

AMENDMENTS TO LB 658

Introduced by Hudkins, 21

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

3           Section 1. On the effective date of this act, all Class  
4 I, II, III, IV, V, and VI school districts which were organized  
5 as such immediately before December 1, 2005, shall be reorganized  
6 according to the boundaries on file with the State Department of  
7 Education on November 30, 2005.

8           Sec. 2. Section 1 of this act does not apply to any  
9 school district which was reorganized by means other than Laws  
10 2005, LB 126, so long as the reorganization order was entered on  
11 or before November 30, 2005, notwithstanding the effective date of  
12 boundary changes of any such order.

13           Sec. 3. The school board or board of education of each  
14 school district reorganized pursuant to section 1 of this act  
15 shall consist of the persons who were serving in that capacity  
16 on November 30, 2005. If any member is unable to serve due to  
17 death, illness, or change of residence, the remaining members shall  
18 appoint a legal voter of the school district to fill the vacancy  
19 on such board. Members of the school boards or boards of education  
20 serving pursuant to this section shall serve terms of two years and  
21 until their successors are elected and qualified.

22           Sec. 4. Within sixty days after the effective date of  
23 this act, each Class I district referred to in section 1 of this

1 act shall call a special meeting of the board of education and  
2 the legal voters of each such Class I district for purposes of  
3 ascertaining whether such legal voters desire such Class I district  
4 to remain in existence. In the absence of an affirmative vote by  
5 fifty and one-tenth percent of the legal voters of such district  
6 who are in attendance and voting on the matter at such special  
7 meeting to the contrary, the Class I district shall be legally  
8 presumed to be in existence and duly constituted.

9 The special meeting referred to in this section shall  
10 be called by posting notice in three public places within the  
11 boundaries of the Class I district at least five days before the  
12 meeting. The notice shall state the purpose of the meeting and  
13 shall contain the agenda of the meeting.

14 Sec. 5. If, at the special meeting described in section  
15 4 of this act the legal voters of the Class I district, by a  
16 fifty and one-tenth percent majority of those present and voting,  
17 vote to dissolve the district, the secretary of the Class I school  
18 district school board shall forward to the State Committee for  
19 the Reorganization of School Districts, within ten days after such  
20 special meeting, a copy of the notice of the call of such special  
21 meeting including the agenda items, the names of the persons moving  
22 and seconding the issue of dissolution of the district, the number  
23 of votes cast in favor of the motion, the number of votes cast in  
24 opposition to the motion, the number of legal voters present and  
25 voting, and the number of legal voters present and not voting, if  
26 any.

27 Sec. 6. Nothing in sections 1 to 5 of this act shall be

1 construed to prevent any such district from availing itself of any  
2 other levy limit exemptions provided by law.

3           Sec. 7. Any school district or local system affected by  
4 the enactment of Laws 2005, LB 126, and its subsequent repeal may,  
5 in addition to the budget authority set forth in the Tax Equity  
6 and Educational Opportunities Support Act, exceed the budget limits  
7 contained in the act for school fiscal years 2007-08 and 2008-09  
8 to pay for additional costs, expenses, salaries, transportation  
9 equipment, excess staff, or any other cost or expense resulting  
10 from the enactment of Laws 2005, LB 126, and its subsequent repeal.

11           Exceptions to levy limitations and budget limitations  
12 described in this section and section 79-1083.03 of this act  
13 shall be identified to the appropriate county clerks, and the levy  
14 identified by the affected school boards shall be levied.

15           Sec. 8. Section 23-3302, Revised Statutes Cumulative  
16 Supplement, 2006, is amended to read:

17           23-3302 The county board of any county may contract with  
18 the educational service unit of which it is a part, with a Class  
19 II, III, IV, or V, ~~or VI~~ school district, or with an individual  
20 who holds a Nebraska certificate to administer, to be a county  
21 school administrator for Class I school districts in the county  
22 and to perform other designated county educational activities. Any  
23 contract entered into under this section shall not exceed a period  
24 of one year. The county school administrator, with the approval  
25 of the county board, shall have the authority to employ such  
26 other persons as may be necessary to assist the county school  
27 administrator in the performance of his or her duties.

1           Sec. 9. Section 32-570, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           32-570 (1) A vacancy in the membership of a school board  
4 shall occur as set forth in section 32-560 or when a member is  
5 absent from the district for a continuous period of sixty days at  
6 one time or from more than two consecutive regular meetings of the  
7 board unless excused by a majority of the remaining members of the  
8 board.

9           (2) A person appointed to fill a vacancy on the school  
10 board of a Class I school district by the remaining members of  
11 the board shall hold office until the beginning of the next school  
12 year. A board member of a Class I school district elected to fill a  
13 vacancy at a regular or special school district meeting shall serve  
14 for the remainder of the unexpired term or until a successor is  
15 elected and qualified.

16           (3) Except as provided in subsection (4) of this section,  
17 a vacancy in the membership of a school board of a Class II,  
18 III, IV, or V, ~~or VI~~ school district resulting from any cause  
19 other than the expiration of a term shall be temporarily filled  
20 by appointment of a qualified registered voter by the remaining  
21 members of the board. A registered voter shall be nominated at  
22 the next primary election and elected at the following general  
23 election for the remainder of the unexpired term. A registered  
24 voter appointed or elected pursuant to this subsection shall meet  
25 the same requirements as the member whose office is vacant.

26           (4) Any vacancy in the membership of a school board of  
27 a school district which does not nominate candidates at a primary

1 election and elect members at the following general election shall  
2 be temporarily filled by appointment of a qualified registered  
3 voter by the remaining members of the board. A registered voter  
4 shall be nominated and elected to fill the vacancy for the  
5 remainder of the term in the manner provided for nomination and  
6 election of board members in the district.

7 (5) If any school board fails to fill a vacancy on the  
8 board, the vacancy may be filled by election at a special election  
9 or school district meeting called for that purpose. Such election  
10 or meeting shall be called in the same manner and subject to  
11 the same procedures as other special elections or school district  
12 meetings.

13 (6) If there are vacancies in the offices of a majority  
14 of the members of a school board, the Secretary of State shall  
15 conduct a special school district election to fill such vacancies.

16 Sec. 10. Section 32-1206, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 32-1206 ~~Any~~ Except as provided in section 4 of this act,  
19 any election not otherwise provided for in sections 32-1203 to  
20 32-1205 which is conducted by the election commissioner or county  
21 clerk shall be paid for by the entity holding the election.

22 Sec. 11. Section 72-2304, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24 72-2304 (1) In addition to any other borrowing powers  
25 provided for by law, a qualified public agency shall have the  
26 power to issue its negotiable bonds to any joint entity as defined  
27 in section 13-803 or to any joint public agency as defined in

1 section 13-2503 in connection with any joint project which is to be  
2 owned, operated, or financed by the joint entity or joint public  
3 agency for the benefit of the qualified public agency. The bonds  
4 may be issued only if the second largest participant in the joint  
5 project has a financial contribution in the joint project of at  
6 least twenty-five percent of the debt service. Such bonds may be  
7 issued after the qualified public agency has conducted a public  
8 hearing on the issuance of bonds. Notice of such public hearing  
9 shall be given by publication in a newspaper of general circulation  
10 within the territory of the qualified public agency by at least  
11 one publication occurring not less than ten days prior to the  
12 time of hearing. After the public hearing, the governing body of  
13 the qualified public agency may proceed to adopt a bond measure  
14 authorizing bonds.

15 (2) Notice of any such bond measure shall be given by  
16 publication of notice of intention to issue bonds in a newspaper  
17 of general circulation within the territory of the qualified public  
18 agency at least twice after the adoption of the bond measure. Such  
19 publications shall be at least three weeks apart. The notice shall  
20 state:

- 21 (a) The name of the qualified public agency;
- 22 (b) The purpose of the issue;
- 23 (c) The principal amount of the issue;
- 24 (d) The amount of annual debt service payment anticipated  
25 for the bonds, which may be stated as an approximation or estimate,  
26 and the anticipated duration for such debt service payments; and
- 27 (e) The time and place where a copy of the form of the

1 bond measure may be examined for a period of at least thirty days.

