

AMENDMENTS TO LB 641

Introduced by Education

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 32-515, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 32-515 Candidates for the boards of educational service
6 units, except boards of educational service units with only
7 one member school district, shall be elected to represent the
8 geographical boundaries of the educational service unit as provided
9 in section 79-1217. The terms of members elected in 2007 or 2008
10 to represent odd-numbered election districts established pursuant
11 to section 46 of this act shall expire in 2011. The terms of
12 members elected in 2007 or 2008 to represent even-numbered election
13 districts established pursuant to such section shall expire in
14 2013. Successors to the members elected in 2007 or 2008 initially
15 appointed to the board shall be elected for terms of four years.
16 County candidates shall file their written applications with the
17 election commissioner or county clerk no later than the deadline
18 prescribed in subsection (2) of section 32-606. Candidates for the
19 position of members at large shall file their written applications
20 with the Secretary of State no later than the deadline prescribed
21 in subsection (2) of section 32-606. Candidates for the board
22 of educational service units shall meet the qualifications found
23 in such section 79-1217. Board members shall be elected on the

1 nonpartisan ballot.

2 Sec. 2. Section 32-606, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 32-606 (1) Any candidate may place his or her name on
5 the primary election ballot by filing a candidate filing form
6 prescribed by the Secretary of State as provided in section 32-607.
7 If a candidate for an elective office is an incumbent, the deadline
8 for filing the candidate filing form shall be February 15 prior
9 to the date of the primary election. No incumbent who resigns
10 from elective office prior to the expiration of his or her term
11 shall file for any office after February 15 of that election year.
12 All other candidates shall file for office by March 1 prior to
13 the date of the primary election. A candidate filing form may be
14 transmitted by facsimile for the offices listed in subdivision (1)
15 of section 32-607 if (a) the transmission is received in the office
16 of the filing officer by the filing deadline and (b) the original
17 filing form is mailed to the filing officer with a legible postmark
18 bearing a date on or prior to the filing deadline and is in the
19 office of the filing officer no later than seven days after the
20 filing deadline.

21 (2) Any candidate for a township office in a county
22 under township organization, the board of trustees of a village,
23 the board of directors of a reclamation district, the county weed
24 district board, the board of directors of a public power district
25 receiving annual gross revenue of less than forty million dollars,
26 the school board of a Class II school district, or the board of an
27 educational service unit, or special election ballot as provided in

1 section 56 of this act for candidates for new learning community
2 coordinating councils, may place his or her name on the general
3 election ballot by filing a candidate filing form prescribed by the
4 Secretary of State as provided in section 32-607. If a candidate
5 for an elective office is an incumbent, the deadline for filing
6 the candidate filing form shall be July 15 prior to the date
7 of the general election. No incumbent who resigns from elective
8 office prior to the expiration of his or her term shall file
9 for any office after July 15 of that election year. All other
10 candidates shall file for office by August 1 prior to the date of
11 the general election, except as provided in section 56 of this act
12 for candidates for new learning community coordinating councils.

13 A candidate filing form may be transmitted by facsimile for the
14 offices listed in subdivision (1) of section 32-607 if (a) the
15 transmission is received in the office of the filing officer by the
16 filing deadline and (b) the original filing form is mailed to the
17 filing officer with a legible postmark bearing a date on or prior
18 to the filing deadline and is in the office of the filing officer
19 no later than seven days after the filing deadline.

20 (3) Any city having a home rule charter may provide for
21 filing deadlines for any person desiring to be a candidate for the
22 office of council member or mayor.

23 Sec. 3. Section 32-607, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 32-607 All candidate filing forms shall contain the
26 following statement: I hereby swear that I will abide by the laws
27 of the State of Nebraska regarding the results of the primary and

1 general elections, that I am a registered voter and qualified to be
2 elected, and that I will serve if elected. Candidate filing forms
3 shall be filed with the following filing officers:

4 (1) For candidates for national, state, or congressional
5 office, directors of public power and irrigation districts,
6 directors of reclamation districts, directors of natural resources
7 districts, members ~~at large~~ of the boards of educational service
8 units, members of governing boards of community colleges, delegates
9 to national conventions, and other offices filled by election held
10 in more than one county and judges desiring retention, in the
11 office of the Secretary of State;

12 (2) For officers elected within a county, in the office
13 of the election commissioner or county clerk. If the candidate is
14 not a resident of the county, he or she shall submit a certificate
15 of registration obtained under section 32-316 with the candidate
16 filing form;

17 ~~(3) For representatives from the county in which they~~
18 ~~reside on the boards of educational service units, in the office of~~
19 ~~the election commissioner or county clerk;~~

20 ~~(4)~~ (3) For officers in school districts which include
21 land in adjoining counties, in the office of the election
22 commissioner or county clerk of the county in which the greatest
23 number of registered voters entitled to vote for the officers
24 reside. If the candidate is not a resident of the county, he or she
25 shall submit a certificate of registration obtained under section
26 32-316 with the candidate filing form; and

27 ~~(5)~~ (4) For city or village officers, in the office

1 of the city or village clerk, except that in the case of joint
2 elections, the filing may be either in the office of the election
3 commissioner or county clerk or in the office of the city or
4 village clerk with deputized personnel. When the city or village
5 clerk is deputized to take filings, he or she shall return all
6 filings to the office of the election commissioner or county clerk
7 by the end of the next business day following the filing deadline.

8 Sec. 4. Section 77-3442, Revised Statutes Cumulative
9 Supplement, 2006, is amended to read:

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

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

20 (b) ~~Except as provided in subdivision (2)(d) of this~~
21 ~~section, for~~ For fiscal year 2008-09 and each fiscal year
22 thereafter, ~~(i)~~ learning communities may levy a maximum levy
23 for the general fund budgets of member school districts equal to
24 one hundred one percent of the greater of the local effort rate
25 prescribed in section 79-1015.01 for such fiscal year or a levy
26 equal to the ratio of the aggregate difference of the sum of
27 the greater of one hundred ~~ten~~ percent of the formula needs as

1 calculated pursuant to section 79-1007.02 for the school fiscal
2 year for which the levy is being made or the 2006-07 school
3 district resources for each member school district minus the amount
4 of state aid certified pursuant to section 79-1022 for each member
5 school district for the school fiscal year for which the levy is
6 being made and minus the other actual receipts included in local
7 system formula resources pursuant to section 79-1018.01 for each
8 member school district for such school fiscal year divided by each
9 one hundred dollars of taxable property subject to the levy, except
10 that in no case shall such levy exceed one dollar and five cents
11 per one hundred dollars of taxable property subject to the levy.
12 For the purposes of this subdivision, the 2006-07 school district
13 resources shall equal the sum of ninety-nine percent of the product
14 of the general fund levy for fiscal year 2006-07 multiplied by
15 the taxable property subject to such levy plus the amount of
16 state aid certified pursuant to section 79-1022 for school fiscal
17 year 2006-07 plus the other actual receipts included in local
18 system formula resources pursuant to section 79-1018.01 for the
19 calculation of such state aid. The proceeds from levies pursuant to
20 this subdivision shall be distributed pursuant to section 79-1073.

21 (c) Except as provided in subdivision (2)(e) of this
22 section, for fiscal year 2008-09 and each fiscal year thereafter,
23 except that such levy shall not exceed one dollar and two cents on
24 each one hundred dollars of taxable property subject to the levy,
25 and (ii) school districts that are members of learning communities
26 may levy for purposes of such districts' general fund budget and
27 special building funds a maximum combined levy of the difference

1 of one dollar and ~~two~~ five cents on each one hundred dollars of
2 taxable property subject to the levy minus the learning community
3 ~~levy levies pursuant to this subdivision for purposes of such~~
4 ~~school district's general fund budget and special building funds.~~
5 subdivisions (2)(b) and (2)(g) of this section for such learning
6 community.

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

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

27 ~~(e)~~ (f) For school fiscal year 2002-03 through school

1 fiscal year 2007-08, school districts and multiple-district school
2 systems may, upon a three-fourths majority vote of the school board
3 of the school district, the board of the unified system, or the
4 school board of the high school district of the multiple-district
5 school system that is not a unified system, exceed the maximum
6 levy prescribed by subdivision (2)(a) of this section in an amount
7 equal to the net difference between the amount of state aid that
8 would have been provided under the Tax Equity and Educational
9 Opportunities Support Act without the temporary aid adjustment
10 factor as defined in section 79-1003 for the ensuing school fiscal
11 year for the school district or multiple-district school system
12 and the amount provided with the temporary aid adjustment factor.
13 The State Department of Education shall certify to the school
14 districts and multiple-district school systems the amount by which
15 the maximum levy may be exceeded for the next school fiscal year
16 pursuant to this subdivision ~~(e)~~ (f) of this subsection on or
17 before February 15 for school fiscal years 2004-05 through 2007-08.

18 ~~(f)~~ (g) For fiscal year 2008-09 and each fiscal year
19 thereafter, learning communities may levy a maximum levy of two
20 cents on each one hundred dollars of taxable property subject to
21 the levy for special building funds for member school districts,
22 except that the combined levies pursuant to this subdivision
23 and subdivision (2)(b) of this subsection shall not exceed one
24 dollar and five cents per one hundred dollars of taxable property
25 subject to the levy. The proceeds from the levy pursuant to this
26 subdivision shall be distributed pursuant to section 79-1073.01.

27 ~~(g)~~ (h) For fiscal year 2008-09 and each fiscal year

1 thereafter, learning communities may levy a maximum levy of ~~one~~
2 ~~cent~~ five cents on each one hundred dollars of taxable property
3 subject to the levy for the ~~learning community budget~~ elementary
4 learning center facilities and for up to fifty percent of the
5 estimated cost for capital projects approved by the learning
6 community coordinating council pursuant to section 60 of this act.

7 (3) Community colleges may levy a maximum levy on each
8 one hundred dollars of taxable property subject to the levy of
9 seven cents, plus amounts allowed under subsection (7) of section
10 85-1536.01, except that any community college whose valuation per
11 reported aid equivalent student as defined in section 85-1503 was
12 less than eighty-two percent of the average valuation per statewide
13 reimbursable reported aid equivalent total as defined in section
14 85-1503 for all community colleges for fiscal year 1997-98 may levy
15 up to an additional one-half cent for each of fiscal years 2005-06
16 and 2006-07 upon a three-fourths majority vote of the board.

17 (4) Natural resources districts may levy a maximum levy
18 of four and one-half cents per one hundred dollars of taxable
19 valuation of property subject to the levy. Natural resources
20 districts shall also have the power and authority to levy a
21 tax equal to the dollar amount by which their restricted funds
22 budgeted to administer and implement ground water management
23 activities and integrated management activities under the Nebraska
24 Ground Water Management and Protection Act exceed their restricted
25 funds budgeted to administer and implement ground water management
26 activities and integrated management activities for FY2003-04,
27 not to exceed one cent on each one hundred dollars of taxable

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

18 (5) ~~Educational~~ In addition to levies provided for
19 in subsection (2) of this section for learning communities,
20 educational service units may levy a maximum levy of one and
21 one-half cents per one hundred dollars of taxable valuation of
22 property subject to the levy.

23 (6) (a) Incorporated cities and villages which are not
24 within the boundaries of a municipal county may levy a maximum levy
25 of forty-five cents per one hundred dollars of taxable valuation
26 of property subject to the levy plus an additional five cents per
27 one hundred dollars of taxable valuation to provide financing for

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

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

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

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

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

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

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

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

26 (13) For purposes of sections 77-3442 to 77-3444,
27 political subdivision means a political subdivision of this state

1 and a county agricultural society.

2 Sec. 5. Section 79-4,117, Revised Statutes Cumulative
3 Supplement, 2006, is amended to read:

4 79-4,117 Sections 79-4,117 to ~~79-4,130~~ 79-4,129 shall be
5 known and may be cited as the Learning Community Reorganization
6 Act.

7 Sec. 6. Section 79-4,125, Revised Statutes Cumulative
8 Supplement, 2006, is amended to read:

9 79-4,125 ~~Except as provided in section 79-4,130,~~ if If
10 the state committee disapproves the plan pursuant to the Learning
11 Community Reorganization Act, it shall be considered a disapproved
12 plan and returned to the learning community coordinating council as
13 a disapproved plan.

14 Sec. 7. Section 79-4,126, Revised Statutes Cumulative
15 Supplement, 2006, is amended to read:

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

27 Sec. 8. Section 79-4,128, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 79-4,128 If the plan of reorganization is approved
3 by the state committee and the school board of each affected
4 school district, ~~if required,~~ pursuant to the Learning Community
5 Reorganization Act, the county clerk shall proceed to cause the
6 changes, realignment, and adjustment of districts to be carried out
7 as provided in the plan. The county clerk shall classify the school
8 districts according to the plan of reorganization. He or she shall
9 also file certificates with the county assessor, county treasurer,
10 and state committee showing the boundaries of the various districts
11 under the approved plan of reorganization.

12 Sec. 9. Section 79-611, Revised Statutes Cumulative
13 Supplement, 2006, as affected by Referendum 2006, No. 422, is
14 amended to read:

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

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

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

25 (c) When a student attends a secondary school in his or
26 her own Class II or Class III school district and lives more than
27 four miles from the public schoolhouse. This subdivision does not

1 apply when one or more Class I school districts merge with a Class
2 VI school district to form a new Class II or III school district on
3 or after January 1, 1997; and

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

8 (2) The school board of any school district that is a
9 member of a learning community ~~subject to the enrollment provisions~~
10 ~~of section 79-2110~~ shall provide free transportation for a student
11 if ~~(a) the student is a resident of any school district that is a~~
12 ~~member of such learning community,~~ ~~(b) the any student is attending~~
13 ~~a school in the such school district under the control of such~~
14 ~~school board,~~ and ~~(c) the student does not reside in the attendance~~
15 ~~area for such school.~~ pursuant to the acceptance of an application
16 to attend such school pursuant to section 79-2110 without regard
17 to the resident school district of such student. Transportation
18 shall be provided from the school building providing education in
19 at least kindergarten through grade three in the attendance area
20 in which the student resides to the school building the student
21 attends. a location not more than one-half mile from the residence
22 of the student to the school building the student attends. Such
23 transportation shall be provided free to any student qualifying
24 for free or reduced-price lunches, any student attending a school
25 building in which at least thirty-five percent of the students
26 attending the school building who reside in the attendance area
27 of such school building qualify for free or reduced-price lunches,

1 and any student attending a focus school or program who lives
2 more than one-half mile from the school building. For students
3 attending pursuant to acceptance of such an application who do not
4 qualify for free transportation, transportation shall be provided
5 for a uniform fee set by the learning community coordinating
6 council. This subsection does not prohibit a school district that
7 is a member of a learning community from providing additional
8 transportation to any student.

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

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

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

1 (b) To the parent, custodial parent, or guardian not
2 providing transportation for students of other families, two
3 hundred eighty-five percent of the mileage rate provided in section
4 81-1176 multiplied by each mile actually and necessarily traveled,
5 on each day of attendance, from the residence of the student to
6 the pick-up point at which students transfer to the vehicle of a
7 parent, custodial parent, or guardian described in subdivision (a)
8 of this subsection.

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

20 (6) No more than one allowance shall be made to a
21 family irrespective of the number of students in a family being
22 transported to school. If a family resides in a Class I district
23 which is part of a Class VI district and has students enrolled in
24 any of the grades offered by the Class I district and in any of
25 the non-high-school grades offered by the Class VI district, such
26 family shall receive not more than one allowance for the distance
27 actually traveled when both districts are on the same direct travel

1 route with one district being located a greater distance from the
2 residence than the other. In such cases, the travel allowance shall
3 be prorated among the school districts involved.

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

6 Sec. 10. Section 79-769, Revised Statutes Cumulative
7 Supplement, 2006, is amended to read:

8 79-769 (1) Any one or more member school district
9 districts of a learning community may establish a focus school
10 or program anywhere in the learning community with approval from
11 the learning community coordinating council. A focus school or
12 program shall be:

13 ~~(1)~~ (a) Centered around meeting specific learning goals
14 that are an addition to the standard curriculum;

15 ~~(2)~~ (b) Open to all students residing in the learning
16 community in the grades offered on an equal basis; and

17 ~~(3)~~ (c) Designed to create an economically and culturally
18 diverse learning environment.

19 (2) A learning community coordinating council may also
20 designate magnet pathways which shall consist of focus schools or
21 programs at different grade levels centered around similar learning
22 goals where participating students who complete the grades offered
23 at a focus school or program that is part of a magnet pathway
24 are allowed to attend the focus school or program offering the
25 next grade level as part of such magnet pathway as a continuing
26 student pursuant to subsection (5) of section 79-2110. Preference
27 shall be given for designating magnet pathways with focus schools

1 or programs in different school districts.

2 Sec. 11. Section 79-1001, Revised Statutes Cumulative
3 Supplement, 2006, is amended to read:

4 79-1001 Sections 79-1001 to 79-1033 and sections 13, 23,
5 24, 25, 26, and 27 of this act shall be known and may be cited as
6 the Tax Equity and Educational Opportunities Support Act.

