

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 676

Introduced by Groene, 42.

Read first time January 23, 2019

Committee: Education

1 A BILL FOR AN ACT relating to school districts; to amend sections
2 77-27,119, 79-421, 79-432, 79-433, 79-435, 79-436, 79-439, 79-441,
3 79-442, 79-444, 79-445, 79-446, 79-448, 79-449, 79-450, 79-480,
4 79-613, 79-848, 79-1074, 79-10,119, and 79-1605, Reissue Revised
5 Statutes of Nebraska, and sections 79-413, 79-443, 79-447, 79-451,
6 79-479, 79-499, 79-4,119, 79-611, 79-850, 79-1003, 79-1007.11,
7 79-1065.02, 79-1075, and 79-10,145, Revised Statutes Cumulative
8 Supplement, 2018; to change provisions and terminology relating to
9 school districts and the reorganization of school districts as
10 prescribed; to change the membership and provisions relating to the
11 State Committee for the Reorganization of School Districts; to
12 define and redefine terms; to change terminology relating to student
13 transportation; to eliminate obsolete provisions relating to the Tax
14 Equity and Educational Opportunities Support Act; to eliminate
15 provisions relating to the reorganization of school districts,
16 depopulated school districts, and contracting for instruction as
17 prescribed; to harmonize provisions; to repeal the original
18 sections; and to outright repeal sections 79-414, 79-422, 79-471,
19 and 79-498, Reissue Revised Statutes of Nebraska, and sections
20 79-415, 79-418, 79-419, 79-420, 79-434, 79-470, and 79-598, Revised
21 Statutes Cumulative Supplement, 2018.
22 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-27,119, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 77-27,119 (1) The Tax Commissioner shall administer and enforce the
4 income tax imposed by sections 77-2714 to 77-27,135, and he or she is
5 authorized to conduct hearings, to adopt and promulgate such rules and
6 regulations, and to require such facts and information to be reported as
7 he or she may deem necessary to enforce the income tax provisions of such
8 sections, except that such rules, regulations, and reports shall not be
9 inconsistent with the laws of this state or the laws of the United
10 States. The Tax Commissioner may for enforcement and administrative
11 purposes divide the state into a reasonable number of districts in which
12 branch offices may be maintained.

13 (2)(a) The Tax Commissioner may prescribe the form and contents of
14 any return or other document required to be filed under the income tax
15 provisions. Such return or other document shall be compatible as to form
16 and content with the return or document required by the laws of the
17 United States. The form shall have a place where the taxpayer shall
18 designate the ~~high~~ school district in which he or she lives and the
19 county in which the ~~high~~ school district is headquartered. The Tax
20 Commissioner shall adopt and promulgate such rules and regulations as may
21 be necessary to insure compliance with this requirement.

22 (b) The State Department of Education, with the assistance and
23 cooperation of the Department of Revenue, shall develop a uniform system
24 for numbering all school districts in the state. Such system shall be
25 consistent with the data processing needs of the Department of Revenue
26 and shall be used for the school district identification required by
27 subdivision (a) of this subsection.

28 (c) The proper filing of an income tax return shall consist of the
29 submission of such form as prescribed by the Tax Commissioner or an exact
30 facsimile thereof with sufficient information provided by the taxpayer on
31 the face of the form from which to compute the actual tax liability. Each

1 taxpayer shall include such taxpayer's correct social security number or
2 state identification number and the school district identification number
3 of the school district in which the taxpayer resides on the face of the
4 form. A filing is deemed to occur when the required information is
5 provided.

6 (3) The Tax Commissioner, for the purpose of ascertaining the
7 correctness of any return or other document required to be filed under
8 the income tax provisions, for the purpose of determining corporate
9 income, individual income, and withholding tax due, or for the purpose of
10 making an estimate of taxable income of any person, shall have the power
11 to examine or to cause to have examined, by any agent or representative
12 designated by him or her for that purpose, any books, papers, records, or
13 memoranda bearing upon such matters and may by summons require the
14 attendance of the person responsible for rendering such return or other
15 document or remitting any tax, or any officer or employee of such person,
16 or the attendance of any other person having knowledge in the premises,
17 and may take testimony and require proof material for his or her
18 information, with power to administer oaths or affirmations to such
19 person or persons.

20 (4) The time and place of examination pursuant to this section shall
21 be such time and place as may be fixed by the Tax Commissioner and as are
22 reasonable under the circumstances. In the case of a summons, the date
23 fixed for appearance before the Tax Commissioner shall not be less than
24 twenty days from the time of service of the summons.

25 (5) No taxpayer shall be subjected to unreasonable or unnecessary
26 examinations or investigations.

27 (6) Except in accordance with proper judicial order or as otherwise
28 provided by law, it shall be unlawful for the Tax Commissioner, any
29 officer or employee of the Tax Commissioner, any person engaged or
30 retained by the Tax Commissioner on an independent contract basis, any
31 person who pursuant to this section is permitted to inspect any report or

1 return or to whom a copy, an abstract, or a portion of any report or
2 return is furnished, any employee of the State Treasurer or the
3 Department of Administrative Services, or any other person to divulge,
4 make known, or use in any manner the amount of income or any particulars
5 set forth or disclosed in any report or return required except for the
6 purpose of enforcing sections 77-2714 to 77-27,135. The officers charged
7 with the custody of such reports and returns shall not be required to
8 produce any of them or evidence of anything contained in them in any
9 action or proceeding in any court, except on behalf of the Tax
10 Commissioner in an action or proceeding under the provisions of the tax
11 law to which he or she is a party or on behalf of any party to any action
12 or proceeding under such sections when the reports or facts shown thereby
13 are directly involved in such action or proceeding, in either of which
14 events the court may require the production of, and may admit in
15 evidence, so much of such reports or of the facts shown thereby as are
16 pertinent to the action or proceeding and no more. Nothing in this
17 section shall be construed (a) to prohibit the delivery to a taxpayer,
18 his or her duly authorized representative, or his or her successors,
19 receivers, trustees, personal representatives, administrators, assignees,
20 or guarantors, if directly interested, of a certified copy of any return
21 or report in connection with his or her tax, (b) to prohibit the
22 publication of statistics so classified as to prevent the identification
23 of particular reports or returns and the items thereof, (c) to prohibit
24 the inspection by the Attorney General, other legal representatives of
25 the state, or a county attorney of the report or return of any taxpayer
26 who brings an action to review the tax based thereon, against whom an
27 action or proceeding for collection of tax has been instituted, or
28 against whom an action, proceeding, or prosecution for failure to comply
29 with the Nebraska Revenue Act of 1967 is being considered or has been
30 commenced, (d) to prohibit furnishing to the Nebraska Workers'
31 Compensation Court the names, addresses, and identification numbers of

1 employers, and such information shall be furnished on request of the
2 court, (e) to prohibit the disclosure of information and records to a
3 collection agency contracting with the Tax Commissioner pursuant to
4 sections 77-377.01 to 77-377.04, (f) to prohibit the disclosure of
5 information pursuant to section 77-27,195, 77-4110, or 77-5731, (g) to
6 prohibit the disclosure to the Public Employees Retirement Board of the
7 addresses of individuals who are members of the retirement systems
8 administered by the board, and such information shall be furnished to the
9 board solely for purposes of its administration of the retirement systems
10 upon written request, which request shall include the name and social
11 security number of each individual for whom an address is requested, (h)
12 to prohibit the disclosure of information to the Department of Labor
13 necessary for the administration of the Employment Security Law, the
14 Contractor Registration Act, or the Employee Classification Act, (i) to
15 prohibit the disclosure to the Department of Motor Vehicles of tax return
16 information pertaining to individuals, corporations, and businesses
17 determined by the Department of Motor Vehicles to be delinquent in the
18 payment of amounts due under agreements pursuant to the International
19 Fuel Tax Agreement Act, and such disclosure shall be strictly limited to
20 information necessary for the administration of the act, (j) to prohibit
21 the disclosure under section 42-358.08, 43-512.06, or 43-3327 to any
22 court-appointed individuals, the county attorney, any authorized
23 attorney, or the Department of Health and Human Services of an absent
24 parent's address, social security number, amount of income, health
25 insurance information, and employer's name and address for the exclusive
26 purpose of establishing and collecting child, spousal, or medical
27 support, (k) to prohibit the disclosure of information to the Department
28 of Insurance, the Nebraska State Historical Society, or the State
29 Historic Preservation Officer as necessary to carry out the Department of
30 Revenue's responsibilities under the Nebraska Job Creation and Mainstreet
31 Revitalization Act, or (l) to prohibit the disclosure to the Department

1 of Insurance of information pertaining to authorization for, and use of,
2 tax credits under the New Markets Job Growth Investment Act. Information
3 so obtained shall be used for no other purpose. Any person who violates
4 this subsection shall be guilty of a felony and shall upon conviction
5 thereof be fined not less than one hundred dollars nor more than five
6 hundred dollars, or be imprisoned not more than five years, or be both so
7 fined and imprisoned, in the discretion of the court and shall be
8 assessed the costs of prosecution. If the offender is an officer or
9 employee of the state, he or she shall be dismissed from office and be
10 ineligible to hold any public office in this state for a period of two
11 years thereafter.

12 (7) Reports and returns required to be filed under income tax
13 provisions of sections 77-2714 to 77-27,135 shall be preserved until the
14 Tax Commissioner orders them to be destroyed.

15 (8) Notwithstanding the provisions of subsection (6) of this
16 section, the Tax Commissioner may permit the Secretary of the Treasury of
17 the United States or his or her delegates or the proper officer of any
18 state imposing an income tax, or the authorized representative of either
19 such officer, to inspect the income tax returns of any taxpayer or may
20 furnish to such officer or his or her authorized representative an
21 abstract of the return of income of any taxpayer or supply him or her
22 with information concerning an item of income contained in any return or
23 disclosed by the report of any investigation of the income or return of
24 income of any taxpayer, but such permission shall be granted only if the
25 statutes of the United States or of such other state, as the case may be,
26 grant substantially similar privileges to the Tax Commissioner of this
27 state as the officer charged with the administration of the income tax
28 imposed by sections 77-2714 to 77-27,135.