2           (3) No election shall be required prior to the issuance  
3 of bonds under the Public Facilities Construction and Finance Act  
4 unless, within sixty days after the first publication of the notice  
5 of intention to issue bonds, a remonstrance petition against the  
6 issuance of bonds is filed with the clerk or secretary of the  
7 qualified public agency. Such remonstrance petition shall be signed  
8 by registered voters of the qualified public agency equal in number  
9 to at least five percent of the number of registered voters of the  
10 qualified public agency at the time the remonstrance petition is  
11 filed or at least the number of signatures listed in subsection  
12 (5) of this section for the applicable qualified public agency,  
13 whichever is less. If a remonstrance petition with the necessary  
14 number of qualified signatures is timely filed, the question shall  
15 be submitted to the voters of the qualified public agency at a  
16 general election or a special election called for the purpose of  
17 approving the bonds proposed to be issued. Any joint project for  
18 which bonds are issued in accordance with the procedures of the act  
19 shall not require any other approval or proceeding by the governing  
20 body or the voters of the qualified public agency.

21           (4) No election shall be required for any qualified  
22 public agency not issuing bonds to participate in such joint  
23 project unless, within sixty days after the governing body of  
24 the qualified public agency adopts the measure approving the  
25 interlocal or cooperative agreement related to the joint project, a  
26 remonstrance petition is filed with the clerk or secretary of the  
27 qualified public agency. Such remonstrance petition shall be signed

1 by registered voters of the qualified public agency equal in number  
2 to at least five percent of the number of registered voters of the  
3 qualified public agency at the time the remonstrance petition is  
4 filed or at least the number of signatures listed in subsection  
5 (5) of this section for the applicable qualified public agency,  
6 whichever is less. If a remonstrance petition with the necessary  
7 number of qualified signatures is timely filed, the question shall  
8 be submitted to the voters of the qualified public agency at a  
9 general election or a special election called for the purpose of  
10 approving the interlocal or cooperative agreement related to the  
11 joint project.

12 (5) The chart in this subsection provides the alternative  
13 number of signatures of registered voters of a qualified public  
14 agency which may be used to submit a remonstrance petition under  
15 subsection (3) or (4) of this section. The classification of  
16 counties in section 23-1114.01 applies for purposes of this  
17 section.

18 Qualified Public Agency	Number of Signatures 19 of Registered Voters
20	
21 City of the Metropolitan Class	1500
22 City of the Primary Class	1000
23 City of the First Class	750
24 City of the Second Class	250
25 Villages	50
26 Municipal County	1500
27 Class 7 County	1500



1	Class 6 County	1000
2	Class 5 County	750
3	Class 4 County	500
4	Class 3 County	250
5	Class 2 County	100
6	Class 1 County	50
7	<del>Class VI School District</del>	<del>250</del>
8	Class V School District	1500
9	Class IV School District	1000
10	Class III School District	500
11	Class II School District	250
12	Class I School District	250
13	Educational Service Unit	250
14	Community College Area	1500
15	Fire Protection District	500
16	Hospital District	500
17	Sanitary and Improvement District	500

18           Sec. 12. Section 79-102, Revised Statutes Cumulative  
19 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
20 amended to read:

21           79-102 School districts in this state are classified as  
22 follows:

23           (1) Class I includes any school district that maintains  
24 only elementary grades under the direction of a single school  
25 board;

26           (2) Class II includes any school district embracing  
27 territory having a population of one thousand inhabitants or less

1 that maintains both elementary and high school grades under the  
2 direction of a single school board;

3 (3) Class III includes any school district embracing  
4 territory having a population of more than one thousand and less  
5 than one hundred fifty thousand inhabitants that maintains both  
6 elementary and high school grades under the direction of a single  
7 school board;

8 (4) Class IV includes any school district embracing  
9 territory having a population of one hundred thousand or more  
10 inhabitants with a city of the primary class within the territory  
11 of the district that maintains both elementary and high school  
12 grades under the direction of a single school board; and

13 (5) Class V includes any school district whose employees  
14 participate in a retirement system established pursuant to the  
15 Class V School Employees Retirement Act and which embraces  
16 territory having a city of the metropolitan class within the  
17 territory of the district that maintains both elementary grades and  
18 high school grades under the direction of a single school board and  
19 any school district with territory in a city of the metropolitan  
20 class created pursuant to the Learning Community Reorganization Act  
21 and designated as a Class V school district in the reorganization  
22 plan. and

23 ~~(6) Class VI includes any school district in this state~~  
24 ~~that maintains only a high school, or a high school and grades~~  
25 ~~seven and eight or six through eight as provided in section 79-411,~~  
26 ~~under the direction of a single school board.~~

27 Sec. 13. Section 79-401, Revised Statutes Cumulative

1 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
2 amended to read:

3           79-401 The Legislature finds and declares that orderly  
4 and appropriate reorganization of school districts may contribute  
5 to the objectives of tax equity, educational effectiveness, and  
6 cost efficiency. The Legislature further finds that there is a  
7 need for greater flexibility in school reorganization options and  
8 procedures. It is the intent of the Legislature to encourage an  
9 orderly and appropriate reorganization of school districts. The  
10 Legislature establishes as its goals for the reorganization of  
11 school districts that:

12           (1) All real property and all elementary and secondary  
13 students should be within school systems which offer education in  
14 grades kindergarten through twelve; ~~For purposes of meeting this~~  
15 ~~goal, Class I and Class VI school district combinations shall be~~  
16 ~~considered as including all real property and all elementary and~~  
17 ~~secondary students within a school district which offers education~~  
18 ~~in kindergarten through grade twelve;~~

19           (2) School districts offering education in kindergarten  
20 through grade twelve should be encouraged, when possible, to  
21 consider cooperative programs in order to enhance educational  
22 opportunities to students; and

23           (3) The State Department of Education in conjunction  
24 with the Bureau of Educational Research and Field Studies in  
25 the Department of Education Administration at the University of  
26 Nebraska-Lincoln should be encouraged to offer greater technical  
27 assistance to school districts which are considering reorganization

1 options.

2           Sec. 14. Section 79-402, Revised Statutes Cumulative  
3 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
4 amended to read:

5           79-402 (1) By July 1, 1993, all taxable property and  
6 all elementary and high school students shall be in school systems  
7 which offer education in grades kindergarten through twelve. For  
8 purposes of meeting such requirement, a ~~Class I district or portion~~  
9 ~~thereof which is part of a Class VI district and~~ a Class I district  
10 or portion thereof affiliated with one or more Class II, III, IV,  
11 or V districts shall be considered to include all taxable property  
12 and all elementary and high school students within a school system  
13 which offers education in grades kindergarten through twelve.

14           (2) Effective July 1, 1993, with the full implementation  
15 of section 79-1077, the Legislature will have attained its school  
16 reorganization goals for Class I districts as described in section  
17 79-401.

18           Sec. 15. Section 79-403, Revised Statutes Cumulative  
19 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
20 amended to read:

21           79-403 ~~(1)~~ Except as provided in subsections (2) and (3)  
22 of this section, no new school district shall be created unless  
23 such district provides instruction in kindergarten through grade  
24 twelve.

25           (2) A new Class VI school district may be created if:

26           (a) Such Class VI school district will include at least  
27 two or more previously existing Class II or Class III school

1 districts, except that if a reorganization petition for formation  
2 of a Class VI school district is initiated by a petition signed by  
3 fifty-five percent of the legal voters of a Class II or III school  
4 district, then such Class VI school district may include only one  
5 Class II or III school district; and

6 (b) The enrollment of the new Class VI school district  
7 is (i) at least one hundred twenty-five pupils if the district  
8 offers instruction in grades nine through twelve, (ii) at least one  
9 hundred seventy-five pupils if the district offers instruction in  
10 grades seven through twelve, or (iii) at least two hundred students  
11 if the district offers instruction in grades six through twelve,  
12 except that if such district will have population density of less  
13 than three persons per square mile, then the enrollment shall be  
14 at least seventy-five students if the district offers instruction  
15 in grades nine through twelve, at least one hundred students if  
16 the district offers instruction in grades seven through twelve, or  
17 at least one hundred twenty-five students if the district offers  
18 instruction in grades six through twelve.

19 (3) One or more new Class I districts may be created  
20 as provided in sections 1 to 7 of this act or as a part of a  
21 reorganization petition pursuant to subsection (2) of this section.