7 Sec. 12. Section 79-1003, Revised Statutes Cumulative
8 Supplement, 2006, as affected by Referendum 2006, No. 422, is
9 amended to read:

10 79-1003 For purposes of the Tax Equity and Educational
11 Opportunities Support Act:

12 (1) Adjusted general fund operating expenditures means
13 (a) for school fiscal years before school fiscal year 2007-08,
14 general fund operating expenditures as calculated pursuant
15 to subdivision (24) of this section minus the transportation
16 allowance and minus the special receipts allowance, (b) for
17 school fiscal year 2007-08, general fund operating expenditures
18 as calculated pursuant to subdivision (24) of this section minus
19 the sum of the transportation, special receipts, and distance
20 education and telecommunications allowances, and (c) for school
21 fiscal year 2008-09 and each school fiscal year thereafter,
22 the difference of the product of the general fund operating
23 expenditures as calculated pursuant to subdivision (24) of this
24 section multiplied by the cost growth factor for the school
25 district's cost grouping calculated pursuant to section 79-1007.10
26 minus the transportation allowance, special receipts allowance,
27 poverty allowance, limited English proficiency allowance, distance

1 education and telecommunications allowance, elementary class size
2 allowance, learning community allowance, and focus school and
3 program allowance;

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

15 (3) Allocated income tax funds means the amount of
16 assistance paid to a local system pursuant to section 79-1005.01 or
17 79-1005.02 as adjusted by the minimum levy adjustment pursuant to
18 section 79-1008.02;

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

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

1 basis;

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

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

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

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

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

22 (11) Converted contract option students means students
23 who will be option students pursuant to the enrollment option
24 program established in section 79-234 for the school fiscal year
25 for which aid is being calculated and who would have been covered
26 by a converted contract if the contract were still in effect and
27 such school fiscal year is the first school fiscal year for which

1 such contract is not in effect;

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

3 (13) Distance education and telecommunications allowance
4 means, for state aid calculated for school fiscal year 2007-08
5 and each school fiscal year thereafter, eighty-five percent of
6 the difference of the costs for (a) telecommunications services,
7 (b) access to data transmission networks that transmit data to
8 and from the school district, and (c) the transmission of data
9 on such networks paid by the school districts in the local
10 system as reported on the annual financial report for the most
11 recently available complete data year minus the receipts from the
12 federal Universal Service Fund pursuant to section 254 of the
13 Telecommunications Act of 1996, 47 U.S.C. 254, as such section
14 existed on January 1, 2006, for the school districts in the local
15 system as reported on the annual financial report for the most
16 recently available complete data year;

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

19 (15) Ensuing school fiscal year means the school fiscal
20 year following the current school fiscal year;

21 (16) Equalization aid means the amount of assistance
22 calculated to be paid to a local system pursuant to sections
23 79-1008.01 to 79-1022 and 79-1022.02;

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

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

3 (19) Formula students means (a) for state aid certified
4 pursuant to section 79-1022, the sum of fall membership from the
5 school fiscal year immediately preceding the school fiscal year in
6 which the aid is to be paid, multiplied by the average ratio of
7 average daily membership to fall membership for the second school
8 fiscal year immediately preceding the school fiscal year in which
9 aid is to be paid and the prior two school fiscal years, plus
10 qualified early childhood education fall membership plus tuitioned
11 students from the school fiscal year immediately preceding the
12 school fiscal year in which the aid is to be paid and (b) for final
13 calculation of state aid pursuant to section 79-1065, the sum of
14 average daily membership plus qualified early childhood education
15 average daily membership plus tuitioned students from the school
16 fiscal year immediately preceding the school fiscal year in which
17 the aid was paid;

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

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

25 (22) General fund budget of expenditures means the total
26 budget of disbursements and transfers for general fund purposes as
27 certified in the budget statement adopted pursuant to the Nebraska

1 Budget Act, except that for purposes of the limitation imposed in
2 section 79-1023, the calculation of Class I total allowable general
3 fund budget of expenditures minus the special education budget of
4 expenditures pursuant to section 79-1083.03, and the calculation
5 pursuant to subdivision (2) of section 79-1027.01, the general fund
6 budget of expenditures does not include any special grant funds,
7 exclusive of local matching funds, received by a district subject
8 to the approval of the department;

9 (23) General fund expenditures means all expenditures
10 from the general fund;

11 (24) General fund operating expenditures means the total
12 general fund expenditures minus categorical funds, tuition paid,
13 transportation fees paid to other districts, adult education,
14 summer school, community services, redemption of the principal
15 portion of general fund debt service, retirement incentive plans,
16 staff development assistance, and transfers from other funds into
17 the general fund for the second school fiscal year immediately
18 preceding the school fiscal year in which aid is to be paid;

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

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

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

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

5 (29) Local system means a Class VI district and the
6 associated Class I districts or a Class II, III, IV, or V district
7 and any affiliated Class I districts or portions of Class I
8 districts and for school fiscal year 2008-09 and each school fiscal
9 year thereafter, a learning community or a Class II, III, IV,
10 or V district that is not a member of a learning community.
11 The membership, expenditures, and resources of Class I districts
12 that are affiliated with multiple high school districts will be
13 attributed to local systems based on the percent of the Class I
14 valuation that is affiliated with each high school district;

15 (30) Low-income child means (a) for school fiscal years
16 prior to 2008-09, a child under nineteen years of age living in
17 a household having an annual adjusted gross income of fifteen
18 thousand dollars or less for the second calendar year preceding
19 the beginning of the school fiscal year for which aid is being
20 calculated and (b) for school fiscal year 2008-09 and each school
21 fiscal year thereafter, a child under nineteen years of age living
22 in a household having an annual adjusted gross income for the
23 second calendar year preceding the beginning of the school fiscal
24 year for which aid is being calculated equal to or less than the
25 maximum household income that would allow a student from a family
26 of four people to be a free lunch and free milk student during the
27 school fiscal year immediately preceding the school fiscal year for

1 which aid is being calculated;

2 (31) Low-income students means the number of low-income
3 children within the local system multiplied by the ratio of the
4 formula students in the local system divided by the total children
5 under nineteen years of age residing in the local system as derived
6 from income tax information;

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

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

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

1 in portions of any of such programs receiving an expansion grant,
2 multiplied by the ratio of the actual instructional hours of the
3 program divided by one thousand thirty-two;

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

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

22 (37) Reorganized district means any district involved
23 in a consolidation and currently educating students following
24 consolidation;

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

27 (39) Special education means specially designed

1 kindergarten through grade twelve instruction pursuant to section
2 79-1125, and includes special education transportation;

3 (40) Special grant funds means the budgeted receipts for
4 grants, including, but not limited to, Title I funds, Title VI
5 funds, funds from the Education Innovation Fund, reimbursements
6 for wards of the court, short-term borrowings including, but
7 not limited to, registered warrants and tax anticipation notes,
8 interfund loans, insurance settlements, and reimbursements to
9 county government for previous overpayment. The state board shall
10 approve a listing of grants that qualify as special grant funds;

11 (41) Special receipts allowance means the amount of
12 special education, state ward, and accelerated or differentiated
13 curriculum program receipts included in local system formula
14 resources under subdivisions (7), (8), (16), and (17) of section
15 79-1018.01 attributable to the school district;

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

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

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

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

24 ~~(45)~~ (46) Temporary aid adjustment factor means (a) for
25 school fiscal years before school fiscal year 2007-08, one and
26 one-fourth percent of the sum of the local system's transportation
27 allowance, the local system's special receipts allowance, and the

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

10 ~~(46)~~ (47) Transportation allowance means the lesser of
11 (a) each local system's general fund expenditures for regular route
12 transportation and in lieu of transportation expenditures pursuant
13 to section 79-611 in the second school fiscal year immediately
14 preceding the school fiscal year in which aid is to be paid,
15 but not including special education transportation expenditures or
16 other expenditures previously excluded from general fund operating
17 expenditures, or (b) the number of miles traveled in the second
18 school fiscal year immediately preceding the school fiscal year in
19 which aid is to be paid by vehicles owned, leased, or contracted
20 by the district or the districts in the local system for the
21 purpose of regular route transportation multiplied by four hundred
22 percent of the mileage rate established by the Department of
23 Administrative Services pursuant to section 81-1176 as of January 1
24 of the most recently available complete data year added to in lieu
25 of transportation expenditures pursuant to section 79-611 from the
26 same data year;

27 ~~(47)~~ (48) Tuition receipts from converted contracts means

1 tuition receipts received by a district from another district
2 in the most recently available complete data year pursuant to a
3 converted contract prior to the expiration of the contract; and

4 ~~(48)~~ (49) Tuitioned students means students in
5 kindergarten through grade twelve of the district whose tuition is
6 paid by the district to some other district or education agency.

7 Sec. 13. For purposes of this section and section
8 79-1007.03, summer school student unit means one student enrolled
9 in summer school in a school district, whether or not the student
10 is in the membership of the school district, for (1) at least three
11 hours but fewer than six hours per day and (2) at least twelve
12 days but fewer than twenty-four days. Each school district shall
13 receive a summer school student unit for each qualified time period
14 for which a student is enrolled, up to six units per student per
15 summer.

16 Each school district shall receive an additional summer
17 school student unit for each summer school student unit attributed
18 to remedial math or reading programs. Each school district shall
19 also receive an additional summer school student unit for each
20 summer school student unit attributed to a free lunch and free
21 milk student. This section does not prevent school districts from
22 requiring and collecting fees for summer school, except that summer
23 school student units shall not be calculated for summer school
24 programs for which fees are collected from students who qualify
25 for free or reduced-price lunches under United States Department of
26 Agriculture child nutrition programs.

27 Sec. 14. Section 79-1007.02, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 79-1007.02 For state aid calculated for school fiscal
3 year 1998-99 and each school fiscal year thereafter:

4 (1) Using data from the annual financial reports for the
5 second school fiscal year immediately preceding the school fiscal
6 year in which aid is to be paid, the annual statistical summary
7 reports for the school fiscal year immediately preceding the school
8 fiscal year in which aid is to be paid, the fall membership reports
9 and supplements thereto for the school fiscal year immediately
10 preceding the school fiscal year in which aid is to be paid,
11 and the school district census as reported under sections 79-524
12 and 79-578 for the second school fiscal year preceding the school
13 fiscal year in which aid is to be paid, the department shall
14 divide the local systems into three cost groupings prior to the
15 certification of state aid based upon the following criteria:

16 (a) The very sparse cost grouping will consist of local
17 systems that have (i) (A) less than one-half student per square
18 mile in each county in which each high school attendance center
19 is located, based on the school district census, (B) less than
20 one formula student per square mile in the local system, and (C)
21 more than fifteen miles between the high school attendance center
22 and the next closest high school attendance center on paved roads
23 or (ii) (A) more than four hundred fifty square miles in the local
24 system, (B) less than one-half student per square mile in the local
25 system, and (C) more than fifteen miles between each high school
26 attendance center and the next closest high school attendance
27 center on paved roads;

1 (b) The sparse cost grouping will consist of local
2 systems that do not qualify for the very sparse cost grouping but
3 which meet the following criteria:

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

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

14 (iii) (A) Less than one and one-half formula students per
15 square mile in the local system and (B) more than two hundred
16 seventy-five square miles in the local system; or

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

22 (c) The standard cost grouping will consist of local
23 systems that do not qualify for the very sparse or the sparse cost
24 groupings.

25 For purposes of subdivision (1) of this section, if a
26 local system did not operate and offer instruction in grades nine
27 through twelve within the boundaries of the local system during the

1 school fiscal year immediately preceding the school fiscal year in
2 which aid is to be paid, the local system shall not be considered
3 to have a high school attendance center;

4 (2) (a) The department shall calculate the average formula
5 cost per student in each cost grouping by dividing the total
6 estimated general fund operating expenditures for the cost grouping
7 by the difference between the total adjusted formula students for
8 all local systems in the cost grouping minus (i) the adjusted
9 formula students attributed to early childhood education programs
10 approved by the department pursuant to section 79-1103 for the
11 first two school fiscal years for which students attributed to
12 early childhood education programs approved by the department
13 pursuant to section 79-1103 are being included in the calculation
14 of state aid for the local system and (ii) for the first two
15 school fiscal years immediately following the school fiscal year in
16 which a district in the local system received an expansion grant
17 pursuant to section 79-1103, the difference between the adjusted
18 formula students attributed to early childhood education programs
19 approved by the department pursuant to section 79-1103 for the
20 school fiscal year immediately following the school fiscal year in
21 which a district in the local system received an expansion grant
22 minus the adjusted formula students attributed to early childhood
23 education programs approved by the department pursuant to section
24 79-1103 for the school fiscal year in which a district in the
25 local system received an expansion grant. For the calculation of
26 state aid for school fiscal year 1999-00 and for each school fiscal
27 year thereafter, the average formula cost per student in each cost

1 grouping shall not be recalculated for the final calculation of
2 state aid pursuant to section 79-1065. The calculation of total
3 adjusted formula students for purposes of this subdivision shall
4 take into account the requirements of subdivision (2) of section
5 79-1007.01. For school fiscal years prior to school fiscal year
6 2008-09, the total estimated general fund operating expenditures
7 for the cost grouping is equal to the total adjusted general fund
8 operating expenditures for all local systems in the cost grouping
9 multiplied by a cost growth factor. For school fiscal year 2008-09
10 and each school fiscal year thereafter, the total estimated general
11 fund operating expenditures for the cost grouping is equal to the
12 total adjusted general fund operating expenditures for all local
13 systems in the cost grouping.

14 (b) The For school fiscal years prior to school fiscal
15 year 2008-09, the cost growth factor for each cost grouping
16 is equal to the sum of: (i) One; plus (ii) the product of
17 two times the ratio of the difference between the formula
18 students attributable to the cost grouping without weighting or
19 adjustment pursuant to section 79-1007.01 and the sum of the
20 average daily membership plus tuitioned students attributable to
21 the cost grouping for the most recently available complete data
22 year divided by the sum of the average daily membership plus
23 tuitioned students attributable to the cost grouping for the most
24 recently available complete data year, except that the ratio shall
25 not be less than zero; plus (iii) the basic allowable growth
26 rate pursuant to section 79-1025 for the school fiscal year in
27 which the aid is to be distributed; plus (iv) the basic allowable

1 growth rate pursuant to section 79-1025 for the school fiscal year
2 immediately preceding the school fiscal year in which the aid is
3 to be distributed; plus (v) one-half of any additional growth rate
4 allowed by special action of school boards for the school fiscal
5 year in which the aid is to be distributed as determined for the
6 school fiscal year immediately preceding the school fiscal year
7 when aid is to be distributed; plus (vi) one-half of any additional
8 growth rate allowed by special action of the school boards for
9 the school fiscal year immediately preceding the school fiscal year
10 when the aid is to be distributed;

11 (3) For school fiscal years 2002-03 through 2006-07, each
12 local system's formula need shall be calculated by subtracting
13 the temporary aid adjustment factor from the sum of the local
14 system's transportation allowance, the local system's special
15 receipts allowance, and the product of the local system's adjusted
16 formula students multiplied by the average formula cost per student
17 in the local system's cost grouping. The calculation of total
18 adjusted formula students for purposes of this subdivision shall
19 take into account the requirements of subdivision (2) of section
20 79-1007.01;

21 (4) For school fiscal year 2007-08, each local system's
22 formula need shall be calculated by subtracting the temporary aid
23 adjustment factor from the sum of the local system's transportation
24 allowance, special receipts allowance, and distance education and
25 telecommunications allowance and the product of the local system's
26 adjusted formula students multiplied by the average formula cost
27 per student in the local system's cost grouping. The calculation

1 of total adjusted formula students for purposes of this subdivision
2 shall take into account the requirements of subdivision (2) of
3 section 79-1007.01; and

4 (5) For school fiscal year 2008-09 and each school
5 fiscal year thereafter, each school district's formula need
6 shall equal the greater of (a) the difference of the sum of
7 the school district's transportation allowance, elementary class
8 size allowance, learning community allowance, focus school and
9 program allowance, limited English proficiency allowance, poverty
10 allowance, special receipts allowance, and distance education
11 and telecommunications allowance, teacher education adjustment,
12 and student growth adjustment plus the product of the school
13 district's adjusted formula students multiplied by the average
14 formula cost per student in the school district's local system cost
15 grouping minus the sum of the limited English proficiency allowance
16 correction, poverty allowance correction, and student growth
17 correction or (b) if the school district's general fund levy was
18 at or above ~~ninety-nine cents per one hundred dollars of valuation~~
19 ~~for the previous year,~~ ninety-five percent of the school district's
20 maximum levy pursuant to section 77-3442, the school district's
21 prior year formula need multiplied by one hundred percent. The
22 calculation of total adjusted formula students for purposes of this
23 subdivision shall take into account the requirements of subdivision
24 (2) of section 79-1007.03.

25 Sec. 15. Section 79-1007.03, Revised Statutes Cumulative
26 Supplement, 2006, is amended to read:

27 79-1007.03 For state aid calculated for school fiscal

1 year 2008-09 and each school fiscal year thereafter:

2 (1) The adjusted formula students for each school
3 district shall be calculated by:

4 (a) Multiplying the formula students in each grade range
5 by the corresponding weighting factors to calculate the weighted
6 formula students for each grade range as follows:

7 (i) The weighting factor for early childhood education
8 programs is six-tenths;

9 (ii) The weighting factor for kindergarten is
10 five-tenths;

11 (iii) The weighting factor for grades one through six,
12 including full-day kindergarten, is one;

13 (iv) The weighting factor for grades seven and eight is
14 one and two-tenths; and

15 (v) The weighting factor for grades nine through twelve
16 is one and four-tenths;

17 (b) Adding the weighted formula students for each grade
18 range to calculate the weighted formula students for the local
19 system; and

20 (c) Adjusting the weighted formula students by adding the
21 following demographic factors:

22 (i) The Indian-land factor shall equal 0.25 times the
23 average daily attendance of students who reside on Indian land
24 as reported by the United States Department of Education in
25 calculating the local system's payment pursuant to 20 U.S.C. 7701
26 et seq., as such sections existed on January 1, 2006; and

27 (ii) The extreme remoteness factor shall equal 0.125

1 times the formula students in the school district for each school
2 district that has fewer than two hundred formula students, more
3 than six hundred square miles in the school district, less than
4 three-tenths formula student per square mile in the local system,
5 and more than twenty-five miles between the high school attendance
6 center and the next closest high school attendance center on paved
7 roads; and

8 (iii) The summer school factor shall equal 0.025 times
9 the number of summer school student units as defined in section 13
10 of this act; and

11 (2) The total adjusted formula students for each
12 school district shall equal the weighted formula students plus
13 the demographic factors, except that (a) for school districts
14 qualifying for the extreme remoteness factor, the total adjusted
15 formula students shall be greater than or equal to one hundred
16 fifty adjusted formula students, (b) the total adjusted formula
17 students for a school district shall not include the summer
18 school factor, the extreme remoteness factor, or any adjustment
19 to the adjusted formula students resulting from qualification for
20 the extreme remoteness factor for the calculation of the average
21 formula cost per student in each cost grouping pursuant to section
22 79-1007.02, and (c) the total adjusted formula students for a
23 school district shall include the summer school factor, the extreme
24 remoteness factor, and any adjustment to the adjusted formula
25 students resulting from qualification for the extreme remoteness
26 factor for the calculation of the school district's formula need
27 pursuant to section 79-1007.02.

1 Sec. 16. Section 79-1007.04, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 79-1007.04 For school fiscal year 2008-09 and each
4 school fiscal year thereafter, the department shall determine
5 the elementary class size allowance for each school district. The
6 allowance shall equal the statewide average general fund operating
7 expenditures per formula student multiplied by 0.20 then multiplied
8 by the number of students in the school district in kindergarten
9 through grade ~~five~~ eight who qualify for free or reduced-price
10 lunches and who spend at least fifty percent of the school day
11 in a classroom with a minimum of ten students and a maximum of
12 twenty students as reported on the fall membership report from the
13 school fiscal year immediately preceding the school fiscal year in
14 which the aid is to be paid for state aid certified pursuant to
15 section 79-1022 and as reported on the annual financial report from
16 the school fiscal year immediately preceding the school fiscal year
17 in which the aid was paid for the final calculation of state aid
18 pursuant to section 79-1065.

19 Sec. 17. Section 79-1007.05, Revised Statutes Cumulative
20 Supplement, 2006, is amended to read:

21 79-1007.05 For school fiscal year 2008-09 and each school
22 fiscal year thereafter, the department shall determine the learning
23 community allowance and the focus school and program allowance
24 for each school district in a learning community. The learning
25 community allowance shall equal the statewide average general
26 fund operating expenditures per formula student multiplied by 0.01
27 and then multiplied by the school district's formula students.

1 The focus school and program allowance shall equal the statewide
2 average general fund operating expenditures per formula student
3 multiplied by 0.10 then multiplied by the number of students
4 participating in a focus school or program as reported on the fall
5 membership report from the school fiscal year immediately preceding
6 the school fiscal year in which the aid is to be paid for state aid
7 certified pursuant to section 79-1022 and as reported on the annual
8 financial report from the school fiscal year immediately preceding
9 the school fiscal year in which the aid was paid for the final
10 calculation of state aid pursuant to section 79-1065.

