Nebraska, is
amended to read:

79-772 Sections 79-772 to 79-775 shall be known and may be cited as the Center for Student Leadership and Expanded Extended Learning Act.

Sec. 10. Section 79-773, Reissue Revised Statutes of Nebraska, is amended to read:

79-773 (1) The Legislature finds that:

(a) Since 1928, Nebraska students have benefited from participation in career education student organizations such as Nebraska FFA, Family Career and Community Leaders of America (FCCLA), Future Business Leaders of America (FBLA), Skills USA, Nebraska DECA, Educators Rising, and HOSA Future Health Professionals Health Occupations Students of America (HOSA);

(b) Research conducted in 2007 by the National Research Center for Career and Technical Education has documented a positive association between career education student organizations participation and academic motivation, academic engagement, grades, career self-efficacy, college aspirations, and employability skills;

(c) Long-term sustainability of the state associations of career education student organizations has a positive impact on Nebraska students and is in the best interests of the economic well-being of the State of Nebraska;

(d) Students in Nebraska schools should have opportunities to acquire academic, technical, and employability knowledge and skills needed to meet the demands of a global economy;

(e) Students benefit from the opportunities provided by career education student organizations to develop and demonstrate leadership skills that prepare them for civic, economic, and entrepreneurial leadership roles;

(f) Students benefit from engaging in expanded-learning extended-learning experiences outside their normal classrooms that allow them to apply their knowledge and skill in authentic real-world situations;
(g) There is a need to establish and expand strategies and programs that enable young people to be college-ready and career-ready, build assets, and remain as productive citizens in their communities; and

(h) There is a need to establish a statewide structure that supports existing and emerging curriculum and program offerings with student leadership development opportunities and experiences.

2 The Legislature recognizes that Nebraska must provide opportunities to educate young people with leadership and employability skills to (a) meet the needs of business and industry and remain economically viable, (b) educate and nurture future entrepreneurs for successful business ventures to diversify and strengthen our economic base, (c) foster rewarding personal development experiences that involve students in their communities and encourage them to return to their communities after completing postsecondary education, and (d) invest in and support the leadership development of our future state and community civic leaders.

Sec. 11. Section 79-774, Reissue Revised Statutes of Nebraska, is amended to read:

79-774 For purposes of the Center for Student Leadership and

Expanded Extended Learning Act:

(1) Career and technical education means educational programs that support the development of knowledge and skill in the following areas: Agriculture, food, and natural resources; architecture and construction; arts, audiovisual, technology, and communication; business management and administration; education and training; finance; government and public administration; health science; hospitality and tourism; human services; information technology; law, public safety, and security; marketing; manufacturing; science, technology, engineering, and mathematics; and transportation, distribution, and logistics;

(2) Career education student organization means an organization for individuals enrolled in a career and technical education program that
engages career and technical education activities as an integral part of
the instructional program; and

(3) Expanded Extended learning means school-based or school-linked
activities and programs that utilize school-community partnerships to
expand opportunities for students to participate in educational
activities outside the normal classroom.

Sec. 12. Section 79-775, Reissue Revised Statutes of Nebraska, is
amended to read:

79-775 The purpose of the Center for Student Leadership and Expanded
Extended Learning Act is to provide state support for establishing and
maintaining within the State Department of Education the Center for
Student Leadership and Expanded Extended Learning. The center shall
provide ongoing financial and administrative support for state leadership
and administration of Nebraska career education student organizations,
create and coordinate opportunities for students to participate in
educational activities outside the normal classroom, and partner with
state and local organizations to share research and identify best
practices that can be disseminated to schools and community
organizations.