29 (9) Notwithstanding the provisions of subsection (6) of this
30 section, the Tax Commissioner may permit the Postal Inspector of the
31 United States Postal Service or his or her delegates to inspect the

1 reports or returns of any person filed pursuant to the Nebraska Revenue
2 Act of 1967 when information on the reports or returns is relevant to any
3 action or proceeding instituted or being considered by the United States
4 Postal Service against such person for the fraudulent use of the mails to
5 carry and deliver false and fraudulent tax returns to the Tax
6 Commissioner with the intent to defraud the State of Nebraska or to evade
7 the payment of Nebraska state taxes.

8 (10)(a) Notwithstanding the provisions of subsection (6) of this
9 section, the Tax Commissioner shall, upon written request by the Auditor
10 of Public Accounts or the office of Legislative Audit, make tax returns
11 and tax return information open to inspection by or disclosure to
12 officers and employees of the Auditor of Public Accounts or employees of
13 the office of Legislative Audit for the purpose of and to the extent
14 necessary in making an audit of the Department of Revenue pursuant to
15 section 50-1205 or 84-304. The Auditor of Public Accounts or office of
16 Legislative Audit shall statistically and randomly select the tax returns
17 and tax return information to be audited based upon a computer file ~~tape~~
18 provided by the Department of Revenue which contains only total
19 population documents without specific identification of taxpayers. The
20 Tax Commissioner shall have the authority to approve the statistical
21 sampling method used by the Auditor of Public Accounts or office of
22 Legislative Audit. Confidential tax returns and tax return information
23 shall be audited only upon the premises of the Department of Revenue. All
24 audit workpapers pertaining to the audit of the Department of Revenue
25 shall be stored in a secure place in the Department of Revenue.

26 (b) When selecting tax returns or tax return information for a
27 performance audit of a tax incentive program, the office of Legislative
28 Audit shall select the tax returns or tax return information for either
29 all or a statistically and randomly selected sample of taxpayers who have
30 applied for or who have qualified for benefits under the tax incentive
31 program that is the subject of the audit. When the office of Legislative

1 Audit reports on its review of tax returns and tax return information, it
2 shall comply with subdivision (10)(c) of this section.

3 (c) No officer or employee of the Auditor of Public Accounts or
4 office of Legislative Audit employee shall disclose to any person, other
5 than another officer or employee of the Auditor of Public Accounts or
6 office of Legislative Audit whose official duties require such
7 disclosure, any return or return information described in the Nebraska
8 Revenue Act of 1967 in a form which can be associated with or otherwise
9 identify, directly or indirectly, a particular taxpayer.

10 (d) Any person who violates the provisions of this subsection shall
11 be guilty of a Class IV felony and, in the discretion of the court, may
12 be assessed the costs of prosecution. The guilty officer or employee
13 shall be dismissed from employment and be ineligible to hold any position
14 of employment with the State of Nebraska for a period of two years
15 thereafter. For purposes of this subsection, officer or employee shall
16 include a former officer or employee of the Auditor of Public Accounts or
17 former employee of the office of Legislative Audit.

18 (11) For purposes of subsections (10) through (13) of this section:

19 (a) Tax returns shall mean any tax or information return or claim
20 for refund required by, provided for, or permitted under sections 77-2714
21 to 77-27,135 which is filed with the Tax Commissioner by, on behalf of,
22 or with respect to any person and any amendment or supplement thereto,
23 including supporting schedules, attachments, or lists which are
24 supplemental to or part of the filed return;

25 (b) Return information shall mean:

26 (i) A taxpayer's identification number and (A) the nature, source,
27 or amount of his or her income, payments, receipts, deductions,
28 exemptions, credits, assets, liabilities, net worth, tax liability, tax
29 withheld, deficiencies, overassessments, or tax payments, whether the
30 taxpayer's return was, is being, or will be examined or subject to other
31 investigation or processing or (B) any other data received by, recorded

1 by, prepared by, furnished to, or collected by the Tax Commissioner with
2 respect to a return or the determination of the existence or possible
3 existence of liability or the amount of liability of any person for any
4 tax, penalty, interest, fine, forfeiture, or other imposition or offense;
5 and

6 (ii) Any part of any written determination or any background file
7 document relating to such written determination; and

8 (c) Disclosures shall mean the making known to any person in any
9 manner a return or return information.

10 (12) The Auditor of Public Accounts shall (a) notify the Tax
11 Commissioner in writing thirty days prior to the beginning of an audit of
12 his or her intent to conduct an audit, (b) provide an audit plan, and (c)
13 provide a list of the tax returns and tax return information identified
14 for inspection during the audit. The office of Legislative Audit shall
15 notify the Tax Commissioner of the intent to conduct an audit and of the
16 scope of the audit as provided in section 50-1209.

17 (13) The Auditor of Public Accounts or the office of Legislative
18 Audit shall, as a condition for receiving tax returns and tax return
19 information: (a) Subject employees involved in the audit to the same
20 confidential information safeguards and disclosure procedures as required
21 of Department of Revenue employees; (b) establish and maintain a
22 permanent system of standardized records with respect to any request for
23 tax returns or tax return information, the reason for such request, and
24 the date of such request and any disclosure of the tax return or tax
25 return information; (c) establish and maintain a secure area or place in
26 the Department of Revenue in which the tax returns, tax return
27 information, or audit workpapers shall be stored; (d) restrict access to
28 the tax returns or tax return information only to persons whose duties or
29 responsibilities require access; (e) provide such other safeguards as the
30 Tax Commissioner determines to be necessary or appropriate to protect the
31 confidentiality of the tax returns or tax return information; (f) provide

1 a report to the Tax Commissioner which describes the procedures
2 established and utilized by the Auditor of Public Accounts or office of
3 Legislative Audit for insuring the confidentiality of tax returns, tax
4 return information, and audit workpapers; and (g) upon completion of use
5 of such returns or tax return information, return to the Tax Commissioner
6 such returns or tax return information, along with any copies.

7 (14) The Tax Commissioner may permit other tax officials of this
8 state to inspect the tax returns and reports filed under sections 77-2714
9 to 77-27,135, but such inspection shall be permitted only for purposes of
10 enforcing a tax law and only to the extent and under the conditions
11 prescribed by the rules and regulations of the Tax Commissioner.

12 (15) The Tax Commissioner shall compile the school district
13 information required by subsection (2) of this section. Insofar as it is
14 possible, such compilation shall include, but not be limited to, the
15 total adjusted gross income of each school district in the state. The Tax
16 Commissioner shall adopt and promulgate such rules and regulations as may
17 be necessary to insure that such compilation does not violate the
18 confidentiality of any individual income tax return nor conflict with any
19 other provisions of state or federal law.

20 Sec. 2. Section 79-432, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 79-432 Sections 79-432 to 79-451 and sections 4 and 18 of this act
23 shall be known and may be cited as the Reorganization of School Districts
24 Act.

25 Sec. 3. Section 79-433, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 79-433 For purposes of the Reorganization of School Districts Act,
28 unless the context otherwise requires:

29 (1) Dissolve means to terminate a school district and its status as
30 a body corporate under section 79-405 by creating a new school district
31 or by transferring of some or all of the assets and liabilities of a

1 school district to one or more other existing school districts;

2 (2) Merge means to join at least two school districts by
3 transferring the territory of one or more school districts to another
4 existing school district that becomes one duly organized school district
5 recognized as a body corporate under section 79-405;

6 (3) Petition means the document providing for the formation of a new
7 school district from other school districts, the alteration of the
8 boundaries of a school district, or the dissolution of any established
9 school district, as provided under section 4 of this act;

10 (4) Plan ~~(1) Reorganization of school districts~~ means the formation
11 of new school districts from other school districts, the alteration of
12 boundaries of established school districts that are not members of a
13 learning community, ~~the affiliation of school districts,~~ and the
14 dissolution ~~or disorganization~~ of established school districts, proposed
15 by a majority of all members of a school board or by twenty-five percent
16 of the legal voters of a school district through or by means of any one
17 or combination of the methods set out in section 79-434; and

18 (5) Reorganize or reorganization means merging, dissolving, or
19 changing the boundaries of any school district; and

20 (6) (2) State committee means the State Committee for the
21 Reorganization of School Districts created by section 79-435.

22 Sec. 4. Section 79-413, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 ~~79-413~~ (1) The State Committee for the Reorganization of School
25 Districts created under section 79-435 may create a new school district
26 from other school districts, dissolve any school district, or change the
27 boundaries of any school district that is not a member of a learning
28 community upon receipt of a petition ~~(a) petitions~~ signed by more than
29 fifty ~~sixty~~ percent of the legal voters of each school district affected,
30 or (b) authorized by action of a school board with an affirmative vote by
31 a majority of all members of the school board of each affected school

1 district. If the petition is being submitted by legal voters pursuant to
2 subdivision (1)(a) of this section, then an affidavit from the county
3 clerk or election commissioner regarding the validity of the signatures
4 on the petition and a list of all legal voters in each affected school
5 district shall also be filed with the state committee. If the petitions
6 contain signatures of at least sixty-five percent of the legal voters of
7 each district affected, the state committee shall approve the petitions.

8 (2) The state committee shall use the criteria set forth in
9 subsection (1) of section 79-441 in making a decision to approve, approve
10 with modifications, or disapprove a petition. Petitions proposing to
11 change the boundaries of existing school districts that are not members
12 of a learning community through the transfer of a parcel of land, not to
13 exceed six hundred forty acres, shall be approved by the state committee
14 when the petitions involve the transfer of land between Class III or IV
15 school districts or when there would be an exchange of parcels of land
16 between Class III or IV school districts and the petitions have the
17 approval of at least sixty five percent of the school board of each
18 affected district.