11 Sec. 18. Section 79-1007.06, Revised Statutes Cumulative
12 Supplement, 2006, is amended to read:

13 79-1007.06 (1) For school fiscal year 2008-09 and each
14 school fiscal year thereafter, the department shall determine
15 the poverty allowance for each school district that meets the
16 requirements of this section and has not been disqualified pursuant
17 to section 79-1007.07. The Each school district ~~may~~ shall designate
18 a maximum poverty allowance on a form prescribed by the department
19 and submit a poverty plan pursuant to section 25 of this act on or
20 before November 1 of the school fiscal year immediately preceding
21 the school fiscal year for which aid is being calculated. ~~on a form~~
22 prescribed by the department. The school district may decline to
23 participate in the poverty allowance by providing the department
24 with a maximum poverty allowance of zero dollars on or before
25 November 1 of the school fiscal year immediately preceding the
26 school fiscal year for which aid is being calculated on such form.

27 (2) The poverty allowance for each school district that

1 has not been disqualified pursuant to section 79-1007.07 shall
2 equal the lesser of:

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

7 (b) Sixty-one percent of the sum of:

8 (i) The statewide average general fund operating
9 expenditures per formula student multiplied by 0.05 then multiplied
10 by the poverty students comprising more than five percent and
11 not more than ten percent of the formula students in the school
12 district; plus

13 (ii) The statewide average general fund operating
14 expenditures per formula student multiplied by 0.10 then multiplied
15 by the poverty students comprising more than ten percent and not
16 more than fifteen percent of the formula students in the school
17 district; plus

18 (iii) The statewide average general fund operating
19 expenditures per formula student multiplied by 0.15 then multiplied
20 by the poverty students comprising more than fifteen percent and
21 not more than twenty percent of the formula students in the school
22 district; plus

23 (iv) The statewide average general fund operating
24 expenditures per formula student multiplied by 0.20 then multiplied
25 by the poverty students comprising more than twenty percent and not
26 more than twenty-five percent of the formula students in the school
27 district; plus

1 (v) The statewide average general fund operating
2 expenditures per formula student multiplied by 0.25 then multiplied
3 by the poverty students comprising more than twenty-five percent
4 and not more than thirty percent of the formula students in the
5 school district; plus

6 (vi) The statewide average general fund operating
7 expenditures per formula student multiplied by 0.30 then multiplied
8 by the poverty students comprising more than thirty percent of the
9 formula students in the school district.

10 Sec. 19. Section 79-1007.07, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 79-1007.07 (1)(a) For school fiscal year 2007-08, the
13 annual financial report required pursuant to section 79-528 shall
14 include:

15 (i) The amount of federal funds received based on poverty
16 as defined by the federal program providing the funds; and

17 (ii) The expenditures and sources of funding for each
18 program related to poverty with a narrative description of the
19 program and the method used to allocate money to the program and
20 within the program.

21 (b) The department shall set up accounting codes for the
22 receipts and expenditures required to be reported on the annual
23 financial report pursuant to this subsection. The department shall
24 also determine for each school district an amount that shall
25 be deemed the poverty allowance for purposes of this section.
26 Such amount shall equal the adjustments to the weighted formula
27 students pursuant to subdivision (1)(c)(iii) of section 79-1007.01

1 multiplied by the average formula cost per student in the school
2 district's cost grouping.

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

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

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

11 (iii) The expenditures and sources of funding for each
12 program related to poverty with a narrative description of the
13 program, and the method used to allocate money to the program and
14 within the program, and the program's relationship to the poverty
15 plan submitted pursuant to section 25 of this act for such school
16 fiscal year; and -

17 (iv) An explanation of how any required elements of the
18 poverty plan for such school fiscal year were met.

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

22 (3) For school fiscal year 2009-10 and each school
23 fiscal year thereafter, the department shall determine the poverty
24 allowance expenditures using the reported expenditures on the
25 annual financial report for the most recently available complete
26 data year that would include in the poverty allowance expenditures
27 only those expenditures that were used to specifically address

1 issues related to the education of students living in poverty,
2 that do not replace expenditures that would have occurred if the
3 students involved in the program did not live in poverty, and that
4 are not paid for with federal funds. The department shall establish
5 a procedure to allow school districts to receive preapproval
6 for categories of expenditures that could be included in poverty
7 allowance expenditures.

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

19 (5) For school fiscal year 2010-11 and each school fiscal
20 year thereafter, if the department determines that the school
21 district did not meet the required elements of the poverty plan
22 for the most recently available complete data year, the department
23 shall calculate a poverty allowance correction equal to fifty
24 percent of the poverty allowance for such school fiscal year and
25 the school district shall also be disqualified from receiving a
26 poverty allowance for the school fiscal year for which aid is being
27 calculated. Any poverty allowance correction calculated pursuant to

1 this subsection shall be added to any poverty allowance correction
2 calculated pursuant to subsection (4) of this section to arrive at
3 the total poverty allowance correction.

4 ~~(5)~~ (6) The department may request additional information
5 from any school district to assist with calculations and
6 determinations pursuant to this section. If the school district
7 does not provide information upon the request of the department
8 pursuant to this section, the school district shall be disqualified
9 from receiving a poverty allowance for the school fiscal year for
10 which aid is being calculated.

11 ~~(6)~~ (7) The department shall annually provide the
12 Legislature with a report containing a general description of the
13 expenditures and funding sources for programs related to poverty
14 statewide and specific descriptions of the expenditures and funding
15 sources for programs related to poverty for each school district.

16 ~~(7)~~ (8) The state board shall establish a procedure for
17 appeal of decisions of the department to the state board for a
18 final determination.

19 Sec. 20. Section 79-1007.08, Revised Statutes Cumulative
20 Supplement, 2006, is amended to read:

21 79-1007.08 (1) For school fiscal year 2008-09 and each
22 school fiscal year thereafter, the department shall determine the
23 limited English proficiency allowance for each school district
24 that meets the requirements of this section and has not been
25 disqualified pursuant to section 79-1007.09. ~~The~~ Each school
26 district ~~may~~ shall designate a maximum limited English proficiency
27 allowance on a form prescribed by the department and submit a

1 limited English proficiency plan pursuant to section 26 of this
2 act on or before November 1 of the school fiscal year immediately
3 preceding the school fiscal year for which aid is being calculated.
4 ~~on a form prescribed by the department.~~ The school district
5 may decline to participate in the limited English proficiency
6 allowance by providing the department with a maximum limited
7 English proficiency allowance of zero dollars on or before November
8 1 of the school fiscal year immediately preceding the school fiscal
9 year for which aid is being calculated on such form.

10 (2) The limited English proficiency allowance for each
11 school district that has not been disqualified pursuant to section
12 79-1007.09 shall equal the lesser of:

13 (a) The amount designated pursuant to subsection (1)
14 of this section by the school district, if such school district
15 designated a maximum amount, for the school fiscal year for which
16 aid is being calculated; or

17 (b) The statewide average general fund operating
18 expenditures per formula student multiplied by 0.25 then multiplied
19 by:

20 (i) The number of students in the school district who are
21 limited English proficient as defined under 20 U.S.C. 7801, as such
22 section existed on January 1, 2006, if such number is greater than
23 or equal to twelve;

24 (ii) Twelve, if the number of students in the school
25 district who are limited English proficient as defined under 20
26 U.S.C. 7801, as such section existed on January 1, 2006, is greater
27 than or equal to one and less than twelve; or

1 (iii) Zero, if the number of students in the school
2 district who are limited English proficient as defined under 20
3 U.S.C. 7801, as such section existed on January 1, 2006, is less
4 than one.

5 Sec. 21. Section 79-1007.09, Revised Statutes Cumulative
6 Supplement, 2006, is amended to read:

7 79-1007.09 (1)(a) For school fiscal year 2007-08, the
8 annual financial report required pursuant to section 79-528 shall
9 include:

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

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

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

26 (2)(a) For school fiscal year 2008-09 and each school
27 fiscal year thereafter, the annual financial report required

1 pursuant to section 79-528 shall include:

2 (i) The amount of the limited English proficiency
3 allowance used in the certification of state aid pursuant to
4 section 79-1022 for such school fiscal year;

5 (ii) The amount of federal funds received based on
6 students who are limited English proficient as defined by the
7 federal program providing the funds; ~~and~~

8 (iii) The expenditures and sources of funding for each
9 program related to limited English proficiency with a narrative
10 description of the program, ~~and~~ the method used to allocate
11 money to the program and within the program, and the program's
12 relationship to the limited English proficiency plan submitted
13 pursuant to section 26 of this act for such school fiscal year;
14 and-

15 (iv) An explanation of how any required elements of the
16 limited English proficiency plan for such school fiscal year were
17 met.

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

21 (3) For school fiscal year 2009-10 and each school fiscal
22 year thereafter, the department shall determine the limited English
23 proficiency allowance expenditures using the reported expenditures
24 on the annual financial report for the most recently available
25 complete data year that would only include in the limited English
26 proficiency allowance expenditures those expenditures that were
27 used to specifically address issues related to the education of

1 students with limited English proficiency, that do not replace
2 expenditures that would have occurred if the students involved in
3 the program did not have limited English proficiency, and that are
4 not paid for with federal funds. The department shall establish
5 a procedure to allow school districts to receive preapproval
6 for categories of expenditures that could be included in limited
7 English proficiency allowance expenditures.

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

22 (5) For school fiscal year 2010-11 and each school fiscal
23 year thereafter, if the department determines that the school
24 district did not meet the required elements of the limited English
25 proficiency plan for the most recently available complete data
26 year, the department shall calculate a limited English proficiency
27 allowance correction equal to fifty percent of the limited English

1 proficiency allowance for such school fiscal year and the school
2 district shall also be disqualified from receiving a limited
3 English proficiency allowance for the school fiscal year for which
4 aid is being calculated. Any limited English proficiency allowance
5 correction calculated pursuant to this subsection shall be added
6 to any limited English proficiency allowance correction calculated
7 pursuant to subsection (4) of this section to arrive at the total
8 limited English proficiency allowance correction.

9 ~~(5)~~ (6) The department may request additional information
10 from any school district to assist with calculations and
11 determinations pursuant to this section. If the school district
12 does not provide information upon the request of the department
13 pursuant to this section, the school district shall be disqualified
14 from receiving a limited English proficiency allowance for the
15 school fiscal year for which aid is being calculated.

16 ~~(6)~~ (7) The department shall annually provide the
17 Legislature with a report containing a general description of the
18 expenditures and funding sources for programs related to limited
19 English proficiency statewide and specific descriptions of the
20 expenditures and funding sources for programs related to limited
21 English proficiency for each school district.

22 ~~(7)~~ (8) The state board shall establish a procedure for
23 appeal of decisions of the department to the state board for a
24 final determination.

25 Sec. 22. Section 79-1007.10, Revised Statutes Cumulative
26 Supplement, 2006, is amended to read:

27 79-1007.10 For state aid calculated for school fiscal

1 year 2008-09 and each school fiscal year thereafter, the cost
2 growth factor for each cost grouping is equal to the sum of: (1)
3 One; plus (2) the product of two times the ratio of the difference
4 between the formula students attributable to the cost grouping
5 without weighting or adjustment pursuant to section 79-1007.03
6 and the sum of the average daily membership plus tuitioned
7 students attributable to the cost grouping for the most recently
8 available complete data year divided by the sum of the average
9 daily membership plus tuitioned students attributable to the cost
10 grouping for the most recently available complete data year, except
11 that the ratio shall not be less than zero; plus ~~(3)~~ the basic
12 allowable growth rate pursuant to section 79-1025 for the school
13 fiscal year in which the aid is to be distributed; plus ~~(4)~~ (3)
14 the basic allowable growth rate pursuant to section 79-1025 for
15 the school fiscal year immediately preceding the school fiscal
16 year in which the aid is to be distributed; plus ~~(5)~~ (4) any
17 additional growth rate allowed by special action of school boards
18 for the school fiscal year in which the aid is to be distributed
19 as determined for the school fiscal year immediately preceding the
20 school fiscal year when aid is to be distributed; plus ~~(6)~~ (5)
21 any additional growth rate allowed by special action of the school
22 boards for the school fiscal year immediately preceding the school
23 fiscal year when the aid is to be distributed.

24 Sec. 23. For school fiscal year 2008-09 and each school
25 fiscal year thereafter, the department shall calculate a teacher
26 education adjustment for each district as follows:

27 (1) Teacher education points shall be calculated for each

1 district by the department. Each district shall receive one point
2 for each full-time equivalent teacher who has earned and been
3 awarded a master's degree or the equivalent of a master's degree
4 as determined by the department and one additional point for each
5 full-time equivalent teacher who has earned and been awarded a
6 doctoral degree;

7 (2) A teacher education index shall be calculated for
8 each district by dividing the ratio of teacher education points for
9 the district divided by the number of full-time equivalent teachers
10 in the district by the ratio of teacher education points for all
11 districts divided by the number of full-time equivalent teachers in
12 all districts; and

13 (3) The teacher education adjustment for each district
14 shall equal 13.75 percent of the product of the district's formula
15 students multiplied by the standard cost grouping's average formula
16 cost per student multiplied by the difference of the district's
17 teacher education index minus 1, except that if the result is less
18 than zero, the teacher education adjustment shall equal zero.

19 Sec. 24. (1) For school fiscal year 2008-09 and each
20 school fiscal year thereafter, a qualifying district may apply
21 for a student growth adjustment, on a form prescribed by the
22 department, on or before October 1 of the school fiscal year
23 immediately preceding the school fiscal year for which aid is
24 being calculated. If the application meets the requirements of this
25 section, the application shall be approved by the department and
26 the department shall notify the district of the approval or denial
27 of the student growth adjustment on or before November 1 of the

1 year in which the application was submitted.

2 (2) The student growth adjustment for each qualifying
3 district shall equal the statewide average general fund operating
4 expenditures per formula student multiplied by the difference of
5 the district's projected average daily membership for such school
6 fiscal year minus the sum of the formula students used in the
7 calculation of aid for such school fiscal year plus twenty-five.

8 (3) For school fiscal year 2010-11 and each school fiscal
9 year thereafter, the department shall determine if any district in
10 the most recently available complete data year had an average daily
11 membership less than the projected average daily membership used to
12 calculate a student growth adjustment. A student growth correction
13 shall be calculated for such systems equal to the statewide average
14 general fund operating expenditures per formula student used in the
15 final calculation of aid pursuant to section 79-1065 for the most
16 recently available complete data year multiplied by the difference
17 of the projected average daily membership used to calculate the
18 student growth adjustment used in the final calculation of aid
19 pursuant to section 79-1065 for such data year minus the average
20 daily membership for the school fiscal year for which aid was
21 calculated.

22 (4) For purposes of this section, qualifying district
23 means a district which:

24 (a) Projects an average daily membership for such school
25 fiscal year that is greater than the sum of twenty-five students
26 plus the formula students to be used in the calculation of aid for
27 such school fiscal year; and

1 (b) Will not have a student growth correction applied for
2 such school fiscal year.

3 Sec. 25. (1) On or before November 1 of each year,
4 each school district shall submit a poverty plan for the next
5 school fiscal year to the department and to the learning community
6 coordinating council of any learning community of which the school
7 district is a member. On or before the immediately following
8 December 1, the department shall approve or disapprove such plan
9 for school districts that are not members of a learning community
10 based on the inclusion of the elements required pursuant to this
11 section and the learning community coordinating council shall
12 approve or disapprove such plan for school districts that are
13 members of such learning community based on the inclusion of
14 such elements. On or before the immediately following December 5,
15 each learning community coordinating council shall certify to the
16 department the approval or disapproval of the poverty plan for each
17 member school district.

18 (2) In order to approve a poverty plan pursuant to this
19 section, such plan shall include an explanation of how the school
20 district will address the following issues for such school fiscal
21 year:

22 (a) Attendance, including absence followup and
23 transportation for students qualifying for free or reduced-price
24 lunches who reside more than one-half mile from the attendance
25 center;

26 (b) Student mobility, including transportation to allow a
27 student to continue attendance at the same school if the student

1 moves to another attendance area within the same school district or
2 within the same learning community;

3 (c) Parental involvement at the school-building level
4 with a focus on the involvement of parents in poverty and from
5 other diverse backgrounds;

6 (d) Parental involvement at the school-district level
7 with a focus on the involvement of parents in poverty and from
8 other diverse backgrounds;

9 (e) Class size reduction or maintenance of small class
10 sizes for students who qualify for free or reduced-price lunches;

11 (f) Scheduled teaching time on a weekly basis that will
12 be free from interruptions;

13 (g) Access to early childhood education programs for
14 children in poverty;

15 (h) Student access to social workers in the school
16 building if more than one hundred fifty students qualify for free
17 or reduced-price lunches in the school building or arrangements for
18 student access to social workers at a convenient location in all
19 other school buildings;

20 (i) Access to summer school, extended school day
21 programs, or extended school year programs;

22 (j) Mentoring for new and newly reassigned teachers;

23 (k) Professional development for teachers and
24 administrators, focused on addressing the educational needs
25 of students in poverty and students from other diverse backgrounds;

26 (l) Coordination with elementary learning centers if the
27 school district is a member of a learning community; and

1 (m) An evaluation to determine the effectiveness of the
2 elements of the poverty plan.

3 (3) The state board shall establish a procedure for
4 appeal of decisions of the department and of learning community
5 coordinating councils to the state board for a final determination.

6 Sec. 26. (1) On or before November 1 of each year, each
7 school district shall submit a limited English proficiency plan
8 for the next school fiscal year to the department. On or before
9 the immediately following December 1, the department shall approve
10 or disapprove such plans based on the inclusion of the elements
11 required pursuant to this section.

12 (2) In order to approve a limited English proficiency
13 plan pursuant to this section, such plan must include an
14 explanation of how the school district will address the following
15 issues for such school fiscal year:

16 (a) Identification of students with limited English
17 proficiency;

18 (b) Instructional approaches;

19 (c) Assessment of such students' progress toward
20 mastering the English language; and

21 (d) An evaluation to determine the effectiveness of the
22 elements of the limited English proficiency plan.

23 (3) The state board shall establish a procedure for
24 appeal of decisions of the department to the state board for a
25 final determination.

26 Sec. 27. (1) For school fiscal years 2008-09 through
27 2012-13, the department shall calculate two preliminary state aid

1 amounts pursuant to the Tax Equity and Educational Opportunities
2 Support Act for school districts which are members of learning
3 communities, with one amount based on separate local systems and
4 the other amount based on the learning community as a whole.
5 For the preliminary amount based on separate local systems, the
6 department shall calculate the aid for each member school district
7 as if the school district were its own local system. For the
8 preliminary amount based on the learning community as a whole,
9 formula need shall be calculated separately for each member school
10 district then added together to calculate local system formula
11 need, local system formula resources shall include the formula
12 resources for all member school districts, and equalization aid
13 shall be calculated based on the local system formula need and
14 the local system formula resources. The local system aid based on
15 such calculation shall be divided among the member school districts
16 proportionally based on the formula need calculated for each member
17 district in the learning community to calculate the preliminary
18 amount based on the learning community as a whole.