Sec. 13. Section 79-8,137.01, Revised Statutes Supplement, 2015, is
amended to read:

79-8,137.01 The Enhancing Excellence in Teaching Program is created.
For purposes of the Enhancing Excellence in Teaching Program:

(1) Department means the State Department of Education;

(2) Eligible graduate program means a program of study offered by an
eligible institution which results in obtaining a graduate degree or a
graduate course of study leading to an endorsement in a shortage area
specified by the State Board of Education;

(3) Eligible institution means a not-for-profit college or
university which (a) is located in Nebraska, (b) is accredited by a
regional accrediting agency recognized by the United States Department of
Education as determined to be acceptable by the State Board of Education, 
(c) has a teacher education program, and (d) if a privately funded 
college or university, has not opted out of the Enhancing Excellence in 
Teaching Program pursuant to rules and regulations;

(4) Eligible student means an individual who (a) is a certificated 
teacher employed to teach in an approved or accredited school in 
Nebraska, (b) is enrolled in an eligible graduate program, including a 
course of study leading to an endorsement in a shortage area specified by 
the State Board of Education, (c) if enrolled at a state-funded eligible 
institution, is a resident student as described in section 85-502 or, if 
enrolled in a privately funded eligible institution, would be deemed a 
resident student if enrolled in a state-funded eligible institution, (d) 
is majoring in a shortage area, curriculum and instruction, a subject 
area in which the individual already holds a secular teaching 
endorsement, or a subject area that will result in an additional secular 
teaching endorsement which the superintendent of the school district or 
head administrator of the private, denominational, or parochial school 
employing the individual believes will be beneficial to the students of 
such school district or school as evidenced by a statement signed by the 
superintendent or head administrator, and (e) is applying for a loan 
pursuant to the Enhancing Excellence in Teaching Program to be received 
at a time other than during fiscal year 2011-12 or 2012-13;

(5) Majoring in a shortage area or subject area means pursuing a 
degree or course of study which will allow an individual to be properly 
endorsed to teach in such shortage area or subject area; and

(6) Shortage area means a secular field of teaching or endorsement 
area for which there is a shortage, as determined by the department, of 
properly endorsed teachers at the time the borrower first receives funds 
pursuant to the Enhancing Excellence in Teaching Program.

Sec. 14. Section 79-8,137.03, Revised Statutes Supplement, 2015, is 
amended to read:
(1) The department shall administer the Enhancing Excellence in Teaching Program either directly or by contracting with public or private entities.

(2) To be eligible for the program, an eligible student shall:

(a) Agree to complete an eligible graduate or endorsement program at an eligible institution and to complete the program on which the applicant's eligibility is based as determined by the department; and

(b) Commit to teach in an accredited or approved public or private school in Nebraska upon successful completion of the eligible graduate or endorsement program for which the applicant is applying to the Enhancing Excellence in Teaching Program and to maintaining certification pursuant to sections 79-806 to 79-815.

(3) Eligible students may apply on an annual basis for loans in an amount of not more than one hundred seventy-five dollars per credit hour. Loans awarded to individual students shall not exceed a cumulative period exceeding five consecutive years. Loans shall only be awarded through the department. Loans shall be funded pursuant to section 79-8,137.05.

Sec. 15. Section 79-8,137.04, Revised Statutes Supplement, 2015, is amended to read:

79-8,137.04 (1) Prior to receiving any money from a loan pursuant to the Enhancing Excellence in Teaching Program, an eligible student shall enter into a contract with the department. Such contract shall be exempt from the requirements of sections 73-501 to 73-510. The contract shall require that if (a) the borrower is not employed as a full-time teacher teaching in an approved or accredited school in Nebraska for a time period equal to the number of years required for loan forgiveness pursuant to subsection (2) of this section or (b) the borrower does not complete the requirements for graduation within five consecutive years after receiving the initial loan under the program, then the loan shall be repaid, with interest at the rate fixed pursuant to section 45-103 accruing as of the date the borrower signed the contract and actual
collection costs as determined by the department. If a borrower fails to remain enrolled at an eligible institution or otherwise fails to meet the requirements of an eligible student, repayment of the loan shall commence within six months after such change in eligibility. The State Board of Education may by rules and regulations provide for exceptions to the conditions of repayment pursuant to this subsection based upon mitigating circumstances.

