

AMENDMENTS TO LB 641

(Amendments to AM1386)

Introduced by Gay, 14

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

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

5 77-3442 (1) Property tax levies for the support of local
6 governments for fiscal years beginning on or after July 1, 1998,
7 shall be limited to the amounts set forth in this section except as
8 provided in section 77-3444.

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

15 (b) ~~Except as provided in subdivision (2)(d) of this~~
16 ~~section, for~~ For fiscal year 2008-09 2009-10 and each fiscal year
17 thereafter, ~~(i) school districts that are members of learning~~
18 communities may levy a maximum levy for the general fund budgets of
19 member school districts equal to the greater of the local effort
20 rate prescribed in section 79-1015.01 for such fiscal year or a
21 levy equal to the ratio of the aggregate difference of one hundred
22 ~~ten~~ one percent of the formula needs as calculated pursuant to

1 section 79-1007.02 for the school fiscal year for which the levy
2 is being made minus the amount of state aid certified pursuant
3 to section 79-1022 for each member school district for the school
4 fiscal year for which the levy is being made and minus the other
5 actual receipts included in local system formula resources pursuant
6 to section 79-1018.01 for each member school district for such
7 school fiscal year divided by each one hundred dollars of taxable
8 property subject to the levy, except that in no case shall such
9 levy exceed one dollar and five cents per one hundred dollars of
10 taxable property subject to the levy.

11 (c) Except as provided in subdivision (2)(e) of this
12 section, for fiscal year 2009-10 and each fiscal year thereafter,
13 except that such levy shall not exceed one dollar and two cents on
14 each one hundred dollars of taxable property subject to the levy,
15 and (ii) school districts that are members of learning communities
16 may levy for purposes of such districts' general fund budget and
17 special building funds a maximum combined levy of the difference
18 of one dollar and two five cents on each one hundred dollars of
19 taxable property subject to the levy minus the learning community
20 levy levies pursuant to this subdivision for purposes of such
21 school district's general fund budget and special building funds.
22 subdivisions (2)(b) and (2)(g) of this section.

23 (e) (d) Excluded from the limitations in subdivisions
24 (a) and (b) (c) of this subsection are amounts levied to pay
25 for sums agreed to be paid by a school district to certificated
26 employees in exchange for a voluntary termination of employment
27 and amounts levied to pay for special building funds and sinking

1 funds established for projects commenced prior to April 1, 1996,
2 for construction, expansion, or alteration of school district
3 buildings. For purposes of this subsection, commenced means any
4 action taken by the school board on the record which commits
5 the board to expend district funds in planning, constructing, or
6 carrying out the project.

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

16 ~~(e)~~ (f) For school fiscal year 2002-03 through school
17 fiscal year 2007-08, school districts and multiple-district school
18 systems may, upon a three-fourths majority vote of the school board
19 of the school district, the board of the unified system, or the
20 school board of the high school district of the multiple-district
21 school system that is not a unified system, exceed the maximum
22 levy prescribed by subdivision (2)(a) of this section in an amount
23 equal to the net difference between the amount of state aid that
24 would have been provided under the Tax Equity and Educational
25 Opportunities Support Act without the temporary aid adjustment
26 factor as defined in section 79-1003 for the ensuing school fiscal
27 year for the school district or multiple-district school system

1 and the amount provided with the temporary aid adjustment factor.
2 The State Department of Education shall certify to the school
3 districts and multiple-district school systems the amount by which
4 the maximum levy may be exceeded for the next school fiscal year
5 pursuant to this subdivision ~~(e)~~ (f) of this subsection on or
6 before February 15 for school fiscal years 2004-05 through 2007-08.

7 ~~(f)~~ (g) For fiscal year 2008-09 and each fiscal
8 year thereafter, school districts that are members of learning
9 communities may levy a maximum levy of two cents on each one
10 hundred dollars of taxable property subject to the levy for special
11 building funds, except that the combined levies pursuant to this
12 subdivision and subdivision (2)(b) of this subsection shall not
13 exceed one dollar and five cents per one hundred dollars of taxable
14 property subject to the levy. for member school districts.

15 ~~(g)~~ (h) For fiscal year 2008-09 and each fiscal
16 year thereafter, school districts that are members of learning
17 communities may levy a maximum levy of ~~one cent~~ five cents on each
18 one hundred dollars of taxable property subject to the levy for ~~the~~
19 learning community budget elementary learning center facilities and
20 for up to fifty percent of the estimated cost for capital projects
21 approved by the learning community ~~coordinating council.~~ executive
22 board pursuant to section 42 of this act.

23 (3) Community colleges may levy a maximum levy on each
24 one hundred dollars of taxable property subject to the levy of
25 seven cents, plus amounts allowed under subsection (7) of section
26 85-1536.01, except that any community college whose valuation per
27 reported aid equivalent student as defined in section 85-1503 was

1 less than eighty-two percent of the average valuation per statewide
2 reimbursable reported aid equivalent total as defined in section
3 85-1503 for all community colleges for fiscal year 1997-98 may levy
4 up to an additional one-half cent for each of fiscal years 2005-06
5 and 2006-07 upon a three-fourths majority vote of the board.

6 (4) Natural resources districts may levy a maximum levy
7 of four and one-half cents per one hundred dollars of taxable
8 valuation of property subject to the levy. Natural resources
9 districts shall also have the power and authority to levy a
10 tax equal to the dollar amount by which their restricted funds
11 budgeted to administer and implement ground water management
12 activities and integrated management activities under the Nebraska
13 Ground Water Management and Protection Act exceed their restricted
14 funds budgeted to administer and implement ground water management
15 activities and integrated management activities for FY2003-04,
16 not to exceed one cent on each one hundred dollars of taxable
17 valuation annually on all of the taxable property within the
18 district. In addition, natural resources districts located in a
19 river basin, subbasin, or reach that has been determined to be
20 fully appropriated pursuant to section 46-714 or designated as
21 overappropriated pursuant to section 46-713 by the Department of
22 Natural Resources shall also have the power and authority to
23 levy a tax equal to the dollar amount by which their restricted
24 funds budgeted to administer and implement ground water management
25 activities and integrated management activities under the Nebraska
26 Ground Water Management and Protection Act exceed their restricted
27 funds budgeted to administer and implement ground water management

1 activities and integrated management activities for FY2005-06, not
2 to exceed three cents on each one hundred dollars of taxable
3 valuation on all of the taxable property within the district for
4 fiscal year 2006-07 and not to exceed two cents on each one
5 hundred dollars of taxable valuation annually on all of the taxable
6 property within the district for fiscal years 2007-08 and 2008-09.

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

10 (6) (a) Incorporated cities and villages which are not
11 within the boundaries of a municipal county may levy a maximum levy
12 of forty-five cents per one hundred dollars of taxable valuation
13 of property subject to the levy plus an additional five cents per
14 one hundred dollars of taxable valuation to provide financing for
15 the municipality's share of revenue required under an agreement
16 or agreements executed pursuant to the Interlocal Cooperation Act
17 or the Joint Public Agency Act. The maximum levy shall include
18 amounts levied to pay for sums to support a library pursuant
19 to section 51-201, museum pursuant to section 51-501, visiting
20 community nurse, home health nurse, or home health agency pursuant
21 to section 71-1637, or statue, memorial, or monument pursuant to
22 section 80-202.

23 (b) Incorporated cities and villages which are within the
24 boundaries of a municipal county may levy a maximum levy of ninety
25 cents per one hundred dollars of taxable valuation of property
26 subject to the levy. The maximum levy shall include amounts paid
27 to a municipal county for county services, amounts levied to pay

1 for sums to support a library pursuant to section 51-201, a museum
2 pursuant to section 51-501, a visiting community nurse, home health
3 nurse, or home health agency pursuant to section 71-1637, or a
4 statue, memorial, or monument pursuant to section 80-202.

5 (7) Sanitary and improvement districts which have been in
6 existence for more than five years may levy a maximum levy of forty
7 cents per one hundred dollars of taxable valuation of property
8 subject to the levy, and sanitary and improvement districts which
9 have been in existence for five years or less shall not have
10 a maximum levy. Unconsolidated sanitary and improvement districts
11 which have been in existence for more than five years and are
12 located in a municipal county may levy a maximum of eighty-five
13 cents per hundred dollars of taxable valuation of property subject
14 to the levy.

15 (8) Counties may levy or authorize a maximum levy of
16 fifty cents per one hundred dollars of taxable valuation of
17 property subject to the levy, except that five cents per one
18 hundred dollars of taxable valuation of property subject to the
19 levy may only be levied to provide financing for the county's
20 share of revenue required under an agreement or agreements executed
21 pursuant to the Interlocal Cooperation Act or the Joint Public
22 Agency Act. The maximum levy shall include amounts levied to pay
23 for sums to support a library pursuant to section 51-201 or museum
24 pursuant to section 51-501. The county may allocate up to fifteen
25 cents of its authority to other political subdivisions subject
26 to allocation of property tax authority under subsection (1) of
27 section 77-3443 and not specifically covered in this section to

1 levy taxes as authorized by law which do not collectively exceed
2 fifteen cents per one hundred dollars of taxable valuation on any
3 parcel or item of taxable property. The county may allocate to
4 one or more other political subdivisions subject to allocation
5 of property tax authority by the county under subsection (1) of
6 section 77-3443 some or all of the county's five cents per one
7 hundred dollars of valuation authorized for support of an agreement
8 or agreements to be levied by the political subdivision for the
9 purpose of supporting that political subdivision's share of revenue
10 required under an agreement or agreements executed pursuant to the
11 Interlocal Cooperation Act or the Joint Public Agency Act. If an
12 allocation by a county would cause another county to exceed its
13 levy authority under this section, the second county may exceed the
14 levy authority in order to levy the amount allocated.

15 (9) Municipal counties may levy or authorize a maximum
16 levy of one dollar per one hundred dollars of taxable valuation
17 of property subject to the levy. The municipal county may allocate
18 levy authority to any political subdivision or entity subject to
19 allocation under section 77-3443.

20 (10) Property tax levies for judgments, except judgments
21 or orders from the Commission of Industrial Relations, obtained
22 against a political subdivision which require or obligate a
23 political subdivision to pay such judgment, to the extent such
24 judgment is not paid by liability insurance coverage of a
25 political subdivision, for preexisting lease-purchase contracts
26 approved prior to July 1, 1998, for bonded indebtedness approved
27 according to law and secured by a levy on property, and for

1 payments by a public airport to retire interest-free loans from the
2 Department of Aeronautics in lieu of bonded indebtedness at a lower
3 cost to the public airport are not included in the levy limits
4 established by this section.

5 (11) The limitations on tax levies provided in this
6 section are to include all other general or special levies
7 provided by law. Notwithstanding other provisions of law, the
8 only exceptions to the limits in this section are those provided by
9 or authorized by sections 77-3442 to 77-3444.

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

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

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

18 79-4,117 Sections 79-4,117 to ~~79-4,130~~ 79-4,129 shall be
19 known and may be cited as the Learning Community Reorganization
20 Act.