19 (2) For school fiscal year 2008-09, for each school
20 district that is a member of a learning community, the state aid
21 certified to such district shall equal one hundred percent of
22 the preliminary amount for such district based on separate local
23 systems.

24 (3) For school fiscal year 2009-10, for each school
25 district that is a member of a learning community, the state aid
26 certified to such district shall equal the sum of seventy-five
27 percent of the preliminary amount for such district based on

1 separate local systems plus twenty-five percent of the preliminary
2 amount for such district based on the learning community as a
3 whole.

4 (4) For school fiscal year 2010-11, for each school
5 district that is a member of a learning community, the state aid
6 certified to such district shall equal the sum of fifty percent of
7 the preliminary amount for such district based on separate local
8 systems plus fifty percent of the preliminary amount for such
9 district based on the learning community as a whole.

10 (5) For school fiscal year 2011-12, for each school
11 district that is a member of a learning community, the state aid
12 certified to such district shall equal the sum of twenty-five
13 percent of the preliminary amount for such district based on
14 separate local systems plus seventy-five percent of the preliminary
15 amount for such district based on the learning community as a
16 whole.

17 (6) For school fiscal year 2012-13, for each school
18 district that is a member of a learning community, the state aid
19 certified to such district shall equal one hundred percent of
20 the preliminary amount for such district based on the learning
21 community as a whole.

22 Sec. 28. Section 79-1008.01, Revised Statutes Cumulative
23 Supplement, 2006, is amended to read:

24 79-1008.01 (1) Except as provided in subsection (2) of
25 this section and sections 79-1008.02 to 79-1010, each local system
26 shall receive equalization aid in the amount that the total formula
27 need of each local system, as determined pursuant to sections

1 79-1007.01 to 79-1007.10, exceeds its total formula resources as
2 determined pursuant to sections 79-1015.01 to 79-1018.01.

3 (2) Except as provided in section 79-1008.02, a local
4 system shall not receive state aid for any school fiscal year,
5 except school fiscal years 2002-03 through 2007-08, which is less
6 than an amount equal to the difference of eighty-five percent of
7 the amount of aid certified in the preceding school fiscal year
8 minus an amount equal to any increase in the adjusted valuation
9 between the adjusted valuation used for the certification of aid in
10 the preceding school fiscal year and the adjusted valuation used
11 for the aid being calculated multiplied by the maximum levy, for
12 the school fiscal year for which aid is being certified, pursuant
13 to subdivision (2)(a) or (b) of section 77-3442 without a vote
14 pursuant to section 77-3444.

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

27 (4) Except as provided in subsection (2) or (3) of this

1 section, no local system may receive equalization aid such that,
2 when total aid is added to a levy ten cents less than the maximum
3 levy, for the school fiscal year for which aid is being certified,
4 pursuant to subdivision (2) (a) or (b) of section 77-3442 without a
5 vote pursuant to section 77-3444, multiplied by the local system's
6 adjusted valuation, would result in total local system revenue from
7 state aid plus property tax receipts which exceeds the total of:

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

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

22 (c) The difference between the other actual receipts
23 included in local system formula resources for the certification
24 of state aid in the preceding school fiscal year and other
25 actual receipts included in local system formula resources for the
26 certification of state aid for the current school fiscal year,
27 except that such difference shall not be less than zero; and

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

3 For local systems that have reorganized, state aid,
4 property tax receipts, and number of formula students shall
5 be attributed based on valuation. The formation of a learning
6 community shall be considered a reorganization for purposes of
7 this subsection. The revenue from property tax receipts shall be
8 calculated by multiplying the reported general fund common levy by
9 the assessed valuation subject to the levy divided by one hundred.

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

1 aid plus property tax receipts received by the local system during
2 the preceding school fiscal year.

3 (6) For school fiscal years 2002-03 through 2007-08,
4 the aid that is not distributed through equalization based on
5 subsection (3) of this section shall be distributed through
6 this subsection to the extent local systems qualify for such
7 distributions. Local systems qualify for distribution under this
8 subsection if they have nine hundred or less formula students and
9 adjusted general fund operating expenditures per formula student
10 less than the average for all local systems with nine hundred or
11 less formula students. The aid shall be distributed proportionally
12 to qualifying districts based on the dollar amount each local
13 system's calculated state aid plus the product of a levy equal to
14 the maximum levy, for the school fiscal year for which aid is being
15 certified, pursuant to subdivision (2)(a) or (b) of section 77-3442
16 without a vote pursuant to section 77-3444, multiplied by the
17 assessed valuation is below eighty-eight and three-fourths percent
18 of state aid plus property tax receipts received by the local
19 system during the preceding school fiscal year. No system shall
20 receive aid pursuant to this subsection such that the calculated
21 state aid plus the product of a levy equal to the maximum levy, for
22 the school fiscal year for which aid is being certified, pursuant
23 to subdivision (2)(a) or (b) of section 77-3442 without a vote
24 pursuant to section 77-3444, multiplied by the assessed valuation
25 is eighty-eight and three-fourths percent or more of state aid
26 plus property tax receipts received by the local system during the
27 preceding school fiscal year.

1 Sec. 29. Section 79-1008.02, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 79-1008.02 A minimum levy adjustment shall be calculated
4 and applied to any local system that has a general fund common
5 ~~levy in the calendar year in~~ for the fiscal year during which aid
6 is certified that is less than ~~ninety percent of~~ the maximum levy,
7 for such fiscal year, allowed pursuant to subdivision (2)(a) or
8 (b) of section 77-3442 without a vote pursuant to section 77-3444
9 less ten cents. To calculate the minimum levy adjustment, the
10 department shall subtract the local system general fund common levy
11 in the calendar year when aid is certified from ninety percent
12 of the maximum levy allowed pursuant to subdivision (2)(a) or
13 (b) of section 77-3442 without a vote pursuant to section 77-3444
14 and multiply the result by the local system's adjusted valuation
15 divided by one hundred. The minimum levy adjustment shall be added
16 to the formula resources of the local system for the determination
17 of equalization aid pursuant to section 79-1008.01. If the minimum
18 levy adjustment is greater than or equal to the allocated income
19 tax funds calculated pursuant to section 79-1005.01 or 79-1005.02,
20 the local system shall not receive allocated income tax funds. If
21 the minimum levy adjustment is less than the allocated income tax
22 funds calculated pursuant to section 79-1005.01 or 79-1005.02, the
23 local system shall receive allocated income tax funds in the amount
24 of the difference between the allocated income tax funds calculated
25 pursuant to section 79-1005.01 or 79-1005.02 and the minimum levy
26 adjustment. This section does not apply to the calculation of aid
27 for a local system containing a learning community for the first

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

3 Sec. 30. Section 79-1022, Revised Statutes Cumulative
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is
5 amended to read:

6 79-1022 (1) On or before ~~June 15, 2003, and on or~~
7 ~~before~~ February 1 for each year, ~~thereafter,~~ the department shall
8 determine the amounts to be distributed to each local system
9 and each district pursuant to the Tax Equity and Educational
10 Opportunities Support Act and shall certify the amounts to
11 the Director of Administrative Services, the Auditor of Public
12 Accounts, each learning community, and each district. The amount
13 to be distributed to each district that is not a member of a
14 learning community from the amount certified for a local system
15 shall be proportional based on the weighted formula students
16 attributed to each district in the local system. The For school
17 fiscal years 2008-09 through 2012-13, the amount to be distributed
18 to each district that is a member of a learning community shall
19 be determined pursuant to section 27 of this act. For school
20 fiscal year 2013-14 and each school fiscal year thereafter, the
21 amount to be distributed to each district that is a member of
22 a learning community from the amount certified for the local
23 system shall be proportional based on the formula needs calculated
24 for each district in the local system. On or before ~~June 15,~~
25 ~~2003, and on or before~~ February 1 for each year, ~~thereafter,~~
26 the department shall report the necessary funding level to the
27 Governor, the Appropriations Committee of the Legislature, and

1 the Education Committee of the Legislature. Certified state aid
2 amounts, including adjustments pursuant to section 79-1065.02,
3 shall be shown as budgeted non-property-tax receipts and deducted
4 prior to calculating the property tax request in the district's
5 general fund budget statement as provided to the Auditor of Public
6 Accounts pursuant to section 79-1024.

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

17 Sec. 31. Section 79-1023, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-1023 No Class II, III, IV, V, or VI district shall
20 increase its general fund budget of expenditures more than a
21 maximum allowable growth rate the greater of the local system's
22 applicable allowable growth rate calculated pursuant to section
23 79-1026 or 79-1026.01 or the percentage that would allow the
24 district to have a general fund budget of expenditures equal to one
25 hundred three and one-half percent of such district's formula need.
26 On or before September 5, 2007, for school fiscal year 2007-08 and
27 on or before February 5 for each school fiscal year thereafter,

1 the department shall determine and certify to each Class II, III,
2 IV, or V district the maximum allowable growth rate carried out at
3 least four decimal places.

4 Sec. 32. Section 79-1027, Revised Statutes Cumulative
5 Supplement, 2006, as affected by Referendum 2006, No. 422, is
6 amended to read:

7 79-1027 No district shall adopt a budget, which includes
8 total requirements of depreciation funds, necessary employee
9 benefit fund cash reserves, and necessary general fund cash
10 reserves, exceeding the applicable allowable reserve percentages
11 of total general fund budget of expenditures as specified in the
12 schedule set forth in this section.

Average daily	Allowable
membership of	reserve
district	percentage
0 - 471	45
471.01 - 3,044	35
3,044.01 - 10,000	25
10,000.01 and over	20

20 On or before February 5, 2003, and on or before February
21 1 each year thereafter, the department shall determine and certify
22 each district's applicable allowable reserve percentage.

23 Each district with combined necessary general fund
24 cash reserves, total requirements of depreciation funds, and
25 necessary employee benefit fund cash reserves less than the
26 applicable allowable reserve percentage specified in this section
27 may, notwithstanding the district's ~~applicable~~ maximum allowable

1 growth rate, increase its necessary general fund cash reserves
2 such that the total necessary general fund cash reserves, total
3 requirements of depreciation funds, and necessary employee benefit
4 fund cash reserves do not exceed such applicable allowable reserve
5 percentage.

6 Sec. 33. Section 79-1028, Revised Statutes Cumulative
7 Supplement, 2006, as affected by Referendum 2006, No. 422, is
8 amended to read:

9 79-1028 (1) A Class II, III, IV, V, or VI school district
10 may exceed its ~~applicable~~ maximum allowable growth rate for (a)
11 expenditures in support of a service which is the subject of
12 an agreement or a modification of an existing agreement whether
13 operated by one of the parties to the agreement or an independent
14 joint entity or joint public agency, (b) expenditures to pay for
15 repairs to infrastructure damaged by a natural disaster which is
16 declared a disaster emergency pursuant to the Emergency Management
17 Act, (c) expenditures to pay for judgments, except judgments
18 or orders from the Commission of Industrial Relations, obtained
19 against a school district which require or obligate a school
20 district to pay such judgment, to the extent such judgment is not
21 paid by liability insurance coverage of a school district, (d)
22 expenditures to pay for sums agreed to be paid by a school district
23 to certificated employees in exchange for a voluntary termination
24 of employment, or (e) expenditures to pay for lease-purchase
25 contracts approved on or after July 1, 1997, and before July
26 1, 1998, to the extent the lease payments were not budgeted
27 expenditures for fiscal year 1997-98.

1 (2) A Class II, III, IV, V, or VI district may exceed
2 its ~~applicable~~ maximum allowable growth rate by a specific
3 dollar amount if the district projects an increase in formula
4 students in the district over the current school year greater
5 than twenty-five students or greater than those listed in the
6 schedule provided in this subsection, whichever is less. Districts
7 shall project increases in formula students on forms prescribed by
8 the department. The department shall approve, deny, or modify the
9 projected increases.

10	Average daily	Projected increase
11	membership of	of formula students
12	district	by percentage
13	0 - 50	10
14	50.01 - 250	5
15	250.01 - 1,000	3
16	1,000.01 and over	1

17 The department shall compute the district's estimated
18 allowable budget per pupil using the budgeted general fund
19 expenditures found on the budget statement for the current
20 school year divided by the number of formula students in the
21 current school year and multiplied by the district's ~~applicable~~
22 maximum allowable growth rate. The resulting allowable budget per
23 pupil shall be multiplied by the projected formula students to
24 arrive at the estimated budget needs for the ensuing year. The
25 department shall allow the district to increase its general fund
26 budget of expenditures for the ensuing school year by the amount
27 necessary to fund the estimated budget needs of the district

1 as computed pursuant to this subsection. On or before July
2 1, the department shall make available to districts which have
3 been allowed additional growth pursuant to this subsection the
4 necessary document to recalculate the actual formula students of
5 such district. Such document shall be filed with the department
6 under subsection (1) of section 79-1024.

7 (3) A Class II, III, IV, V, or VI district may exceed its
8 ~~applicable~~ maximum allowable growth rate by a specific dollar
9 amount if construction, expansion, or alteration of district
10 buildings will cause an increase in building operation and
11 maintenance costs of at least five percent. The department
12 shall document the projected increase in building operation and
13 maintenance costs and may allow a Class II, III, IV, V, or VI
14 district to exceed its ~~applicable~~ maximum allowable growth rate by
15 the amount necessary to fund such increased costs. The department
16 shall compute the actual increased costs for the school year and
17 shall notify the district on or before July 1 of the recovery of
18 the additional growth pursuant to this subsection.

19 (4) A Class II, III, IV, V, or VI district may exceed
20 its ~~applicable~~ maximum allowable growth rate by a specific
21 dollar amount if the district demonstrates to the satisfaction
22 of the department that it will exceed its ~~applicable~~ maximum
23 allowable growth rate as a result of costs pursuant to the
24 Retirement Incentive Plan authorized in section 79-855 or the
25 Staff Development Assistance authorized in section 79-856. The
26 department shall compute the amount by which the increased cost of
27 such program or programs exceeds the district's ~~applicable~~ maximum

1 allowable growth rate and shall allow the district to increase its
2 general fund expenditures by such amount for that fiscal year.

3 (5) A Class II, III, IV, or V district may exceed its
4 ~~applicable~~ maximum allowable growth rate by the specific dollar
5 amount of incentive payments or base fiscal year incentive payments
6 to be received in such school fiscal year pursuant to section
7 79-1011.

8 (6) A Class II, III, IV, V, or VI district may exceed
9 its ~~applicable~~ maximum allowable growth rate by a specific dollar
10 amount in any year for which the state aid calculation for the
11 local system includes students in the qualified early childhood
12 education fall membership of the district for the first time
13 or for a year in which an early childhood education program
14 of the district is receiving an expansion grant. The department
15 shall compute the amount by which the district may exceed the
16 district's ~~applicable~~ maximum allowable growth rate by multiplying
17 the cost grouping cost per student for the applicable cost grouping
18 by the district's adjusted formula students attributed to early
19 childhood education programs if students are included in the
20 district's qualified early childhood education fall membership for
21 the first time or by the district's adjusted formula students
22 attributed to such early childhood education programs minus the
23 district's adjusted formula students attributed to such early
24 childhood education programs for the prior school fiscal year if a
25 program is receiving an expansion grant in the school fiscal year
26 for which the fall membership is measured. The department shall
27 allow the district to increase its general fund expenditures by

1 such amount for such school fiscal year.

2 ~~(7) For school fiscal year 2005-06, a Class II, III, IV,~~
3 ~~V, or VI district may exceed its applicable allowable growth rate~~
4 ~~by a specific dollar amount not to exceed seventy-four hundredths~~
5 ~~percent of the amount budgeted for employee salaries for such~~
6 ~~school fiscal year. For school fiscal year 2006-07, a Class II,~~
7 ~~III, IV, V, or VI district may exceed its applicable allowable~~
8 ~~growth rate by a specific dollar amount not to exceed fifty-nine~~
9 ~~hundredths percent of the amount budgeted for employee salaries for~~
10 ~~such school fiscal year.~~

11 ~~(8)~~ (7) A Class II, III, IV, or V district that is a
12 member of a learning community may exceed its applicable maximum
13 allowable growth rate for the first school fiscal year in which
14 the school district will be a member of a learning community for
15 the full school fiscal year by an amount equal to anticipated
16 increases in transportation expenditures necessary to meet the
17 requirements of subsection (2) of section 79-611 as approved by
18 the department. The department shall approve, deny, or modify
19 the amount allowed for anticipated increases in transportation
20 expenditures. The department shall compute the actual increase
21 in transportation expenditures necessary to meet the requirements
22 of subsection (2) of section 79-611 for such school fiscal year
23 and shall, if needed, modify the district's applicable maximum
24 allowable growth rate for the ensuing school fiscal year.

25 ~~(9)~~ (8) For school fiscal year 2008-09, a Class II,
26 III, IV, or V district may exceed its applicable maximum allowable
27 growth rate by a specific dollar amount if the sum of the

1 poverty allowance, elementary class size allowance, focus school
2 and program allowance, and limited English proficiency allowance
3 for the school district for school fiscal year 2008-09 exceeds
4 the poverty weightings plus limited English proficiency weightings
5 multiplied by the cost grouping cost per student for the school
6 district for school fiscal year 2007-08. The department shall
7 compute the amount by which the district may exceed the ~~applicable~~
8 maximum allowable growth rate by subtracting the product of the
9 sum of the poverty weightings and limited English proficiency
10 weightings for school fiscal year 2007-08 multiplied by the average
11 formula cost per student in the school district's cost grouping
12 for school fiscal year 2007-08 from the sum of the school fiscal
13 year 2008-09 poverty allowance, elementary class size allowance,
14 focus school and program allowance, and limited English proficiency
15 allowance for the school district. The department shall allow the
16 district to increase its general fund expenditures by such amount
17 for school fiscal year 2008-09.

18 ~~(10)~~ (9) For school fiscal year 2009-10 and each school
19 fiscal year thereafter, a Class II, III, IV, or V district may
20 exceed its ~~applicable~~ maximum allowable growth rate by a specific
21 dollar amount if the sum of the poverty allowance, elementary
22 class size allowance, focus school and program allowance, and
23 limited English proficiency allowance for the school district has
24 grown at a rate higher than the ~~applicable~~ maximum allowable
25 growth rate of the district. The department shall compute the
26 amount by which the district may exceed the ~~applicable~~ maximum
27 allowable growth rate by subtracting the product of the sum of the

1 poverty allowance, elementary class size allowance, focus school
2 and program allowance, and limited English proficiency allowance
3 for the immediately preceding school fiscal year multiplied by the
4 sum of one plus the ~~applicable~~ maximum allowable growth rate to be
5 exceeded from the sum of the poverty allowance, elementary class
6 size allowance, focus school and program allowance, and limited
7 English proficiency allowance for the district for the school
8 fiscal year for which the ~~applicable~~ maximum allowable growth
9 rate would be exceeded. The department shall allow the district
10 to increase its general fund expenditures by such amount for the
11 applicable school fiscal year.