(2)(a) If the borrower (i) successfully completes the eligible graduate or endorsement program for which the borrower is receiving a forgivable loan pursuant to the Enhancing Excellence in Teaching Program and maintains certification pursuant to sections 79-806 to 79-815, (ii) maintains employment as a teacher in an approved or accredited school in this state, and (iii) otherwise meets the requirements of the contract, payments shall be suspended for the number of years that the borrower is required to remain employed as a teacher in this state under the contract.

(b) For recipients who received funds for the first time funds received prior to July 1, 2016, beginning after the first two years of teaching full-time in Nebraska following graduation for the degree for which the loan was received, for each year that the borrower teaches full-time in Nebraska pursuant to the contract, the loan shall be forgiven in an amount equal to three thousand dollars, except that if the borrower teaches full-time in a school district that is in a local system classified as very sparse as defined in section 79-1003, teaches in a school building that provides free meals to all students pursuant to the community eligibility provision, teaches in a school building in which at least forty percent of the students are poverty students as defined in section 79-1003, or teaches in an accredited or approved private school in Nebraska in which at least forty percent of the enrolled students qualified for free lunches as determined by the most recent data available from the department, payments shall be forgiven each year in an
amount equal to six thousand dollars.

(c) For recipients who received funds for the first time funds received on or after July 1, 2016, beginning after the first two years of teaching full-time in Nebraska following completion of the eligible graduate program graduation for the degree for which the loan was received, for each year that the borrower teaches full-time in Nebraska pursuant to the contract, the loan shall be forgiven in an amount equal to one thousand five hundred dollars, except that if the borrower teaches full-time in a school district that is in a local system classified as very sparse as defined in section 79-1003, teaches in a school building in which at least forty percent of the formula students are poverty students as defined in section 79-1003, teaches in a school building that provides free meals to all students pursuant to the community eligibility provision, or teaches in an accredited private school or educational service unit or an approved private school in Nebraska in which at least forty percent of the enrolled students qualified for free lunches as determined by the most recent data available from the department, payments shall be forgiven each year in an amount equal to one thousand five hundred dollars for the first year of loan forgiveness and three thousand dollars for each year of loan forgiveness thereafter.

Sec. 16. Section 79-1003, Revised Statutes Supplement, 2015, is amended to read:

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

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

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

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

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

(5) Base fiscal year means the first school fiscal year following the school fiscal year in which the reorganization or unification
(6) Board means the school board of each school district;

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

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

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

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

(11) Department means the State Department of Education;

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

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

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

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

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

(17) Formula students means:

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

(b) For the final calculation of state aid pursuant to section 79-1065, the sum of average daily membership plus sixty percent of the qualified early childhood education average daily membership plus tuitioned students minus the product of the number of students enrolled in kindergarten that is not full-day kindergarten from the average daily membership multiplied by 0.5 from the school fiscal year immediately preceding the school fiscal year in which aid was paid;
(18) Free lunch and free milk calculated student means, for school fiscal year 2016-17 and each school fiscal year thereafter, using the most recent data available on November 1 of the school fiscal year immediately preceding the school fiscal year in which aid is to be paid, (a) a student who qualified for free lunches or free milk and attended a school that uses information collected from parents and guardians pursuant to section 79-10,143 to determine such qualifications pursuant to the federal Richard B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts and sections existed on January 1, 2015, and rules and regulations adopted thereunder, plus (b) the product of the students who attend a school that provides free meals to all students pursuant to the community eligibility provision multiplied by the identified student percentage calculated pursuant to such federal provision;