21 Sec. 3. Section 79-4,125, Revised Statutes Cumulative
22 Supplement, 2006, is amended to read:

23 79-4,125 ~~Except as provided in section 79-4,130, if~~ If
24 the state committee disapproves the plan pursuant to the Learning
25 Community Reorganization Act, it shall be considered a disapproved
26 plan and returned to the learning community ~~coordinating council~~
27 executive board as a disapproved plan.

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

3 79-4,126 When a plan of reorganization or any part
4 thereof has been approved by the state committee pursuant to the
5 Learning Community Reorganization Act, it shall be designated as
6 the final approved plan and shall be returned to the learning
7 community coordinating council to be submitted to the school
8 boards of the affected school districts for approval or rejection
9 by such school boards within forty-five days. ~~7~~ except that
10 reorganizations required pursuant to section 79-4,130 shall not
11 require the approval of any school board and approval shall not be
12 required by any school board for dissolutions required pursuant to
13 section 79-2108.

14 Sec. 5. Section 79-4,128, Revised Statutes Cumulative
15 Supplement, 2006, is amended to read:

16 79-4,128 If the plan of reorganization is approved
17 by the state committee and the school board of each affected
18 school district, ~~if required,~~ pursuant to the Learning Community
19 Reorganization Act, the county clerk shall proceed to cause the
20 changes, realignment, and adjustment of districts to be carried out
21 as provided in the plan. The county clerk shall classify the school
22 districts according to the plan of reorganization. He or she shall
23 also file certificates with the county assessor, county treasurer,
24 and state committee showing the boundaries of the various districts
25 under the approved plan of reorganization.

26 Sec. 6. Section 79-611, Revised Statutes Cumulative
27 Supplement, 2006, as affected by Referendum 2006, No. 422, is

1 amended to read:

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

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

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

12 (c) When a student attends a secondary school in his or
13 her own Class II or Class III school district and lives more than
14 four miles from the public schoolhouse. This subdivision does not
15 apply when one or more Class I school districts merge with a Class
16 VI school district to form a new Class II or III school district on
17 or after January 1, 1997; and

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

22 (2) The school board of any school district that is a
23 member of a learning community ~~subject to the enrollment provisions~~
24 ~~of section 79-2110~~ shall provide free transportation for a student
25 if ~~(a) the student is a resident of any school district that is a~~
26 ~~member of such learning community,~~ ~~(b) the any student is attending~~
27 a school in ~~the such school district under the control of such~~

1 ~~school board,~~ and ~~(c)~~ the student does not reside in the attendance
2 ~~area for such school.~~ pursuant to the acceptance of an application
3 to attend such school pursuant to section 79-2110 without regard
4 to the resident school district of such student. Transportation
5 shall be provided from the school building providing education in
6 at least kindergarten through grade three in the attendance area
7 in which the student resides to the school building the student
8 attends. a location not more than one-half mile from the residence
9 of the student to the school building the student attends. Such
10 transportation shall be provided free to any student qualifying
11 for free or reduced-price lunches, any student attending a school
12 building in which at least thirty-five percent of the students
13 attending the school building who reside in the attendance area
14 of such school building qualify for free or reduced-price lunches,
15 and any student attending a focus school or program who lives
16 more than one-half mile from the school building. For students
17 attending pursuant to acceptance of such an application who do not
18 qualify for free transportation, transportation shall be provided
19 for a uniform fee set by the learning community coordinating
20 council. This subsection does not prohibit a school district that
21 is a member of a learning community from providing additional
22 transportation to any student.

23 (3) The transportation allowance which may be paid to
24 the parent, custodial parent, or guardian of students qualifying
25 for free transportation pursuant to subsection (1) or (2) of this
26 section shall equal two hundred eighty-five percent of the mileage
27 rate provided in section 81-1176, multiplied by each mile actually

1 and necessarily traveled, on each day of attendance, beyond which
2 the one-way distance from the residence of the student to the
3 schoolhouse exceeds three miles.

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

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

15 (b) To the parent, custodial parent, or guardian not
16 providing transportation for students of other families, two
17 hundred eighty-five percent of the mileage rate provided in section
18 81-1176 multiplied by each mile actually and necessarily traveled,
19 on each day of attendance, from the residence of the student to
20 the pick-up point at which students transfer to the vehicle of a
21 parent, custodial parent, or guardian described in subdivision (a)
22 of this subsection.

23 (5) The board may authorize school-provided
24 transportation to any student who does not qualify under the
25 mileage requirements of subsection (1) of this section and may
26 charge a fee to the parent or guardian of the student for such
27 service. An affiliated high school district may provide free

1 transportation or pay the allowance described in this section for
2 high school students residing in an affiliated Class I district. No
3 transportation payments shall be made to a family for mileage not
4 actually traveled by such family. The number of days the student
5 has attended school shall be reported monthly by the teacher to the
6 board of such public school district.

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

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

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

22 79-769 (1) Any one or more member school district
23 districts of a learning community may establish a focus school
24 or program anywhere in the learning community with approval from
25 the learning community ~~coordinating council.~~ executive board. A
26 focus school or program shall be:

27 ~~(1)~~ (a) Centered around meeting specific learning goals

1 that are an addition to the standard curriculum;

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

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

6 (2) A learning community executive board may also
7 designate magnet pathways which shall consist of focus schools or
8 programs at different grade levels centered around similar learning
9 goals where participating students who complete the grades offered
10 at a focus school or program that is part of a magnet pathway are
11 allowed to attend the focus school or program offering the next
12 grade level as part of such magnet pathway as a continuing student
13 pursuant to subsection (5) of section 79-2110. Preference shall
14 be given for designating magnet pathways with focus schools or
15 programs in different school districts.

16 Sec. 8. Section 79-1001, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 79-1001 Sections 79-1001 to 79-1033 and sections 10, 20,
19 21, 22, and 23 of this act shall be known and may be cited as the
20 Tax Equity and Educational Opportunities Support Act.

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

24 79-1003 For purposes of the Tax Equity and Educational
25 Opportunities Support Act:

26 (1) Adjusted general fund operating expenditures means
27 (a) for school fiscal years before school fiscal year 2007-08,

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

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

1 from taxation;

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

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

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

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

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

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

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

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

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

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

17 (13) Distance education and telecommunications allowance
18 means, for state aid calculated for school fiscal year 2007-08
19 and each school fiscal year thereafter, eighty-five percent of
20 the difference of the costs for (a) telecommunications services,
21 (b) access to data transmission networks that transmit data to
22 and from the school district, and (c) the transmission of data
23 on such networks paid by the school districts in the local
24 system as reported on the annual financial report for the most
25 recently available complete data year minus the receipts from the
26 federal Universal Service Fund pursuant to section 254 of the
27 Telecommunications Act of 1996, 47 U.S.C. 254, as such section

1 existed on January 1, 2006, for the school districts in the local
2 system as reported on the annual financial report for the most
3 recently available complete data year;

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

6 (15) Ensuing school fiscal year means the school fiscal
7 year following the current school fiscal year;

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

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

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

17 (19) Formula students means (a) for state aid certified
18 pursuant to section 79-1022, the sum of fall membership from the
19 school fiscal year immediately preceding the school fiscal year in
20 which the aid is to be paid, multiplied by the average ratio of
21 average daily membership to fall membership for the second school
22 fiscal year immediately preceding the school fiscal year in which
23 aid is to be paid and the prior two school fiscal years, plus
24 qualified early childhood education fall membership plus tuitioned
25 students from the school fiscal year immediately preceding the
26 school fiscal year in which the aid is to be paid and (b) for final
27 calculation of state aid pursuant to section 79-1065, the sum of

1 average daily membership plus qualified early childhood education
2 average daily membership plus tuitioned students from the school
3 fiscal year immediately preceding the school fiscal year in which
4 the aid was paid;

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

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

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

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

25 (24) General fund operating expenditures means the total
26 general fund expenditures minus categorical funds, tuition paid,
27 transportation fees paid to other districts, adult education,

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

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

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

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

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

19 (29) Local system means a Class VI district and the
20 associated Class I districts or a Class II, III, IV, or V district
21 and any affiliated Class I districts or portions of Class I
22 districts and for school fiscal year 2008-09 and each school fiscal
23 year thereafter, a learning community or a Class II, III, IV,
24 or V district that is not a member of a learning community.
25 The membership, expenditures, and resources of Class I districts
26 that are affiliated with multiple high school districts will be
27 attributed to local systems based on the percent of the Class I

1 valuation that is affiliated with each high school district;

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

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

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

27 (33) Poverty students means the number of low-income

1 students or the number of formula students who are free lunch and
2 free milk students in a local system, whichever is greater;

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

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

1 79-1103 for such school year and the two preceding school years,
2 including any such students in portions of any of such programs
3 receiving an expansion grant, multiplied by the ratio of the
4 planned instructional hours of the program divided by one thousand
5 thirty-two;

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

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

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

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

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

25 (41) Special receipts allowance means the amount of
26 special education, state ward, and accelerated or differentiated
27 curriculum program receipts included in local system formula

1 resources under subdivisions (7), (8), (16), and (17) of section
2 79-1018.01 attributable to the school district;

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

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

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

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

23 (46) Transportation allowance means the lesser of (a)
24 each local system's general fund expenditures for regular route
25 transportation and in lieu of transportation expenditures pursuant
26 to section 79-611 in the second school fiscal year immediately
27 preceding the school fiscal year in which aid is to be paid,

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

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

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

20 Sec. 10. For purposes of this section and section
21 79-1007.03, summer school student unit means one student enrolled
22 in summer school in a school district, whether or not the student
23 is in the membership of the school district, for (1) at least three
24 hours but fewer than six hours per day and (2) at least twelve
25 days but fewer than twenty-four days. Each school district shall
26 receive a summer school student unit for each qualified time period
27 for which a student is enrolled, up to six units per student per

1 summer.

2 Each school district shall receive an additional summer
3 school student unit for each summer school student unit attributed
4 to remedial math or reading programs. Each school district shall
5 also receive an additional summer school student unit for each
6 summer school student unit attributed to a free lunch and free
7 milk student. This section does not prevent school districts from
8 requiring and collecting fees for summer school, except that summer
9 school student units shall not be calculated for summer school
10 programs for which fees are collected from students who qualify
11 for free or reduced-price lunches under United States Department of
12 Agriculture child nutrition programs.