22 Sec. 16. Section 79-413, Revised Statutes Cumulative  
23 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
24 amended to read:

25 79-413 (1) The State Committee for the Reorganization of  
26 School Districts created under section 79-435 may create a new  
27 Class II, III, or IV school district from other districts, or

1 change the boundaries of any Class II, III, or IV district that  
2 is not a member of a learning community, ~~or~~ affiliate a Class I  
3 district or portion thereof with one or more existing Class II,  
4 III, IV, ~~or~~ V districts upon receipt of petitions signed by sixty  
5 percent of the legal voters of each district affected. If the  
6 petitions contain signatures of at least sixty-five percent of the  
7 legal voters of each district affected, the state committee shall  
8 approve the petitions. When area is added to a Class VI district  
9 or when a Class I district which is entirely or partially within a  
10 Class VI district is taken from the Class VI district, the Class VI  
11 district shall be deemed to be an affected district.

12 Any petition of the legal voters of a Class I district  
13 in which no city or village is situated which is commenced after  
14 January 1, 1996, and proposes the dissolution of the Class I  
15 district and the attachment of a portion of it to two or more  
16 districts shall require signatures of more than fifty percent of  
17 the legal voters of such Class I district. If the state committee  
18 determines that such petition contains valid signatures of more  
19 than fifty percent of the legal voters of such Class I district,  
20 the state committee shall grant the petition.

21 (2)(a) Petitions proposing to change the boundaries of  
22 existing school districts that are not members of a learning  
23 community through the transfer of a parcel of land, not to exceed  
24 six hundred forty acres, shall be approved by the state committee  
25 when the petitions involve the transfer of land between Class I,  
26 II, III, or IV school districts or when there would be an exchange  
27 of parcels of land between Class I, II, III, or IV school districts

1 and the petitions have the approval of at least sixty-five percent  
2 of the school board of each affected district. If the transfer of  
3 the parcel of land is from a Class I school district to one or more  
4 Class II, III, IV, V, or VI school districts of which the parcel is  
5 not a part or with which the parcel is not affiliated, any Class  
6 II, III, IV, V, or VI school district of which the parcel is not  
7 a part or with which the parcel is affiliated shall be deemed an  
8 affected district.

9 (b) The state committee shall not approve a change of  
10 boundaries pursuant to this section relating to affiliation of  
11 school districts if twenty percent or more of any tract of land  
12 under common ownership which is proposing to affiliate is not  
13 contiguous to the high school district with which affiliation is  
14 proposed unless (i) one or more resident students of the tract of  
15 land under common ownership has attended the high school program of  
16 the high school district within the immediately preceding ten-year  
17 period or (ii) approval of the petition or plan would allow  
18 siblings of such resident students to attend the same school as the  
19 resident students attended.

20 (3)(a) (2)(a) Petitions proposing to create a new Class  
21 II, III, or IV school district, or to change the boundary lines of  
22 existing Class II, III, or IV school districts that are not members  
23 of a learning community, to create an affiliated school system, or  
24 to affiliate a Class I district in part and to join such district  
25 in part with a Class VI district, any either of which involves the  
26 transfer of more than six hundred forty acres, shall, when signed  
27 by at least sixty percent of the legal voters in each district

1 affected, be submitted to the state committee. In the case of a  
2 petition for affiliation or a petition to affiliate in part and in  
3 part to join a Class VI district, the state committee shall review  
4 the proposed affiliation subject to sections 79-425 and 79-426.  
5 The state committee shall, within forty days after receipt of the  
6 petition, hold one or more public hearings and review and approve  
7 or disapprove such proposal.

8 (b) The state committee shall also review and approve or  
9 disapprove incentive payments under section 79-1010.

10 (c) If there is a bond election to be held in conjunction  
11 with the petition, the state committee shall hold the petition  
12 until the bond election has been held, during which time names may  
13 be added to or withdrawn from the petitions. The results of the  
14 bond election shall be certified to the state committee.

15 (d) If the bond election held in conjunction with the  
16 petition is unsuccessful, no further action on the petition is  
17 required. If the bond election is successful, within fifteen days  
18 after receipt of the certification of the bond election results,  
19 the state committee shall approve the petition and notify the  
20 county clerk to effect the changes in district boundary lines as  
21 set forth in the petitions.

22 ~~(4)~~ (3) Any person adversely affected by the changes made  
23 by the state committee may appeal to the district court of any  
24 county in which the real estate or any part thereof involved in  
25 the dispute is located. If the real estate is located in more than  
26 one county, the court in which an appeal is first perfected shall  
27 obtain jurisdiction to the exclusion of any subsequent appeal.



1           ~~(5)~~ (4) A signing petitioner may withdraw his or her name  
2 from a petition and a legal voter may add his or her name to  
3 a petition at any time prior to the end of the period when the  
4 petition is held by the state committee. Additions and withdrawals  
5 of signatures shall be by notarized affidavit filed with the state  
6 committee.

7           Sec. 17. Section 79-415, Revised Statutes Cumulative  
8 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
9 amended to read:

10           79-415 (1) In addition to the petitions of legal voters  
11 pursuant to section 79-413 and the method provided in sections 1  
12 to 7 of this act, changes in boundaries and the creation of a new  
13 Class II, III, or IV school district from other districts may be  
14 initiated and accepted by the school board or board of education of  
15 any district that is not a member of a learning community.

16           (2) In addition to the petitions of legal voters pursuant  
17 to section 79-413, the affiliation of a Class I district or portion  
18 thereof with one or more Class II, III, IV, or V districts may be  
19 initiated and accepted by:

20           (a) The board of education of any Class II, III, IV, or V  
21 district; and

22           (b) The school board of any Class I district in which is  
23 located a city or incorporated village.

24           Sec. 18. Section 79-416, Revised Statutes Cumulative  
25 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
26 amended to read:

27           79-416 When the legal voters of a ~~Class I or~~ Class II

1 school district that is not a member of a learning community and  
2 in which no city or village is located and the legal voters of  
3 an affiliated Class I school district petition to merge in whole  
4 or in part with a ~~Class I or~~ Class II district, the merger may  
5 be accepted by petition of the school board of the accepting  
6 district. Any Class I school district affiliated with such Class II  
7 school district shall become affiliated with the merged district.  
8 If the Class II school district merges with more than one other  
9 Class II school district, such Class I district may choose the  
10 Class II school district with which it will affiliate after the  
11 merger. ~~When the legal voters of a Class I district petition to~~  
12 ~~affiliate in whole or in part with one or more Class II, III,~~  
13 ~~IV, or V districts, such affiliation may be accepted or rejected~~  
14 ~~by petition of the school board or board of education of any such~~  
15 ~~district, but in either case the petition to affiliate shall be~~  
16 ~~accepted or rejected within sixty days after the date of receipt~~  
17 ~~of the petition by the school board or board of education of such~~  
18 ~~district.~~

19           Sec. 19. Section 79-418, Revised Statutes Cumulative  
20 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
21 amended to read:

22           79-418 Petitions presented pursuant to sections 79-415  
23 ~~to 79-417~~ and 79-416 shall be subject to the same requirements  
24 for content, hearings, notice, review, and appeal as petitions  
25 submitted pursuant to section 79-413, except that a petition  
26 presented pursuant to section 79-415 shall not become effective  
27 unless it is approved by a vote of a majority of the members of

1 the State Committee for the Reorganization of School Districts. Any  
2 person adversely affected by the disapproval shall have the right  
3 of appeal under section 79-413.

4 Sec. 20. Section 79-419, Revised Statutes Cumulative  
5 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
6 amended to read:

7 79-419 (1) When a Class II, III, or IV new district is to  
8 be created from other districts as provided in section 79-413, the  
9 petition shall contain:

10 (a) A description of the proposed boundaries of the  
11 reorganized districts;

12 (b) A summary of the terms on which reorganization is to  
13 be made between the reorganized districts, which terms may include  
14 a provision for initial school board districts or wards within the  
15 proposed district for the appointment of the first school board  
16 and also for the first election as provided in section 79-451,  
17 which proposed initial school board districts or wards shall be  
18 determined by the State Committee for the Reorganization of School  
19 Districts taking into consideration population and valuation, and a  
20 determination of the terms of the board members first appointed to  
21 membership of the board of the newly reorganized district;

22 (c) A map showing the boundaries of established school  
23 districts and the boundaries proposed under any plan or plans of  
24 reorganization;

25 (d) A separate statement as to whether the reorganization  
26 is contingent upon the success of a bond election held in  
27 conjunction with the reorganization;

1           (e) An affidavit from the county clerk or election  
2 commissioner regarding the validity of the signatures on the  
3 petition; and

4           (f) Such other matters as the petitioners determine  
5 proper to be included. ~~Any petition for the creation of a new Class~~  
6 ~~VI district shall designate whether such district shall include~~  
7 ~~high school grades only, grades seven through twelve, or grades six~~  
8 ~~through twelve.~~

9           (2) A petition under subsection (1) of this section  
10 may contain provisions for the holding of school within existing  
11 buildings in the newly reorganized district and that a school  
12 constituted under this section shall be maintained from the date of  
13 reorganization unless the legal voters served by the school vote by  
14 a majority vote for discontinuance of the school.