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

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

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

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

(23) General fund operating expenditures means for state aid
calculated for school fiscal years 2012-13 and each school fiscal year thereafter, as reported on the annual financial report for the second school fiscal year immediately preceding the school fiscal year in which aid is to be paid, the total general fund expenditures minus (a) the amount of all receipts to the general fund, to the extent that such receipts are not included in local system formula resources, from early childhood education tuition, summer school tuition, educational entities as defined in section 79-1201.01 for providing distance education courses through the Educational Service Unit Coordinating Council to such educational entities, private foundations, individuals, associations, charitable organizations, the textbook loan program authorized by section 79-734, federal impact aid, and levy override elections pursuant to section 77-3444, (b) the amount of expenditures for categorical funds, tuition paid, transportation fees paid to other districts, adult education, community services, redemption of the principal portion of general fund debt service, retirement incentive plans authorized by section 79-855, and staff development assistance authorized by section 79-856, (c) the amount of any transfers from the general fund to any bond fund and transfers from other funds into the general fund, (d) any legal expenses in excess of fifteen-hundredths of one percent of the formula need for the school fiscal year in which the expenses occurred, (e) expenditures to pay for sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination occurring prior to July 1, 2009, occurring on or after the last day of the 2010-11 school year and prior to the first day of the 2013-14 school year, or, to the extent that a district has demonstrated to the State Board of Education pursuant to section 79-1028.01 that the agreement will result in a net savings in salary and benefit costs to the school district over a five-year period, occurring on or after the first day of the 2013-14 school year, (f)(i) expenditures to pay for employer contributions pursuant to subsection (2) of section 79-958 to the School Employees
Retirement System of the State of Nebraska to the extent that such expenditures exceed the employer contributions under such subsection that would have been made at a contribution rate of seven and thirty-five hundredths percent or (ii) expenditures to pay for school district contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to the retirement system established pursuant to the Class V School Employees Retirement Act to the extent that such expenditures exceed the school district contributions under such subdivision that would have been made at a contribution rate of seven and thirty-seven hundredths percent, and (g) any amounts paid by the district for lobbyist fees and expenses reported to the Clerk of the Legislature pursuant to section 49-1483.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(38) Sparse local system means a local system that is not a very
sparse local system but which meets the following criteria:
(a)(i) Less than two students per square mile in the county in which each high school is located, based on the school district census, (ii) less than one formula student per square mile in the local system, and (iii) more than ten miles between each high school attendance center and the next closest high school attendance center on paved roads;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(50) Unadjusted poverty students means, for school fiscal year 2016-17 and each school fiscal year thereafter, the greater of the number of low-income students or the free lunch and free milk calculated students in a district; and
(51) Very sparse local system means a local system that has:

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

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

Sec. 17. Section 79-1005.01, Reissue Revised Statutes of Nebraska, is amended to read:

79-1005.01 (1) One hundred two million two hundred eighty-nine thousand eight hundred seventeen dollars An amount equal to the amount appropriated to the School District Income Tax Fund for distribution in school fiscal year 1992-93 shall be disbursed as option payments as determined under section 79-1009 and as allocated income tax funds as determined in this section and sections 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, except as provided in section 79-1008.02. Funds not distributed as allocated income tax funds due to minimum levy adjustments shall not increase the amount available to local systems for distribution as allocated income tax funds.

(2) Not later than November 15 of each year, the Tax Commissioner shall certify to the department for the preceding tax year the income tax liability of resident individuals for each local system. The 1996 income tax liability of resident individuals of Class I districts that are affiliated with multiple high school districts shall be divided between local systems based on the percentage of the Class I district's valuation affiliated with each high school district.
(3) Using the data certified by the Tax Commissioner pursuant to subsection (2) of this section, the department shall calculate the allocation percentage and each local system's allocated income tax funds. The allocation percentage shall be an amount equal to the amount stated in subsection (1) of this section appropriated to the School District Income Tax Fund for distribution in school fiscal year 1992-93 minus the total amount paid for option students pursuant to section 79-1009, and (a) for aid calculated for school fiscal year 2010-11, minus twenty million dollars and (b) for aid calculated for school fiscal years 2011-12 and 2012-13, minus twenty-one million dollars with the difference divided by the aggregate statewide income tax liability of all resident individuals certified pursuant to subsection (2) of this section. Each local system's allocated income tax funds shall be calculated by multiplying the allocation percentage times the local system's income tax liability certified pursuant to subsection (2) of this section.