13 Sec. 11. Section 79-1007.02, Revised Statutes Cumulative
14 Supplement, 2006, is amended to read:

15 79-1007.02 For state aid calculated for school fiscal
16 year 1998-99 and each school fiscal year thereafter:

17 (1) Using data from the annual financial reports for the
18 second school fiscal year immediately preceding the school fiscal
19 year in which aid is to be paid, the annual statistical summary
20 reports for the school fiscal year immediately preceding the school
21 fiscal year in which aid is to be paid, the fall membership reports
22 and supplements thereto for the school fiscal year immediately
23 preceding the school fiscal year in which aid is to be paid,
24 and the school district census as reported under sections 79-524
25 and 79-578 for the second school fiscal year preceding the school
26 fiscal year in which aid is to be paid, the department shall
27 divide the local systems into three cost groupings prior to the

1 certification of state aid based upon the following criteria:

2 (a) The very sparse cost grouping will consist of local
3 systems that have (i) (A) less than one-half student per square
4 mile in each county in which each high school attendance center
5 is located, based on the school district census, (B) less than
6 one formula student per square mile in the local system, and (C)
7 more than fifteen miles between the high school attendance center
8 and the next closest high school attendance center on paved roads
9 or (ii) (A) more than four hundred fifty square miles in the local
10 system, (B) less than one-half student per square mile in the local
11 system, and (C) more than fifteen miles between each high school
12 attendance center and the next closest high school attendance
13 center on paved roads;

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

17 (i) (A) Less than two students per square mile in the
18 county in which each high school is located, based on the school
19 district census, (B) less than one formula student per square mile
20 in the local system, and (C) more than ten miles between each
21 high school attendance center and the next closest high school
22 attendance center on paved roads;

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

27 (iii) (A) Less than one and one-half formula students per

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

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

8 (c) The standard cost grouping will consist of local
9 systems that do not qualify for the very sparse or the sparse cost
10 groupings.

11 For purposes of subdivision (1) of this section, if a
12 local system did not operate and offer instruction in grades nine
13 through twelve within the boundaries of the local system during the
14 school fiscal year immediately preceding the school fiscal year in
15 which aid is to be paid, the local system shall not be considered
16 to have a high school attendance center;

17 (2) (a) The department shall calculate the average formula
18 cost per student in each cost grouping by dividing the total
19 estimated general fund operating expenditures for the cost grouping
20 by the difference between the total adjusted formula students for
21 all local systems in the cost grouping minus (i) the adjusted
22 formula students attributed to early childhood education programs
23 approved by the department pursuant to section 79-1103 for the
24 first two school fiscal years for which students attributed to
25 early childhood education programs approved by the department
26 pursuant to section 79-1103 are being included in the calculation
27 of state aid for the local system and (ii) for the first two

1 school fiscal years immediately following the school fiscal year in
2 which a district in the local system received an expansion grant
3 pursuant to section 79-1103, the difference between the adjusted
4 formula students attributed to early childhood education programs
5 approved by the department pursuant to section 79-1103 for the
6 school fiscal year immediately following the school fiscal year in
7 which a district in the local system received an expansion grant
8 minus the adjusted formula students attributed to early childhood
9 education programs approved by the department pursuant to section
10 79-1103 for the school fiscal year in which a district in the
11 local system received an expansion grant. For the calculation of
12 state aid for school fiscal year 1999-00 and for each school fiscal
13 year thereafter, the average formula cost per student in each cost
14 grouping shall not be recalculated for the final calculation of
15 state aid pursuant to section 79-1065. The calculation of total
16 adjusted formula students for purposes of this subdivision shall
17 take into account the requirements of subdivision (2) of section
18 79-1007.01. For school fiscal years prior to school fiscal year
19 2008-09, the total estimated general fund operating expenditures
20 for the cost grouping is equal to the total adjusted general fund
21 operating expenditures for all local systems in the cost grouping
22 multiplied by a cost growth factor. For school fiscal year 2008-09
23 and each school fiscal year thereafter, the total estimated general
24 fund operating expenditures for the cost grouping is equal to the
25 total adjusted general fund operating expenditures for all local
26 systems in the cost grouping.

27 (b) ~~The~~ For school fiscal years prior to school fiscal

1 year 2008-09, the cost growth factor for each cost grouping
2 is equal to the sum of: (i) One; plus (ii) the product of
3 two times the ratio of the difference between the formula
4 students attributable to the cost grouping without weighting or
5 adjustment pursuant to section 79-1007.01 and the sum of the
6 average daily membership plus tuitioned students attributable to
7 the cost grouping for the most recently available complete data
8 year divided by the sum of the average daily membership plus
9 tuitioned students attributable to the cost grouping for the most
10 recently available complete data year, except that the ratio shall
11 not be less than zero; plus (iii) the basic allowable growth
12 rate pursuant to section 79-1025 for the school fiscal year in
13 which the aid is to be distributed; plus (iv) the basic allowable
14 growth rate pursuant to section 79-1025 for the school fiscal year
15 immediately preceding the school fiscal year in which the aid is
16 to be distributed; plus (v) one-half of any additional growth rate
17 allowed by special action of school boards for the school fiscal
18 year in which the aid is to be distributed as determined for the
19 school fiscal year immediately preceding the school fiscal year
20 when aid is to be distributed; plus (vi) one-half of any additional
21 growth rate allowed by special action of the school boards for
22 the school fiscal year immediately preceding the school fiscal year
23 when the aid is to be distributed;

24 (3) For school fiscal years 2002-03 through 2006-07, each
25 local system's formula need shall be calculated by subtracting
26 the temporary aid adjustment factor from the sum of the local
27 system's transportation allowance, the local system's special

1 receipts allowance, and the product of the local system's adjusted
2 formula students multiplied by the average formula cost per student
3 in the local system's cost grouping. The calculation of total
4 adjusted formula students for purposes of this subdivision shall
5 take into account the requirements of subdivision (2) of section
6 79-1007.01;

7 (4) For school fiscal year 2007-08, each local system's
8 formula need shall be calculated by subtracting the temporary aid
9 adjustment factor from the sum of the local system's transportation
10 allowance, special receipts allowance, and distance education and
11 telecommunications allowance and the product of the local system's
12 adjusted formula students multiplied by the average formula cost
13 per student in the local system's cost grouping. The calculation
14 of total adjusted formula students for purposes of this subdivision
15 shall take into account the requirements of subdivision (2) of
16 section 79-1007.01; and

17 (5) For school fiscal year 2008-09 and each school
18 fiscal year thereafter, each school district's formula need
19 shall equal the greater of (a) the difference of the sum of
20 the school district's transportation allowance, elementary class
21 size allowance, learning community allowance, focus school and
22 program allowance, limited English proficiency allowance, poverty
23 allowance, special receipts allowance, ~~and~~ distance education and
24 telecommunications allowance, and student growth adjustment plus
25 the product of the school district's adjusted formula students
26 multiplied by the average formula cost per student in the school
27 district's local system cost grouping minus the sum of the

1 limited English proficiency allowance correction, poverty allowance
2 correction, and student growth correction or (b) if the school
3 district's general fund levy was at or above ~~ninety-nine cents per~~
4 ~~one hundred dollars of valuation for the previous year,~~ ninety-five
5 percent of the school district's maximum levy pursuant to section
6 77-3442, the school district's prior year formula need multiplied
7 by one hundred percent. The calculation of total adjusted formula
8 students for purposes of this subdivision shall take into account
9 the requirements of subdivision (2) of section 79-1007.03.

10 Sec. 12. Section 79-1007.03, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 79-1007.03 For state aid calculated for school fiscal
13 year 2008-09 and each school fiscal year thereafter:

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

16 (a) Multiplying the formula students in each grade range
17 by the corresponding weighting factors to calculate the weighted
18 formula students for each grade range as follows:

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

21 (ii) The weighting factor for kindergarten is
22 five-tenths;

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

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

27 (v) The weighting factor for grades nine through twelve

1 is one and four-tenths;

2 (b) Adding the weighted formula students for each grade
3 range to calculate the weighted formula students for the local
4 system; and

5 (c) Adjusting the weighted formula students by adding the
6 following demographic factors:

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

12 (ii) The extreme remoteness factor shall equal 0.125
13 times the formula students in the school district for each school
14 district that has fewer than two hundred formula students, more
15 than six hundred square miles in the school district, less than
16 three-tenths formula student per square mile in the local system,
17 and more than twenty-five miles between the high school attendance
18 center and the next closest high school attendance center on paved
19 roads; and

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

23 (2) The total adjusted formula students for each
24 school district shall equal the weighted formula students plus
25 the demographic factors, except that (a) for school districts
26 qualifying for the extreme remoteness factor, the total adjusted
27 formula students shall be greater than or equal to one hundred

1 fifty adjusted formula students, (b) the total adjusted formula
2 students for a school district shall not include the summer
3 school factor, the extreme remoteness factor, or any adjustment
4 to the adjusted formula students resulting from qualification for
5 the extreme remoteness factor for the calculation of the average
6 formula cost per student in each cost grouping pursuant to section
7 79-1007.02, and (c) the total adjusted formula students for a
8 school district shall include the summer school factor, the extreme
9 remoteness factor, and any adjustment to the adjusted formula
10 students resulting from qualification for the extreme remoteness
11 factor for the calculation of the school district's formula need
12 pursuant to section 79-1007.02.

13 Sec. 13. Section 79-1007.04, Revised Statutes Cumulative
14 Supplement, 2006, is amended to read:

15 79-1007.04 For school fiscal year 2008-09 and each
16 school fiscal year thereafter, the department shall determine
17 the elementary class size allowance for each school district. The
18 allowance shall equal the statewide average general fund operating
19 expenditures per formula student multiplied by 0.20 then multiplied
20 by the number of students in the school district in kindergarten
21 through grade ~~five~~ eight who qualify for free or reduced-price
22 lunches and who spend at least fifty percent of the school day
23 in a classroom with a minimum of ten students and a maximum of
24 twenty students as reported on the fall membership report from the
25 school fiscal year immediately preceding the school fiscal year in
26 which the aid is to be paid for state aid certified pursuant to
27 section 79-1022 and as reported on the annual financial report from

1 the school fiscal year immediately preceding the school fiscal year
2 in which the aid was paid for the final calculation of state aid
3 pursuant to section 79-1065.

4 Sec. 14. Section 79-1007.05, Revised Statutes Cumulative
5 Supplement, 2006, is amended to read:

6 79-1007.05 For school fiscal year 2008-09 and each school
7 fiscal year thereafter, the department shall determine the learning
8 community allowance and the focus school and program allowance
9 for each school district in a learning community. The learning
10 community allowance shall equal the statewide average general fund
11 operating expenditures per formula student multiplied by 0.01 then
12 multiplied by the school district's formula students. The focus
13 school and program allowance shall equal the statewide average
14 general fund operating expenditures per formula student multiplied
15 by 0.10 then multiplied by the number of students participating
16 in a focus school or program as reported on the fall membership
17 report from the school fiscal year immediately preceding the school
18 fiscal year in which the aid is to be paid for state aid certified
19 pursuant to section 79-1022 and as reported on the annual financial
20 report from the school fiscal year immediately preceding the school
21 fiscal year in which the aid was paid for the final calculation of
22 state aid pursuant to section 79-1065.