19 (3)(a) Petitions proposing to create a new school district or to
20 change the boundary lines of existing school districts that are not
21 members of a learning community, any of which involves the transfer of
22 more than six hundred forty acres, shall, when signed by at least sixty
23 percent of the legal voters in each district affected, be submitted to
24 the state committee. The state committee shall, within forty days after
25 receipt of the petition, hold one or more public hearings as provided in
26 section 79-442 and review and approve or disapprove such proposal.

27 (b) If there is a bond election to be held in conjunction with the
28 petition, the state committee shall hold the petition until the bond
29 election has been held, during which time names may be added to or
30 withdrawn from the petitions. The results of the bond election shall be
31 certified to the state committee by the county clerk or election

1 commissioner responsible for conducting the election.

2 (c) ~~Within~~ If the bond election held in conjunction with the
3 petition is unsuccessful, no further action on the petition is required.
4 If the bond election is successful, within fifteen days after receipt of
5 the certification of the bond election results, the state committee shall
6 conduct a hearing on approve the petition and notify the county clerk to
7 effect the changes in district boundary lines as set forth in the
8 petitions.

9 (4) Any person adversely affected by the changes made by the state
10 committee may appeal by a petition in error pursuant to section 25-1901
11 to the district court of any county in which territory the real estate or
12 any part thereof involved in the dispute is located. If the territory
13 real estate is located in more than one county, the court in which an
14 appeal is first perfected shall obtain jurisdiction to the exclusion of
15 any subsequent appeal.

16 (5) A legal voter signing petitioner may add or withdraw his or her
17 name from a petition and a legal voter may add his or her name to a
18 petition at any time prior to the filing end of the period when the
19 petition with is held by the state committee. ~~Additions and withdrawals~~
20 ~~of signatures shall be by notarized affidavit filed with the state~~
21 ~~committee.~~

22 (6) A school district shall be affected by a petition if the changes
23 proposed by the petition would result in a change to boundaries of the
24 school district.

25 (7) The filing of a petition with the state committee regarding any
26 territory of a school district shall stay and supersede any other
27 proceeding under sections 79-458 and 79-458.01 until an order is entered
28 by the state committee regarding the petition.

29 Sec. 5. Section 79-435, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 79-435 The State Committee for the Reorganization of School

1 Districts is created. The state committee shall be composed of five ~~six~~
2 members. The ~~Commissioner of Education shall be a member of the committee~~
3 ~~ex officio and shall serve as a nonvoting member of the committee.~~ Within
4 ~~thirty days after September 18, 1955,~~ the State Board of Education, ~~by a~~
5 ~~resolution adopted with the assent of a majority of its members,~~ shall
6 appoint the ~~remaining five~~ members of the state committee, and as one
7 ~~each for terms of one, two, three, four, and five years respectively.~~ As
8 the term of each member expires, a successor shall be appointed in the
9 same manner for a term of five years. Three members of the state
10 committee shall at all times be laypersons, and two members shall at all
11 times be persons holding teachers' certificates issued by the
12 Commissioner of Education pursuant to sections 79-806 to 79-815 ~~authority~~
13 ~~of the State of Nebraska.~~ Vacancies in the membership of the state
14 committee shall be filled for the unexpired term by appointment in the
15 same manner as the original appointment to membership. Members of the
16 state committee shall serve without compensation but shall be reimbursed
17 for expenses necessarily incurred in the performance of their duties, as
18 provided in sections 81-1174 to 81-1177 and paid from funds appropriated
19 by the Legislature to the ~~office of the State~~ Department Board of
20 Education. The State Board of Education may ~~shall~~ adopt and promulgate
21 rules and regulations for the state committee to carry out its duties as
22 provided by law.

23 Sec. 6. Section 79-436, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 79-436 The state committee shall organize by electing a chairperson
26 and vice-chairperson from its appointive members. The Commissioner of
27 Education or his or her designee shall be secretary of the state
28 committee. Meetings of the state committee shall be held upon the call of
29 the chairperson or any three of the members thereof. A majority of the
30 state committee shall constitute a quorum.

31 Sec. 7. Section 79-439, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 79-439 The state committee ~~may shall~~ recommend plans to school
3 districts ~~plans and procedures for the reorganization of school districts~~
4 ~~within the various counties and~~ shall furnish advice and assistance in
5 connection with such plans ~~and procedures~~.

6 Sec. 8. Section 79-441, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-441 (1) In the review of a plan or petition ~~for the~~
9 ~~reorganization of school districts~~, the state committee shall give due
10 consideration to (a) the educational needs of local communities, (b)
11 economies in transportation, instruction, and administration costs, (c)
12 the future use of existing satisfactory school buildings, sites, and play
13 fields, (d) the convenience and welfare of pupils, (e) a reduction in the
14 disparities in per pupil valuation among school districts, (f) the
15 equalization of the educational opportunity of pupils, and (g) any other
16 matters which, in its judgment, are of importance. The school board or
17 legal voters proposing the plan or petition of reorganization, ~~in~~
18 ~~preparation or review of a plan for reorganization~~, shall take into
19 consideration any advice or suggestions offered by the state committee.

20 (2) Each A plan or petition ~~for the reorganization of school~~
21 ~~districts~~ shall be filed with the state committee. Any ~~The~~ plan shall,
22 for purposes of submission to the state committee by a school district
23 and at the special election provided for in subsection (1) of section
24 79-447, be the responsibility of the affected school district which has
25 the largest number of pupils according to the most recent fall school
26 district membership report filed pursuant to subdivision (4)(a) of
27 section 79-528 residing in the proposed district.

28 Sec. 9. Section 79-442, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-442 Before any plan or petition ~~of reorganization~~ is completed or
31 approved by the state committee, it shall hold one or more public

1 hearings. At such hearings, it shall hear any and all persons interested
2 with respect to (1) the merits of the proposed plan or petition
3 ~~reorganization plans~~, (2) the value and amount of all school property of
4 whatever nature involved in the proposed action, (3) the amount of
5 outstanding indebtedness of each district and proposed disposition
6 thereof, and (4) the equitable adjustment of all property, debts, and
7 liabilities among the districts involved. The state committee shall keep
8 a record of all such public hearings ~~in the formulation or approval of~~
9 ~~plans for the reorganization of school districts~~. Notice of such public
10 hearings of the state committee shall be given by publication in a legal
11 newspaper of general circulation in the county or counties in which the
12 affected districts are located at least ten days prior to such hearing.

13 Sec. 10. Section 79-443, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 79-443 Each ~~After one or more public hearings have been held, the~~
16 ~~state committee may approve a plan or plans of reorganization. Such plan~~
17 ~~or petition shall contain:~~

18 (1) A description of the current school district boundaries and
19 proposed boundaries of the reorganized school districts;

20 (2) A summary of the reasons for each proposed change, ~~realignment,~~
21 ~~or adjustment of the boundaries;~~

22 (3) A summary of the terms on which reorganization is to be made
23 between the school reorganized districts. ~~Such terms shall include a~~
24 ~~provision for initial school board districts or wards within the proposed~~
25 ~~district, which proposed initial school board districts or wards shall be~~
26 ~~determined by the state committee taking into consideration population~~
27 ~~and valuation, a determination of the number of members to be appointed~~
28 ~~to the initial school board, and a determination of the terms of the~~
29 ~~board members first appointed to membership on the board of the newly~~
30 ~~reorganized district;~~

31 (4) A separate statement as to whether any petition the

1 ~~reorganization~~ is contingent upon the success of a bond election held in
2 conjunction with the reorganization;

3 (5) A statement of the findings with respect to the location of
4 schools, the utilization of existing buildings, the construction of new
5 buildings, and the transportation requirements under the proposed plan or
6 petition of reorganization. The plan or petition may contain provisions
7 for the holding of school within existing buildings in the newly
8 reorganized district and that a school constituted under this section
9 shall be maintained from the date of reorganization unless the legal
10 voters served by the school vote by a majority vote for discontinuance of
11 the school;

12 (6) A map showing the boundaries of established school districts and
13 the boundaries proposed under any plan or petition plans—of
14 ~~reorganization~~; and

15 (7) Such other matters as the state committee determines proper to
16 be included.

17 Sec. 11. Section 79-444, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 79-444 (1) Territory included in a plan approved of reorganization
20 ~~adopted~~ by the state committee shall remain a part of the plan until an
21 election is held as provided in section 79-447. The state committee
22 shall, within thirty days after holding the hearings provided for in
23 section 79-442, notify the affected school districts whether or not it
24 approves, approves with modifications, or disapproves such plan or plans.

25 (2) The filing of a plan with the state committee regarding any
26 territory of a school district shall stay and supersede any other
27 proceeding under sections 79-458 and 79-458.01 until an election is held
28 as provided in 79-447 or an order disapproving the plan is entered by the
29 state committee.

30 Sec. 12. Section 79-445, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 79-445 If the state committee disapproves a ~~the~~ plan, it shall be
2 considered a disapproved plan, ~~shall be returned to the school districts~~
3 ~~as a disapproved plan~~, and shall not be submitted to a special election.

4 Sec. 13. Section 79-446, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-446 When a plan ~~of reorganization or any part thereof~~ has been
7 approved or approved with modifications by the state committee, it shall
8 be designated as the final approved plan and shall be returned to the
9 school districts to be submitted to a vote as provided in section 79-447.

10 Sec. 14. Section 79-447, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 79-447 (1) Not less than thirty ~~nor more than sixty~~ days after the
13 designation of a final approved plan under section 79-446, the
14 proposition of the adoption or rejection of the proposed plan ~~of~~
15 ~~reorganization~~ shall be submitted at a special election to all the legal
16 voters of school districts ~~within the county~~ whose boundaries are in any
17 manner changed by the plan ~~of reorganization~~.

18 (2) Notice of the special election shall be given by the county
19 clerk or election commissioner and shall be published in a legal
20 newspaper of general circulation in the county at least ten days prior to
21 the election. The election notice shall (a) state that the election has
22 been called for the purpose of affording the legal voters an opportunity
23 to approve or reject the plan ~~of reorganization~~, (b) contain a
24 description of the boundaries of the proposed school district, and (c)
25 contain a statement of the terms of the adjustment of property, debts,
26 and liabilities applicable thereto.