15           Sec. 21. Section 79-423, Revised Statutes Cumulative  
16 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
17 amended to read:

18           79-423 In Class I, II, III, and IV, ~~and VI~~ school  
19 districts, school district boundaries may comprise all or any part  
20 of a precinct or ward in any county or counties, and every legal  
21 voter of the school district shall be entitled to vote at any  
22 school district meeting or school district election.

23           Sec. 22. Section 79-431, Revised Statutes Cumulative  
24 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
25 amended to read:

26           79-431 (1) Any Class I school district which ~~is part of a~~  
27 ~~Class VI district or districts or any Class I district or portion~~

1 thereof which is affiliated or affiliated in part and also part of  
2 a Class VI district or districts and which (a) becomes subject to  
3 dissolution pursuant to section 79-470, 79-498, or 79-598 or (b)  
4 otherwise dissolves, unless otherwise prescribed in the affiliation  
5 petition, shall be merged with another affiliated Class I district,  
6 be merged with a Class II, III, IV, or V district, or be merged  
7 with a Class I district which is part of a Class VI district  
8 or districts. Any such district or portion thereof which fails  
9 to comply with this subsection shall be dissolved and attached  
10 to an existing Class II, III, IV, or V district the Class II,  
11 III, or IV district with which the Class I school district is  
12 affiliated by the State Committee for the Reorganization of School  
13 Districts, under section 79-498. Any such district or portion  
14 thereof which was affiliated shall retain its original affiliation,  
15 and any portion of such district which was part of a Class VI  
16 district shall remain part of such Class VI district. Any school  
17 district which fails to comply with the provisions of subsection  
18 (1) of section 79-402 shall be dissolved by the state committee and  
19 attached to an existing Class II, III, IV, or V district.

20 (2) A Class II, III, or IV, or V district which becomes  
21 a Class I district pursuant to section 79-472 or any other state  
22 law shall merge with a Class II, III, IV, or V district, affiliate  
23 with one or more a contiguous Class II, III, or IV district,  
24 or V districts, become part of one or more Class VI districts,  
25 or affiliate in part with one or more Class II, III, IV, or  
26 V districts and in part become part of one or more Class VI  
27 districts.

1           (3) If an affiliated Class II, III, or IV ~~or V~~ district  
2 dissolves, ~~unless otherwise stated in the affiliation petition,~~  
3 ~~any portions of a any Class I district that are affiliated with~~  
4 ~~such district may affiliate with another Class II, III, IV, or V~~  
5 ~~district, merge with any Class I, II, III, IV, or V district, or~~  
6 ~~become part of a Class VI district.~~ shall affiliate with another  
7 contiguous Class II, III, or IV school district.

8           (4) If a Class VI district dissolves, any Class I  
9 district ~~or portions thereof which are part of such district may~~  
10 ~~affiliate with a Class II, III, IV, or V district, merge with any~~  
11 ~~Class I, II, III, IV, or V district, or become part of another~~  
12 ~~Class VI district.~~

13           Sec. 23. Section 79-433, Revised Statutes Cumulative  
14 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
15 amended to read:

16           79-433 For purposes of the Reorganization of School  
17 Districts Act, unless the context otherwise requires:

18           (1) Reorganization of school districts means the  
19 formation of new school districts, the alteration of boundaries of  
20 established school districts that are not members of a learning  
21 community, ~~the affiliation of school districts,~~ and the dissolution  
22 or disorganization of established school districts through or by  
23 means of any one or combination of the methods set out in section  
24 79-434; and

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

27           Sec. 24. Section 79-434, Revised Statutes Cumulative

1 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
2 amended to read:

3           79-434 Reorganization of school districts may be  
4 accomplished through or by means of any one or more of the  
5 following methods: (1) The creation of new districts; (2) the  
6 uniting of one or more established districts; (3) the subdivision  
7 of one or more established districts; (4) the transfer and  
8 attachment to an established district of a part of the territory  
9 of one or more districts; and (5) the affiliation of a Class I  
10 district or portion thereof with one or more Class II, III, IV, or  
11 V districts; ~~(6) the changing of boundaries of a Class VI district;~~  
12 ~~and (7) the dissolution or disorganization of an established~~  
13 ~~district for any of the reasons specified by law.~~

14           Sec. 25. Section 79-443, Revised Statutes Cumulative  
15 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
16 amended to read:

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

20           (1) A description of the proposed boundaries of the  
21 reorganized districts;

22           (2) A summary of the reasons for each proposed change,  
23 realignment, or adjustment of the boundaries;   . If such plan  
24 provides for the creation of a new Class VI district, it shall  
25 designate whether such district shall include high school grades  
26 only or be known as a Class VI junior-senior high school district  
27 as described in section 79-411;

1           (3) A summary of the terms on which reorganization is to  
2 be made between the reorganized districts. Such terms shall include  
3 a provision for initial school board districts or wards within the  
4 proposed district, which proposed initial school board districts  
5 or wards shall be determined by the state committee taking into  
6 consideration population and valuation, and a determination of the  
7 terms of the board members first appointed to membership on the  
8 board of the newly reorganized district;

9           (4) A separate statement as to whether the reorganization  
10 is contingent upon the success of a bond election held in  
11 conjunction with the reorganization;

12           (5) A statement of the findings with respect to the  
13 location of schools, the utilization of existing buildings, the  
14 construction of new buildings, and the transportation requirements  
15 under the proposed plan of reorganization. The plan may contain  
16 provisions for the holding of school within existing buildings in  
17 the newly reorganized district and that a school constituted under  
18 this section shall be maintained from the date of reorganization  
19 unless the legal voters served by the school vote by a majority  
20 vote for discontinuance of the school;

21           (6) A map showing the boundaries of established school  
22 districts and the boundaries proposed under any plan or plans of  
23 reorganization; and

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

26           Sec. 26. Section 79-447, Revised Statutes Cumulative  
27 Supplement, 2006, as affected by Referendum 2006, No. 422, is



1 amended to read:

2           79-447 (1) Not less than thirty nor more than sixty  
3 days after the designation of a final approved plan under  
4 section 79-446, the proposition of the adoption or rejection  
5 of the proposed plan of reorganization shall be submitted at a  
6 special election to all the legal voters of districts within the  
7 county whose boundaries are in any manner changed by the plan  
8 of reorganization. ~~including the boundaries of Class VI school~~  
9 ~~districts if such plan includes a Class I school district which is~~  
10 ~~entirely within a Class VI school district.~~

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

20           (3) All ballots shall be prepared and the special  
21 election shall be held and conducted by the county clerk or  
22 election commissioner, and the expense of such election shall  
23 be paid by the county board or boards if more than one county  
24 is involved as provided in subsection (4) of this section. The  
25 county clerk or election commissioner shall use the duly appointed  
26 election board or appoint two judges and two clerks who shall be  
27 legal voters of the territory of the proposed school district. The

1 election shall be held at a place or places within the proposed  
2 district determined by the county clerk or election commissioner to  
3 be convenient for the voters.

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

17 (5) In any election held as provided in this section, all  
18 districts of like class shall vote as a unit, except that Class  
19 I school districts within the boundaries of which are located an  
20 incorporated village or city shall constitute a separate voting  
21 unit and Class I school districts which do not have within their  
22 boundaries an incorporated village or city shall constitute a  
23 separate voting unit.