Sec. 18. Section 79-1028.01, Revised Statutes Supplement, 2015, is amended to read:

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

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

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

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

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

(e) Expenditures to pay for employer contributions pursuant to subsection (2) of section 79-958 to the School Employees Retirement System of the State of Nebraska to the extent that such expenditures exceed the employer contributions under such subsection that would have been made at a contribution rate of seven and thirty-five hundredths percent;

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

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

(h) The special education budget of expenditures; and

(i) Expenditures of special grant funds.

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

(a) Expenditures of support grants to be received in such school fiscal year pursuant to section 79-1011;
(b) The first school fiscal year the district will be participating in Network Nebraska for the full school fiscal year, for the difference of the estimated expenditures for such school fiscal year for telecommunications services, access to data transmission networks that transmit data to and from the school district, and the transmission of data on such networks as such expenditures are defined by the department for purposes of the distance education and telecommunications allowance minus the dollar amount of such expenditures for the second school fiscal year preceding the first full school fiscal year the district participates in Network Nebraska;
(c) Expenditures for new elementary attendance sites in the first year of operation or the first year of operation after being closed for at least one school year if such elementary attendance site will most likely qualify for the elementary site allowance in the immediately following school fiscal year as determined by the state board;
(d) For the first school fiscal year for which early childhood education membership is included in formula students for the calculation of state aid, expenditures for early childhood education equal to the amount the school district received in early childhood education grants pursuant to section 79-1103 for the prior school fiscal year, increased by the basic allowable growth rate; and
(e) For school fiscal year 2013-14, an amount not to exceed two percent over the previous school year if such increase is approved by a seventy-five percent majority vote of the school board of such district.

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

Sec. 19. Section 79-1031, Reissue Revised Statutes of Nebraska, is amended to read:

79-1031 The department, with assistance from the Property Tax Administrator, the Legislative Fiscal Analyst, and the budget division of the Department of Administrative Services, shall annually, on or before December November 15, provide an estimate of the necessary funding level for the next school fiscal year under the Tax Equity and Educational Opportunities Support Act to the Governor, the Appropriations Committee of the Legislature, and the Education Committee of the Legislature.

Sec. 20. Section 79-1065.01, Reissue Revised Statutes of Nebraska, is amended to read:

79-1065.01 If the adjustment under section 79-1065 results in a school district being entitled to the payment of additional funds, the State Department of Education shall automatically make a lump-sum payment to the school district if the payment is less than one thousand dollars. For amounts equal to or greater than one thousand dollars, the district may apply to the State Department of Education for a lump-sum payment for any amount up to one hundred percent of the adjustment, except that when a school district is to receive a lump-sum payment pursuant to section 79-1022, one hundred percent of the adjustment shall be paid as one lump-sum payment on the last business day of December during the ensuing school fiscal year. The department shall notify the Director of Administrative Services of the amount of funds to be paid in a lump sum and the reduced amount of the monthly payments pursuant to section 79-1022. The department shall make such payment in a lump sum not later than the last business day of September of the year in which the final determination under this section is made.

and 79-1065.01, Reissue Revised Statutes of Nebraska, section 71-1958, Revised Statutes Cumulative Supplement, 2014, and sections 79-8,137.01, 79-8,137.03, 79-8,137.04, 79-1003, and 79-1028.01, Revised Statutes Supplement, 2015, are repealed.

Sec. 22. The following sections are outright repealed: Sections 79-1011, 79-1012, 79-1028.02, and 79-1028.04, Reissue Revised Statutes of Nebraska.