27 (3) All ballots shall be prepared and the special election shall be
28 held and conducted by the county clerk or election commissioner, and the
29 expense of such election shall be paid by the county board or boards if
30 more than one county is involved as provided in subsection (4) of this
31 section. The county clerk or election commissioner shall use the duly

1 appointed election board or appoint two judges and two clerks who shall
2 be legal voters of the territory of the proposed school district. The
3 election shall be held at a place or places within the proposed district
4 determined by the county clerk or election commissioner to be convenient
5 for the voters.

6 (4) If the proposed plan of ~~reorganization~~ involves a school
7 district under the jurisdiction of another county, the county clerk or
8 election commissioner of the county which has the largest number of
9 pupils residing in the proposed joint district shall give the notice
10 required by subsection (2) of this section in a newspaper of general
11 circulation in the territory of the proposed district and prepare the
12 ballots and such election shall be held and conducted by the county clerk
13 or election commissioner of each county involved in the proposed plan
14 ~~reorganization~~ in accordance with the Election Act. Each county board
15 shall bear a share of the total election expense in the same proportion
16 that the number of legal voters residing in the proposed district in one
17 county stands to the whole number of legal voters in the proposed
18 district.

19 (5) In any election held as provided in this section, all districts
20 of like class shall vote as a unit.

21 (6) Approval of the plan at the special election shall require a
22 majority of all legal voters voting within each voting unit included in
23 the proposed plan.

24 Sec. 15. Section 79-448, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-448 If the majority vote in each voting unit at the election
27 described in section 79-447 is not in favor of the plan—~~of~~
28 ~~reorganization~~, the school districts may continue in their efforts in an
29 attempt to prepare a revised plan which might be acceptable. If a revised
30 plan is approved by the school districts, it shall be submitted to ~~for~~
31 ~~the approval of~~ the state committee, and if approved by the state

1 committee, it shall be submitted to a vote under the procedure provided
2 in section 79-447.

3 Sec. 16. Section 79-449, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 79-449 ~~Whenever two or more school districts are involved in a~~
6 ~~reorganization plan, the old districts shall continue to be responsible~~
7 ~~for any indebtedness incurred before the reorganization takes place~~
8 ~~unless a different arrangement is included in the plan voted upon by the~~
9 ~~people. Bonded indebtedness incurred for high school facilities approved~~
10 ~~prior to any change in school district boundary lines pursuant to the~~
11 ~~Reorganization of School Districts Act the adoption of any affiliation~~
12 ~~plan shall remain the obligation of the high school district approving~~
13 ~~such bonded indebtedness unless otherwise specified in the plan or~~
14 ~~petition. When a school district is dissolved by a plan or petition and~~
15 ~~the area is attached to one or more school districts, the plan or~~
16 ~~petition shall specify the disposition of assets and unbonded obligations~~
17 ~~of the original school district petitions.~~

18 Sec. 17. Section 79-450, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 79-450 If ~~a~~ the plan of reorganization is adopted, the county clerk
21 shall proceed to cause the changes, ~~realignment, and adjustment of~~
22 ~~districts~~ to be carried out as provided in the plan. The county clerk
23 shall classify the school districts according to the law applicable to
24 the size, location, and population of the reorganized school district.
25 The county clerk ~~He or she~~ shall also file certificates with the county
26 assessor, county treasurer, and state committee showing the boundaries of
27 the various districts under the ~~plan of reorganization~~ adopted plan.

28 Sec. 18. Section 79-421, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-421 (1) When it comes to the attention of the county clerk that
31 any territory located wholly within his or her county is not included in

1 any organized school district, he or she shall notify the state committee
2 ~~State Committee for the Reorganization of School Districts~~. Within
3 fifteen days after such notice, the state committee shall set a date and
4 time for a hearing on the question of the school district or school
5 districts to which such territory should be attached and shall give
6 ~~fifteen days'~~ notice ~~by certified or registered mail of the time and~~
7 ~~place of hearing to each legal voter residing in such territory and whose~~
8 ~~mailing address is known and also to the school board of each school~~
9 ~~district in the county adjacent to such territory. Notice of the hearing~~
10 ~~also shall be given by publication once each week for two weeks in a~~
11 newspaper of general circulation in the county. Following such hearing,
12 the state committee shall enter an order attaching the territory to a
13 school district or school districts and shall notify the county clerk of
14 the county or counties containing the school district or school districts
15 to which such territory shall ~~should~~ be attached ~~and the county clerk~~
16 ~~shall attach such territory.~~

17 (2) ~~If the state committee cannot or does not agree on the district~~
18 ~~or districts to which the territory shall be attached, within sixty days~~
19 ~~after being notified by the county clerk, the matter shall be referred to~~
20 ~~the State Board of Education which shall attach the territory after~~
21 ~~notice and hearing. Notice shall be given in the same manner as by the~~
22 ~~state committee.~~ (3) In determining the school district or school
23 districts to which such territory shall be attached, consideration shall
24 be given by the state committee to the same issues as for a plan or
25 petition as set forth in subsection (1) of section 79-441 to the school
26 ~~facilities, transportation facilities, and distance children must travel~~
27 ~~to school.~~

28 Sec. 19. Section 79-451, Revised Statutes Cumulative Supplement,
29 2018, is amended to read:

30 79-451 Within thirty days after the (1) creation of a new school
31 district pursuant to section 79-434 or (2) filing of the certificate

1 ~~classification of the reorganized school districts~~ by the county clerk
2 under section 79-450, the state committee shall appoint from among the
3 legal voters of each new school district created the number of school
4 board members specified in the plan or petition ~~of reorganization~~. A
5 reorganized school district shall be formed and organized and shall have
6 a school board not later than June ~~April~~ 1 following the last legal
7 action, as prescribed in section 79-450, necessary to effect the changes
8 in boundaries as set forth in the plan or petition ~~of reorganization~~,
9 although the physical reorganization of such reorganized school district
10 may not take effect until August ~~June~~ 1. ~~The first board shall be~~
11 ~~appointed on an at-large basis, and all boards shall be elected at large~~
12 ~~until such time as school districts are established as provided in~~
13 ~~section 32-554.~~

14 Members of the first board shall be appointed so that their terms
15 expire in accord with provisions of law governing school districts of the
16 class involved. The board so appointed shall organize at once in the
17 manner prescribed by law.

18 ~~In appointing the first school board of a Class III school district,~~
19 ~~the terms of approximately one-half of the members shall expire on the~~
20 ~~first Thursday after the first Tuesday in January after the first even-~~
21 ~~numbered year following their appointment and the terms of the remaining~~
22 ~~members shall expire on the first Thursday after the first Tuesday in~~
23 ~~January after the second even-numbered year following their appointment.~~

24 ~~The school board so appointed shall proceed at once to organize in~~
25 ~~the manner prescribed by law.~~

26 Sec. 20. Section 79-479, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 79-479 (1) ~~Any (1)(a) Beginning January 1, 1992, any school~~
29 ~~district boundaries changed by the means provided by Nebraska law, but~~
30 ~~excluding the method provided by sections 79-407 and 79-473 to 79-475,~~
31 ~~shall be made only upon an order issued by the State Committee for the~~

1 Reorganization of School Districts or county clerk.

2 (b) The order issued by the state committee shall be certified to
3 the county clerk of each county in which boundaries are changed and shall
4 also be certified to the State Department of Education. Whenever the
5 order changes the boundaries of a school district ~~due to the transfer of~~
6 ~~land, the county assessor,~~ the Property Tax Administrator, and the State
7 Department of Education shall be provided with the legal description and
8 a map of the parcel of land which is transferred. Such order shall be
9 issued no later than June 1 and shall have an effective date no later
10 than August 1 of the same calendar year. For purposes of determining
11 school district counts pursuant to sections 79-524 and 79-578 and
12 calculating state aid allocations pursuant to the Tax Equity and
13 Educational Opportunities Support Act, any change in school district
14 boundaries with an effective date between June 1 and August 1 of any year
15 shall be considered effective July 1 of such year.

16 (2) Unless otherwise provided by state law or by the terms of a
17 ~~reorganization~~ plan or petition as defined in section 79-433 which is
18 consistent with state law, all assets, including budget authority as
19 provided in sections 79-1023 to 79-1030, and liabilities, except bonded
20 obligations, of school districts merged, dissolved, or annexed shall be
21 transferred to the receiving district or districts on the basis of the
22 proportionate share of assessed valuation received at the time of
23 reorganization.

24 Sec. 21. Section 79-480, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-480 The county clerk shall file in his or her office all plans
27 and petitions as defined in section 79-433 that have been granted ~~for~~
28 ~~change of boundaries or for the formation of new districts.~~ Such plans
29 and petitions so filed and granted shall be prima facie evidence of the
30 boundaries of school districts. All conflicting records of boundaries
31 shall be made to correspond with the plans and petitions so filed and

1 granted.

2 Sec. 22. Section 79-499, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 79-499 (1) If the fall school district membership ~~or the average~~
5 ~~daily membership~~ of an existing Class III school district shows fewer
6 than thirty-five students in grades nine through twelve, the district
7 shall submit a plan for developing cooperative programs with other high
8 schools, including the sharing of curriculum and certificated and
9 noncertificated staff, to the State Committee for the Reorganization of
10 School Districts. The cooperative program plan shall be submitted by the
11 school district by March ~~September~~ 1 of the year following such fall
12 school district membership ~~or average daily membership~~ report. A
13 cooperative program plan shall not be required if there is no high school
14 within fifteen miles from such district on a reasonably improved highway.
15 The state committee shall review the plan and provide advice and
16 communication to such school district and other high schools.