12 ~~(11)~~ (10) A Class II, III, IV, or V school district may
13 exceed its ~~applicable~~ maximum allowable growth rate by a specific
14 dollar amount not to exceed the amount received during such school
15 fiscal year from educational entities as defined in section 79-1332
16 for providing distance education courses through the Distance
17 Education Council to such educational entities.

18 ~~(12)~~ (11) A Class II, III, IV, or V school district
19 may exceed its ~~applicable~~ maximum allowable growth rate for school
20 fiscal year 2007-08 by a specific dollar amount equal to the
21 amount paid in school fiscal year 2006-07 to any distance education
22 consortium in which the school district was participating pursuant
23 to an interlocal agreement.

24 Sec. 34. Section 79-1029, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 79-1029 (1) A Class II, III, IV, V, or VI district
27 may exceed the basic allowable growth rate prescribed in section

1 79-1025 upon an affirmative vote of at least seventy-five percent
2 of the board. The total growth shall not exceed the ~~applicable~~
3 maximum allowable growth rate certified for the local system under
4 section ~~79-1026~~ 79-1023 plus one percent. The vote shall be taken
5 at a public meeting of the board following a special public hearing
6 called for the purpose of receiving testimony on such proposed
7 increase. The board shall give at least five calendar days' notice
8 of such public hearing and shall publish such notice at least once
9 in a newspaper of general circulation in the local system.

10 (2) A Class II, III, IV, V, or VI district may exceed the
11 ~~applicable~~ maximum allowable growth rate ~~prescribed in~~ certified
12 under section ~~79-1026~~ 79-1023 by an amount approved by a majority
13 of legal voters voting on the issue at a primary, general, or
14 special election called for such purpose upon the recommendation
15 of the board or upon the receipt by the county clerk or election
16 commissioner of a petition requesting an election signed by at
17 least five percent of the legal voters of the district. The
18 recommendation of the board or the petition of the legal voters
19 shall include the amount and percentage by which the board would
20 increase its general fund budget of expenditures for the ensuing
21 school year over and above the current year's general fund budget
22 of expenditures. The county clerk or election commissioner shall
23 place the question on the primary or general election ballot or
24 call for a special election on the issue after the receipt of such
25 board recommendation or legal voter petition. The election shall be
26 held pursuant to the Election Act or section 77-3444, and all costs
27 for a special election shall be paid by the district. A vote to

1 exceed the ~~applicable~~ maximum allowable growth rate may be approved
2 on the same question as a vote to exceed the levy limits provided
3 in section 77-3444.

4 Sec. 35. Section 79-1030, Revised Statutes Cumulative
5 Supplement, 2006, is amended to read:

6 79-1030 A Class II, III, IV, V, or VI district may choose
7 not to increase its general fund budget of expenditures by the full
8 amount of its ~~applicable~~ maximum allowable growth rate. In such
9 cases, the department shall calculate the amount of unused budget
10 authority which shall be carried forward to future budget years so
11 a Class II, III, IV, V, or VI district may increase its general
12 fund budget of expenditures in future budget years by the amount
13 of such total unused budget authority in addition to its ~~applicable~~
14 maximum allowable growth rate for the specific budget year.

15 Sec. 36. Section 79-1073, Revised Statutes Cumulative
16 Supplement, 2006, is amended to read:

17 79-1073 On or before October 1 for each year, each
18 learning community coordinating council shall determine the
19 expected amounts to be distributed to each member school district
20 from general fund property tax receipts pursuant to subdivision
21 (2)(b) of section 77-3442 and shall certify such amounts to each
22 member school district and the State Department of Education .
23 Such property tax receipts shall be divided among member school
24 districts proportionally based on the greater of (i) the difference
25 of one hundred ~~ten~~ percent of the school district's formula need
26 calculated pursuant to section 79-1007.02 minus the sum of the
27 state aid certified pursuant to section 79-1022 and the other

1 actual receipts included in local system formula resources pursuant
2 to section 79-1018.01 for the school fiscal year for which the
3 distribution is being made or (ii) the 2006-07 school district
4 resources minus the sum of the state aid certified pursuant to
5 section 79-1022 and the other actual receipts attributed to such
6 school district included in local system formula resources pursuant
7 to section 79-1018.01 for the school fiscal year for which the
8 distribution is being made, except that no school district shall
9 receive property tax receipts in excess of the lesser of such
10 difference or the school district's property tax request.

11 Each time a learning community coordinating council
12 distributes property tax receipts to member school districts,
13 the amount to be distributed to each district shall be proportional
14 based on the total amounts to be distributed to each member school
15 district for the school fiscal year.

16 For purposes of this section, 2006-07 school district
17 resources shall equal the sum of ninety-nine percent of the product
18 of the general fund levy for school fiscal year 2006-07 multiplied
19 by the taxable property subject to such levy plus the amount of
20 state aid certified pursuant to section 79-1022 for school fiscal
21 year 2006-07 plus the other actual receipts included in local
22 system formula resources pursuant to section 79-1018.01 for the
23 calculation of such state aid.

24 Sec. 37. Section 79-1073.01, Revised Statutes Cumulative
25 Supplement, 2006, is amended to read:

26 79-1073.01 Amounts levied by learning communities for
27 special building funds for member school districts pursuant to

1 subdivision ~~(2)(f)~~ (2)(g) of section 77-3442 shall be distributed
2 to all member school districts proportionally based on the formula
3 students used in the most recent certification of state aid
4 pursuant to section 79-1022.

5 Any amounts distributed pursuant to this section shall be
6 used by the member school districts for special building funds.

7 Sec. 38. Section 79-1083.03, Revised Statutes Cumulative
8 Supplement, 2006, as affected by Referendum 2006, No. 422, is
9 amended to read:

10 79-1083.03 (1)(a) If the primary high school district
11 designated pursuant to section 79-1083.02 is a Class VI district,
12 the Class I district's total allowable general fund budget of
13 expenditures minus the special education budget of expenditures
14 shall be determined by the school board of such Class VI district
15 and shall be certified to the Class I district on or before June
16 24, 2003, and on or before March 1 each year thereafter for the
17 following school fiscal year.

18 (b) The Class VI primary high school district shall
19 certify the total allowable general fund budget of expenditures
20 minus the special education budget of expenditures for the Class I
21 district to the State Department of Education on or before August
22 1, 2003, and on or before April 20 each year thereafter.

23 (2) If the primary high school district is not a Class
24 VI district, the Class I district's total allowable general fund
25 budget of expenditures minus the special education budget of
26 expenditures shall be determined by the department as follows and
27 certified on or before June 15, 2003, and on or before February 1

1 each year thereafter, for the following school fiscal year:

2 (a) The total allowable general fund budget of
3 expenditures minus the special education budget of expenditures
4 for the Class I district in the school fiscal year immediately
5 preceding the school fiscal year for which the budget is prepared
6 shall be divided by the formula students in the Class I district as
7 defined in section 79-1003, and the result shall be increased by
8 the ~~applicable~~ maximum allowable growth rate for the primary high
9 school district's local system for the ensuing school fiscal year
10 calculated pursuant to section 79-1026 as determined on or before
11 June 15, 2003, and on or before February 1 each year thereafter, of
12 the school fiscal year immediately preceding the school fiscal year
13 for which the budget is prepared;

14 (b) The total allowable general fund budget of
15 expenditures minus the special education budget of expenditures
16 for the primary high school district in the school fiscal year
17 immediately preceding the school fiscal year for which the budget
18 is prepared shall be divided by the formula students as defined in
19 section 79-1003 in the primary high school district weighted by the
20 grade weighting factors contained in subdivision (1)(a) of section
21 79-1007.01, and the result shall be multiplied by the kindergarten
22 through grade eight formula students as defined in section 79-1003
23 weighted by the grade weighting factors contained in subdivision
24 (1)(a) of section 79-1007.01 to calculate the total allowable
25 general fund budget of expenditures minus the special education
26 budget of expenditures for kindergarten through grade eight in
27 the primary high school district. The total allowable general

1 fund budget of expenditures minus the special education budget of
2 expenditures for kindergarten through grade eight shall be divided
3 by the kindergarten through grade eight formula students without
4 weighting. The result shall be increased by the ~~applicable~~ maximum
5 allowable growth rate for the primary high school district's local
6 system for the ensuing school fiscal year calculated pursuant to
7 section 79-1026 as determined on or before June 15, 2003, and on or
8 before February 1 each year thereafter, of the school fiscal year
9 immediately preceding the school fiscal year for which the budget
10 is prepared;

11 (c) The amounts calculated in subdivisions (2)(a) and
12 (2)(b) of this section shall be summed and the result divided
13 by two to arrive at the total allowable general fund budget of
14 expenditures minus the special education budget of expenditures per
15 formula student for the Class I district; and

16 (d) The total allowable general fund budget of
17 expenditures minus the special education budget of expenditures per
18 formula student for the Class I district shall be multiplied by
19 the formula students as defined in section 79-1003 for the Class I
20 district as used by the department for certification of the ensuing
21 school fiscal year's state aid, and the result shall be the total
22 allowable general fund budget of expenditures minus the special
23 education budget of expenditures for the Class I district for the
24 ensuing school fiscal year except as provided in subsection (3) of
25 this section.

26 (3)(a) The school board of the Class I district may,
27 on or before July 1, 2003, and on or before March 10 each year

1 thereafter, submit a request to exceed the total allowable general
2 fund budget of expenditures minus the special education budget of
3 expenditures to all the school boards of the high school district
4 or districts with which the Class I district is affiliated or of
5 which it is a part. For Class I districts to exceed the total
6 allowable general fund budget of expenditures minus the special
7 education budget of expenditures, the total general fund budget of
8 expenditures request shall be approved by high school districts,
9 including the primary high school district, such that the portions
10 of the Class I district that are affiliated with or part of the
11 approving high school districts comprise at least two-thirds of
12 the assessed valuation of the Class I district. Such request shall
13 specify the total general fund budget of expenditures, broken down
14 by expenditures for special education, for regular education, and
15 for special grant funds as defined in section 79-1003, for which
16 the Class I district seeks authority.

17 (b) The high school district shall approve or deny the
18 request on or before July 15, 2003, and on or before April 10 each
19 year thereafter following the receipt of such request and shall
20 forward written notification to the Class I district of approval
21 or denial. A request for additional budget authority shall be
22 considered approved if (i) no action is taken by the high school
23 district or (ii) the high school district fails to send written
24 notification to the Class I district of the denial of a request for
25 additional budget authority.

26 (4) The school board of a Class I district may, after
27 October 15 of each year, amend the general fund budget of

1 expenditures (a) by increasing the special education budget of
2 expenditures, (b) for any special grant funds as defined in section
3 79-1003 received any time during a school fiscal year, or (c) for
4 current fiscal year expenditures the board deems essential if the
5 expenditures could not reasonably have been anticipated at the time
6 the budget for the current year was adopted. A copy of the revised
7 budget shall be filed pursuant to subsection (4) of section 13-511
8 and section 79-1024.

9 (5) All Class I districts shall certify the items
10 required by subsection (1) of section 13-508 to all of their
11 high school districts on or before August 1.

12 (6) All primary high school districts shall certify to
13 the department and all other affected districts, on or before
14 August 1, 2003, and on or before April 20 each year thereafter,
15 the approved total general fund budget of expenditures for a Class
16 I district when the Class I district has requested to exceed its
17 certified budget authority and the request has been approved.

18 Sec. 39. The school board of each Class V school district
19 shall create three or four subcommittees of the school board as
20 of the effective date of this act. Each member of such school
21 board shall be on one, and only one, subcommittee pursuant to this
22 section. Each subcommittee shall recommend principals, teachers,
23 and academic programs for the elementary schools in the school
24 board election districts represented on the subcommittee. Such
25 subcommittees shall also review approaches to educating students
26 in poverty and community input into elementary school governance
27 and make recommendations to the school board to improve achievement

1 and community input in elementary schools. Such school boards
2 shall develop policies and procedures for the operation of
3 such subcommittees and for accepting recommendations from such
4 subcommittees. Each subcommittee shall report to the Education
5 Committee of the Legislature regarding its plans to improve
6 achievement and community input in their elementary schools on
7 or before December 15 of each odd-numbered year, beginning in 2007.

8 Sec. 40. Section 79-10,120, Revised Statutes Cumulative
9 Supplement, 2006, is amended to read:

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

1 levy directed to the school district for such purpose pursuant
2 to subdivision ~~(2)(f)~~ (2)(g) of section 77-3442 and the proceeds
3 of any school district special building fund levy pursuant to
4 subdivision ~~(2)(b)~~ (2)(c) of section 77-3442.

5 Sec. 41. Section 79-10,126.01, Revised Statutes
6 Cumulative Supplement, 2006, is amended to read:

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

1 servicing of bonded indebtedness of the district.

2 Sec. 42. Section 79-11,150, Revised Statutes Cumulative
3 Supplement, 2006, is amended to read:

4 79-11,150 The Commissioner of Education shall appoint
5 a ~~high-needs education~~ student achievement coordinator, subject
6 to confirmation by a majority vote of the members of the
7 State Board of Education. The appointment shall be made on the
8 basis of recognized and demonstrated ~~interest in~~ and ~~knowledge~~
9 ~~of instructional effectiveness for~~ background and training in
10 instructional methods to address the unique educational needs
11 of students in poverty, limited English proficient students,
12 and highly mobile students. The coordinator shall serve on the
13 student achievement advisory committee established by each learning
14 community pursuant to section 62 of this act and shall evaluate and
15 coordinate existing resources for effective programs for students
16 in poverty, limited English proficient students, and highly mobile
17 students across the state. The coordinator shall also develop
18 a plan to improve educational attainment for such students.
19 In developing the plan, the coordinator may seek input from
20 superintendents, principals, teachers, social workers, and other
21 individuals with relevant expertise. The plan may include research
22 efforts to be conducted by Nebraska postsecondary educational
23 institutions. The plan shall be presented to the Education
24 Committee of the Legislature on or before November 1, ~~2007.~~
25 2008.

26 Sec. 43. Section 79-1201, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 79-1201 Sections 79-1201 to 79-1244 and sections 46,
2 47, and 49 of this act shall be known and may be cited as the
3 Educational Service Units Act.

4 Sec. 44. Section 79-1204, Revised Statutes Cumulative
5 Supplement, 2006, is amended to read:

6 79-1204 (1) The role and mission of the educational
7 service units is to serve as educational service providers in the
8 state's system of elementary and secondary education.

9 (2) Educational service units shall:

10 (a) Act primarily as service agencies in providing core
11 services and services identified and requested by member school
12 districts;

13 (b) Provide for economy, efficiency, and
14 cost-effectiveness in the cooperative delivery of educational
15 services;

16 (c) Provide educational services through leadership,
17 research, and development in elementary and secondary education;

18 (d) Act in a cooperative and supportive role with the
19 State Department of Education and school districts in development
20 and implementation of long-range plans, strategies, and goals for
21 the enhancement of educational opportunities in elementary and
22 secondary education; and

23 (e) Serve, when appropriate and as funds become
24 available, as a repository, clearinghouse, and administrator of
25 federal, state, and private funds on behalf of school districts
26 which choose to participate in special programs, projects, or
27 grants in order to enhance the quality of education in Nebraska

1 schools.

2 (3) Except as provided in section 79-1241, core services
3 shall be provided by educational service units to all member school
4 districts. Core services shall be defined by each educational
5 service unit as follows:

6 (a) Core services shall be within the following service
7 areas in order of priority: (i) Staff development which shall
8 include access to staff development related to improving the
9 achievement of students in poverty and students with diverse
10 backgrounds; (ii) technology, including distance education
11 services; and (iii) instructional materials services;

12 (b) Core services shall improve teaching and student
13 learning by focusing on enhancing school improvement efforts,
14 meeting statewide requirements, and achieving statewide goals in
15 the state's system of elementary and secondary education;

16 (c) Core services shall provide schools with access to
17 services that:

18 (i) The educational service unit and its member school
19 districts have identified as necessary services;

20 (ii) Are difficult, if not impossible, for most
21 individual school districts to effectively and efficiently provide
22 with their own personnel and financial resources;

23 (iii) Can be efficiently provided by each educational
24 service unit to its member school districts; and

25 (iv) Can be adequately funded to ensure that the service
26 is provided equitably to the state's public school districts;

27 (d) Core services shall be designed so that the

1 effectiveness and efficiency of the service can be evaluated on a
2 statewide basis; and

3 (e) Core services shall be provided by the educational
4 service unit in a manner that minimizes the costs of administration
5 or service delivery to member school districts.

6 (4) Educational service units shall meet minimum
7 accreditation standards set by the State Board of Education that
8 will:

9 (a) Provide for accountability to taxpayers;

10 (b) Assure that educational service units are assisting
11 and cooperating with school districts to provide for equitable and
12 adequate educational opportunities statewide; and

13 (c) Assure a level of quality in educational programs and
14 services provided to school districts by the educational service
15 units.

16 (5) Educational service units may contract to provide
17 services to:

18 (a) Nonmember public school districts;

19 (b) Nonpublic school systems;

20 (c) Other educational service units; and

21 (d) Other political subdivisions, under the Interlocal
22 Cooperation Act and the Joint Public Agency Act.

23 (6) Educational service units shall not regulate school
24 districts unless specifically provided pursuant to another section
25 of law.

26 Sec. 45. Section 79-1217, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 79-1217 (1) All educational service units, ~~except~~
2 ~~Educational Service Units No. 18 and 19,~~ shall be governed by a
3 board to be known as the Board of Educational Service Unit No.
4 ~~The~~ Until the first Thursday after the first Tuesday
5 in January 2009, the educational service unit board, except the
6 board of an educational service unit with only one member school
7 district or the board of an educational service unit designated as
8 a learning community, shall be composed of one member from each
9 county and four members at large, all of whom shall reside within
10 the geographical boundaries of the educational service unit, but no
11 more than two of the members at large shall be appointed or elected
12 from the same county unless any one county within the educational
13 service unit has a population in excess of one hundred fifty
14 thousand inhabitants or the educational service unit consists of
15 only one county. ~~The four candidates who receive the highest number~~
16 ~~of votes for at-large representative shall be elected, except that~~
17 ~~if more than two of such candidates reside within the same county~~
18 ~~which has a population of one hundred fifty thousand inhabitants~~
19 ~~or less, the candidates from such county receiving fewer votes~~
20 ~~than the two candidates receiving the highest number of votes for~~
21 ~~at-large representative from such county shall not be elected and~~
22 ~~a vacancy or vacancies shall exist for at-large representative.~~
23 ~~The vacancy shall be filled pursuant to subsection (2) of this~~
24 ~~section.~~ Beginning on the first Thursday after the first Tuesday
25 in January 2009, the educational service unit board, except the
26 board of an educational service unit with only one member school
27 district or the board of an educational service unit designated as

1 a learning community, shall be composed of one member elected to
2 represent each election district established pursuant to section 46
3 of this act. The board of an educational service unit designated
4 as a learning community shall be composed of one member elected
5 to represent each election district established pursuant to such
6 section. The board of an educational service unit with only one
7 member school district shall be composed of the members of the
8 school board of such school district. Successors to the members
9 initially appointed pursuant to section 79-1212 shall be elected
10 pursuant to section 32-515.