23 Sec. 15. Section 79-1007.06, Revised Statutes Cumulative
24 Supplement, 2006, is amended to read:

25 79-1007.06 (1) For school fiscal year 2008-09 and each
26 school fiscal year thereafter, the department shall determine
27 the poverty allowance for each school district that meets the

1 requirements of this section and has not been disqualified pursuant
2 to section 79-1007.07. ~~The~~ Each school district ~~may~~ shall designate
3 a maximum poverty allowance on a form prescribed by the department
4 and submit a poverty plan pursuant to section 21 of this act on or
5 before November 1 of the school fiscal year immediately preceding
6 the school fiscal year for which aid is being calculated, ~~on a form~~
7 ~~prescribed by the department.~~ The school district may decline to
8 participate in the poverty allowance by providing the department
9 with a maximum poverty allowance of zero dollars on such form on or
10 before November 1 of the school fiscal year immediately preceding
11 the school fiscal year for which aid is being calculated, ~~on such~~
12 ~~form.~~

13 (2) The poverty allowance for each school district that
14 has not been disqualified pursuant to section 79-1007.07 shall
15 equal the lesser of:

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

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

21 (i) The statewide average general fund operating
22 expenditures per formula student multiplied by 0.05 then multiplied
23 by the poverty students comprising more than five percent and
24 not more than ten percent of the formula students in the school
25 district; plus

26 (ii) The statewide average general fund operating
27 expenditures per formula student multiplied by 0.10 then multiplied

1 by the poverty students comprising more than ten percent and not
2 more than fifteen percent of the formula students in the school
3 district; plus

4 (iii) The statewide average general fund operating
5 expenditures per formula student multiplied by 0.15 then multiplied
6 by the poverty students comprising more than fifteen percent and
7 not more than twenty percent of the formula students in the school
8 district; plus

9 (iv) The statewide average general fund operating
10 expenditures per formula student multiplied by 0.20 then multiplied
11 by the poverty students comprising more than twenty percent and not
12 more than twenty-five percent of the formula students in the school
13 district; plus

14 (v) The statewide average general fund operating
15 expenditures per formula student multiplied by 0.25 then multiplied
16 by the poverty students comprising more than twenty-five percent
17 and not more than thirty percent of the formula students in the
18 school district; plus

19 (vi) The statewide average general fund operating
20 expenditures per formula student multiplied by 0.30 then multiplied
21 by the poverty students comprising more than thirty percent of the
22 formula students in the school district.

23 Sec. 16. Section 79-1007.07, Revised Statutes Cumulative
24 Supplement, 2006, is amended to read:

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

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

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

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

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

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

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

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

1 plan submitted pursuant to section 21 of this act for such school
2 fiscal year; and -

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

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

8 (3) For school fiscal year 2009-10 and each school
9 fiscal year thereafter, the department shall determine the poverty
10 allowance expenditures using the reported expenditures on the
11 annual financial report for the most recently available complete
12 data year that would include in the poverty allowance expenditures
13 only those expenditures that were used to specifically address
14 issues related to the education of students living in poverty,
15 that do not replace expenditures that would have occurred if the
16 students involved in the program did not live in poverty, and that
17 are not paid for with federal funds. The department shall establish
18 a procedure to allow school districts to receive preapproval
19 for categories of expenditures that could be included in poverty
20 allowance expenditures.

21 (4) For school fiscal year 2009-10 and each school fiscal
22 year thereafter, if the poverty allowance expenditures do not
23 equal 117.65 percent or more of the poverty allowance for the
24 most recently available complete data year, the department shall
25 calculate a poverty allowance correction. The poverty allowance
26 correction shall equal the poverty allowance minus eighty-five
27 percent of the poverty allowance expenditures. If the poverty

1 allowance expenditures do not equal fifty percent or more of the
2 allowance for such school fiscal year, the school district shall
3 also be disqualified from receiving a poverty allowance for the
4 school fiscal year for which aid is being calculated.

5 (5) For school fiscal year 2010-11 and each school fiscal
6 year thereafter, if the department determines that the school
7 district did not meet the required elements of the poverty plan
8 for the most recently available complete data year, the department
9 shall calculate a poverty allowance correction equal to fifty
10 percent of the poverty allowance for such school fiscal year and
11 the school district shall also be disqualified from receiving a
12 poverty allowance for the school fiscal year for which aid is being
13 calculated. Any poverty allowance correction calculated pursuant to
14 this subsection shall be added to any poverty allowance correction
15 calculated pursuant to subsection (4) of this section to arrive at
16 the total poverty allowance correction.

17 ~~(5)~~ (6) The department may request additional information
18 from any school district to assist with calculations and
19 determinations pursuant to this section. If the school district
20 does not provide information upon the request of the department
21 pursuant to this section, the school district shall be disqualified
22 from receiving a poverty allowance for the school fiscal year for
23 which aid is being calculated.

24 ~~(6)~~ (7) The department shall annually provide the
25 Legislature with a report containing a general description of the
26 expenditures and funding sources for programs related to poverty
27 statewide and specific descriptions of the expenditures and funding

1 sources for programs related to poverty for each school district.

2 ~~(7)~~ (8) The state board shall establish a procedure for
3 appeal of decisions of the department to the state board for a
4 final determination.

5 Sec. 17. Section 79-1007.08, Revised Statutes Cumulative
6 Supplement, 2006, is amended to read:

7 79-1007.08 (1) For school fiscal year 2008-09 and each
8 school fiscal year thereafter, the department shall determine the
9 limited English proficiency allowance for each school district
10 that meets the requirements of this section and has not been
11 disqualified pursuant to section 79-1007.09. The Each school
12 district ~~may~~ shall designate a maximum limited English proficiency
13 allowance on a form prescribed by the department and submit a
14 limited English proficiency plan pursuant to section 22 of this
15 act on or before November 1 of the school fiscal year immediately
16 preceding the school fiscal year for which aid is being calculated.
17 ~~on a form prescribed by the department.~~ The school district
18 may decline to participate in the limited English proficiency
19 allowance by providing the department with a maximum limited
20 English proficiency allowance of zero dollars on such form on or
21 before November 1 of the school fiscal year immediately preceding
22 the school fiscal year for which aid is being calculated. ~~on such~~
23 ~~form.~~

24 (2) The limited English proficiency allowance for each
25 school district that has not been disqualified pursuant to section
26 79-1007.09 shall equal the lesser of:

27 (a) The amount designated pursuant to subsection (1)

1 of this section by the school district, if such school district
2 designated a maximum amount, for the school fiscal year for which
3 aid is being calculated; or

4 (b) The statewide average general fund operating
5 expenditures per formula student multiplied by 0.25 then multiplied
6 by:

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

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

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

19 Sec. 18. Section 79-1007.09, Revised Statutes Cumulative
20 Supplement, 2006, is amended to read:

21 79-1007.09 (1)(a) For school fiscal year 2007-08, the
22 annual financial report required pursuant to section 79-528 shall
23 include:

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

27 (ii) The expenditures and sources of funding for each

1 program related to limited English proficiency with a narrative
2 description of the program and the method used to allocate money to
3 the program and within the program.

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

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

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

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

22 (iii) The expenditures and sources of funding for each
23 program related to limited English proficiency with a narrative
24 description of the program, ~~and~~ the method used to allocate
25 money to the program and within the program, and the program's
26 relationship to the limited English proficiency plan submitted
27 pursuant to section 22 of this act for such school fiscal year;

1 and-

2 (iv) An explanation of how any required elements of the
3 limited English proficiency plan for such school fiscal year were
4 met.

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

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

22 (4) For school fiscal year 2009-10 and each school fiscal
23 year thereafter, if the limited English proficiency allowance
24 expenditures do not equal 117.65 percent or more of the limited
25 English proficiency allowance for the most recently available
26 complete data year, the department shall calculate a limited
27 English proficiency allowance correction. The limited English

1 proficiency allowance correction shall equal the limited English
2 proficiency allowance minus eighty-five percent of the limited
3 English proficiency allowance expenditures. If the limited English
4 proficiency allowance expenditures do not equal fifty percent or
5 more of the allowance for such school fiscal year, the school
6 district shall also be disqualified from receiving a limited
7 English proficiency allowance for the school fiscal year for which
8 aid is being calculated.

9 (5) For school fiscal year 2010-11 and each school fiscal
10 year thereafter, if the department determines that the school
11 district did not meet the required elements of the limited English
12 proficiency plan for the most recently available complete data
13 year, the department shall calculate a limited English proficiency
14 allowance correction equal to fifty percent of the limited English
15 proficiency allowance for such school fiscal year and the school
16 district shall also be disqualified from receiving a limited
17 English proficiency allowance for the school fiscal year for which
18 aid is being calculated. Any limited English proficiency allowance
19 correction calculated pursuant to this subsection shall be added
20 to any limited English proficiency allowance correction calculated
21 pursuant to subsection (4) of this section to arrive at the total
22 limited English proficiency allowance correction.

23 ~~(5)~~ (6) The department may request additional information
24 from any school district to assist with calculations and
25 determinations pursuant to this section. If the school district
26 does not provide information upon the request of the department
27 pursuant to this section, the school district shall be disqualified

1 from receiving a limited English proficiency allowance for the
2 school fiscal year for which aid is being calculated.

3 ~~(6)~~ (7) The department shall annually provide the
4 Legislature with a report containing a general description of the
5 expenditures and funding sources for programs related to limited
6 English proficiency statewide and specific descriptions of the
7 expenditures and funding sources for programs related to limited
8 English proficiency for each school district.

9 ~~(7)~~ (8) The state board shall establish a procedure for
10 appeal of decisions of the department to the state board for a
11 final determination.

12 Sec. 19. Section 79-1007.10, Revised Statutes Cumulative
13 Supplement, 2006, is amended to read:

14 79-1007.10 For state aid calculated for school fiscal
15 year 2008-09 and each school fiscal year thereafter, the cost
16 growth factor ~~for each cost grouping~~ is equal to the sum of: (1)
17 One; plus (2) ~~the product of two times the ratio of the difference~~
18 ~~between the formula students attributable to the cost grouping~~
19 ~~without weighting or adjustment pursuant to section 79-1007.03~~
20 ~~and the sum of the average daily membership plus tuitioned~~
21 ~~students attributable to the cost grouping for the most recently~~
22 ~~available complete data year divided by the sum of the average~~
23 ~~daily membership plus tuitioned students attributable to the cost~~
24 ~~grouping for the most recently available complete data year, except~~
25 ~~that the ratio shall not be less than zero; plus (3) the basic~~
26 allowable growth rate pursuant to section 79-1025 for the school
27 fiscal year in which the aid is to be distributed; plus ~~(4)~~ (3)

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

11 Sec. 20. (1) For school fiscal year 2008-09 and each
12 school fiscal year thereafter, a qualifying district may apply
13 for a student growth adjustment, on a form prescribed by the
14 department, on or before October 1 of the school fiscal year
15 immediately preceding the school fiscal year for which aid is
16 being calculated. If the application meets the requirements of this
17 section, the application shall be approved by the department and
18 the department shall notify the district of the approval or denial
19 of the student growth adjustment on or before November 1 of the
20 year in which the application was submitted.