17 (2) If for two consecutive years the fall school district
18 membership, ~~or for two consecutive years the average daily membership,~~ of
19 an existing Class III school district is fewer than twenty-five pupils in
20 grades nine through twelve as determined by the Commissioner of Education
21 or if for one year an existing Class III school district contracts with a
22 neighboring school district or districts to provide educational services
23 for all of its pupils in grades nine through twelve, such school district
24 shall, except as provided in subsection (3) or (4) of this section, be
25 dissolved pursuant to the procedures described in subdivision (4)(b) of
26 this section through the order of the state committee if the high school
27 is within fifteen miles on a reasonably improved highway of another high
28 school.

29 This subsection does not apply to any school district located on an
30 Indian reservation and substantially or totally financed by the federal
31 government.

1 (3) Any Class III school district which has a fall school district
2 membership ~~or an average daily membership~~ of fewer than twenty-five
3 students in grades nine through twelve may contract with another school
4 district to provide educational services for its pupils in grades nine
5 through twelve. ~~Such contract may continue~~ for a period not to exceed one
6 year. At the end of such one-year period, the school district may resume
7 educational services for grades nine through twelve if the fall school
8 district average daily membership in grades nine through twelve for such
9 school district has reached at least fifty students. If the school
10 district has not achieved such fall school district membership ~~or average~~
11 ~~daily membership~~, it shall be dissolved pursuant to the procedures
12 described in subdivision (4)(b) of this section by order of the state
13 committee entered after thirty days' notice to the district but without a
14 hearing, notwithstanding the distance on a reasonably improved highway to
15 the nearest school district conducting a high school.

16 (4)(a) Any Class III school district maintaining the only public
17 high school in the county with a fall school district membership ~~or an~~
18 ~~average daily membership~~ of fewer than twenty-five students in grades
19 nine through twelve shall be subject to this subsection until such school
20 district reaches a fall school district membership ~~or average daily~~
21 ~~membership~~ of at least thirty-five students or fewer than fifteen
22 students in grades nine through twelve or dissolves. Such school district
23 may continue to operate the high school if:

24 (i) The plan submitted pursuant to subsection (1) of this section
25 provides a broad-based curriculum as determined by the state committee;
26 and

27 (ii) At a districtwide election held the second Tuesday of November
28 by whatever means the county conducts balloting, in the second
29 consecutive school year that the fall school district membership for
30 grades nine through twelve is fewer than twenty-five students, a majority
31 of voters approve a ballot issue to continue to operate the high school

1 for the immediately following school year. If such ballot issue succeeds
2 in the initial election, the school board shall annually determine if
3 such a districtwide election is necessary for each subsequent year that
4 the school district is subject to this subsection, except that such
5 school board shall hold such districtwide election if four years have
6 passed since the last election pursuant to this section and the school
7 district has remained subject to this subsection.

8 (b) If such ballot issue as provided in subdivision (4)(a)(ii) of
9 this section fails, or if a school district falls within the provisions
10 of subsection (2) or (3) of this section, the state committee shall
11 dissolve the school district and attach the territory to other school
12 districts based on the preferences of each landowner if such preference
13 is provided in the time and manner required by the state committee and
14 would transfer such parcels to a school district with a boundary
15 contiguous to the school district being dissolved. Landowners submitting
16 such preferences shall sign a statement that the district of preference
17 is the district which children who might reside on the property, at the
18 time of the dissolution or in the future, would be expected to attend.
19 For property for which a preference is not provided in the time and
20 manner required by the state committee, the state committee shall
21 transfer such property to one or more of the school districts with
22 boundaries contiguous to the district being dissolved in a manner that
23 will best serve children who might reside on such property, at the time
24 of the dissolution or in the future, and that will, to the extent
25 possible, create compact and contiguous districts.

26 (c) This subsection shall not apply to any school district if the
27 fall school district membership ~~or an average daily membership~~ falls to
28 fewer than fifteen students in grades nine through twelve.

29 (5) For purposes of this section, when calculating fall school
30 district membership ~~or average daily membership~~, a resident school
31 district as defined in section 79-233 shall not count students attending

1 an option district as defined in such section and a Class III school
2 district shall not count foreign exchange students and nonresident
3 students who are wards of the court or state.

4 Sec. 23. Section 79-4,119, Revised Statutes Cumulative Supplement,
5 2018, is amended to read:

6 79-4,119 Any reorganization of school districts that affects a
7 school district that is a member of a learning community, except
8 dissolutions pursuant to section ~~79-470, 79-498,~~ 79-499, ~~or 79-598,~~ shall
9 only be accomplished pursuant to the Learning Community Reorganization
10 Act.

11 Sec. 24. Section 79-611, Revised Statutes Cumulative Supplement,
12 2018, is amended to read:

13 79-611 (1) The school board of any school district shall provide
14 free transportation, partially provide free transportation, or pay an
15 allowance for transportation in lieu of free transportation as follows:

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

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

26 (c) When a student attends a secondary school operated by ~~in~~ his or
27 her own Class III school district and lives more than four miles from
28 such secondary school ~~the public schoolhouse~~ as measured by the shortest
29 route that must actually and necessarily be traveled by motor vehicle to
30 reach the student's residence. This subdivision does not apply to any
31 elementary-only school district that merged with a high-school-only

1 school district to form a new Class III school district on or after
2 January 1, 1997, and before June 16, 2006; and

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

9 (2)(a) For school years prior to school year 2017-18 and as required
10 pursuant to subsection (3) of section 79-241, the school board of any
11 school district that is a member of a learning community shall provide
12 free transportation for a student who resides in such learning community
13 and attends school in such school district if (i) the student is
14 transferring pursuant to the open enrollment provisions of section
15 79-2110, qualifies for free or reduced-price lunches, lives more than one
16 mile from the school to which he or she transfers, and is not otherwise
17 disqualified under subdivision (2)(c) of this section, (ii) the student
18 is transferring pursuant to the open enrollment provisions of section
19 79-2110, is a student who contributes to the socioeconomic diversity of
20 enrollment at the school building he or she attends, lives more than one
21 mile from the school to which he or she transfers, and is not otherwise
22 disqualified under subdivision (2)(c) of this section, (iii) the student
23 is attending a focus school or program and lives more than one mile from
24 the school building housing the focus school or program, or (iv) the
25 student is attending a magnet school or program and lives more than one
26 mile from the magnet school or the school housing the magnet program.

27 (b) For purposes of this subsection, student who contributes to the
28 socioeconomic diversity of enrollment at the school building he or she
29 attends has the definition found in section 79-2110. This subsection does
30 not prohibit a school district that is a member of a learning community
31 from providing transportation to any intradistrict student.

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

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

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

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

29 (b) To the parent, custodial parent, or guardian not providing
30 transportation for students of other families, two hundred eighty-five
31 percent of the mileage rate provided in section 81-1176 multiplied by

1 each mile actually and necessarily traveled, on each day of attendance,
2 from the residence of the student to the pick-up point at which students
3 transfer to the vehicle of a parent, custodial parent, or guardian
4 described in subdivision (a) of this subsection.

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

19 (6) The board may authorize school-provided transportation to any
20 student who does not qualify under the mileage requirements of subsection
21 (1) of this section and may charge a fee to the parent or guardian of the
22 student for such service. No transportation payments shall be made to a
23 family for mileage not actually traveled by such family. The number of
24 days the student has attended school shall be reported monthly by the
25 teacher to the board of such public school district.

26 (7) No more than one allowance shall be made to a family
27 irrespective of the number of students in a family being transported to
28 school.

29 (8) No student shall be exempt from school attendance on account of
30 the distance from a school ~~the public schoolhouse~~.

31 Sec. 25. Section 79-613, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 79-613 ~~(1)~~ When a student or students whose family would otherwise
3 be eligible for the transportation allowance provided in section 79-611
4 reside temporarily for school purposes within four miles of the school
5 ~~schoolhouse~~, the family of such student or students shall be paid two
6 hundred eighty-five percent of the mileage rate provided in section
7 81-1176 for each mile actually and necessarily traveled by which the
8 distance traveled one way from the residence of such family to the
9 temporary residence exceeds three miles.

10 ~~(2) When (a) a student or students whose family would otherwise be~~
11 ~~eligible for the transportation allowance provided in section 79-611~~
12 ~~attend school in an adjacent school district due to convenience of the~~
13 ~~family and (b) the school district of residence pays tuition on behalf of~~
14 ~~such student or students pursuant to section 79-598, there shall also be~~
15 ~~paid by such school district of residence a transportation allowance~~
16 ~~equal to two hundred eighty-five percent of the mileage rate provided in~~
17 ~~section 81-1176 for each mile actually and necessarily traveled on each~~
18 ~~day of attendance by which the distance traveled one way from the~~
19 ~~residence of such student or students to the schoolhouse in the adjacent~~
20 ~~school district exceeds three miles.~~

21 Sec. 26. Section 79-848, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 79-848 Any employee whose contract is terminated because of
24 reduction in force shall be considered dismissed with honor and shall
25 upon request be provided a letter to that effect. Such employee shall
26 have preferred rights to reemployment for a period of twenty-four months
27 commencing at the end of the contract year of such employee, and the
28 employee shall be recalled on the basis of length of service to the
29 school to any position for which he or she is qualified by endorsement or
30 college preparation to teach. Whenever a school district has, ~~pursuant to~~
31 ~~section 79-598, contracted for the instruction of all of the students~~

1 ~~residing in such district or has~~, pursuant to section 79-499, contracted
2 for the instruction of its students in grades nine through twelve, the
3 preferred rights to reemployment shall commence at the end of the student
4 contract period as agreed to by the contracting school district. The
5 employee shall, upon reappointment, retain any benefits which had accrued
6 to such employee prior to termination, but such leave of absence shall
7 not be considered as a year of employment by the district. An employee
8 under contract to another educational institution may waive recall, but
9 such waiver shall not deprive the employee of his or her right to
10 subsequent recall.