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

27 Sec. 27. Section 79-452, Revised Statutes Cumulative

1 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
2 amended to read:

3           79-452 A proposal to dissolve a Class I or II school  
4 district, ~~except a Class I school district which is partly or~~  
5 ~~wholly within a Class VI school district,~~ and attach it to one or  
6 more existing Class II, III, or IV school districts that are not  
7 members of a learning community may be initiated by filing with  
8 the State Committee for the Reorganization of School Districts a  
9 petition or petitions signed by at least twenty-five percent of the  
10 legal voters of the district, together with an affidavit from the  
11 county clerk or election commissioner listing all legal voters of  
12 the district and a determination by the county clerk or election  
13 commissioner that the signatures are sufficient. The petition shall  
14 contain a plan of the proposed reorganization, an effective date,  
15 and a statement whether any existing bonded indebtedness shall  
16 remain on the property of the district which incurred it or be  
17 assumed by the enlarged district. The petition may also contain  
18 provisions for the holding of school within existing buildings  
19 in the proposed reorganized district, and when so provided, the  
20 holding of school within such buildings shall be maintained from  
21 the date of reorganization unless either the legal voters served by  
22 the school or the school board of the reorganized district votes  
23 by a majority vote for discontinuance of the school. In case of  
24 conflicting votes between the legal voters and the school board  
25 on such issue, the decision of the legal voters shall prevail.  
26 A signing petitioner shall not be permitted to withdraw his or  
27 her name from the petition after the petition has been filed.

1 The school board of each Class II, III, or IV district to which  
2 the merger is proposed shall also submit to the state committee  
3 a statement to the effect that a majority of the board members  
4 approve the proposal contained in the petition.

5 Sec. 28. Section 79-454, Revised Statutes Cumulative  
6 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
7 amended to read:

8 79-454 If the proposal provided for in section 79-452  
9 has been approved by the State Committee for the Reorganization  
10 of School Districts, the state committee shall notify the school  
11 board of the Class ~~II~~ ~~or~~ II district. The school board shall, within  
12 fifteen days after the notification, set a date for a special  
13 election for the purpose of submitting the proposal to the legal  
14 voters of the district. At least twenty days' notice of such  
15 election shall be given by publication twice in a newspaper of  
16 general circulation in the district, the latest publication to be  
17 not more than one week before the election. If there is no such  
18 newspaper, notice shall be given by posting it on the door of the  
19 schoolhouse and at least four other public places throughout the  
20 district. The proposal shall not be submitted to a special election  
21 more than once in any calendar year. Legal voters may cast their  
22 ballots, written or printed, between the hours of 12 noon and 8  
23 p.m. on the date of such election. The county clerk or election  
24 commissioner of the county which has the largest number of pupils  
25 residing in the district shall conduct such special election in  
26 accordance with the Election Act and shall record the names and  
27 residence of persons voting at the special election. The ballots

1 shall be canvassed as provided in section 79-447.

2           Sec. 29. Section 79-455, Revised Statutes Cumulative  
3 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
4 amended to read:

5           79-455 If the proposal provided for in section 79-452 is  
6 approved by a majority of the legal voters of the school district  
7 voting on the matter, the secretary of the school board shall  
8 within five days certify the approval to the county clerk. The  
9 county clerk shall immediately notify the secretary of each Class  
10 II, III, IV, or V district affected of the action taken by the  
11 Class ~~±~~ ~~or~~ II district, and such secretary shall within ten days  
12 certify to the county clerk that the school board of the Class II,  
13 III, IV, or V district has, by a majority vote, officially approved  
14 the proposal as provided in section 79-452. The county clerk shall  
15 issue an order effecting the changes in school district boundaries  
16 in accordance with the proposal provided in section 79-452. He or  
17 she shall also file certificates with the county assessor, county  
18 treasurer, and State Committee for the Reorganization of School  
19 Districts showing the changes. An appeal may be taken from such  
20 order within twenty days after the rendition of the order in the  
21 same manner as appeals are taken from the action of the county  
22 board in allowing or disallowing claims against the county. Such  
23 appeal shall be filed in the district court for the county whose  
24 county clerk has jurisdiction of the Class ~~±~~ ~~or~~ II district. When  
25 more than one county clerk has jurisdiction of the Class ~~±~~ ~~or~~ II  
26 district, the appeal may be filed in the district court for either  
27 of the counties.

1           Sec. 30. Section 79-470, Revised Statutes Cumulative  
2 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
3 amended to read:

4           79-470 (1) No Class I school district ~~which contracts~~  
5 shall contract for the instruction of all of its pupils for more  
6 than two consecutive years. with a Class I, II, III, IV, or V  
7 ~~school district shall merge with another Class I school district~~  
8 ~~unless such other Class I school district with which it is merging~~  
9 ~~is included in the area which makes up a Class VI school district.~~

10           (2) No Class II, III, IV, or V school district shall  
11 contract for the instruction of all of its pupils with a Class II,  
12 III, IV, or V school district for more than two consecutive years.

13           (3) The State Committee for the Reorganization of  
14 School Districts shall dissolve and attach to a neighboring  
15 school district or districts any school district which, for two  
16 consecutive years, contracts for the instruction of all of its  
17 pupils with a Class II, III, IV, or V school district.

18           (4) The dissolution of any school district pursuant to  
19 this section shall be effected in the manner prescribed in section  
20 79-498. When such dissolution would create extreme hardships on  
21 the pupils or the school district affected, the State Board of  
22 Education may, on application by the school board of the school  
23 district, waive the dissolution of the school district on an annual  
24 basis.

25           (5) Nothing in this section shall be construed as an  
26 extension of the limitations on contracting for the instruction of  
27 the pupils of a school district contained in section 79-598.

1           Sec. 31. Section 79-473, Revised Statutes Cumulative  
2 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
3 amended to read:

4           79-473 (1) If the territory annexed by a change of  
5 boundaries of a city or village which lies within a Class III  
6 school district as provided in section 79-407 has been part of a  
7 Class IV or Class V school district prior to such annexation, a  
8 merger of the annexed territory with the Class III school district  
9 shall become effective only if the merger is approved by a majority  
10 of the members of the school board of the Class IV or V school  
11 district and a majority of the members of the school board of the  
12 Class III school district within ninety days after the effective  
13 date of the annexation ordinance, except that a merger shall not  
14 become effective pursuant to this section if such merger involves a  
15 school district that is a member of a learning community.

16           (2) Notwithstanding subsection (1) of this section, when  
17 territory which lies within a Class III school district, ~~Class VI~~  
18 ~~school district, or Class I school district which is attached to a~~  
19 ~~Class VI school district~~ or which does not lie within a Class IV  
20 or V school district is annexed by a city or village pursuant to  
21 section 79-407, the affected school board of the city or village  
22 school district and the affected school board or boards serving  
23 the territory subject to the annexation ordinance shall meet within  
24 thirty days after the effective date of the annexation ordinance  
25 if neither school district is a member of a learning community and  
26 negotiate in good faith as to which school district shall serve the  
27 annexed territory and the effective date of any transfer. During

1 the process of negotiation, the affected boards shall consider the  
2 following criteria:

3 (a) The educational needs of the students in the affected  
4 school districts;

5 (b) The economic impact upon the affected school  
6 districts;

7 (c) Any common interests between the annexed or platted  
8 area and the affected school districts and the community which has  
9 zoning jurisdiction over the area; and

10 (d) Community educational planning.

11 If no agreement has been reached within ninety days after  
12 the effective date of the annexation ordinance, the territory shall  
13 transfer to the school district of the annexing city or village  
14 ten days after the expiration of such ninety-day period unless an  
15 affected school district petitions the district court within the  
16 ten-day period and obtains an order enjoining the transfer and  
17 requiring the boards of the affected school districts to continue  
18 negotiation. The court shall issue the order upon a finding that  
19 the affected board or boards have not negotiated in good faith  
20 based on one or more of the criteria listed in this subsection. The  
21 district court shall require no bond or other surety as a condition  
22 for any preliminary injunctive relief. If no agreement is reached  
23 after such order by the district court and additional negotiations,  
24 the annexed territory shall become a part of the school district of  
25 the annexing city or village.

26 ~~(3) If, within the boundaries of the annexed territory,~~  
27 ~~there exists a Class VI school, the school building, facilities,~~



1 and land owned by the school district shall remain a part of  
2 the Class VI school district. If the Class VI school district  
3 from which territory is being annexed wishes to dispose of such  
4 school building, facilities, or land to any individual or political  
5 subdivision, including a Class I school district, the question of  
6 such disposition shall be placed on the ballot for the next primary  
7 or general election. All legal voters of such Class VI school  
8 district shall then vote on the question at such election. A simple  
9 majority of the votes cast shall resolve the issue.