11 (2) Vacancies in office shall occur as set forth in
12 section 32-560 except as otherwise provided in section 79-1212
13 regarding the requirement to live in the district represented.
14 Whenever any vacancy occurs on the board, the remaining members
15 of such board shall appoint an individual residing within the
16 ~~geographical boundaries~~ election district of the educational
17 service unit for which the vacancy exists and meeting the
18 qualifications for the office to fill such vacancy for the balance
19 of the unexpired term.

20 (3) Members of the board shall receive no compensation
21 for their services but shall be reimbursed for the actual and
22 necessary expenses incurred in the performance of their duties
23 under the Educational Service Units Act as provided in sections
24 81-1174 to 81-1177.

25 (4) Except as provided in subsection (5) of this section,
26 any joint school district located in two or more counties shall
27 be considered a part of the educational service unit in which the

1 greater number of school-age children of such joint school district
2 reside. All legal voters of any such joint school district shall be
3 eligible to hold office as the county representative of the county
4 in which the greater number of school-age children reside. Any
5 legal voter of any joint school district shall be eligible to hold
6 office as the at-large representative if such legal voter resides
7 within the geographical boundary of the school district comprising
8 the educational service unit.

9 (5) Any Class I district which is part of a Class VI
10 district shall be considered a part of the educational service
11 unit of which the Class VI district is a member. If the Class
12 VI district has removed itself from an educational service unit,
13 each Class I district which is part of such Class VI district may
14 continue its existing membership in an educational service unit
15 or may change its status relative to membership in an educational
16 service unit in accordance with section 79-1209. The patrons of a
17 Class I district maintaining membership in an educational service
18 unit pursuant to this subsection shall have the same rights and
19 privileges as other patrons of the educational service unit, and
20 the taxable valuation of the taxable property within the geographic
21 boundaries of such Class I district shall be subject to the
22 educational service unit's tax levy established pursuant to section
23 79-1225.

24 (6) The administrator of each educational service unit,
25 prior to July 1 of each year in which a statewide primary election
26 is to be held, shall certify to the election commissioner or county
27 clerk of each county located within the unit the corporate name

1 of each school district, as described in section 79-405, located
2 within the county. If a school district is a joint school district
3 located in two or more counties, the administrator shall certify to
4 each election commissioner or county clerk the educational service
5 unit of which the school district is considered to be a part.

6 ~~(7) Educational Service Unit No. 18 shall be governed by~~
7 ~~the school board of School District 55-001 of Lancaster County.~~

8 ~~(8) Educational Service Unit No. 19 shall be governed by~~
9 ~~the school board of School District 28-001 of Douglas County.~~

10 Sec. 46. By December 31, 2007, and after each decennial
11 census pursuant to section 32-553, each educational service unit
12 board, except boards of educational service units with only one
13 member school district or boards of educational service units for
14 which a majority of the member school districts will become members
15 of a new learning community pursuant to a certification under
16 section 79-2102, shall divide the territory of the educational
17 service unit into at least five and up to twelve numbered districts
18 for the purpose of electing members to the board in compliance with
19 section 32-553. Such districts shall be compact and contiguous and
20 substantially equal in population. The newly established election
21 districts shall apply beginning with the nomination and election of
22 educational service unit board members in 2008.

23 Sec. 47. Each educational service unit shall have
24 a member school district advisory committee. For a learning
25 community, the membership of the advisory committee shall consist
26 of the superintendents of each member school district. For all
27 other educational service units, the membership of the advisory

1 committee shall be determined by a process mutually acceptable to
2 the educational service unit and the member school districts. The
3 advisory committee shall provide recommendations for educational
4 services to the educational service unit board, including
5 recommendations for the approval or disapproval of applications by
6 member school districts for funds to provide core services for
7 itself in a cost-efficient manner. The advisory committee shall
8 meet at least four times each school year and shall review the
9 program of services being conducted by the educational service unit
10 board and discuss and plan changes and further refinement of such
11 program of services.

12 Sec. 48. Section 79-1241, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 79-1241 (1) For school fiscal years prior to school
15 fiscal year 2008-09: Funds appropriated for core services shall
16 be distributed proportionally to each educational service unit by
17 the State Department of Education based on the fall membership
18 in member districts in the preceding school fiscal year, except
19 that no educational service unit shall receive less than two and
20 one-half percent of the funds appropriated for core services; -

21 (2) Any funds appropriated for distribution pursuant to
22 this section for school fiscal year 2003-04 and each school fiscal
23 year thereafter shall be distributed in ten as nearly as possible
24 equal payments on the first business day of each month beginning
25 in September of each school fiscal year and ending in June.
26 Funds distributed pursuant to this section shall be used for core
27 services with the approval of representatives of two-thirds of the

1 member school districts, representing a majority of the students in
2 the member school districts. If a member school district provides
3 evidence satisfactory to the educational service unit that the
4 district will provide core services for itself in a cost-efficient
5 manner, the educational service unit may distribute funds directly
6 to the district to be used for providing core services, or if all
7 member school districts within the boundaries of an educational
8 service unit together provide evidence satisfactory to the State
9 Department of Education that the districts will provide core
10 services for themselves in a more cost-efficient manner than the
11 educational service unit, the department shall distribute funds
12 directly to the districts to be used for providing core services;
13 and -

14 (3) If two or more educational service units merge, the
15 resulting merged educational service unit shall, for each of the
16 two fiscal years following the fiscal year in which the merger
17 takes place, receive core services funds under this section in
18 an amount not less than the total of the core services funds
19 that each of the merging educational service units received in
20 the fiscal year immediately preceding the merger, except that if
21 the appropriation for core services funds for either of the two
22 fiscal years following the fiscal year in which the merger takes
23 place is less than the appropriation for such funds for the fiscal
24 year immediately preceding the merger, core services funds shall
25 be reduced by a percentage equal to the ratio of the difference
26 of such appropriation for the fiscal year immediately preceding
27 the merger minus the appropriation for the fiscal year in question

1 divided by the appropriation for the fiscal year immediately
2 preceding the merger. Thereafter the distribution of core services
3 funds to the merged educational service unit shall be as provided
4 in ~~subsection~~ subdivision (1) of this section.

5 Sec. 49. For school fiscal year 2008-09 and each school
6 fiscal year thereafter:

7 (1) One percent of the funds appropriated for core
8 services and technology infrastructure shall be transferred to
9 the Educational Service Unit Coordinating Council. The remainder
10 of such funds shall be distributed pursuant to subdivisions (2)
11 through (6) of this section;

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

26 (b) The base allocation of each educational service unit
27 shall equal two and one-half percent of the funds appropriated for

1 distribution pursuant to this section;

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

13 (d) The learning community allocation for each
14 educational service unit designated as a learning community
15 pursuant to section 79-2102 shall equal one percent of the funds
16 appropriated for distribution pursuant to this section;

17 (e) The statewide adjusted valuation shall equal the
18 total adjusted valuation for all local systems pursuant to section
19 79-1016 used for the calculation of state aid for school districts
20 pursuant to the Tax Equity and Educational Opportunities Support
21 Act for the school fiscal year for which the distribution is being
22 calculated pursuant to this section;

23 (f) The adjusted valuation for each educational service
24 unit shall equal the total adjusted valuation of the member school
25 districts pursuant to section 79-1016 used for the calculation of
26 state aid for school districts pursuant to the act for the school
27 fiscal year for which the distribution is being calculated pursuant

1 to this section;

2 (g) The local effort rate shall equal \$0.0135 per one
3 hundred dollars of adjusted valuation;

4 (h) Except as provided in subdivision (5) of this
5 section, the statewide student allocation shall equal the
6 difference of the sum of the amount appropriated for distribution
7 pursuant to this section plus the product of the statewide adjusted
8 valuation multiplied by the local effort rate minus the distance
9 education and telecommunications allowance, base allocation,
10 satellite office allocation, and learning community allocation for
11 all educational service units;

12 (i) The sparsity adjustment for each educational service
13 unit shall equal one-tenth of the ratio of the square miles within
14 the boundaries of the educational service unit divided by the fall
15 membership of the member school districts for the school fiscal
16 year immediately preceding the school fiscal year for which the
17 distribution is being calculated pursuant to this section;

18 (j) The learning community elementary adjustment for
19 each educational service unit designated as a learning community
20 pursuant to section 79-2102 shall equal 0.65;

21 (k) The adjusted students for each educational service
22 unit shall equal the fall membership of the member school districts
23 for the school fiscal year immediately preceding the school fiscal
24 year for which aid is being calculated pursuant to this section
25 multiplied by the sum of one plus the learning community elementary
26 adjustment and the sparsity adjustment for such educational service
27 unit;

1 (l) The per student allocation shall equal the statewide
2 student allocation divided by the total adjusted students for all
3 educational service units;

4 (m) The student allocation for each educational service
5 unit shall equal the per student allocation multiplied by the
6 adjusted students for the educational service unit;

7 (n) The need for each educational service unit shall
8 equal the sum of the distance education and telecommunications
9 allowance, base allocation, satellite office allocation, learning
10 community allocation, and student allocation for the educational
11 service unit; and

12 (o) The distribution of core services and technology
13 infrastructure funds for each educational service unit shall equal
14 the need for each educational service unit minus the product of the
15 adjusted valuation for the educational service unit multiplied by
16 the local effort rate;

17 (3) If an educational service unit is the result of
18 a merger or received new member school districts from another
19 educational service unit, such educational service unit shall,
20 for each of the three fiscal years following the fiscal year in
21 which the merger takes place or the new member school districts
22 are received, receive core services and technology infrastructure
23 funds pursuant to subdivisions (2) through (6) of this section in
24 an amount not less than the core services and technology funds
25 received in the fiscal year immediately preceding the merger or
26 receipt of new member school districts, except that if the total
27 amount available to be distributed pursuant to subdivisions (2)

1 through (6) of this section for such year is less than the
2 total amount distributed pursuant to such subdivisions or sections
3 79-1241 and 79-1243 for the immediately preceding fiscal year, the
4 minimum core services and technology infrastructure funds for each
5 educational service unit pursuant to this subdivision shall be
6 reduced by a percentage equal to the ratio of the difference of
7 the total amount distributed pursuant to subdivisions (2) through
8 (6) of this section or sections 79-1241 and 79-1243 for the
9 immediately preceding fiscal year minus the total amount available
10 to be distributed pursuant to subdivisions (2) through (6) of this
11 section for the fiscal year for which aid is being calculated
12 divided by the total amount distributed pursuant to subdivisions
13 (2) through (6) of this section or sections 79-1241 and 79-1243
14 for the immediately preceding fiscal year. The core services
15 and technology funds received in the fiscal year immediately
16 preceding a merger or receipt of new member school districts for
17 an educational service unit shall equal the amount received in
18 such fiscal year pursuant to subdivisions (2) through (6) of this
19 section or sections 79-1241 and 79-1243 by any educational service
20 unit affected by the merger or the transfer of school districts
21 multiplied by a ratio equal to the valuation that was transferred
22 to or retained by the educational service unit for which the
23 minimum is being calculated divided by the total valuation of the
24 educational service unit transferring or retaining the territory;
25 (4) For fiscal years 2008-09 through 2013-14, each
26 educational service unit shall receive core services and technology
27 infrastructure funds under this section in an amount not less

1 than ninety-five percent of the total of the core services and
2 technology funds that the educational service unit received in the
3 immediately preceding fiscal year either pursuant to subdivisions
4 (2) through (6) of this section or pursuant to sections 79-1241
5 and 79-1243, except that if the total amount available to be
6 distributed pursuant to subdivisions (2) through (6) of this
7 section for such year is less than the total amount distributed
8 pursuant to such subdivisions or sections 79-1241 and 79-1243
9 for the immediately preceding fiscal year, the minimum core
10 services and technology infrastructure funds for each educational
11 service unit pursuant to this subdivision shall be reduced by
12 a percentage equal to the ratio of the difference of the total
13 amount distributed pursuant to subdivisions (2) through (6) of
14 this section or sections 79-1241 and 79-1243 for the immediately
15 preceding fiscal year minus the total amount available to be
16 distributed pursuant to subdivisions (2) through (6) of this
17 section for the fiscal year for which aid is being calculated
18 divided by the total amount distributed pursuant to subdivisions
19 (2) through (6) of this section or sections 79-1241 and 79-1243 for
20 the immediately preceding fiscal year;

21 (5) If the minimum core services and technology
22 infrastructure funds pursuant to subdivision (3) or (4) of this
23 section for any educational service unit exceed the amount that
24 would otherwise be distributed to such educational service unit
25 pursuant to subdivision (2) of this section, the statewide student
26 allocation shall be reduced such that the total amount to be
27 distributed pursuant to this section equals the appropriation

1 for core services and technology infrastructure funds and no
2 educational service unit receives less than the greater of any
3 minimum amounts calculated for such educational service unit
4 pursuant to subdivisions (3) and (4) of this section; and

5 (6) The State Department of Education shall certify
6 the distribution of core services and technology infrastructure
7 funds pursuant to subdivisions (2) through (6) of this section
8 to each educational service unit on or before July 1, 2008, for
9 school fiscal year 2008-09 and on or before July 1 of each year
10 thereafter for the following school fiscal year. The department
11 shall also certify to each learning community the amount of such
12 distribution designated as learning community elementary funds.
13 The amount designated as learning community elementary funds for
14 each learning community shall equal the fall membership of the
15 member school districts for the school fiscal year immediately
16 preceding the school fiscal year for which aid is being calculated
17 pursuant to this section multiplied by learning center adjustment
18 then multiplied by the per student allocation. Funds distributed
19 pursuant to this section, except funds designated as learning
20 community elementary funds, shall be used for core services and
21 technology infrastructure with the approval of representatives of
22 two-thirds of the member school districts, representing one-third
23 of the students in the member school districts. Funds designated
24 as learning community elementary funds shall be used pursuant to
25 section 71 of this act. Any funds appropriated for distribution
26 pursuant to this section shall be distributed in ten as nearly as
27 possible equal payments on the first business day of each month

1 beginning in September of each school fiscal year and ending in
2 June.

3 Sec. 50. Section 79-1241.01, Revised Statutes Cumulative
4 Supplement, 2006, is amended to read:

5 79-1241.01 To carry out sections 79-1241 and 79-1243
6 and section 49 of this act, it is the intent of the Legislature
7 to appropriate for each fiscal year the amount appropriated in
8 the prior year increased by the percentage growth in the fall
9 membership of member districts plus the basic allowable growth
10 rate described in section 79-1025. For purposes of this section,
11 fall membership has the same meaning as in section 79-1003. Fall
12 membership data used to compute growth shall be from the two most
13 recently available fall membership reports.

14 Sec. 51. Section 79-1241.02, Revised Statutes Cumulative
15 Supplement, 2006, is amended to read:

16 79-1241.02 It is the intent of the Legislature that any
17 funds appropriated pursuant to ~~the intent of section 79-1241.01~~
18 ~~or~~ section 79-1243 or section 49 of this act, and used for
19 technology-related projects or technology initiatives undertaken by
20 an educational service unit follow the review process established
21 in sections 86-512 to 86-524, including the review by the technical
22 panel of the Nebraska Information Technology Commission.

23 Sec. 52. Section 79-1242, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-1242 Funds generated from the property tax levy shall
26 only be used for purposes approved by representatives of two-thirds
27 of the member school districts in an educational service unit,

1 representing a ~~majority~~ one-third of the students in the member
2 school districts. Each educational service unit shall prepare and
3 transmit a written proposal of core services offerings and use
4 of the property tax levy to all member school districts. The
5 member school districts through their designated representatives
6 shall indicate their approval or disapproval of the proposal within
7 thirty calendar days after receipt of the proposal, and failure to
8 so indicate within such time period shall be deemed approval of the
9 proposal.

10 Sec. 53. Section 79-1243, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 79-1243 For school fiscal years prior to school fiscal
13 year 2008-09: (1) Funds appropriated for technology infrastructure
14 shall be distributed proportionally to each educational service
15 unit by the State Department of Education based on the fall
16 membership of member districts in the preceding school fiscal year,
17 except that no educational service unit shall receive less than
18 the sum of (a) two and one-half percent of the funds appropriated
19 for technology infrastructure plus (b) eighty-five percent of the
20 difference of the costs for telecommunications services, for access
21 to data transmission networks that transmit data to and from the
22 educational service unit, and for the transmission of data on such
23 networks paid by the educational service unit as reported on the
24 annual financial report for the most recently available complete
25 data year minus the receipts from the federal Universal Service
26 Fund pursuant to section 254 of the Telecommunications Act of 1996,
27 47 U.S.C. 254, as such section existed on January 1, 2006, for the

1 educational service unit as reported on the annual financial report
2 for the most recently available complete data year and minus any
3 receipts from school districts or other educational entities for
4 payment of such costs as reported on the annual financial report of
5 the educational service unit; -

6 (2) Any funds appropriated for distribution pursuant to
7 this section shall be distributed in ten as nearly as possible
8 equal payments on the first business day of each month beginning
9 in September of each school fiscal year and ending in June. Funds
10 distributed pursuant to this section shall be used for technology
11 infrastructure with the approval of representatives of two-thirds
12 of the member school districts, representing a majority of the
13 students in the member school districts; and -

14 (3) If two or more educational service units merge, the
15 resulting merged educational service unit shall, for each of the
16 two fiscal years following the fiscal year in which the merger
17 takes place, receive technology infrastructure funds under this
18 section in an amount not less than the total of the technology
19 infrastructure funds that each of the merging educational service
20 units received in the fiscal year immediately preceding the merger,
21 except that if the appropriation for technology infrastructure
22 funds for either of the two fiscal years following the fiscal year
23 in which the merger takes place is less than the appropriation for
24 such funds for the fiscal year immediately preceding the merger,
25 technology infrastructure funds shall be reduced by a percentage
26 equal to the ratio of the difference of such appropriation
27 for the fiscal year immediately preceding the merger minus the

1 appropriation for the fiscal year in question divided by the
2 appropriation for the fiscal year immediately preceding the merger.
3 Thereafter the distribution of technology infrastructure funds
4 to the merged educational service unit shall be as provided in
5 ~~subsection~~ subdivision (1) of this section.