11 Sec. 27. Section 79-850, Revised Statutes Cumulative Supplement,
12 2018, is amended to read:

13 79-850 For purposes of sections 79-850 to 79-858:

14 (1) Reorganized school district means: (a) Any expanded or altered
15 school district, organized or altered by any of the means provided by
16 Nebraska law including, but not limited to, the methods provided by the
17 Reorganization of School Districts Act, the Learning Community
18 Reorganization Act, or section 79-407, ~~79-413, 79-415,~~ or 79-473; or (b)
19 any school district to be formed in the future if the petition or plan
20 for such reorganized school district has been approved pursuant to any of
21 the methods set forth in subdivision (1)(a) of this section when the
22 effective date of such reorganization is prospective. For purposes of
23 this subdivision, a petition or plan shall be deemed approved when the
24 last legal action has been taken, as prescribed in section ~~79-413~~ or
25 79-450, necessary to effect the changes in boundaries as set forth in the
26 petition or plan; and

27 (2) Unified system means a unified system as defined in section
28 79-4,108 recognized by the State Department of Education pursuant to
29 subsection (3) of such section, which employs certificated staff.

30 Sec. 28. Section 79-1003, Revised Statutes Cumulative Supplement,
31 2018, is amended to read:

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

3 (1) Adjusted general fund operating expenditures means (a) ~~for~~
4 ~~school fiscal years 2013-14 through 2015-16, the difference of the~~
5 ~~general fund operating expenditures as calculated pursuant to subdivision~~
6 ~~(23) of this section increased by the cost growth factor calculated~~
7 ~~pursuant to section 79-1007.10, minus the transportation allowance,~~
8 ~~special receipts allowance, poverty allowance, limited English~~
9 ~~proficiency allowance, distance education and telecommunications~~
10 ~~allowance, elementary site allowance, summer school allowance,~~
11 ~~instructional time allowance, teacher education allowance, and focus~~
12 ~~school and program allowance, (b) for school fiscal years 2016-17 through~~
13 ~~2018-19, the difference of the general fund operating expenditures as~~
14 ~~calculated pursuant to subdivision (23) of this section increased by the~~
15 ~~cost growth factor calculated pursuant to section 79-1007.10, minus the~~
16 ~~transportation allowance, special receipts allowance, poverty allowance,~~
17 ~~limited English proficiency allowance, distance education and~~
18 ~~telecommunications allowance, elementary site allowance, summer school~~
19 ~~allowance, and focus school and program allowance, and (b) (c) for school~~
20 ~~fiscal year 2019-20 and each school fiscal year thereafter, the~~
21 ~~difference of the general fund operating expenditures as calculated~~
22 ~~pursuant to subdivision (23) of this section increased by the cost growth~~
23 ~~factor calculated pursuant to section 79-1007.10, minus the~~
24 ~~transportation allowance, special receipts allowance, poverty allowance,~~
25 ~~limited English proficiency allowance, distance education and~~
26 ~~telecommunications allowance, elementary site allowance, summer school~~
27 ~~allowance, community achievement plan allowance, and focus school and~~
28 ~~program allowance;~~

29 (2) Adjusted valuation means the assessed valuation of taxable
30 property of each local system in the state, adjusted pursuant to the
31 adjustment factors described in section 79-1016. Adjusted valuation means

1 the adjusted valuation for the property tax year ending during the school
2 fiscal year immediately preceding the school fiscal year in which the aid
3 based upon that value is to be paid. For purposes of determining the
4 local effort rate yield pursuant to section 79-1015.01, adjusted
5 valuation does not include the value of any property which a court, by a
6 final judgment from which no appeal is taken, has declared to be
7 nontaxable or exempt from taxation;

8 (3) Allocated income tax funds means the amount of assistance paid
9 to a local system pursuant to section 79-1005.01 as adjusted, for school
10 fiscal years prior to school fiscal year 2017-18, by the minimum levy
11 adjustment pursuant to section 79-1008.02;

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

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

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

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

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

29 (9) Converted contract means an expired contract that was in effect
30 for at least fifteen school years beginning prior to school year 2012-13
31 for the education of students in a nonresident district in exchange for

1 tuition from the resident district when the expiration of such contract
2 results in the nonresident district educating students, who would have
3 been covered by the contract if the contract were still in effect, as
4 option students pursuant to the enrollment option program established in
5 section 79-234;

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

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

13 (12) District means any school district or unified system as defined
14 in section 79-4,108;

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

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

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

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

26 (17) Formula students means:

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

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

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

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

18 (a) for schools that did not provide free meals to all students pursuant
19 to the community eligibility provision, students who individually
20 qualified for free lunches or free milk pursuant to the federal Richard
21 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
22 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
23 and sections existed on January 1, 2015, and rules and regulations
24 adopted thereunder, plus (b) for schools that provided free meals to all
25 students pursuant to the community eligibility provision, (i) for school
26 fiscal year 2016-17, the product of the students who attended such school
27 multiplied by the identified student percentage calculated pursuant to
28 such federal provision or (ii) for school fiscal year 2017-18 and each
29 school fiscal year thereafter, the greater of the number of students in
30 such school who individually qualified for free lunch or free milk using
31 the most recent school fiscal year for which the school did not provide

1 free meals to all students pursuant to the community eligibility
2 provision or one hundred ten percent of the product of the students who
3 qualified for free meals at such school pursuant to the community
4 eligibility provision multiplied by the identified student percentage
5 calculated pursuant to such federal provision, except that the free lunch
6 and free milk students calculated for any school pursuant to subdivision
7 (18)(b)(ii) of this section shall not exceed one hundred percent of the
8 students qualified for free meals at such school pursuant to the
9 community eligibility provision;

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

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

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

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

25 (23) General fund operating expenditures means for state aid
26 calculated for ~~school fiscal years 2012-13 and~~ each school fiscal year
27 ~~thereafter~~, as reported on the annual financial report for the second
28 school fiscal year immediately preceding the school fiscal year in which
29 aid is to be paid, the total general fund expenditures minus (a) the
30 amount of all receipts to the general fund, to the extent that such
31 receipts are not included in local system formula resources, from early

1 childhood education tuition, summer school tuition, educational entities
2 as defined in section 79-1201.01 for providing distance education courses
3 through the Educational Service Unit Coordinating Council to such
4 educational entities, private foundations, individuals, associations,
5 charitable organizations, the textbook loan program authorized by section
6 79-734, federal impact aid, and levy override elections pursuant to
7 section 77-3444, (b) the amount of expenditures for categorical funds,
8 tuition paid, transportation fees paid to other districts, adult
9 education, community services, redemption of the principal portion of
10 general fund debt service, retirement incentive plans authorized by
11 section 79-855, and staff development assistance authorized by section
12 79-856, (c) the amount of any transfers from the general fund to any bond
13 fund and transfers from other funds into the general fund, (d) any legal
14 expenses in excess of fifteen-hundredths of one percent of the formula
15 need for the school fiscal year in which the expenses occurred, (e)(i)
16 for state aid calculated for school fiscal years prior to school fiscal
17 year 2018-19, expenditures to pay for sums agreed to be paid by a school
18 district to certificated employees in exchange for a voluntary
19 termination occurring prior to July 1, 2009, occurring on or after the
20 last day of the 2010-11 school year and prior to the first day of the
21 2013-14 school year, or, to the extent that a district has demonstrated
22 to the State Board of Education pursuant to section 79-1028.01 that the
23 agreement will result in a net savings in salary and benefit costs to the
24 school district over a five-year period, occurring on or after the first
25 day of the 2013-14 school year or (ii) for state aid calculated for
26 school fiscal year 2018-19 and each school fiscal year thereafter,
27 expenditures to pay for incentives agreed to be paid by a school district
28 to certificated employees in exchange for a voluntary termination of
29 employment for which the State Board of Education approved an exclusion
30 pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01,
31 (f)(i) expenditures to pay for employer contributions pursuant to

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

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

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

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

26 (26) Limited English proficiency students means the number of
27 students with limited English proficiency in a district from the most
28 recent data available on November 1 of the school fiscal year preceding
29 the school fiscal year in which aid is to be paid plus the difference of
30 such students with limited English proficiency minus the average number
31 of limited English proficiency students for such district, prior to such

1 addition, for the three immediately preceding school fiscal years if such
2 difference is greater than zero;

3 (27) Local system means a unified system or a school district;

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

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

29 (30) Most recently available complete data year means the most
30 recent single school fiscal year for which the annual financial report,
31 fall school district membership report, annual statistical summary,

1 Nebraska income tax liability by school district for the calendar year in
2 which the majority of the school fiscal year falls, and adjusted
3 valuation data are available;

4 (31) Poverty students means ~~(a) for school fiscal years prior to~~
5 ~~2016-17, the number of low income students or the number of students who~~
6 ~~are free lunch and free milk students in a district plus the difference~~
7 ~~of the number of low income students or the number of students who are~~
8 ~~free lunch and free milk students in a district, whichever is greater,~~
9 ~~minus the average number of poverty students for such district, prior to~~
10 ~~such addition, for the three immediately preceding school fiscal years if~~
11 ~~such difference is greater than zero and (b) for school fiscal year~~
12 ~~2016-17 and each school fiscal year thereafter, the unadjusted poverty~~
13 ~~students plus the difference of such unadjusted poverty students minus~~
14 ~~the average number of poverty students for such district, prior to such~~
15 ~~addition, for the three immediately preceding school fiscal years if such~~
16 ~~difference is greater than zero;~~

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

31 (33) Qualified early childhood education fall membership means the

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

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

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

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

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

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

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

31 (c)(i) Less than one and one-half formula students per square mile

1 in the local system and (ii) more than two hundred seventy-five square
2 miles in the local system; or

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

7 (38) Special education means specially designed kindergarten through
8 grade twelve instruction pursuant to section 79-1125~~7~~ and includes
9 special education transportation;

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

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

19 (41) State board means the State Board of Education;

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

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

26 (44) Statewide average general fund operating expenditures per
27 formula student means the statewide total general fund operating
28 expenditures for all districts divided by the statewide total formula
29 students for all districts;

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

31 ~~(46) Temporary aid adjustment factor means (a) for school fiscal~~

1 ~~years before school fiscal year 2007-08, one and one-fourth percent of~~
2 ~~the sum of the local system's transportation allowance, the local~~
3 ~~system's special receipts allowance, and the product of the local~~
4 ~~system's adjusted formula students multiplied by the average formula cost~~
5 ~~per student in the local system's cost grouping and (b) for school fiscal~~
6 ~~year 2007-08, one and one-fourth percent of the sum of the local system's~~
7 ~~transportation allowance, special receipts allowance, and distance~~
8 ~~education and telecommunications allowance and the product of the local~~
9 ~~system's adjusted formula students multiplied by the average formula cost~~
10 ~~per student in the local system's cost grouping; (47) Tuition receipts~~

11 from converted contracts means tuition receipts received by a district
12 from another district in the most recently available complete data year
13 pursuant to a converted contract prior to the expiration of the contract;

14 ~~(47)~~ (48) Tuitioned students means students in kindergarten through
15 grade twelve of the district whose tuition is paid by the district to
16 some other district or education agency;

17 ~~(48)~~ (49) Unadjusted poverty students means, ~~for school fiscal year~~
18 ~~2016-17 and each school fiscal year thereafter,~~ the greater of the number
19 of low-income students or the number of free lunch and free milk
20 calculated students in a district; and

21 ~~(49)~~ (50) Very sparse local system means a local system that has:

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

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

1 paved roads.