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

27 (3) For school fiscal year 2010-11 and each school fiscal

1 year thereafter, the department shall determine if any district in
2 the most recently available complete data year had an average daily
3 membership less than the projected average daily membership used to
4 calculate a student growth adjustment. A student growth correction
5 shall be calculated for such systems equal to the statewide average
6 general fund operating expenditures per formula student used in the
7 final calculation of aid pursuant to section 79-1065 for the most
8 recently available complete data year multiplied by the difference
9 of the projected average daily membership used to calculate the
10 student growth adjustment used in the final calculation of aid
11 pursuant to section 79-1065 for such data year minus the average
12 daily membership for the school fiscal year for which aid was
13 calculated.

14 (4) For purposes of this section, qualifying district
15 means a district which:

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

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

22 Sec. 21. (1) On or before November 1 of each year,
23 each school district shall submit a poverty plan for the next
24 school fiscal year to the department and to the learning community
25 executive board of any learning community of which the school
26 district is a member. On or before the immediately following
27 December 1, the department shall approve or disapprove such plan

1 for school districts that are not members of a learning community
2 based on the inclusion of the elements required pursuant to
3 this section and the executive board shall approve or disapprove
4 such plan for school districts that are members of such learning
5 community based on the inclusion of such elements. On or before
6 the immediately following December 5, each executive board shall
7 certify to the department the approval or disapproval of the
8 poverty plan for each member school district.

9 (2) In order to be approved pursuant to this section,
10 a poverty plan shall include an explanation of how the school
11 district will address the following issues for such school fiscal
12 year:

13 (a) Attendance, including absence followup and
14 transportation for students qualifying for free or reduced-price
15 lunches who reside more than one-half mile from the attendance
16 center;

17 (b) Student mobility, including transportation to allow a
18 student to continue attendance at the same school if the student
19 moves to another attendance area within the same school district or
20 within the same learning community;

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

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

27 (e) Class size reduction or maintenance of small class

1 sizes for students who qualify for free or reduced-price lunches;

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

4 (g) Access to early childhood education programs for
5 children in poverty;

6 (h) Student access to social workers;

7 (i) Access to summer school, extended-school-day
8 programs, or extended-school-year programs;

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

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

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

15 (m) An evaluation to determine the effectiveness of the
16 elements of the poverty plan.

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

20 Sec. 22. (1) On or before November 1 of each year, each
21 school district shall submit a limited English proficiency plan
22 for the next school fiscal year to the department. On or before
23 the immediately following December 1, the department shall approve
24 or disapprove such plans, based on the inclusion of the elements
25 required pursuant to this section.

26 (2) In order to be approved pursuant to this section,
27 a limited English proficiency plan must include an explanation of

1 how the school district will address the following issues for such
2 school fiscal year:

3 (a) Identification of students with limited English
4 proficiency;

5 (b) Instructional approaches;

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

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

10 (3) The state board shall establish a procedure for
11 appeal of decisions of the department to the state board for a
12 final determination.

13 Sec. 23. (1) For the first five complete school fiscal
14 years for a learning community, the department shall calculate
15 two preliminary state aid amounts pursuant to the Tax Equity and
16 Educational Opportunities Support Act for school districts which
17 are members of such learning community, with one amount based on
18 separate local systems and the other amount based on the learning
19 community as a whole. For the preliminary amount based on separate
20 local systems, the department shall calculate the aid for each
21 member school district as if the school district were its own
22 local system. For the preliminary amount based on the learning
23 community as a whole, formula need shall be calculated separately
24 for each member school district then added together to calculate
25 local system formula need, local system formula resources shall
26 include the formula resources for all member school districts, and
27 equalization aid shall be calculated based on the local system

1 formula need and the local system formula resources. The local
2 system aid based on such calculation shall be divided among
3 the member school districts proportionally based on the formula
4 need calculated for each member school district in the learning
5 community to calculate the preliminary amount based on the learning
6 community as a whole.

7 (2) For the first school fiscal year, for each school
8 district that is a member of such learning community, the state
9 aid certified to such district shall equal one hundred percent of
10 the preliminary amount for such district based on separate local
11 systems.

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

19 (4) For the third school fiscal year, for each school
20 district that is a member of such learning community, the state aid
21 certified to such district shall equal the sum of fifty percent of
22 the preliminary amount for such district based on separate local
23 systems plus fifty percent of the preliminary amount for such
24 district based on the learning community as a whole.

25 (5) For the fourth school fiscal year, for each school
26 district that is a member of such learning community, the state
27 aid certified to such district shall equal the sum of twenty-five

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

5 (6) For the fifth school fiscal year, for each school
6 district that is a member of such learning community, the state
7 aid certified to such district shall equal one hundred percent
8 of the preliminary amount for such district based on the learning
9 community as a whole.

10 Sec. 24. Section 79-1008.02, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 79-1008.02 A minimum levy adjustment shall be calculated
13 and applied to any local system that has a general fund common levy
14 ~~in the calendar year in~~ for the fiscal year during which aid is
15 certified that is less than ~~ninety percent of~~ the maximum levy, for
16 such fiscal year, allowed pursuant to subdivision (2) (a) or ~~(b)~~ (c)
17 of section 77-3442 without a vote pursuant to section 77-3444 less
18 ten cents. To calculate the minimum levy adjustment, the department
19 shall subtract the local system general fund common levy ~~in the~~
20 ~~calendar year when aid is certified from ninety percent of~~ for such
21 fiscal year from the maximum levy allowed pursuant to subdivision
22 (2) (a) or (b) of section 77-3442 without a vote pursuant to
23 section 77-3444 less ten cents and multiply the result by the local
24 system's adjusted valuation divided by one hundred. The minimum
25 levy adjustment shall be added to the formula resources of the
26 local system for the determination of equalization aid pursuant
27 to section 79-1008.01. If the minimum levy adjustment is greater

1 than or equal to the allocated income tax funds calculated pursuant
2 to section 79-1005.01 or 79-1005.02, the local system shall not
3 receive allocated income tax funds. If the minimum levy adjustment
4 is less than the allocated income tax funds calculated pursuant to
5 section 79-1005.01 or 79-1005.02, the local system shall receive
6 allocated income tax funds in the amount of the difference between
7 the allocated income tax funds calculated pursuant to section
8 79-1005.01 or 79-1005.02 and the minimum levy adjustment. This
9 section does not apply to the calculation of aid for a local system
10 containing a learning community for the first school fiscal year
11 for which aid is calculated for such local system.

12 Sec. 25. Section 79-1022, Revised Statutes Cumulative
13 Supplement, 2006, as affected by Referendum 2006, No. 422, is
14 amended to read:

15 79-1022 (1) On or before ~~June 15, 2003, and on or~~
16 ~~before~~ February 1 for each year, ~~thereafter,~~ the department shall
17 determine the amounts to be distributed to each local system
18 and each district pursuant to the Tax Equity and Educational
19 Opportunities Support Act and shall certify the amounts to
20 the Director of Administrative Services, the Auditor of Public
21 Accounts, each learning community, and each district. The amount to
22 be distributed to each district that is not a member of a learning
23 community from the amount certified for a local system shall be
24 proportional based on the weighted formula students attributed to
25 each district in the local system. The For the first five complete
26 school fiscal years for a learning community, the amount to be
27 distributed to each district that is a member of such learning

1 community shall be determined pursuant to section 23 of this
2 act. For school fiscal year 2013-14 and each school fiscal year
3 thereafter, the amount to be distributed to each district that
4 is a member of a learning community from the amount certified
5 for the local system shall be proportional based on the formula
6 needs calculated for each district in the local system. On or
7 before ~~June 15, 2003,~~ and ~~on or before~~ February 1 for each year,
8 ~~thereafter,~~ the department shall report the necessary funding level
9 to the Governor, the Appropriations Committee of the Legislature,
10 and the Education Committee of the Legislature. Certified state
11 aid amounts, including adjustments pursuant to section 79-1065.02,
12 shall be shown as budgeted non-property-tax receipts and deducted
13 prior to calculating the property tax request in the district's
14 general fund budget statement as provided to the Auditor of Public
15 Accounts pursuant to section 79-1024.

16 (2) Except as provided in subsection (8) of section
17 79-1016 and sections 79-1033 and 79-1065.02, the amounts certified
18 pursuant to subsection (1) of this section shall be distributed in
19 ten as nearly as possible equal payments on the last business day
20 of each month beginning in September of each ensuing school fiscal
21 year and ending in June of the following year, except that when a
22 school district is to receive a monthly payment of less than one
23 thousand dollars, such payment shall be one lump-sum payment on
24 the last business day of December during the ensuing school fiscal
25 year.

26 Sec. 26. Section 79-1073, Revised Statutes Cumulative
27 Supplement, 2006, is amended to read:

1 79-1073 On or before October 1 for each year, each school
2 district that is a member of a learning community coordinating
3 council executive board shall determine the expected amounts to be
4 distributed to each member school district the learning community
5 executive board from general fund property tax receipts pursuant
6 to subdivision (2)(h) of section 77-3442 and shall certify such
7 amounts to each member school district and the State Department
8 of Education. Such property tax receipts shall be divided among
9 member school districts proportionally based on the difference of
10 one hundred ten percent of the school district's formula need
11 calculated pursuant to section 79-1007.02 minus the sum of the
12 state aid certified pursuant to section 79-1022 and the other
13 actual receipts included in local system formula resources pursuant
14 to section 79-1018.01, except that no school district shall receive
15 property tax receipts in excess of the lesser of such difference or
16 the school district's property tax request.

17 Each time a learning community coordinating council
18 distributes property tax receipts to member school districts,
19 the amount to be distributed to each district shall be proportional
20 based on the total amounts to be distributed to each member school
21 district for the school fiscal year.

22 Sec. 27. Section 79-10,120, Revised Statutes Cumulative
23 Supplement, 2006, is amended to read:

24 79-10,120 The school board or board of education of a
25 Class II, III, IV, V, or VI school district may establish a
26 special fund for purposes of acquiring sites for school buildings
27 or teacherages, purchasing existing buildings for use as school

1 buildings or teacherages, including the sites upon which such
2 buildings are located, and the erection, alteration, equipping,
3 and furnishing of school buildings or teacherages and additions
4 to school buildings for elementary and high school grades and
5 for no other purpose. For school districts that are not members
6 of learning communities, the fund shall be established from the
7 proceeds of an annual levy, to be determined by the board, of
8 not to exceed fourteen cents on each one hundred dollars upon
9 the taxable value of all taxable property in the district which
10 shall be in addition to any other taxes authorized to be levied
11 for school purposes. Such tax shall be levied and collected as
12 are other taxes for school purposes. For school districts that are
13 members of a learning community, such fund shall be established
14 from the proceeds of the ~~learning community special building funds~~
15 ~~levy directed to the school district for such purpose~~ pursuant
16 to subdivision ~~(2)(f)~~ (2)(g) of section 77-3442 and the proceeds
17 of any school district special building fund levy pursuant to
18 subdivision ~~(2)(b)~~ (2)(c) of section 77-3442.