10           ~~(4)~~ (3) Whenever an application for approval of a final  
11 plat or replat is filed for territory which lies within the zoning  
12 jurisdiction of a city of the first or second class and does not  
13 lie within the boundaries of a Class IV or V school district, the  
14 boundaries of a school district that is a member of a learning  
15 community, the boundaries of any county in which a city of the  
16 metropolitan class is located, or the boundaries of any county that  
17 has a contiguous border with a city of the metropolitan class, the  
18 affected school board of the school district within the city of  
19 the first or second class or its representative and the affected  
20 board or boards serving the territory subject to the final plat or  
21 replat or their representative shall meet within thirty days after  
22 such application and negotiate in good faith as to which school  
23 district shall serve the platted or replatted territory and the  
24 effective date of any transfer based upon the criteria prescribed  
25 in subsection (2) of this section.

26           If no agreement has been reached prior to the approval  
27 of the final plat or replat, the territory shall transfer to the

1 school district of the city of the first or second class upon  
2 the filing of the final plat unless an affected school district  
3 petitions the district court within ten days after approval of the  
4 final plat or replat and obtains an order enjoining the transfer  
5 and requiring the affected boards to continue negotiation. The  
6 court shall issue the order upon a finding that the affected board  
7 or boards have not negotiated in good faith based on one or more of  
8 the criteria listed in subsection (2) of this section. The district  
9 court shall require no bond or other surety as a condition for  
10 any preliminary injunctive relief. If no agreement is reached after  
11 such order by the district court and additional negotiations, the  
12 platted or replatted territory shall become a part of the school  
13 district of the city of the first or second class.

14 For purposes of this subsection, plat and replat apply  
15 only to (a) vacant land, (b) land under cultivation, or (c) any  
16 plat or replat of land involving a substantive change in the size  
17 or configuration of any lot or lots.

18 ~~(5)~~ (4) Notwithstanding any other provisions of this  
19 section, all negotiated agreements relative to boundaries or to  
20 real or personal property of school districts reached by the  
21 affected school boards shall be valid and binding, except that such  
22 agreements shall not be binding on reorganization plans pursuant to  
23 the Learning Community Reorganization Act.

24 Sec. 32. Section 79-479, Revised Statutes Cumulative  
25 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
26 amended to read:

27 79-479 ~~(1)(a)~~ Beginning January 1, 1992, any (1) Any

1 school district boundaries changed by the means provided by  
2 Nebraska law, but excluding the method provided by sections 79-407  
3 and 79-473 to 79-475 or sections 1 to 7 of this act, shall be  
4 made only upon an order issued by the State Committee for the  
5 Reorganization of School Districts or county clerk. The state  
6 committee shall not issue an order changing boundaries relating  
7 to affiliation of school districts if twenty percent or more of  
8 any tract of land under common ownership which is proposing to  
9 affiliate is not contiguous to the high school district with which  
10 affiliation is proposed unless (i) one or more resident students  
11 of the tract of land under common ownership has attended the high  
12 school program of the high school district within the immediately  
13 preceding ten-year period or (ii) approval of the petition or plan  
14 would allow siblings of such resident students to attend the same  
15 school as the resident students attended.

16 (b) The order issued by the state committee shall be  
17 certified to the county clerk of each county in which boundaries  
18 are changed and shall also be certified to the State Department of  
19 Education. Whenever the order changes the boundaries of a school  
20 district due to the transfer of land, the county assessor, the  
21 Property Tax Administrator, and the State Department of Education  
22 shall be provided with the legal description and a map of the  
23 parcel of land which is transferred. Such order shall be issued  
24 no later than June 1 and shall have an effective date no later  
25 than August 1 of the same year. For purposes of determining  
26 school district counts pursuant to sections 79-524 and 79-578  
27 and calculating state aid allocations pursuant to the Tax Equity

1 and Educational Opportunities Support Act, any change in school  
2 district boundaries with an effective date between June 1 and  
3 August 1 of any year shall be considered effective July 1 of such  
4 year.

5 (2) Unless otherwise provided by sections 1 to 7 of  
6 this act or other state law or by the terms of ~~an affiliation~~  
7 ~~or a~~ reorganization plan or petition which is consistent with  
8 state law, all assets, including budget authority as provided  
9 in sections 79-1023 to 79-1030, and liabilities, except bonded  
10 obligations, of school districts merged, dissolved, or annexed  
11 shall be transferred to the receiving district or districts on the  
12 basis of the proportionate share of assessed valuation received at  
13 the time of reorganization. When a Class II, III, IV, or V school  
14 district becomes a Class I school district:

15 (a) Which becomes part of a Class VI district which  
16 offers instruction in grades six through twelve, 37.9310 percent of  
17 the Class II, III, IV, or V district's assets and liabilities shall  
18 be transferred to the new Class I district and the remainder shall  
19 be transferred to the Class VI district or districts of which the  
20 Class I district becomes a part on the basis of the proportionate  
21 share of assessed valuation each high school district received at  
22 the time of such change in class of district;

23 (b) Which becomes part of a Class VI district which  
24 offers instruction in grades seven through twelve, 44.8276 percent  
25 of the Class II, III, IV, or V district's assets and liabilities  
26 shall be transferred to the new Class I district and the remainder  
27 shall be transferred to the Class VI district or districts of

1 which the Class I district becomes a part on the basis of the  
2 proportionate share of assessed valuation each high school district  
3 received at the time of such change in class of district; or

4 (c) Which is affiliated or becomes part of a Class VI  
5 district which offers instruction in grades nine through twelve,  
6 61.3793 percent of the Class II, III, IV, or V school district's  
7 assets and liabilities shall be transferred to the new Class I  
8 district and the remainder shall be transferred to the Class VI  
9 district or districts of which the Class I district becomes a part  
10 and to the high school district or districts with which the Class I  
11 district is affiliated on the basis of the proportionate share of  
12 assessed valuation each high school district received at the time  
13 of such change in class of district.

14 Sec. 33. Section 79-494, Revised Statutes Cumulative  
15 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
16 amended to read:

17 79-494 Every new Class I or Class II school district  
18 described in section 79-492 shall be deemed duly organized when  
19 the majority of the officers elected at the first meeting have  
20 filed their acceptance as provided in section 79-493. A reorganized  
21 school district shall be formed, organized, and have a governing  
22 board not later than ~~April 1~~ sixty days following the last  
23 legal action, ~~as prescribed in section 79-413, 79-450, or 79-455,~~  
24 ~~necessary to effect the changes in boundaries as set forth in~~  
25 ~~the petition or plan of reorganization,~~ issuance of an order by  
26 the State Committee for the Reorganization of School Districts  
27 pursuant to sections 1 to 7 of this act, although the physical

1 reorganization of such reorganized school district may not take  
2 effect until the commencement of the following school year.

3           Sec. 34. Section 79-495, Revised Statutes Cumulative  
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
5 amended to read:

6           79-495 In case the inhabitants of any new Class I ~~or~~  
7 ~~Class II~~ school district referred to in section 79-492 fail to  
8 organize it, the State Committee for the Reorganization of School  
9 Districts shall immediately dissolve such district and attach it to  
10 ~~an adjoining district or districts.~~ the affiliated Class II, III,  
11 IV, or VI school district.

12           Sec. 35. Section 79-498, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           79-498 When, for a period of one school term, a school  
15 district (1) has less than three legal voters residing in the  
16 district or (2)(a) fails to maintain a public elementary school  
17 within the district in which are enrolled and in regular attendance  
18 for at least one thousand thirty-two hours one or more pupils of  
19 school age residing in the district, other than option students  
20 as defined in section 79-233, or (b) does not contract for the  
21 tuition and transportation of pupils of such district with another  
22 district or districts and have pupils attending school regularly  
23 for at least one thousand thirty-two hours under such contract or  
24 contracts, the State Committee for the Reorganization of School  
25 Districts shall, subject to the requirements of this section,  
26 dissolve such district and attach the territory of such district  
27 to one or more neighboring school districts. Before dissolving a

1 district under this section, the state committee shall fix a time  
2 for a hearing and shall notify each legal resident of the district  
3 at least fifteen days before such hearing. When the dissolution  
4 will create extreme hardships on the pupils of the district  
5 affected, the State Board of Education may, on application by the  
6 school board of the district, annually waive the requirements of  
7 this section. Notification shall be by mail or by publication in a  
8 newspaper of general circulation in the area.