2 Sec. 29. Section 79-1007.11, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 79-1007.11 (1) ~~Except as otherwise provided in this section, for~~
5 ~~school fiscal years 2013-14 through 2015-16, each school district's~~
6 ~~formula need shall equal the difference of the sum of the school~~
7 ~~district's basic funding, poverty allowance, limited English proficiency~~
8 ~~allowance, focus school and program allowance, summer school allowance,~~
9 ~~special receipts allowance, transportation allowance, elementary site~~
10 ~~allowance, instructional time allowance, teacher education allowance,~~
11 ~~distance education and telecommunications allowance, averaging~~
12 ~~adjustment, new learning community transportation adjustment, student~~
13 ~~growth adjustment, any positive student growth adjustment correction, and~~
14 ~~new school adjustment, minus the sum of the limited English proficiency~~
15 ~~allowance correction, poverty allowance correction, and any negative~~
16 ~~student growth adjustment correction. (2) Except as otherwise provided in~~
17 ~~this section, for school fiscal year 2016-17, each school district's~~
18 ~~formula need shall equal the difference of the sum of the school~~
19 ~~district's basic funding, poverty allowance, limited English proficiency~~
20 ~~allowance, focus school and program allowance, summer school allowance,~~
21 ~~special receipts allowance, transportation allowance, elementary site~~
22 ~~allowance, distance education and telecommunications allowance, averaging~~
23 ~~adjustment, new learning community transportation adjustment, student~~
24 ~~growth adjustment, any positive student growth adjustment correction, and~~
25 ~~new school adjustment, minus the sum of the limited English proficiency~~
26 ~~allowance correction, poverty allowance correction, and any negative~~
27 ~~student growth adjustment correction. (3) Except as otherwise provided in~~
28 ~~this section, for school fiscal years 2017-18 and 2018-19, each school~~
29 ~~district's formula need shall equal the difference of the sum of the~~
30 ~~school district's basic funding, poverty allowance, poverty allowance~~
31 ~~adjustment, limited English proficiency allowance, focus school and~~

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

9 (2) ~~(4)~~ Except as otherwise provided in this section, for school
10 fiscal year 2019-20 and each school fiscal year thereafter, each school
11 district's formula need shall equal the difference of the sum of the
12 school district's basic funding, poverty allowance, limited English
13 proficiency allowance, focus school and program allowance, summer school
14 allowance, special receipts allowance, transportation allowance,
15 elementary site allowance, distance education and telecommunications
16 allowance, community achievement plan allowance, averaging adjustment,
17 new community achievement plan adjustment, student growth adjustment, any
18 positive student growth adjustment correction, and new school adjustment
19 minus the sum of the limited English proficiency allowance correction,
20 poverty allowance correction, and any negative student growth adjustment
21 correction.

22 (3) ~~(5)~~ If the formula need calculated for a school district
23 pursuant to subsections (1) and (2) ~~through (4)~~ of this section is less
24 than one hundred percent of the formula need for such district for the
25 school fiscal year immediately preceding the school fiscal year for which
26 aid is being calculated, the formula need for such district shall equal
27 one hundred percent of the formula need for such district for the school
28 fiscal year immediately preceding the school fiscal year for which aid is
29 being calculated.

30 (4) ~~(6)~~ If the formula need calculated for a school district
31 pursuant to subsections (1) and (2) ~~through (4)~~ of this section is more

1 than one hundred twelve percent of the formula need for such district for
2 the school fiscal year immediately preceding the school fiscal year for
3 which aid is being calculated, the formula need for such district shall
4 equal one hundred twelve percent of the formula need for such district
5 for the school fiscal year immediately preceding the school fiscal year
6 for which aid is being calculated, except that the formula need shall not
7 be reduced pursuant to this subsection for any district receiving a
8 student growth adjustment for the school fiscal year for which aid is
9 being calculated.

10 (5) ~~(7)~~ For purposes of subsections (3) and (4) ~~(5)~~ and ~~(6)~~ of this
11 section, the formula need for the school fiscal year immediately
12 preceding the school fiscal year for which aid is being calculated shall
13 be the formula need used in the final calculation of aid pursuant to
14 section 79-1065 and for districts that were affected by a reorganization
15 with an effective date in the calendar year preceding the calendar year
16 in which aid is certified for the school fiscal year for which aid is
17 being calculated, the formula need for the school fiscal year immediately
18 preceding the school fiscal year for which aid is being calculated shall
19 be attributed to the affected school districts based on information
20 provided to the department by the school districts or proportionally
21 based on the adjusted valuation transferred if sufficient information has
22 not been provided to the department.

23 Sec. 30. Section 79-1065.02, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 79-1065.02 (1) State aid payments shall be adjusted when property
26 within the boundaries of a school district is transferred to another
27 school district due to a change in school district boundaries in response
28 to annexation of the transferred property by a city or village.

29 (2) To qualify for additional state aid pursuant to this section,
30 the school district from which property is being transferred shall apply
31 on a form prescribed by the State Department of Education on or before

1 August 20 preceding the first school fiscal year for which the property
2 will not be available for taxation for the school district's general fund
3 levy. ~~On or before such deadline, the applicant school district shall~~
4 ~~send copies of the application to the high school districts of the local~~
5 ~~systems receiving valuation in the transfer. For purposes of this~~
6 ~~section, property is deemed transferred from the school district whether~~
7 ~~the property was within the boundaries of the school district or the~~
8 ~~property was affiliated with the school district.~~

9 (3) Upon receipt of the application, the department, with the
10 assistance of the Property Tax Administrator, shall calculate the amount
11 of additional state aid, if any, that the local system, as defined in
12 section 79-1003, for the applicant school district would have received
13 for such school fiscal year if the adjusted valuation for the transferred
14 property had not been included in the adjusted valuation of such local
15 system for the calculation of state aid for such school fiscal year. On
16 or before September 20 of such school fiscal year, the department shall
17 certify to the applicant school district the amount of additional state
18 aid, if any, the district will receive. Except as otherwise provided in
19 this subsection, if such applicant school district receives a lump-sum
20 payment pursuant to subsection (2) of section 79-1022, such lump-sum
21 payment shall be increased by the amount of additional state aid. Except
22 as otherwise provided in this subsection, if such applicant school
23 district does not receive a lump-sum payment pursuant to such subsection,
24 state aid payments shall be increased by one-tenth of the amount of
25 additional state aid for each of the ten state aid payments for such
26 school fiscal year. If a portion of the total reduction calculated
27 pursuant to subsection (4) of this section for local systems receiving
28 valuation in the transfer of property that is the subject of the
29 application is delayed until future years, the additional state aid to be
30 paid in the school fiscal year described in subsection (2) of this
31 section shall be reduced by the amount of the total reduction that is

1 delayed until future years. The amount of the reduction shall be paid as
2 additional aid in the next school fiscal year.

3 (4) The state aid payments shall be reduced for the ~~high~~ school
4 district of each receiving local system. An amount equal to the
5 additional state aid calculated pursuant to subsection (3) of this
6 section for the local system of an applicant school district shall be
7 attributed to the local systems receiving valuation in such transfer
8 based upon the ratio of the adjusted valuation received by each local
9 system divided by the total adjusted valuation transferred from the
10 applicant school district. If such ~~high~~ school district receives a lump-
11 sum payment pursuant to subsection (2) of section 79-1022, such lump-sum
12 payment shall be reduced by the amount attributed to the receiving local
13 system. If the ~~high~~ school district of a receiving local system does not
14 receive a lump-sum payment pursuant to such subsection, state aid
15 payments shall be reduced by one-tenth of the amount attributed to such
16 receiving local system for each of the ten state aid payments for such
17 school fiscal year. If the total reduction is greater than the total
18 state aid payments for such school fiscal year, the remainder shall be
19 subtracted from state aid payments in future school fiscal years until
20 the total reduction has been subtracted from state aid payments. On or
21 before September 20 of such school fiscal year, the department shall
22 certify to the ~~high~~ school district of the receiving local system the
23 amount of the reduction in state aid.

24 (5) For purposes of the final calculation of state aid pursuant to
25 section 79-1065, the adjusted valuation of the property that was
26 transferred shall also be transferred for purposes of adjusted valuation
27 for the final calculation of state aid. For determining adjustments in
28 state aid pursuant to section 79-1065, the final calculation of state aid
29 shall be compared to the state aid certified for such school fiscal year
30 combined with any adjustments in state aid payments and transfers from
31 other districts pursuant to this section.

1 Sec. 31. Section 79-1074, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-1074 (1) The county clerk of any county in which a part of a
4 ~~joint~~ school district or learning community is located shall, on or
5 before the date prescribed in section 13-509, certify the taxable
6 valuation of all taxable property of such part of the ~~joint~~ district or
7 learning community to the clerk of the headquarters county in which ~~the~~
8 ~~schoolhouse~~ or the administrative office of the school district or
9 learning community is located.