6 Sec. 54. Section 79-2101, Revised Statutes Cumulative
7 Supplement, 2006, is amended to read:

8 79-2101 Learning community means a ~~political subdivision~~
9 ~~which shares the territory of member school districts and is~~
10 ~~governed by a learning community coordinating council. The fiscal~~
11 ~~year for a learning community shall be the same as for member~~
12 ~~school districts. A learning community shall not have the authority~~
13 ~~to levy property taxes for the first fiscal year of its existence~~
14 ~~and shall not have the authority to levy property taxes prior to~~
15 ~~school fiscal year 2008-09. an educational service unit established~~
16 ~~and designated as a learning community pursuant to section 79-2102.~~
17 ~~The educational service unit board for an educational service~~
18 ~~unit designated as a learning community shall be known as both~~
19 ~~the educational service unit board and the learning community~~
20 ~~coordinating council.~~

21 Sec. 55. Section 79-2102, Revised Statutes Cumulative
22 Supplement, 2006, is amended to read:

23 79-2102 (1) On or before ~~August 1, 2006,~~ September 15,
24 2007, and on or before August 1 of each odd-numbered year following
25 the official designation of any new city of the metropolitan
26 class or any valid request to form a new learning community,
27 the ~~Secretary of State~~ Commissioner of Education shall certify

1 the establishment of a new educational service unit designated
2 as a learning community with an effective date of ~~September 1~~
3 ~~of the year of such certification~~ the first Thursday after the
4 first Tuesday in January 2008 for designations made on or before
5 September 15, 2007, or, for designations made after September
6 15, 2007, an effective date of the first Thursday after the
7 first Tuesday in January of the next odd-numbered year following
8 such designation to the county clerks, election commissioners,
9 and county assessors of the counties with territory in the new
10 learning community, to the Secretary of State, to the Property Tax
11 Administrator, to the State Department of Education, and to the
12 school boards of the member school districts of the new learning
13 community. A learning community shall be established for each city
14 of the metropolitan class and shall include all school districts
15 for which the principal office of the school district is located
16 in the county where the city of the metropolitan class is located
17 and all school districts for which the principal office of the
18 school district is located in a county that has a contiguous border
19 of at least five miles in the aggregate with such city of the
20 metropolitan class. A learning community may also be established
21 ~~for one or more counties~~ at the request of the school boards of
22 at least three school boards if (a) all school districts for which
23 the principal office of the school district is located in ~~the one~~
24 or more specified county or counties if are participating in the
25 request and either such school districts are all in the sparse
26 or very sparse cost grouping or have a minimum combined total of
27 at least two thousand students, ~~except that districts in local~~

1 systems that are in the sparse cost grouping or the very sparse
2 cost grouping as described in section 79-1007.02 need not have
3 a minimum combined total of at least two thousand students but
4 a learning community with fewer than two thousand students shall
5 include at least two school districts, or (b) the school districts
6 participating in the request have a minimum combined total of at
7 least ten thousand students. Such requests shall be received by
8 the Secretary of State commissioner on or before March 1 to be
9 effective the following September 1, May 1 of each odd-numbered
10 year.

11 (2) On or before September 1 following the certification
12 of the establishment of a new learning community, the school
13 board of each member school district shall appoint a member of
14 such school board to serve on the learning community coordinating
15 council and shall notify the Secretary of State of the appointment.
16 The Secretary of State The assets and liabilities of any
17 educational service unit for which the majority of member school
18 districts will be in a new learning community shall be transferred
19 to the new educational service unit designated as a learning
20 community as of the effective date for the establishment of such
21 educational service unit. On or before September 20, 2007, for
22 certifications issued on or before September 15, 2007, and on or
23 before September 1 following the certification for certifications
24 issued after September 15, 2007, any member school districts of
25 such existing educational service units that are not required to be
26 included in the learning community shall certify that the school
27 district will be a member of the new learning community or that

1 the school district will be joining another specified educational
2 service unit as of the effective date of the establishment of
3 such learning community to the commissioner, to the county clerks,
4 election commissioners, and county assessors of the counties with
5 territory in the new learning community, to the Secretary of State,
6 to the Property Tax Administrator, to the State Department of
7 Education, and to the school boards of the member school districts
8 of the new learning community.

9 (3) For school districts that join another educational
10 service unit pursuant to subsection (2) of this section, the
11 learning community shall continue to provide services to such
12 school districts if the services are requested by such school
13 district, were received by such school district prior to the
14 transfer, and continue to be provided by the learning community to
15 member school districts. The provision of such services shall be
16 based on a contractual arrangement between the learning community
17 and the educational service unit to which the school district
18 transferred. If the two educational service units cannot agree on
19 the amount of the contract, the department shall determine the
20 amount to be paid by the resident educational service unit to the
21 learning community based on the marginal costs of providing such
22 services to such school district.

23 (4) The commissioner or his or her designee shall convene
24 a meeting of the new newly elected council during the month of
25 September and each month thereafter through the following June. At
26 the September January following the election. At such meeting, the
27 council shall elect officers and shall begin taking the necessary

1 steps to begin operating as a learning community. The Secretary
2 of State commissioner or his or her designee shall schedule
3 and host ~~each~~ such meeting and shall serve as a facilitator
4 at ~~each~~ such meeting. The Secretary of State may contract for
5 facilitation services. In any fiscal year that one or more new
6 learning communities are established, the Secretary of State shall
7 report to the Education Committee of the Legislature on or before
8 December 31 and on or before June 30, regarding the progress of any
9 new learning community coordinating councils.

10 (5) The board members and employees of educational
11 service units with territory that will be included in a new
12 learning community shall prepare the educational service units for
13 a smooth transition.

14 Sec. 56. The election commissioners of all counties
15 with territory that will be in a new learning community pursuant
16 to certification of the establishment of such learning community
17 pursuant to section 79-2102 shall divide the territory of the new
18 learning community into twelve numbered districts for the purpose
19 of electing members to the learning community coordinating council
20 in compliance with section 32-553. Such districts shall be compact
21 and contiguous and substantially equal in population. The newly
22 established election districts shall be certified to the Secretary
23 of State on or before October 1 for certifications issued in
24 2007 and on or before November 1 for certifications issued in
25 any odd-numbered year thereafter. The newly established election
26 districts shall apply beginning with the nomination and election
27 of the first council members for such learning community. For

1 certifications issued in 2007 pursuant to section 79-2102, the
2 Secretary of State shall conduct special elections in December 2007
3 to elect the first learning community coordinating council members.
4 Candidates shall file for such office on or before October 15,
5 2007, pursuant to section 32-606 and shall reside in the election
6 district for which they are a candidate. The costs of such special
7 election shall be paid by the Secretary of State.

8 Sec. 57. Section 79-2104, Revised Statutes Cumulative
9 Supplement, 2006, is amended to read:

10 79-2104 A In addition to the authority granted pursuant
11 to the Educational Service Units Act, a learning community
12 coordinating council shall have the authority to:

13 (1) Levy and distribute a common levy for the general
14 funds of member school districts pursuant to sections 77-3442 and
15 79-1073;

16 (2) Levy and distribute a common levy for the special
17 building funds of member school districts pursuant to sections
18 77-3442 and 79-1073.01;

19 (3) Levy for the budget of the learning community
20 pursuant to section 77-3442 and for capital projects approved
21 by the learning community coordinating council pursuant to sections
22 77-3442 and section 60 of this act;

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

24 (5) Analyze achievement data and develop plans for member
25 districts and the learning community, with input from the member
26 school district advisory committee established under section 47 of
27 this act and the student achievement advisory committee established

1 under section 62 of this act, to most effectively target core
2 services funding to improve the academic success of any demographic
3 group that has below-average achievement when compared with the
4 learning community as a whole;

5 ~~(5)~~ (6) Coordinate development of focus schools and
6 programs to provide educational opportunities to diversified
7 student populations, including exploration of a campus that would
8 include focus schools and programs operated by different member
9 school districts;

10 ~~(6)~~ (7) Approve focus schools and programs and magnet
11 pathways to be operated by member school districts;

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

14 (8) Administer the open enrollment provisions in section
15 79-2110 for the learning community as part of a diversity plan
16 developed by the council that includes goals and benchmarks for the
17 transfer of students and the monitoring of progress toward those
18 goals;

19 (9) Annually conduct school fairs to provide students and
20 parents the opportunity to explore the educational opportunities
21 available at each school in the learning community and develop
22 other methods for encouraging access to such information and
23 promotional materials;

24 ~~(8)~~ (10) Develop reorganization plans for submission
25 pursuant to the Learning Community Reorganization Act; and

26 ~~(9)~~ Upon recommendation of the integration task force
27 for the learning community, adopt and implement an integration and

1 ~~diversity plan.~~

2 (11) Establish and administer elementary learning centers
3 pursuant to sections 68 to 70 of this act and administer the
4 learning community elementary funds distributed to the learning
5 community pursuant to section 60 of this act;

6 (12) Approve poverty plans for member school districts;

7 (13) Establish a procedure for receiving community input
8 and complaints regarding the learning community or member school
9 districts which includes access to the office of the learning
10 community ombudsman established by the council pursuant to section
11 63 of this act;

12 (14) Establish a procedure for utilizing an approved
13 center pursuant to the Dispute Resolution Act to resolve disputes
14 between member school districts; and

15 (15) Assist the planning commissions with jurisdiction
16 over territory within the learning community in developing and
17 reviewing long-range plans for the deconcentration of affordable
18 housing.

19 Sec. 58. Section 79-2107, Revised Statutes Cumulative
20 Supplement, 2006, is amended to read:

21 79-2107 The boundaries of all school districts for which
22 the principal office of the school district is located in a county
23 where a city of the metropolitan class is located ~~on July 14,~~
24 ~~2006,~~ and all school districts for which the principal office of
25 the school district is located in a county that has a contiguous
26 border of at least five miles in the aggregate with such city of
27 the metropolitan class ~~on July 14, 2006,~~ shall remain as depicted

1 ~~on March 1, 2006,~~ on the map kept by the county clerk pursuant to
2 section 79-490 as of March 1, 2006, for cities of the metropolitan
3 class designated as such prior to January 2008 or as of March 1
4 immediately preceding the designation as a city of the metropolitan
5 class for cities designated as such on or after January 1, 2008,
6 until a learning community has been ~~formed~~ established for such
7 city of the metropolitan class.

8 Sec. 59. Section 79-2110, Revised Statutes Cumulative
9 Supplement, 2006, is amended to read:

10 79-2110 (1) For school year 2008-09 and each school year
11 thereafter, each member school district in a learning community
12 shall establish a maximum capacity for each school building
13 under such district's control pursuant to procedures and criteria
14 established by the learning community coordinating council. Each
15 member school district shall also establish attendance areas for
16 each school building under the district's control, except that
17 the school board shall not establish attendance areas for school
18 buildings with focus schools or programs. The attendance areas
19 shall be established such that all of the territory of the school
20 district is within an attendance area for each grade, but no
21 territory of the school district is within more than one attendance
22 area for a grade. Students residing in an attendance area shall be
23 allowed to attend such school building for the grades offered.

24 (2) On or before March 1, 2008, and on or before
25 March 1 of each year thereafter, the school board of each
26 member school district shall certify to the learning community
27 coordinating council the number of ~~students~~ applicants that will

1 be accepted into each school building from outside of the school
2 building's attendance area for the next school year based on the
3 established capacity and the estimated number of students who
4 will attend the school building from the attendance area or as
5 continuing students. The learning community coordinating council
6 shall establish procedures for estimating the number of students
7 who will attend a school building from the attendance area or as
8 continuing students. Such procedures shall be used by the school
9 boards of member school districts for such estimates.

10 (3) (a) On or before March 15, 2008, and on or before
11 March 15 of each year thereafter, a parent or guardian of a student
12 residing in a member school district in a learning community may
13 apply submit an application on behalf of a student who is applying
14 to the learning community coordinating council to attend for the
15 following school year a school building in the learning community
16 that is not in an attendance area where the ~~student~~ applicant
17 resides. On or before April 1, 2008, and on or before April 1 of
18 each year thereafter, the learning community coordinating council
19 shall accept or reject such applications based on the number of
20 ~~such students the school district is willing to accept~~ applicants
21 that will be accepted for a given school building and shall notify
22 ~~the applicant~~ such parent or guardian in writing of the acceptance
23 or rejection. Such parent or guardian may provide information on
24 the application regarding the applicant's potential qualification
25 for free or reduced-price lunches. Any such information provided
26 shall be subject to verification and shall only be used for the
27 purposes of this section. Nothing in this section requires a parent

1 or guardian to provide such information. Determinations about an
2 applicant's qualification for free or reduced-price lunches for
3 purposes of this section shall be based on any verified information
4 provided on the application. If no such information is provided the
5 student shall be presumed not to qualify for free or reduced-price
6 lunches for the purposes of this section. A student may not apply
7 to attend a school building in the learning community for any
8 grades that are offered by another school building for which the
9 student had previously applied and been accepted pursuant to this
10 section.

11 (b) If more ~~students~~ applicants have applied to attend
12 a school building, other than a focus school or program, than
13 the number of ~~such students~~ the school district is willing to
14 accept applicants that will be accepted for such building, the
15 learning community coordinating council shall select applications
16 for approval up to the number of ~~such students~~ the school district
17 is willing to accept applicants that will be accepted for such
18 building as follows: (i) ~~Students~~ Applicants who would qualify
19 for free lunch lunches shall be selected first, with applications
20 ~~for such students~~ applicants selected randomly up to the number
21 of ~~students~~ the school district is willing to accept applicants
22 that will be accepted for such building; (ii) ~~students~~ applicants
23 who qualify for reduced-price lunch shall be selected randomly up
24 to the remainder of the number of ~~students~~ the school district
25 is willing to accept applicants that will be accepted for such
26 building if all of the ~~applications for students~~ applicants who
27 qualify for free lunch have been selected; and (iii) all other

1 ~~applications~~ applicants shall be selected randomly up to the
2 remainder of the number of ~~students the school district is willing~~
3 ~~to accept~~ applicants that will be accepted for such building if all
4 of the ~~applications for students~~ applicants who qualify for free
5 lunch and reduced-price lunch have been selected.

6 (c) If more ~~students~~ applicants have applied to attend a
7 focus school or program than the number of ~~such students the school~~
8 ~~district is willing to accept~~ applicants that will be accepted for
9 such focus school or program, the learning community coordinating
10 council shall select ~~applications~~ applicants for approval up to
11 the number of ~~such students the school district is willing to~~
12 ~~accept~~ applicants that will be accepted for such building as
13 follows: (i) ~~Students~~ Applicants who qualify for free lunch shall
14 be selected randomly up to the product of the number of ~~students~~
15 ~~the school district is willing to accept~~ applicants that will be
16 accepted for such focus school or program multiplied by the ratio
17 of students qualifying for free lunch in the learning community
18 divided by the total formula students in the learning community;
19 (ii) ~~students~~ applicants qualifying for reduced-price lunch shall
20 be selected randomly up to the product of the number of ~~students~~
21 ~~the school district is willing to accept~~ applicants that will be
22 accepted for such focus school or program multiplied by the ratio
23 of students qualifying for reduced-price lunch in the learning
24 community divided by the total formula students in the learning
25 community; (iii) ~~students~~ applicants who do not qualify for free or
26 reduced-price lunch shall be selected randomly up to the product
27 of the number of ~~students the school district is willing to~~

1 ~~accept~~ applicants that will be accepted for such school or program
2 multiplied by the ratio of students not qualifying for free or
3 reduced-price lunch in the learning community divided by the total
4 formula students in the learning community; and (iv) ~~students~~
5 applicants who were not selected pursuant to subdivision (c) (i),
6 (ii), or (iii) of this subsection shall be selected randomly up to
7 the number of ~~students the school district is willing to accept~~
8 applicants that will be accepted for such school or program minus
9 the number of ~~students~~ applicants that were selected pursuant to
10 subdivisions (c) (i), (ii), and (iii) of this subsection.

11 (d) Any student who attended a particular school building
12 in the prior school year and who is seeking education in the
13 grades offered in such school building shall be allowed to continue
14 attending such school building as a continuing student.

15 (4) On or before February 15 of each year, a parent or
16 guardian of a student who is currently attending a school building
17 outside of the attendance area where the student resides and who
18 will complete the grades offered at such school building prior to
19 the following school year shall provide notice, on a form provided
20 by the school district, to the school board of the school district
21 containing such school building if such student will attend another
22 school building within such district as a continuing student and
23 which school building such student would prefer to attend. On or
24 before March 1, such school board shall provide a notice to such
25 parent or guardian stating which school building or buildings the
26 student ~~will~~ shall be allowed to attend in such school district as
27 a continuing student for the following school year. If the student

1 resides within the school district, the notice shall include the
2 school building offering the grade the student will be entering
3 for the following school year in the attendance area where the
4 student resides. This subsection shall not apply to focus schools
5 or programs.

6 (5) A student who will complete the grades offered at a
7 focus school or program that is part of a magnet pathway shall be
8 allowed to attend the focus school or program offering the next
9 grade level as part of such magnet pathway as a continuing student.

10 ~~(5)~~ (6) A parent or guardian of a student who moves
11 to a new residence in the learning community after April 1 may
12 apply directly to a school board within the learning community
13 within ninety days after moving for the student to attend a school
14 building outside of the attendance area where the student resides.
15 Such school board shall accept or reject such application within
16 fifteen days after receiving the application, based on the ~~capacity~~
17 established number of applicants that will be accepted pursuant
18 to subsection (2) of this section minus the number of applicants
19 previously accepted.

20 ~~(6)~~ (7) A parent or guardian of a student who wishes to
21 change school buildings for emergency or hardship reasons may apply
22 directly to a school board within the learning community at any
23 time for the student to attend a school building outside of the
24 attendance area where the student resides. Such application shall
25 state the emergency or hardship and shall be kept confidential by
26 the school board. Such school board shall accept or reject such
27 application within fifteen days after receiving the application.

1 Applications shall only be accepted if an emergency or hardship
2 was presented which justifies an exemption from the procedures
3 in subsection (3) of this section based on the judgment of such
4 school board, and such acceptance shall not exceed the number of
5 applications that will be accepted for the school year pursuant to
6 subsection (2) of this section for such building. ~~based on the~~
7 ~~judgment of such school board, except that the board may not exceed~~
8 ~~the established capacity.~~

9 (8) For purposes of this section, a student is deemed to
10 reside in any attendance area where such student or at least one of
11 his or her parents or guardians reside.

12 Sec. 60. (1) A learning community may levy a maximum
13 levy pursuant to subdivision (2)(h) of section 77-3442 for the
14 purchase, construction, or remodeling of elementary learning center
15 facilities and up to fifty percent of the estimated costs for
16 capital projects approved pursuant to this section. The proceeds
17 from such levy shall be used for elementary learning center
18 facilities and for one-time reductions of the bonded indebtedness
19 required for approved projects up to fifty percent of the estimated
20 cost of the approved project. The funds used for reductions of
21 bonded indebtedness shall be transferred to the school district
22 for which the project was approved and shall be deposited in such
23 school district's special building fund for use on such project.

24 (2) The learning community may approve pursuant to this
25 section for capital projects which will include the purchase,
26 construction, or remodeling of facilities for (a) a focus school
27 or program designed to meet the requirements of section 79-769 or

1 (b) a school or program that will otherwise specifically attract
2 a more economically and culturally diverse student body that
3 would otherwise attend a school or program in a facility at that
4 location. Such approval shall include an estimated cost for the
5 project and shall state the amount that will be provided by the
6 learning community for such project.