19 Sec. 28. Section 79-10,126.01, Revised Statutes
20 Cumulative Supplement, 2006, is amended to read:

21 79-10,126.01 A Class V school district that is a
22 member of a learning community shall establish (1) for the
23 general operation of the schools, such fund as will result from
24 distributions ~~from the learning community levy pursuant to section~~
25 79-1073 and any annual levy of such rate of tax upon the taxable
26 value of all the taxable property in such school district as the
27 board of education determines to be necessary for such purpose

1 and as authorized pursuant to subdivision ~~(2)(b)~~ (2)(c) of section
2 77-3442, (2) a ~~fund resulting from distributions from the learning~~
3 ~~community levy for special building funds~~ for the purpose of
4 acquiring sites of school buildings and the erection, alteration,
5 equipping, and furnishing of school buildings and additions to
6 school buildings, a fund as will result from receipts from the levy
7 pursuant to subdivision (2)(g) of section 77-3442 and any annual
8 levy of such rate of tax upon the taxable value of all the taxable
9 property in such school district as the school board determines
10 to be necessary for such purpose and as authorized pursuant to
11 subdivision (2)(c) of section 77-3442, which fund shall be used
12 for no other purposes, and (3) a further fund resulting from an
13 annual amount of tax to be determined by the board of education to
14 pay interest on and for retiring, funding, or servicing of bonded
15 indebtedness of the district.

16 Sec. 29. Section 79-11,150, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 79-11,150 The Commissioner of Education shall appoint
19 a ~~high-needs education~~ student achievement coordinator, subject
20 to confirmation by a majority vote of the members of the
21 State Board of Education. The appointment shall be made on the
22 basis of recognized and demonstrated ~~interest in~~ and ~~knowledge~~
23 ~~of instructional effectiveness for~~ background and training in
24 instructional methods to address the unique educational needs
25 of students in poverty, limited English proficient students,
26 and highly mobile students. The coordinator shall evaluate and
27 coordinate existing resources for effective programs for students

1 in poverty, limited English proficient students, and highly mobile
2 students across the state. The coordinator shall also develop
3 a plan to improve educational attainment for such students.
4 In developing the plan, the coordinator may seek input from
5 superintendents, principals, teachers, social workers, and other
6 individuals with relevant expertise. The plan may include research
7 efforts to be conducted by Nebraska postsecondary educational
8 institutions. The plan shall be presented to the Education
9 Committee of the Legislature on or before November 1, ~~2007-~~
10 2008.

11 Sec. 30. Section 79-1201, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-1201 Sections 79-1201 to 79-1244 and section 32 of
14 this act shall be known and may be cited as the Educational Service
15 Units Act.

16 Sec. 31. Section 79-1204, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 79-1204 (1) The role and mission of the educational
19 service units is to serve as educational service providers in the
20 state's system of elementary and secondary education.

21 (2) Educational service units shall:

22 (a) Act primarily as service agencies in providing core
23 services and services identified and requested by member school
24 districts;

25 (b) Provide for economy, efficiency, and
26 cost-effectiveness in the cooperative delivery of educational
27 services;

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

3 (d) Act in a cooperative and supportive role with the
4 State Department of Education and school districts in development
5 and implementation of long-range plans, strategies, and goals for
6 the enhancement of educational opportunities in elementary and
7 secondary education; and

8 (e) Serve, when appropriate and as funds become
9 available, as a repository, clearinghouse, and administrator of
10 federal, state, and private funds on behalf of school districts
11 which choose to participate in special programs, projects, or
12 grants in order to enhance the quality of education in Nebraska
13 schools.

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

18 (a) Core services shall be within the following service
19 areas in order of priority: (i) Staff development which shall
20 include access to staff development related to improving the
21 achievement of students in poverty and students with diverse
22 backgrounds; (ii) technology, including distance education
23 services; and (iii) instructional materials services;

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

1 (c) Core services shall provide schools with access to
2 services that:

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

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

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

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

12 (d) Core services shall be designed so that the
13 effectiveness and efficiency of the service can be evaluated on a
14 statewide basis; and

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

18 (4) Educational service units shall meet minimum
19 accreditation standards set by the State Board of Education that
20 will:

21 (a) Provide for accountability to taxpayers;

22 (b) Assure that educational service units are assisting
23 and cooperating with school districts to provide for equitable and
24 adequate educational opportunities statewide; and

25 (c) Assure a level of quality in educational programs and
26 services provided to school districts by the educational service
27 units.

1 (5) Educational service units may contract to provide
2 services to:

3 (a) Nonmember public school districts;

4 (b) Nonpublic school systems;

5 (c) Other educational service units; and

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

8 (6) Educational service units shall not regulate school
9 districts unless specifically provided pursuant to another section
10 of law.

11 Sec. 32. Each educational service unit shall have a
12 member school district advisory committee. The membership of the
13 advisory committee shall be determined by a process mutually
14 acceptable to the educational service unit and the member school
15 districts. The advisory committee shall provide recommendations
16 for educational services to the educational service unit board,
17 including recommendations for the approval or disapproval of
18 applications by member school districts for funds to provide
19 core services for itself in a cost-efficient manner. The advisory
20 committee shall meet at least four times each school year and shall
21 review the program of services being conducted by the educational
22 service unit board and discuss and plan changes and further
23 refinement of such program of services.

24 Sec. 33. Section 79-2101, Revised Statutes Cumulative
25 Supplement, 2006, is amended to read:

26 79-2101 Learning community means a political subdivision
27 which shares the territory of member school districts and is

1 governed by a learning community coordinating council. The fiscal
2 year for a learning community shall be the same as for member
3 school districts. ~~A learning community shall not have the authority~~
4 ~~to levy property taxes for the first fiscal year of its existence~~
5 ~~and shall not have the authority to levy property taxes prior to~~
6 ~~school fiscal year 2008-09.~~

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

9 79-2102 (1) On or before ~~August 1, 2006,~~ September 15,
10 2007, and on or before August 1 of each odd-numbered year following
11 the official designation of any new city of the metropolitan
12 class or any valid request to form a new learning community, the
13 ~~Secretary of State~~ Commissioner of Education shall certify the
14 establishment of a new learning community with an effective date of
15 ~~September 1 of the year of such certification~~ the first Thursday
16 after the first Tuesday in January of the next odd-numbered
17 year following such designation to the county clerks, election
18 commissioners, and county assessors of the counties with territory
19 in the new learning community, to the Secretary of State, to the
20 Property Tax Administrator, to the State Department of Education,
21 and to the school boards of the member school districts of the new
22 learning community. A learning community shall be established for
23 each city of the metropolitan class and shall include all school
24 districts for which the principal office of the school district
25 is located in the county where the city of the metropolitan
26 class is located and all school districts for which the principal
27 office of the school district is located in a county that has a

1 contiguous border of at least five miles in the aggregate with such
2 city of the metropolitan class. A learning community may also be
3 established ~~for one or more counties~~ at the request of the school
4 boards of at least three school boards if (a) all school districts
5 for which the principal office of the school district is located in
6 the one or more specified county or counties if are participating
7 in the request and either such school districts are all in the
8 sparse or very sparse cost grouping or have a minimum combined
9 total of at least two thousand students, ~~except that districts in~~
10 local systems that are in the sparse cost grouping or the very
11 sparse cost grouping as described in section 79-1007.02 need not
12 have a minimum combined total of at least two thousand students but
13 a learning community with fewer than two thousand students shall
14 include at least two school districts. or (b) the school districts
15 participating in the request have a minimum combined total of at
16 least ten thousand students. Such requests shall be received by
17 the Secretary of State commissioner on or before March 1 to be
18 effective the following September 1. May 1 of each odd-numbered
19 year.

20 (2) On or before September 1 following the certification
21 of the establishment of a new learning community, the school
22 board of each member school district shall appoint a member of
23 such school board to serve on the learning community coordinating
24 council and shall notify the Secretary of State of the appointment.
25 The Secretary of State (2) A learning community shall be governed
26 by a learning community coordinating council consisting of all
27 members of the school boards of the school districts which are

1 members of the learning community.

2 (3) The commissioner or his or her designee shall convene
3 a meeting of the ~~new~~ learning community coordinating council.
4 ~~during the month of September and each month thereafter through~~
5 ~~the following June. At the September~~ At such meeting, the council
6 shall elect officers and shall begin taking the necessary steps
7 to begin operating as a learning community, including appointment
8 of a learning community executive board pursuant to section 35
9 of this act. The ~~Secretary of State~~ commissioner or his or her
10 designee shall schedule and host each such meeting and shall serve
11 as a facilitator at each such meeting. The ~~Secretary of State~~ may
12 ~~contract for facilitation services. In any fiscal year that one~~
13 ~~or more new learning communities are established,~~ the Secretary of
14 State shall report to the Education Committee of the Legislature
15 ~~on or before December 31 and on or before June 30,~~ regarding the
16 ~~progress of any new learning community coordinating councils.~~

17 Sec. 35. Each learning community coordinating council
18 shall select from among its members an executive board. The
19 executive board members shall be selected based upon residence in
20 electoral districts created as provided in section 37 of this act.
21 Two members of the executive board shall be selected from each
22 electoral district. Members of the learning community coordinating
23 council residing in each electoral district shall caucus to select
24 the two members for the executive board from such electoral
25 district. Members of the executive board shall serve for four-year
26 terms and until their successors have been selected. If a member
27 of the executive board ceases to be a member of his or her school

1 board before his or her term as a member of the executive board
2 expires, the learning community coordinating council shall select
3 a replacement member to serve out the unexpired term of such
4 executive board member.

5 Sec. 36. Section 79-2103, Revised Statutes Cumulative
6 Supplement, 2006, is amended to read:

7 79-2103 The State Department of Education shall provide
8 ~~transition aid~~ learning community elementary funds to learning
9 communities pursuant to this section. A learning community shall
10 receive transition aid for the second school fiscal year of the
11 learning community's existence for funding the general fund budget
12 of the learning community during the transition to property tax
13 funding. Each learning community established on September 1, 2006,
14 shall also receive transition aid for the third school fiscal
15 year of the learning community's existence. Transition aid Learning
16 community elementary funds shall be distributed to each qualified
17 learning community on or before January 30 of the school fiscal
18 year during which the learning community is established and on or
19 before July 5 September 15 of each school fiscal year thereafter in
20 an amount equal to the product of the ratio of amount appropriated
21 for ~~transition aid~~ learning community elementary funds divided by
22 the sum of the number of qualified learning communities. formula
23 students in all learning communities that will be established
24 during such fiscal year plus two times the formula students in
25 all other learning communities for the calculation of state aid
26 for member school districts for such school fiscal year multiplied
27 by such formula students in the learning community for learning

1 communities that will be established in such school fiscal year or
2 two times such formula students for all other learning communities.