9           If the state committee finds that the district is  
10 required by this section to be dissolved, it shall enter an  
11 order dissolving the district and directing the county clerk of the  
12 county in which such district is located to attach the territory  
13 of such district to one or more neighboring school districts. If  
14 the district required by this section to be dissolved is a Class I  
15 school district, the territory of such district shall be attached  
16 to the Class II, III, IV, or VI school district with which the  
17 Class I school district is affiliated. Appeals from the action of  
18 the state committee may be made to the district court of the county  
19 in which the depopulated district is located. The county treasurer  
20 shall distribute the assets of the closed district among the other  
21 district or districts to which the property has been attached in  
22 proportion to the taxable valuation of the property attached to  
23 such district or districts.

24           Sec. 36. Section 79-4,100, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

26           79-4,100 For purposes of statutes governing schools:

27           (1) Affiliated school system means the high school

1 district and the Class I districts or portions of Class I districts  
2 affiliated with such high school district; and

3 (2) Affiliation or affiliation of school districts  
4 means an ongoing association of a Class I district ~~or portion~~  
5 ~~thereof not a part of a Class VI district with one or more~~  
6 ~~existing Class II, III, IV, or V districts with an existing Class~~  
7 II, III, IV, or VI district for the purpose of (a) providing  
8 a high school program serving the Class I district students  
9 and (b) maintaining tax support to finance such program, state  
10 aid, budgeting, accreditation, enrollment of students, state  
11 programs, and reporting. The services provided may include student  
12 transportation. + and

13 ~~(3) Class VI school system means a Class VI school~~  
14 ~~district and each Class I school district or portion thereof which~~  
15 ~~is part of the Class VI district.~~

16 Sec. 37. Section 79-4,101, Revised Statutes Cumulative  
17 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
18 amended to read:

19 79-4,101 For purposes of sections 10-716.01, 79-402,  
20 79-422, ~~79-424 to~~ 79-431, 79-449, 79-4,100 to 79-4,102, 79-611, and  
21 79-1077:

22 (1) Elementary school facility means the educational  
23 facility used to provide services for students in grades  
24 kindergarten through eight in an affiliated school system;

25 (2) High school district means the Class II, III, or  
26 ~~IV, or V~~ district which provides the high school program for an  
27 affiliated Class I district;



1           (3) High school facility means the educational facility  
2 used to provide services for students in grades nine through twelve  
3 in an affiliated school system;

4           (4) High school program means the educational services  
5 provided in an affiliated school system for grades nine through  
6 twelve; and

7           (5) High school students means students enrolled in a  
8 high school program.

9           Sec. 38. Section 79-4,103, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11           79-4,103 An advisory committee shall be created for each  
12 affiliated high school district. The advisory committee shall be  
13 composed of three school board members selected by all the school  
14 board members of the Class I school districts with which such Class  
15 II, III, or IV, ~~or V~~ district is affiliated. The superintendent of  
16 the affiliated high school district shall call a meeting of all the  
17 school board members of such Class I school districts, ~~not a part~~  
18 ~~of a Class VI school district,~~ for the purpose of establishing such  
19 advisory committees. Representatives shall serve three-year terms.

20           The advisory committee shall provide advice and  
21 communication to the school board of such affiliated high school  
22 district regarding the high school program, facilities, and budget  
23 and the needs and concerns of students, parents, and taxpayers  
24 in the Class I school district or districts. Each advisory  
25 committee shall meet at least biannually with the school board  
26 and participate in good faith in those coordination requirements  
27 specified in section 79-716.

1           Sec. 39. Section 79-501, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           79-501 The school board or board of education of a Class  
4 I, II, III, or IV ~~or VI~~ school district shall have the care and  
5 custody of the schoolhouse and other property of the district and  
6 shall have authority to hire a superintendent and the required  
7 number of teachers and other necessary personnel.

8           Sec. 40. Section 79-502, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10          79-502 The school board or board of education of any  
11 Class I, II, III, or IV ~~or VI~~ school district may provide  
12 its members with hospitalization, medical, surgical, accident,  
13 sickness, or term life insurance coverage or any one or more of  
14 such coverages.

15          Sec. 41. Section 79-524, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17          79-524 The school board of any Class I, II, III, or IV  
18  ~~or VI~~ school district shall establish a permanent and continuing  
19 census or enumeration of school children in the school district.  
20 The list in writing of the names of the children and taxpayers  
21 shall not be required to be reported, but the names of all  
22 of the children belonging to such school district, from birth  
23 through twenty years of age, shall instead be kept in a depository  
24 maintained by such school district and subject to inspection at all  
25 times. Such record shall not or need not include the names of all  
26 the taxpayers in the district.

27          Sec. 42. Section 79-525, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           79-525 The school board or board of education of a Class  
3 I, II, III, or IV ~~or VI~~ school district shall (1) provide the  
4 necessary appendages for the schoolhouse, (2) keep the same in  
5 good condition and repair during the time school is taught in  
6 the schoolhouse, and (3) keep an accurate account of all expenses  
7 incurred. Such account shall be prepared by the secretary, audited  
8 by the president and treasurer, and, on their written order, paid  
9 out of the general school fund.

10           Sec. 43. Section 79-526, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           79-526 The school board or board of education of a Class  
13 I, II, III, or IV ~~or VI~~ school district has responsibility for the  
14 general care and upkeep of the schools, shall provide the necessary  
15 supplies and equipment, and, except as otherwise provided, has the  
16 power to cause pupils to be taught in such branches and classified  
17 in such grades or departments as may seem best adapted to a course  
18 of study which the board shall establish with the consent and  
19 advice of the State Department of Education. The board shall make  
20 provision for pupils that may enter at any time during the school  
21 year. The board shall have a record kept of the advancement of all  
22 pupils in each branch of study. The board shall make rules and  
23 regulations as it deems necessary for the government and health of  
24 the pupils and devise any means as may seem best to secure the  
25 regular attendance and progress of children at school.

26           Sec. 44. Section 79-528, Revised Statutes Cumulative  
27 Supplement, 2006, is amended to read:

1                   79-528 (1) (a) On or before July 20 in all school  
2 districts, the superintendent or head administrator shall file  
3 with the State Department of Education a report under oath showing  
4 the number of children from five through eighteen years of age  
5 belonging to the school district according to the census taken as  
6 provided in sections 79-524 and 79-578. The report shall identify  
7 the number of boys and the number of girls in each of the  
8 respective age categories. On or before July 20, school districts  
9 that are members of learning communities shall provide the learning  
10 community coordinating council with a copy of the report filed  
11 with the department. On or before August 1, each learning community  
12 coordinating council shall file with the department a report  
13 showing the number of children from five through eighteen years  
14 of age belonging to the member school districts according to the  
15 school district reports filed with the department.

16                   ~~(b) Each Class I school district which is part of a Class~~  
17 ~~VI school district offering instruction (i) in grades kindergarten~~  
18 ~~through five shall report children from five through ten years~~  
19 ~~of age, (ii) in grades kindergarten through six shall report~~  
20 ~~children from five through eleven years of age, and (iii) in grades~~  
21 ~~kindergarten through eight shall report children from five through~~  
22 ~~thirteen years of age.~~

23                   ~~(c) Each Class VI school district offering instruction~~  
24 ~~(i) in grades six through twelve shall report children who are~~  
25 ~~eleven through eighteen years of age, (ii) in grades seven through~~  
26 ~~twelve shall report children who are twelve through eighteen years~~  
27 ~~of age, and (iii) in grades nine through twelve children who are~~

1 ~~fourteen through eighteen years of age.~~

2           ~~(d)~~ (b) Each Class I district which has affiliated in  
3 whole ~~or in part~~ shall report children from five through thirteen  
4 years of age.

5           ~~(e)~~ (c) Each Class II, III, IV, or V district shall  
6 report children who are fourteen through eighteen years of age  
7 residing in Class I districts or portions thereof which have  
8 affiliated with such district.

9           ~~(f)~~ (d) The board of any district neglecting to take and  
10 report the enumeration shall be liable to the school district for  
11 all school money which such district may lose by such neglect.

12           (2) On or before June 30 the superintendent or head  
13 administrator of each school district shall file with the  
14 Commissioner of Education a report under oath described as an  
15 end-of-the-school-year annual statistical summary showing (a) the  
16 number of children attending school during the year under five  
17 years of age, (b) the length of time the school has been taught  
18 during the year by a qualified teacher, (c) the length of time  
19 taught by each substitute teacher, and (d) such other information  
20 as the Commissioner of Education directs. On or before June 30,  
21 school districts that are members of learning communities shall  
22 also provide the learning community coordinating council with a  
23 copy of the report filed with the commissioner. On or before July  
24 15, each learning community coordinating council shall file with  
25 the commissioner a report showing the number of children from  
26 five through eighteen years of age belonging to the member school  
27 districts according to the school district reports filed with the

1 commissioner.