7 (3) If, within the ten years following receipt of the
8 funding for a capital project pursuant to this section, a school
9 district receiving such funding uses the facility purchased,
10 constructed, or remodeled with such funding for purposes other
11 than those stated to qualify for the funds, the school district
12 shall repay such funds to the learning community with interest at
13 the rate prescribed in section 45-104.02 accruing from the date
14 the funds were transferred to the school district's building fund
15 as of the last date the facility was used for such purpose as
16 determined by the learning community coordinating council or the
17 date that the learning community coordinating council determines
18 that the facility will not be used for such purpose or that
19 such facility will not be purchased, constructed, or remodeled
20 for such purpose. Interest shall continue to accrue on outstanding
21 balances until the repayment has been completed. The remaining
22 terms of repayment shall be determined by the learning community
23 coordinating council. The learning community coordinating council
24 may waive such repayment if the facility is used for a different
25 (a) focus school or program or (b) school or program that will
26 specifically attract a more economically and culturally diverse
27 student body than would attend a school or program in a facility at

1 that location for a period of time that will result in the use of
2 the facility for qualifying purposes for a total of at least ten
3 years.

4 Sec. 61. The planning commissions of municipalities with
5 jurisdiction over territory within any learning community shall
6 work with the learning community coordinating council to develop
7 a long-range plan for the deconcentration of affordable housing.
8 Such plan shall be submitted to the affected jurisdictions on
9 or before July 1, 2009, or on or before July 1 of the year
10 immediately following the effective date of the establishment
11 of the learning community. Such plans shall be reviewed by
12 such planning commissions together with the learning community
13 coordinating council on an ongoing basis, and a report shall be
14 submitted to the affected jurisdictions on or before July 1 of each
15 odd-numbered year.

16 Sec. 62. Within six months after the establishment of
17 a learning community, the learning community coordinating council
18 shall establish a student achievement advisory committee to analyze
19 and make recommendations regarding new and existing learning
20 community programs to most effectively target core services funding
21 to improve the academic success of any demographic group that
22 has below-average achievement when compared with the learning
23 community as a whole. Members of the committee shall include
24 the student achievement coordinator appointed pursuant to section
25 79-11,150, teachers from the learning community, and learning
26 community program directors and employees with expertise that may
27 be beneficial to the committee. Recommendations of the committee

1 shall be advisory in nature and shall be submitted to both the
2 learning community coordinating council and the member school
3 district advisory committee established under section 47 of this
4 act.

5 Sec. 63. Each learning community coordinating council
6 shall establish a procedure for receiving community input and
7 complaints regarding the learning community or member school
8 districts. The procedure shall include the office of the learning
9 community ombudsman which shall be established by the learning
10 community coordinating council to exercise the authority and
11 perform the duties provided in sections 63 to 67 of this act.

12 The learning community ombudsman shall be appointed by
13 the learning community coordinating council and shall be a person
14 well equipped to analyze problems of law, administration, and
15 public policy. The learning community ombudsman shall serve for
16 a term of six years, unless removed by a vote of two-thirds of
17 the members of the learning community coordinating council upon
18 their determination that he or she has become incapacitated or
19 has been guilty of neglect of duty or misconduct. If the office
20 of learning community ombudsman becomes vacant for any cause, a
21 temporary learning community ombudsman may serve for up to one year
22 until a learning community ombudsman has been appointed for a full
23 term. The learning community ombudsman shall receive such salary as
24 is set by the learning community coordinating council.

25 The learning community ombudsman may select, appoint, and
26 compensate as he or she sees fit, within the amount provided by
27 the learning community coordinating council, such assistants and

1 employees as the learning community ombudsman deems necessary to
2 discharge the responsibilities of the office under sections 63 to
3 67 of this act. Such assistants and employees shall be subject to
4 the control and supervision of the learning community ombudsman.

5 Sec. 64. The learning community ombudsman shall have the
6 power to:

7 (1) Investigate, on complaint or on his or her own
8 motion, any administrative act of the learning community or a
9 member school district;

10 (2) Prescribe the methods by which complaints are to be
11 made, received, and acted upon; determine the scope and manner
12 of investigations to be made; and, subject to the requirements
13 of section 65 of this act, determine the form, frequency, and
14 distribution of his or her conclusions, recommendations, and
15 proposals;

16 (3) Conduct inspections of the premises, or any parts
17 thereof, of the learning community or any member school district or
18 any property owned, leased, or operated by the learning community
19 or any member school district as frequently as is necessary, in the
20 opinion of the learning community ombudsman, to carry out duties
21 prescribed pursuant to this section;

22 (4) Request and receive from the learning community and
23 any member school district, and the learning community or member
24 school district shall provide, the assistance and information the
25 learning community ombudsman deems necessary for the discharge of
26 his or her responsibilities; inspect and examine the records and
27 documents of the learning community and all member school districts

1 notwithstanding any other provision of law; and enter and inspect
2 premises within the control of the learning community or any member
3 school district;

4 (5) Issue a subpoena, enforceable by action in an
5 appropriate court, to compel any person to appear, give sworn
6 testimony, or produce documentary or other evidence deemed relevant
7 to a matter under his or her inquiry. A person thus required
8 to provide information shall be paid the same fees and travel
9 allowances and shall be accorded the same privileges and immunities
10 as are extended to witnesses in the district courts of this state
11 and shall also be entitled to have counsel present while being
12 questioned;

13 (6) Undertake, participate in, or cooperate with general
14 studies or inquiries, whether or not related to the learning
15 community or any member school district, if the learning community
16 ombudsman believes that they may enhance knowledge about or lead to
17 improvements in the functioning of the learning community or any
18 member school district; and

19 (7) Make investigations, reports, and recommendations
20 necessary to carry out his or her duties under this section.

21 For purposes of sections 63 to 67 of this act,
22 administrative act includes every action, rule, regulation, order,
23 omission, decision, recommendation, practice, or procedure of a
24 learning community or a member school district.

25 Sec. 65. (1) In selecting matters for his or her
26 attention, the learning community ombudsman shall address himself
27 or herself particularly to an administrative act that might be:

1 (a) Contrary to law or regulation;

2 (b) Unreasonable, unfair, oppressive, or inconsistent
3 with the general course of judgments of the learning community or
4 any member school district;

5 (c) Mistaken in law or arbitrary in ascertainment of
6 facts;

7 (d) Improper in motivation or based on irrelevant
8 considerations;

9 (e) Unclear or inadequately explained when reasons should
10 have been revealed; or

11 (f) Inefficiently performed.

12 (2) The learning community ombudsman also may concern
13 himself or herself with strengthening procedures and practices
14 which lessen the risk that objectionable administrative acts will
15 occur.

16 (3) The learning community ombudsman may receive a
17 complaint from any person concerning an administrative act. The
18 learning community ombudsman shall conduct a suitable investigation
19 into the things complained of unless he or she believes that:

20 (a) The complainant has available another remedy which
21 the complainant could reasonably be expected to use, including
22 resolution of a dispute through the Dispute Resolution Act;

23 (b) The grievance pertains to a matter outside the powers
24 of the learning community ombudsman;

25 (c) The complainant's interest is insufficiently related
26 to the subject matter;

27 (d) The complaint is trivial, frivolous, vexatious, or

1 not made in good faith;

2 (e) Other complaints are more worthy of the attention of
3 the learning community ombudsman;

4 (f) The resources of the office of the learning community
5 ombudsman are insufficient for adequate investigation; or

6 (g) The complaint has been delayed too long to justify
7 present examination of its merit.

8 (4) The learning community ombudsman's declining to
9 investigate a complaint shall not bar him or her from proceeding
10 on his or her own motion to inquire into related problems. After
11 completing consideration of a complaint, whether or not it has been
12 investigated, the learning community ombudsman shall inform the
13 complainant and the learning community or member school district
14 involved.

15 (5) If the learning community ombudsman has reason to
16 believe that any public officer or employee has acted in a manner
17 warranting criminal or disciplinary proceedings, he or she shall
18 refer the matter to the appropriate authorities.

19 Sec. 66. (1) Before announcing a conclusion or
20 recommendation that expressly or impliedly criticizes a learning
21 community, a member school district, or any person, the learning
22 community ombudsman shall consult with such learning community,
23 member school district, or person.

24 (2) If, having considered a complaint and whatever
25 material he or she deems pertinent, the learning community
26 ombudsman is of the opinion that a learning community or member
27 school district should (a) consider the matter further, (b)

1 modify or cancel an administrative act, (c) alter a regulation
2 or ruling, (d) explain more fully the administrative act in
3 question, or (e) take any other step, he or she shall state his
4 or her recommendations to the learning community or member school
5 district. If the learning community ombudsman so requests, the
6 learning community or member school district shall, within the time
7 the learning community ombudsman has specified, inform him or her
8 about the action taken on his or her recommendations or the reasons
9 for not complying with them.

10 (3) If the learning community ombudsman believes that an
11 administrative act has been dictated by a statute whose results
12 are unfair or otherwise objectionable, he or she shall bring to
13 the Legislature's notice his or her views concerning desirable
14 statutory change.

15 (4) The learning community ombudsman may publish his
16 or her conclusions and suggestions by transmitting them to the
17 Governor, the Legislature or any of its committees, the press, and
18 others who may be concerned. When publishing an opinion adverse to
19 a learning community or member school district, the learning
20 community ombudsman shall include any statement the learning
21 community or member school district may have made to him or
22 her by way of explaining its past difficulties or its present
23 rejection of the learning community ombudsman's proposals.

24 (5) In addition to whatever reports the learning
25 community ombudsman may make from time to time, he or she shall,
26 on or before February 15 of each year, report to the learning
27 community coordinating council concerning the exercise of his or

1 her functions during the preceding calendar year. In discussing
2 matters with which he or she has dealt, the learning community
3 ombudsman need not identify those immediately concerned if to do
4 so would cause needless hardship. So far as the annual report may
5 criticize the learning community, named member school districts,
6 or named officials, it shall include also their replies to the
7 criticism. Each member school district shall receive a copy of such
8 report.

9 (6) No proceeding, opinion, or expression of the learning
10 community ombudsman shall be reviewable in any court. Neither the
11 learning community ombudsman nor any member of his or her staff
12 shall be required to testify or produce evidence in any judicial
13 or administrative proceeding concerning matters within his or her
14 official cognizance, except in a proceeding brought to enforce this
15 section.

16 Sec. 67. A person who willfully obstructs or hinders the
17 proper exercise of the learning community ombudsman's functions
18 or who willfully misleads or attempts to mislead the learning
19 community ombudsman in his or her inquiries shall be guilty of a
20 Class II misdemeanor.

21 No employee of a learning community or of a member
22 school district who files a complaint pursuant to sections 63 to
23 66 of this act shall be subject to any penalties, sanctions, or
24 restrictions in connection with his or her employment because of
25 such complaint.

26 Sec. 68. (1) Elementary learning centers shall serve as
27 visionary resource centers for enhancing the academic success

1 of elementary students, particularly those students who face
2 challenges in the educational environment due to factors such
3 as poverty, limited English skills, and mobility. Each learning
4 community coordinating council shall provide for a system of
5 elementary learning centers to be administered by an elementary
6 learning center executive director.

7 (2) The elementary learning center executive director
8 shall be appointed by the learning community coordinating council.
9 The executive director shall be a person well equipped to work
10 with populations in poverty and to analyze effective methods for
11 assisting and encouraging such populations to access the programs
12 offered by elementary learning centers. The elementary learning
13 center executive director shall serve for a term of six years,
14 unless removed by a vote of two-thirds of the members of the
15 learning community coordinating council upon their determination
16 that he or she has become incapacitated or has been guilty of
17 neglect of duty or misconduct. If the position of elementary
18 learning center executive director becomes vacant for any cause, a
19 temporary elementary learning center executive director may serve
20 for up to one year until an elementary learning center executive
21 director has been appointed for a full term. The elementary
22 learning center executive director shall receive such salary as is
23 set by the learning community coordinating council.

24 (3) The elementary learning center executive director may
25 select, appoint, and compensate as he or she sees fit, within the
26 amount provided by the learning community coordinating council,
27 such assistants and employees as he or she deems necessary to

1 discharge the responsibilities under sections 68 to 70 of this act.
2 Such assistants and employees shall be subject to the control and
3 supervision of the elementary learning center executive director.

4 Sec. 69. (1) On or before July 1 immediately following
5 the establishment of a new learning community, the learning
6 community coordinating council shall establish at least one
7 elementary learning center region for each twenty-five elementary
8 schools in which at least thirty-five percent of the students
9 attending the school who reside in the attendance area of such
10 school qualify for free or reduced-price lunches. On or before
11 the immediately following August 1, a community advisory committee
12 of at least five members and not more than nine members shall be
13 appointed for each elementary learning center region. Members of
14 the community advisory committee shall reside in the elementary
15 learning center region served by such committee, with the terms of
16 membership and appointment procedures determined by the learning
17 community coordinating council.

18 (2) Each community advisory committee shall submit a
19 plan to the learning community council for the elementary learning
20 center in its region and the services to be provided by such
21 elementary learning center. In developing the plan, the community
22 advisory committee shall seek input from community resources and
23 collaborate with such resources in order to maximize the available
24 opportunities and the participation of elementary students and
25 their families. A community advisory committee may, as part
26 of such plan, recommend services be provided through contracts
27 with, or grants to, entities other than school districts to

1 provide some or all of the services. Such entities may include
2 collaborative groups which may include the participation of a
3 school district. A community advisory committee may also, as part
4 of such plan, recommend that the elementary learning center serve
5 as a clearinghouse for recommending programs provided by school
6 districts or other entities and that the elementary learning center
7 assist students in accessing such programs.

8 (3) Each elementary learning center region shall have at
9 least one elementary learning center facility that is (a) not in a
10 building owned by a school district and (b) located in an area with
11 a high concentration of poverty within the region. Such facility
12 may be owned or leased by the learning community, or the use of the
13 facility may be donated to the learning community. Programs offered
14 by the elementary learning center may be offered in such facility
15 or in other facilities located within the elementary learning
16 center region.

17 Sec. 70. (1) Programs offered by an elementary learning
18 center may be accessed by any student attending a public elementary
19 school in the learning community or any family with a student
20 attending a public elementary school in the learning community.
21 Such programs shall be designed to enhance the academic success of
22 elementary students and may include, but are not limited to:

23 (a) Summer school, extended school day programs, and
24 extended school year programs which may be coordinated with
25 programs offered in the schools;

26 (b) Literacy centers for providing intensive assistance
27 to elementary-age children and their parents to work on reading

1 skills outside of the school day;

2 (c) Computer labs;

3 (d) Tutors for elementary students;

4 (e) Mentors for elementary students;

5 (f) Services for transient students;

6 (g) Attendance advocates to assist in resolving issues

7 that contribute to truancy;

8 (h) Transportation for truant students;

9 (i) English classes for parents and other family members;

10 (j) Health services;

11 (k) Mental health services;

12 (l) Child care for children of parents working on their

13 own literacy skills or working with their children on academic

14 skills at the center;

15 (m) Nutritional services for families working on skills

16 at the center;

17 (n) Transportation for participating families;

18 (o) Distribution of clothing and school supplies;

19 (p) Information on other resources to assist

20 participating families;

21 (q) Access to the services of the learning community

22 ombudsman; and

23 (r) Interpreter services for educational needs.

24 (2) Each elementary learning center shall report the

25 participation of elementary students in academic programs offered

26 by or in collaboration with the center to the elementary school

27 attended by such student.

1 Sec. 71. (1) Learning community elementary funds
2 designated pursuant to section 49 of this act may only be used
3 by the learning community coordinating council receiving the funds
4 for:

5 (a) The administration, operations, and programs of
6 elementary learning centers pursuant to sections 68 to 70 of
7 this act;

8 (b) Supplements for extended hours to teachers in
9 elementary schools in which at least thirty-five percent of the
10 students attending the school who reside in the attendance area of
11 such school qualify for free or reduced-price lunches;

12 (c) Transportation for parents to school functions
13 of students in elementary schools who qualify for free or
14 reduced-price lunches; and

15 (d) Pilot projects related to enhancing the academic
16 achievement of elementary students, particularly students who face
17 challenges in the educational environment due to factors such as
18 poverty, limited English skills, and mobility.

19 (2) Each learning community coordinating council shall
20 adopt policies and procedures for granting supplements for extended
21 hours and for providing transportation for parents if any such
22 funds are to be used for such purposes. An example of a pilot
23 project that could receive such funds would be a school designated
24 as Jump Start Center focused on providing intensive literacy
25 services for elementary students with low reading scores.

26 (3) A learning community coordinating council shall
27 provide for financial audits and evaluations of effectiveness

1 of elementary learning centers and pilot projects receiving funds
2 pursuant to this section. Learning community coordinating councils
3 shall serve as the recipient of private funds donated to support
4 any elementary learning center or pilot project receiving funds
5 pursuant to this section from such learning community coordinating
6 council and shall assure that the use of such private funds is
7 included in the financial audits required pursuant to this section.

8 Sec. 72. Terms and conditions of employment of school
9 employees providing services for an elementary learning center
10 shall be established by the negotiated agreement of the learning
11 community employing such school employees to provide services. For
12 certificated employees as defined in subdivision (1) of section
13 79-824, the learning community shall be deemed to be an employer
14 as defined in subdivision (4) of section 48-801. Compensation paid
15 to school employees for services provided to a learning community
16 shall be subject to the School Employees Retirement Act unless
17 such employee is employed by a Class V school district, in which
18 case compensation paid such school employee shall be subject to the
19 Class V School Employees Retirement Act.

20 Sec. 73. If any section in this act or any part of any
21 section is declared invalid or unconstitutional, the declaration
22 shall not affect the validity or constitutionality of the remaining
23 portions.

24 Sec. 74. Original sections 32-515, 32-606, 32-607,
25 79-1023, 79-1029, 79-1201, 79-1217, 79-1241, and 79-1242,
26 Reissue Revised Statutes of Nebraska, sections 77-3442, 79-4,117,
27 79-4,125, 79-4,126, 79-4,128, 79-769, 79-1001, 79-1007.02,

1 79-1007.03, 79-1007.04, 79-1007.05, 79-1007.06, 79-1007.07,
2 79-1007.08, 79-1007.09, 79-1007.10, 79-1008.01, 79-1008.02,
3 79-1030, 79-1073, 79-1073.01, 79-10,120, 79-10,126.01, 79-11,150,
4 79-1204, 79-1241.01, 79-1241.02, 79-1243, 79-2101, 79-2102,
5 79-2104, 79-2107, and 79-2110, Revised Statutes Cumulative
6 Supplement, 2006, and sections 79-611, 79-1003, 79-1022, 79-1027,
7 79-1028, and 79-1083.03, Revised Statutes Cumulative Supplement,
8 2006, as affected by Referendum 2006, No. 422, are repealed.

9 Sec. 75. The following sections are outright repealed:
10 Sections 79-4,130, 79-2103, 79-2105, 79-2106, 79-2108, and 79-2109,
11 Revised Statutes Cumulative Supplement, 2006.