3 Sec. 37. The election commissioners or county clerks,
4 as applicable, of the county or counties in which the principal
5 offices of the learning community's member school districts are
6 located, shall divide the territory of the new learning community
7 into six numbered districts for the purpose of appointing members
8 to the learning community executive board pursuant to section 35
9 of this act. Such districts shall be compact and contiguous and
10 substantially equal in population. The newly established districts
11 shall be certified to the Secretary of State on or before October
12 1 for certifications issued in 2007 and on or before November
13 1 for certifications issued in any odd-numbered year thereafter.
14 The newly established districts shall apply beginning with the
15 selection of the first executive board members for such learning
16 community.

17 Sec. 38. Section 79-2104, Revised Statutes Cumulative
18 Supplement, 2006, is amended to read:

19 79-2104 A learning community ~~coordinating council~~
20 executive board shall have the authority to:

21 ~~(1) Levy and distribute a common levy for the general~~
22 ~~funds of member school districts;~~

23 ~~(2) Levy and distribute~~ (1) Distribute a common levy for
24 the special building funds of member school districts pursuant to
25 sections 77-3442, subject to the requirements of section 50 of this
26 act;

27 ~~(3) Levy for~~ (2) Approve the budget of the learning

1 community pursuant to section 77-3442 and for capital projects
2 approved by the learning community coordinating council pursuant
3 to section 77-3442 and section 42 of this act, subject to the
4 requirements of section 50 of this act;

5 ~~(4)~~ (3) Collect and report data and information as
6 required;

7 (4) Analyze achievement data;

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

13 (6) Approve focus schools and programs and magnet
14 pathways to be operated by member school districts;

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

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

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

27 ~~(8)~~ (9) Develop reorganization plans for submission

1 pursuant to the Learning Community Reorganization Act; and

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

5 (10) Establish and administer elementary learning centers
6 pursuant to sections 43 to 45 of this act and administer the
7 learning community elementary funds distributed to the learning
8 community pursuant to section 42 of this act;

9 (11) Approve poverty plans for member school districts;

10 (12) Establish a procedure for receiving community input
11 and complaints regarding the learning community; and

12 (13) Establish a procedure to assist parents, citizens,
13 and member school districts in accessing an approved center
14 pursuant to the Dispute Resolution Act to resolve disputes
15 involving member school districts or the learning community and
16 such procedure shall include payment by the learning community for
17 such mediation services.

18 Sec. 39. Section 79-2107, Revised Statutes Cumulative
19 Supplement, 2006, is amended to read:

20 79-2107 The boundaries of all school districts for which
21 the principal office of the school district is located in a county
22 where a city of the metropolitan class is located ~~on July 14,~~
23 ~~2006,~~ and all school districts for which the principal office of
24 the school district is located in a county that has a contiguous
25 border of at least five miles in the aggregate with such city of
26 the metropolitan class ~~on July 14, 2006,~~ shall remain as depicted
27 ~~on March 1, 2006,~~ on the map kept by the county clerk pursuant to

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

7 Sec. 40. (1) Each learning community executive board
8 shall divide the territory of the learning community into four
9 elementary learning center regions. The executive board shall meet
10 as necessary but shall meet and conduct a public hearing within the
11 regions at least once each school year.

12 (2) The executive board shall have authority to:

13 (a) Recommend the approval or disapproval of the portions
14 of the school district poverty plan developed pursuant to section
15 21 of this act;

16 (b) Recommend plans for any elementary learning centers
17 within each region pursuant to section 44 of this act; and

18 (c) Provide a means to receive community input and
19 complaints regarding student achievement from each region.

20 Sec. 41. Section 79-2110, Revised Statutes Cumulative
21 Supplement, 2006, is amended to read:

22 79-2110 (1) Each learning community executive board
23 shall administer an open enrollment program pursuant to this
24 section. For school year ~~2008-09~~ 2009-10 and each school year
25 thereafter, each member school district in a learning community
26 shall establish a maximum capacity for each school building
27 under such district's control pursuant to procedures and criteria

1 established by the executive board. Each member school district
2 shall also establish attendance areas for each school building
3 under the district's control, except that the school board shall
4 not establish attendance areas for school buildings with focus
5 schools or programs. The attendance areas shall be established such
6 that all of the territory of the school district is within an
7 attendance area for each grade, but no territory of the school
8 district is within more than one attendance area for a grade.
9 Students residing in an attendance area shall be allowed to attend
10 such school building for the grades offered.

11 (2) On or before March 1~~7~~, 2008~~7~~, and March 1 of each year,
12 ~~thereafter~~, the school board of each member school district shall
13 certify to the learning community ~~coordinating council~~ executive
14 board the number of ~~students~~ applicants that will be accepted
15 into each school building from outside of the school building's
16 attendance area for the next school year based on the established
17 capacity and the estimated number of students who will attend the
18 school building from the attendance area or as continuing students.
19 The executive board shall establish procedures for estimating the
20 number of students who will attend a school building from the
21 attendance area or as continuing students. Such procedures shall
22 be used by the school boards of member school districts for such
23 estimates.

24 (3) (a) On or before March 15~~7~~, 2008~~7~~, and March 15 of each
25 year, ~~thereafter~~, a parent or guardian of a student residing in
26 a member school district in a learning community may ~~apply~~ submit
27 an application on behalf of a student who is applying to the

1 learning community ~~coordinating council~~ executive board to attend
2 for the following school year a school building in the learning
3 community that is not in an attendance area where the ~~student~~
4 applicant resides. On or before ~~April 1, 2008,~~ and April 1 of
5 each year, ~~thereafter,~~ the learning community ~~coordinating council~~
6 executive board shall accept or reject such applications based
7 on the number of such ~~students~~ the school district is willing
8 to accept applicants that will be accepted for a given school
9 building and shall notify ~~the applicant~~ such parent or guardian in
10 writing of the acceptance or rejection. Such parent or guardian may
11 provide information on the application regarding the applicant's
12 potential qualification for free or reduced-price lunches. Any such
13 information provided shall be subject to verification and shall
14 only be used for the purposes of this section. Nothing in this
15 section requires a parent or guardian to provide such information.
16 Determinations about an applicant's qualification for free or
17 reduced-price lunches for purposes of this section shall be based
18 on any verified information provided on the application. If no
19 such information is provided the student shall be presumed not to
20 qualify for free or reduced-price lunches for the purposes of this
21 section. A student may not apply to attend a school building in
22 the learning community for any grades that are offered by another
23 school building for which the student had previously applied and
24 been accepted pursuant to this section.

25 (b) If more ~~students~~ applicants have applied to attend
26 a school building, other than a focus school or program, than
27 the number of ~~such students~~ the school district is willing

1 ~~to accept~~ applicants that will be accepted for such building,
2 the learning community ~~coordinating council~~ executive board shall
3 select applications for approval up to the number of ~~such students~~
4 ~~the school district is willing to accept~~ applicants that will be
5 accepted for such building as follows: (i) ~~Students~~ Applicants who
6 would qualify for free ~~lunch~~ lunches shall be selected first, with
7 ~~applications for such students~~ applicants selected randomly up to
8 the number of ~~students~~ ~~the school district is willing to accept~~
9 applicants that will be accepted for such building; (ii) ~~students~~
10 applicants who qualify for reduced-price lunch shall be selected
11 randomly up to the remainder of the number of ~~students~~ ~~the school~~
12 ~~district is willing to accept~~ applicants that will be accepted for
13 such building if all of the ~~applications for students~~ applicants
14 who qualify for free lunch have been selected; and (iii) all
15 other ~~applications~~ applicants shall be selected randomly up to the
16 remainder of the number of ~~students~~ ~~the school district is willing~~
17 ~~to accept~~ applicants that will be accepted for such building if all
18 of the ~~applications for students~~ applicants who qualify for free
19 lunch and reduced-price lunch have been selected.

20 (c) If more ~~students~~ applicants have applied to attend a
21 focus school or program than the number of ~~such students~~ ~~the school~~
22 ~~district is willing to accept~~ applicants that will be accepted for
23 such focus school or program, the learning community ~~coordinating~~
24 ~~council~~ executive board shall select ~~applications~~ applicants for
25 approval up to the number of ~~such students~~ ~~the school district~~
26 ~~is willing to accept~~ applicants that will be accepted for such
27 building as follows: (i) ~~Students~~ Applicants who qualify for free

1 lunch shall be selected randomly up to the product of the number
2 of ~~students the school district is willing to accept~~ applicants
3 that will be accepted for such focus school or program multiplied
4 by the ratio of students qualifying for free lunch in the learning
5 community divided by the total formula students in the learning
6 community; (ii) ~~students~~ applicants qualifying for reduced-price
7 lunch shall be selected randomly up to the product of the number
8 of ~~students the school district is willing to accept~~ applicants
9 that will be accepted for such focus school or program multiplied
10 by the ratio of students qualifying for reduced-price lunch in the
11 learning community divided by the total formula students in the
12 learning community; (iii) ~~students~~ applicants who do not qualify
13 for free or reduced-price lunch shall be selected randomly up
14 to the product of the number of ~~students the school district is~~
15 ~~willing to accept~~ applicants that will be accepted for such school
16 or program multiplied by the ratio of students not qualifying for
17 free or reduced-price lunch in the learning community divided by
18 the total formula students in the learning community; and (iv)
19 ~~students~~ applicants who were not selected pursuant to subdivision
20 (c)(i), (ii), or (iii) of this subsection shall be selected
21 randomly up to the number of ~~students the school district is~~
22 ~~willing to accept~~ applicants that will be accepted for such school
23 or program minus the number of ~~students~~ applicants that were
24 selected pursuant to subdivisions (c)(i), (ii), and (iii) of this
25 subsection.

26 (d) Any student who attended a particular school building
27 in the prior school year and who is seeking education in the

1 grades offered in such school building shall be allowed to continue
2 attending such school building as a continuing student.

3 (4) On or before February 15 of each year, a parent or
4 guardian of a student who is currently attending a school building
5 outside of the attendance area where the student resides and who
6 will complete the grades offered at such school building prior to
7 the following school year shall provide notice, on a form provided
8 by the school district, to the school board of the school district
9 containing such school building if such student will attend another
10 school building within such district as a continuing student and
11 which school building such student would prefer to attend. On or
12 before March 1, such school board shall provide a notice to such
13 parent or guardian stating which school building or buildings the
14 student ~~will~~ shall be allowed to attend in such school district as
15 a continuing student for the following school year. If the student
16 resides within the school district, the notice shall include the
17 school building offering the grade the student will be entering
18 for the following school year in the attendance area where the
19 student resides. This subsection shall not apply to focus schools
20 or programs.

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

25 ~~(5)~~ (6) A parent or guardian of a student who moves
26 to a new residence in the learning community after April 1 may
27 apply directly to a school board within the learning community

1 within ninety days after moving for the student to attend a school
2 building outside of the attendance area where the student resides.
3 Such school board shall accept or reject such application within
4 fifteen days after receiving the application, based on the ~~capacity~~
5 established number of applicants that will be accepted pursuant
6 to subsection (2) of this section minus the number of applicants
7 previously accepted.