10 (2) The county clerk of any county in which a part of a ~~joint~~
11 ~~affiliated~~ school district ~~system~~ or learning community is located shall,
12 on or before the date prescribed in section 13-509, certify the taxable
13 valuation of all taxable property of such part of the school district
14 ~~joint affiliated school system~~ or learning community to the clerk of the
15 headquarters county in which ~~the schoolhouse~~ or the administrative office
16 of the ~~high~~ school district or learning community is located.

17 Sec. 32. Section 79-1075, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-1075 ~~(1)~~ The county board of the county in which ~~is located the~~
20 ~~schoolhouse~~ or the administrative office of any ~~joint~~ school district is
21 located or, ~~for years prior to 2017, learning community~~ shall make a levy
22 for the school district or, ~~for years prior to 2017, learning community,~~
23 as may be necessary, and the county clerk of that headquarters county
24 shall certify the levy, on or before the date prescribed in section
25 77-1601, to the county clerk of each county in which is situated any
26 portion of the ~~joint~~ school district ~~or learning community~~. This section
27 shall apply to all taxes levied on behalf of school districts, including,
28 but not limited to, taxes authorized by sections 10-304, 10-711, 77-1601,
29 79-747, 79-1084, 79-1085, 79-1086, 79-10,100, 79-10,110, 79-10,110.02,
30 79-10,118, 79-10,120, and 79-10,126.

31 ~~(2) The county board of the county in which is located the~~

~~1 schoolhouse or the administrative office of the high school district of a
2 joint affiliated school system shall make a levy for the joint affiliated
3 school system, as may be necessary, and the county clerk of that
4 headquarters county shall certify the levy, on or before the date
5 prescribed in section 77-1601, to the county clerk of each county in
6 which is situated any portion of the joint affiliated school system. This
7 section shall apply to all taxes levied on behalf of affiliated school
8 systems, including, but not limited to, taxes authorized by sections
9 79-10,110 and 79-10,110.02.~~

10 Sec. 33. Section 79-10,119, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 79-10,119 A ~~Class III, IV, or V~~ school district may purchase,
13 acquire, own, manage, and hold title to real estate for future school
14 sites which at the time of such purchasing or acquiring is outside such
15 school district in a territory not more than three miles beyond the
16 limits of such district but contiguous thereto. Such district shall not
17 erect school buildings on the real estate prior to the inclusion of such
18 real estate within the boundaries of such a school district. If the real
19 estate so acquired adjoins the purchaser's district, the acquisition of
20 the real estate constitutes an annexation of such real estate to the
21 purchaser's district. The intervention of a street, road, or highway
22 between the real estate to be acquired and the purchaser's district does
23 not preclude such real estate from being considered as adjoining the
24 purchaser's district.

25 Sec. 34. Section 79-10,145, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 79-10,145 (1) For school fiscal year 2017-18, the department shall,
28 based on data for school fiscal year 2016-17, calculate the amount of
29 learning community transition aid, if any, to be paid from the Nebraska
30 Education Improvement Fund to each school district that is a member of a
31 learning community which levied a common levy for member school districts

1 prior to school fiscal year 2017-18. Learning community transition aid
2 for each such district shall be calculated by:

3 (a) Recalculating the 2016-17 state aid for each member school
4 district as if the district were not a member of the learning community
5 using the same data that was used in the certification pursuant to
6 section 79-1022 to determine the calculated 2016-17 individual state aid
7 for each member school district;

8 (b) Multiplying the aggregate taxable valuation for all member
9 school districts for the 2016 tax year by the ratio of ninety-five cents
10 per one hundred dollars of taxable valuation and multiplying the result
11 by ninety-nine percent to determine the calculated 2016-17 common levy
12 receipts;

13 (c) Dividing the calculated 2016-17 common levy receipts among
14 member school districts proportionally based on the difference of the
15 formula need calculated pursuant to section 79-1007.11 as such section
16 exited prior to the effective date of this act minus the sum of the state
17 aid certified pursuant to section 79-1022 and the other actual receipts
18 included in local system formula resources pursuant to section 79-1018.01
19 for the 2016-17 school fiscal year to determine the district share of the
20 calculated 2016-17 common levy receipts for each member district;

21 (d) Adding the district share of the calculated 2016-17 common levy
22 receipts to the state aid certified pursuant to section 79-1022 for the
23 2016-17 school fiscal year to determine the calculated 2016-17 common
24 levy resources total for each member school district;

25 (e) Multiplying the taxable valuation for each member school
26 district for the 2016 tax year by the ratio of ninety-five cents per one
27 hundred dollars of taxable valuation and multiplying the result by
28 ninety-nine percent to determine the calculated 2016-17 individual levy
29 receipts for each member school district;

30 (f) Adding the calculated 2016-17 individual levy receipts to the
31 calculated 2016-17 individual state aid to determine the calculated

1 2016-17 individual district resources total for each member school
2 district; and

3 (g) Multiplying the difference of the calculated 2016-17 common levy
4 resources total minus both the calculated 2016-17 individual district
5 resources total and the community achievement plan aid calculated for
6 school fiscal year 2017-18 pursuant to section 79-1005 for each member
7 school district by fifty percent to equal the 2017-18 learning community
8 transition aid for each member school district for which the calculated
9 common levy resources total is greater than such sum of the calculated
10 individual district resources total plus the community achievement plan
11 aid.

12 (2) For school fiscal year 2018-19, the department shall, based on
13 data for school fiscal year 2017-18, calculate the amount of learning
14 community transition aid, if any, to be paid from the Nebraska Education
15 Improvement Fund to each school district that is a member of a learning
16 community which levied a common levy for member school districts prior to
17 school fiscal year 2017-18. Learning community transition aid for each
18 such district shall be calculated by:

19 (a) Recalculating the 2017-18 state aid for each member school
20 district as if the district continued to be subject to a learning
21 community general fund common levy and without any poverty allowance
22 adjustment pursuant to section 79-1007.06 or community achievement aid
23 pursuant to section 79-1005 using the same data that was used in the
24 certification pursuant to section 79-1022 to determine the calculated
25 2017-18 common levy formula need and calculated 2017-18 common levy state
26 aid for each member school district;

27 (b) Multiplying the aggregate taxable valuation for all member
28 school districts for the 2017 tax year by the ratio of ninety-five cents
29 per one hundred dollars of taxable valuation and multiplying the result
30 by ninety-nine percent to determine the calculated 2017-18 common levy
31 receipts;

1 (c) Dividing the calculated 2017-18 common levy receipts among
2 member school districts proportionally based on the difference of the
3 calculated common levy formula need minus the sum of the calculated
4 2017-18 common levy state aid and the other actual receipts included in
5 local system formula resources pursuant to section 79-1018.01 for the
6 2017-18 school fiscal year to determine the district share of the
7 calculated 2017-18 common levy receipts for each member district;

8 (d) Adding the district share of the calculated 2017-18 common levy
9 receipts to the calculated 2017-18 common levy state aid to determine the
10 calculated 2017-18 common levy resources total for each member school
11 district;

12 (e) Multiplying the taxable valuation for each member school
13 district for the 2017 tax year by the ratio of ninety-five cents per one
14 hundred dollars of taxable valuation and multiplying the result by
15 ninety-nine percent to determine the calculated 2017-18 individual levy
16 receipts for each member school district;

17 (f) Adding the calculated 2017-18 individual levy receipts to the
18 state aid certified pursuant to section 79-1022 for school fiscal year
19 2017-18 to determine the calculated 2017-18 individual district resources
20 total for each member school district; and

21 (g) Multiplying the difference between the calculated 2017-18 common
22 levy resources total minus the calculated 2017-18 individual district
23 resources total for each member school district by twenty-five percent to
24 equal the 2018-19 learning community transition aid for each member
25 school district for which the calculated common levy resources total is
26 greater than the calculated individual district resources total.

27 (3) Learning community transition aid shall not be considered in the
28 calculation of formula resources pursuant to section 79-1017.01.

29 Sec. 35. Section 79-1605, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 79-1605 The superintendent of the high school district and its

1 ~~affiliated territory~~ in which any private, denominational, or parochial
2 school is located, which school is not otherwise inspected by an area or
3 diocesan representative holding a Nebraska certificate to administer,
4 shall inspect such schools and report to the proper officers any evidence
5 of failure to observe any of the provisions of sections 79-1601 to
6 79-1607. The Commissioner of Education, when in his or her judgment it is
7 deemed advisable, may appoint a public school official other than such
8 superintendent, including a member of the State Department of Education,
9 for such inspections. Such appointee shall hold a Nebraska certificate to
10 administer. The State Board of Education shall require the
11 superintendents and appointed public school officials to make such
12 inspections at least twice a year, and the school officers of such
13 schools and the teachers giving instruction in such schools shall permit
14 such inspection and assist and cooperate in the making of the same.

15 Sec. 36. Original sections 77-27,119, 79-421, 79-432, 79-433,
16 79-435, 79-436, 79-439, 79-441, 79-442, 79-444, 79-445, 79-446, 79-448,
17 79-449, 79-450, 79-480, 79-613, 79-848, 79-1074, 79-10,119, and 79-1605,
18 Reissue Revised Statutes of Nebraska, and sections 79-413, 79-443,
19 79-447, 79-451, 79-479, 79-499, 79-4,119, 79-611, 79-850, 79-1003,
20 79-1007.11, 79-1065.02, 79-1075, and 79-10,145, Revised Statutes
21 Cumulative Supplement, 2018, are repealed.

22 Sec. 37. The following sections are outright repealed: Sections
23 79-414, 79-422, 79-471, and 79-498, Reissue Revised Statutes of Nebraska,
24 and sections 79-415, 79-418, 79-419, 79-420, 79-434, 79-470, and 79-598,
25 Revised Statutes Cumulative Supplement, 2018.