8 ~~(6)~~ (7) A parent or guardian of a student who wishes to
9 change school buildings for emergency or hardship reasons may apply
10 directly to a school board within the learning community at any
11 time for the student to attend a school building outside of the
12 attendance area where the student resides. Such application shall
13 state the emergency or hardship and shall be kept confidential by
14 the school board. Such school board shall accept or reject such
15 application within fifteen days after receiving the application.
16 Applications shall only be accepted if an emergency or hardship
17 was presented which justifies an exemption from the procedures
18 in subsection (3) of this section based on the judgment of such
19 school board, and such acceptance shall not exceed the number of
20 applications that will be accepted for the school year pursuant to
21 subsection (2) of this section for such building. ~~, based on the~~
22 ~~judgment of such school board, except that the board may not exceed~~
23 ~~the established capacity.~~

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

27 Sec. 42. (1) School districts that are members of a

1 learning community may levy a maximum levy pursuant to subdivision
2 (2) (h) of section 77-3442 for the purchase, construction, or
3 remodeling of elementary learning center facilities and up to
4 fifty percent of the estimated costs for capital projects approved
5 pursuant to this section. The proceeds from such levy shall be
6 used for elementary learning center facilities and for one-time
7 reductions of the bonded indebtedness required for approved
8 projects up to fifty percent of the estimated cost of the approved
9 project. The funds used for reductions of bonded indebtedness shall
10 be transferred to the school district for which the project was
11 approved and shall be deposited in such school district's special
12 building fund for use on such project.

13 (2) The learning community executive board may approve
14 pursuant to this section capital projects which will include the
15 purchase, construction, or remodeling of facilities for (a) a focus
16 school or program designed to meet the requirements of section
17 79-769 or (b) a school or program that will otherwise specifically
18 attract a more economically and culturally diverse student body
19 that would otherwise attend a school or program in a facility at
20 that location. Such approval shall include an estimated cost for
21 the project and shall state the amount that will be provided by the
22 learning community for such project.

23 (3) If, within the ten years following receipt of the
24 funding for a capital project pursuant to this section, a school
25 district receiving such funding uses the facility purchased,
26 constructed, or remodeled with such funding for purposes other
27 than those stated to qualify for the funds, the school district

1 shall repay such funds to the learning community with interest at
2 the rate prescribed in section 45-104.02 accruing from the date
3 the funds were transferred to the school district's building fund
4 as of the last date the facility was used for such purpose as
5 determined by the learning community executive board or the date
6 that the executive board determines that the facility will not be
7 used for such purpose or that such facility will not be purchased,
8 constructed, or remodeled for such purpose. Interest shall continue
9 to accrue on outstanding balances until the repayment has been
10 completed. The remaining terms of repayment shall be determined by
11 the executive board. The learning community coordinating council
12 may waive such repayment if the facility is used for a different
13 (a) focus school or program or (b) school or program that will
14 specifically attract a more economically and culturally diverse
15 student body than would attend a school or program in a facility at
16 that location for a period of time that will result in the use of
17 the facility for qualifying purposes for a total of at least ten
18 years.

19 Sec. 43. (1) Elementary learning centers shall serve as
20 visionary resource centers for enhancing the academic success
21 of elementary students, particularly those students who face
22 challenges in the educational environment due to factors such
23 as poverty, limited English skills, and mobility. Each learning
24 community executive board shall provide for a system of elementary
25 learning centers to be administered by an elementary learning
26 center executive director.

27 (2) The elementary learning center executive director

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

16 (3) The elementary learning center executive director may
17 select, appoint, and compensate as he or she sees fit, within
18 the amount provided by the learning community executive board,
19 such assistants and employees as he or she deems necessary to
20 discharge the responsibilities under sections 43 to 45 of this act.
21 Such assistants and employees shall be subject to the control and
22 supervision of the elementary learning center executive director.

23 Sec. 44. (1) On or before July 1 immediately following
24 the establishment of a new learning community, the learning
25 community executive board shall establish at least one elementary
26 learning center region for each twenty-five elementary schools in
27 which at least thirty-five percent of the students attending the

1 school who reside in the attendance area of such school qualify for
2 free or reduced-price lunches.

3 (2) Each learning community executive board shall submit
4 a plan to the learning community coordinating council for the
5 elementary learning centers in the regions and the services to
6 be provided by such elementary learning centers. In developing
7 the plan, the executive board shall seek input from community
8 resources and collaborate with such resources in order to maximize
9 the available opportunities and the participation of elementary
10 students and their families. The executive board may, as part of
11 such plan, recommend services be provided through contracts with,
12 or grants to, entities other than school districts to provide some
13 or all of the services. Such entities may include collaborative
14 groups which may include the participation of a school district.
15 The executive board may also, as part of such plan, recommend
16 that the elementary learning center serve as a clearinghouse
17 for recommending programs provided by school districts or other
18 entities and that the elementary learning center assist students in
19 accessing such programs.

20 (3) Each elementary learning center region shall have at
21 least one elementary learning center facility that is (a) not in a
22 building owned by a school district and (b) located in an area with
23 a high concentration of poverty within the region. Such facility
24 may be owned or leased by the learning community, or the use of the
25 facility may be donated to the learning community. Programs offered
26 by the elementary learning center may be offered in such facility
27 or in other facilities located within the elementary learning

1 center region.

2 Sec. 45. (1) Programs offered by an elementary learning
3 center may be accessed by any student attending a public elementary
4 school in the learning community or any family with a student
5 attending a public elementary school in the learning community.

6 Such programs shall be designed to enhance the academic success of
7 elementary students and may include, but are not limited to:

8 (a) Summer school, extended-school-day programs, and
9 extended-school-year programs which may be coordinated with
10 programs offered in the schools;

11 (b) Literacy centers for providing intensive assistance
12 to elementary-age children and their parents to work on reading
13 skills outside of the school day;

14 (c) Computer labs;

15 (d) Tutors for elementary students;

16 (e) Mentors for elementary students;

17 (f) Services for transient students;

18 (g) Attendance advocates to assist in resolving issues
19 that contribute to truancy;

20 (h) Transportation for truant students;

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

22 (j) Health services;

23 (k) Mental health services;

24 (l) Child care for children of parents working on their
25 own literacy skills or working with their children on academic
26 skills at the center;

27 (m) Nutritional services for families working on skills

1 at the center;

2 (n) Transportation for participating families;

3 (o) Distribution of clothing and school supplies;

4 (p) Information on other resources to assist
5 participating families; and

6 (q) Interpreter services for educational needs.

7 (2) Each elementary learning center shall report the
8 participation of elementary students in academic programs offered
9 by or in collaboration with the center to the elementary school
10 attended by such student.

11 Sec. 46. (1) Learning community elementary funds
12 distributed pursuant to section 79-2103 may only be used by the
13 learning community executive board receiving the funds for:

14 (a) The administration, operations, and programs of
15 elementary learning centers pursuant to sections 43 to 45 of
16 this act;

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

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

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

1 (2) Each learning community executive board shall adopt
2 policies and procedures for granting supplements for extended hours
3 and for providing transportation for parents if any such funds
4 are to be used for such purposes. An example of a pilot project
5 that could receive such funds would be a school designated as Jump
6 Start Center focused on providing intensive literacy services for
7 elementary students with low reading scores.

8 (3) A learning community executive board shall provide
9 for financial audits and evaluations of effectiveness of elementary
10 learning centers and pilot projects receiving funds pursuant to
11 this section. Executive boards shall serve as the recipient of
12 private funds donated to support any elementary learning center or
13 pilot project receiving funds pursuant to this section from such
14 executive board and shall assure that the use of such private
15 funds is included in the financial audits required pursuant to this
16 section.

17 Sec. 47. Terms and conditions of employment of school
18 employees providing services for an elementary learning center
19 shall be established by the negotiated agreement of the learning
20 community employing such school employees to provide services. For
21 certificated employees as defined in subdivision (1) of section
22 79-824, the learning community shall be deemed to be an employer
23 as defined in subdivision (4) of section 48-801. Compensation paid
24 to school employees for services provided to a learning community
25 shall be subject to the School Employees Retirement Act unless
26 such employee is employed by a Class V school district, in which
27 case compensation paid such school employee shall be subject to the

1 Class V School Employees Retirement Act.

2 Sec. 48. Learning community executive board members shall
3 be paid a per diem in an amount determined by the learning
4 community coordinating council up to a maximum of two hundred
5 dollars per day and shall be eligible for reimbursement of
6 reasonable expenses related to service on the executive board
7 as provided in sections 81-1174 to 81-1177.

8 Sec. 49. Each learning community shall have a member
9 school district advisory committee. The membership of the
10 advisory committee shall consist of the superintendents of each
11 member school district. The advisory committee shall provide
12 recommendations for educational services to the learning community
13 executive board, including recommendations for the approval or
14 disapproval of applications by member school districts for funds
15 to provide core services in a cost-efficient manner. The advisory
16 committee shall meet at least four times each school year and shall
17 review the program of services being conducted by the learning
18 community executive board and discuss and plan changes and further
19 refinement of such program of services.

20 Sec. 50. Funds generated from the property tax levy
21 shall only be used for purposes approved by representatives of
22 two-thirds of the member school districts in a learning community,
23 representing one-third of the students in the member school
24 districts. Each learning community executive board shall prepare
25 and transmit a written proposal of core services offerings and use
26 of the property tax levy to all member school districts. The member
27 school districts shall indicate their approval or disapproval of

1 the proposal within thirty calendar days after receipt of the
2 proposal, and failure to so indicate within such time period shall
3 be deemed approval of the proposal.

4 Sec. 51. If any section in this act or any part of any
5 section is declared invalid or unconstitutional, the declaration
6 shall not affect the validity or constitutionality of the remaining
7 portions.

8 Sec. 52. Original section 79-1201, Reissue Revised
9 Statutes of Nebraska, sections 77-3442, 79-4,117, 79-4,125,
10 79-4,126, 79-4,128, 79-769, 79-1001, 79-1007.02, 79-1007.03,
11 79-1007.04, 79-1007.05, 79-1007.06, 79-1007.07, 79-1007.08,
12 79-1007.09, 79-1007.10, 79-1008.02, 79-1030, 79-1073, 79-10,120,
13 79-10,126.01, 79-11,150, 79-1204, 79-2101, 79-2102, 79-2103,
14 79-2104, 79-2107, and 79-2110, Revised Statutes Cumulative
15 Supplement, 2006, and sections 79-611, 79-1003, and 79-1022,
16 Revised Statutes Cumulative Supplement, 2006, as affected by
17 Referendum 2006, No. 422, are repealed.

18 Sec. 53. The following sections are outright repealed:
19 Sections 79-4,130, 79-1073.01, 79-2105, 79-2106, 79-2108, and
20 79-2109, Revised Statutes Cumulative Supplement, 2006.