2 (3) (a) On or before November 1 the superintendent or  
3 head administrator of each school district shall submit to the  
4 Commissioner of Education, to be filed in his or her office, a  
5 report under oath described as the annual financial report showing  
6 (i) the amount of money received from all sources during the year  
7 and the amount of money expended by the school district during  
8 the year, (ii) the amount of bonded indebtedness, (iii) such other  
9 information as shall be necessary to fulfill the requirements  
10 of the Tax Equity and Educational Opportunities Support Act  
11 and section 79-1114, and (iv) such other information as the  
12 Commissioner of Education directs.

13 (b) On or before November 1, school districts that are  
14 members of learning communities shall also provide the learning  
15 community coordinating council with a copy of the report submitted  
16 to the commissioner. On or before November 15, each learning  
17 community coordinating council shall submit to the commissioner,  
18 to be filed in his or her office, a report described as the  
19 annual financial report showing (i) the aggregate amount of money  
20 received from all sources during the year for all member school  
21 districts and the aggregate amount of money expended by member  
22 school districts during the year, (ii) the aggregate amount of  
23 bonded indebtedness for all member school districts, (iii) such  
24 other aggregate information as shall be necessary to fulfill  
25 the requirements of the Tax Equity and Educational Opportunities  
26 Support Act and section 79-1114 for all member school districts,  
27 and (iv) such other aggregate information as the Commissioner of

1 Education directs for all member school districts.

2 (4) (a) On or before October 15 of each year, the  
3 superintendent or head administrator of each school district shall  
4 deliver to the department the fall school district membership  
5 report, which report shall include the number of children from  
6 birth through twenty years of age enrolled in the district on the  
7 last Friday in September of a given school year. The report shall  
8 enumerate (i) students by grade level, (ii) school district levies  
9 and total assessed valuation for the current fiscal year, and (iii)  
10 such other information as the Commissioner of Education directs.

11 (b) On or before October 15 of each year, school  
12 districts that are members of learning communities shall also  
13 provide the learning community coordinating council with a copy of  
14 the report delivered to the department. On or before October 31  
15 of each year, each learning community coordinating council shall  
16 deliver to the department the fall learning community membership  
17 report, which report shall include the aggregate number of children  
18 from birth through twenty years of age enrolled in the member  
19 school districts on the last Friday in September of a given  
20 school year for all member school districts. The report shall  
21 enumerate (i) the aggregate students by grade level for all member  
22 school districts, (ii) learning community levies and total assessed  
23 valuation for the current fiscal year, and (iii) such other  
24 information as the Commissioner of Education directs.

25 (c) When any school district or learning community  
26 fails to submit its fall membership report by November 1, the  
27 commissioner shall, after notice to the district and an opportunity

1 to be heard, direct that any state aid granted pursuant to the  
2 Tax Equity and Educational Opportunities Support Act be withheld  
3 until such time as the report is received by the department. In  
4 addition, the commissioner shall direct the county treasurer to  
5 withhold all school money belonging to the school district or  
6 learning community until such time as the commissioner notifies the  
7 county treasurer of receipt of such report. The county treasurer  
8 shall withhold such money. For school districts that are members  
9 of learning communities, a determination of school money belonging  
10 to the district shall be based on the proportionate share of state  
11 aid and property tax receipts allocated to the school district  
12 by the learning community coordinating council, and the treasurer  
13 of the learning community coordinating council shall withhold any  
14 such school money in the possession of the learning community from  
15 the school district. If a school district that is a member of  
16 a learning community fails to provide a copy of the report to  
17 the learning community coordinating council on or before October  
18 15, the learning community coordinating council shall complete the  
19 fall learning community membership report with information from the  
20 reports received from other member school districts.

21           Sec. 45. Section 79-554, Revised Statutes Cumulative  
22 Supplement, 2006, is amended to read:

23           79-554 In all meetings of a school board of a Class  
24 I, II, or III, ~~or VI~~ school district, a majority of the members  
25 shall constitute a quorum for the transaction of business. Regular  
26 meetings shall be held on or before the third Monday of every  
27 month. All meetings of the board shall be subject to the Open



1 Meetings Act. Special meetings may be called by the president or  
2 any two members, but all members shall have notice of the time  
3 and place of meeting. If a school district is participating in an  
4 approved unified system as provided in section 79-4,108, regular  
5 meetings of such district's school board shall be held at least  
6 twice during the school year.

7           Sec. 46. Section 79-559, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           79-559 (1) The school board or board of education of  
10 any Class II, III, IV, or V, ~~or VI~~ school district may include  
11 at least one nonvoting member who is a public high school student  
12 from the district. If the board elects to include such a nonvoting  
13 student member, the student member shall serve for a term of one  
14 year, beginning on September 1, and shall be the student body or  
15 student council president, the senior class representative, or a  
16 representative elected from and by the entire student body, as  
17 designated by the voting members of the board.

18           (2) Any nonvoting student member of the board has the  
19 privilege of attending all open meetings of the board but shall be  
20 excluded from executive sessions.

21           Sec. 47. Section 79-569, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23           79-569 The president of the school board of a Class I,  
24 II, III, or IV, ~~or VI~~ school district shall: (1) Preside at all  
25 meetings of the district; (2) countersign all orders upon the  
26 treasury for money to be disbursed by the district and all warrants  
27 of the secretary on the county treasurer for money raised for

1 district purposes or apportioned to the district by the county  
2 treasurer; (3) administer the oath to the secretary and treasurer  
3 of the district when such an oath is required by law in the  
4 transaction of the business of the district; and (4) perform such  
5 other duties as may be required by law of the president of the  
6 board. He or she is entitled to vote on any issue that may come  
7 before any meeting. If the president is absent from any district  
8 meeting, the legal voters present may elect a suitable person to  
9 preside at the meeting.

10           Sec. 48. Section 79-570, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           79-570 If at any district meeting of a Class I, II,  
13 III, or IV, ~~or VI~~ school district any person conducts himself  
14 or herself in a disorderly manner and persists in such conduct  
15 after notice by the president or person presiding, the president  
16 or person presiding may order such person to withdraw from the  
17 meeting and, if the person refuses, may order any ~~person or persons~~  
18 law enforcement officer to take such person into custody until the  
19 meeting is adjourned.

20           Sec. 49. Section 79-572, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22           79-572 The president of a Class I, II, III, or IV, ~~or VI~~  
23 school district shall appear for and on behalf of the district in  
24 all suits brought by or against the district.

25           Sec. 50. Section 79-576, Reissue Revised Statutes of  
26 Nebraska, is amended to read:

27           79-576 The secretary of a Class I, II, III, or IV, ~~or VI~~

1 ~~VI~~ school district shall be clerk of the school board and of all  
2 district meetings when present, but if he or she is not present  
3 the legal voters may appoint a clerk for the time being, who shall  
4 certify the proceedings to the clerk to be recorded by him or her.

5           Sec. 51. Section 79-577, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7           79-577 The secretary of a Class I, II, III, or IV, ~~or VI~~  
8 school district shall (1) record all proceedings of the district in  
9 a book furnished by the district to be kept for that purpose, (2)  
10 preserve copies of all reports, and (3) safely preserve and keep  
11 all books and papers belonging to the office.

12           Sec. 52. Section 79-578, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           79-578 The secretary of a Class I, II, III, or IV, ~~or VI~~  
15 school district shall take, or cause to be taken by some person  
16 appointed for the purpose by a majority vote of the school board,  
17 the census of the school district and then make or cause to be  
18 made a list in writing of the names of all the children belonging  
19 to such district, from birth through twenty years of age, together  
20 with the names of all the taxpayers in the district. A copy of  
21 the list, verified by oath of the person taking such census or by  
22 affidavit appended to or endorsed on the list, setting forth that  
23 it is a correct list of the names of all children belonging in  
24 the district from birth through twenty years of age and that it  
25 reflects such information as of June 30, shall be maintained as  
26 provided in section 79-524.

27           Sec. 53. Section 79-579, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           79-579 Whenever a secretary or president of the school  
3 board of a Class I, II, III, or IV, ~~or VI~~ school district refuses  
4 to sign orders on the treasurer or the treasurer thinks best to  
5 refuse the payment of orders drawn upon him or her, the difficulty  
6 shall be referred for adjudication to the county attorney, who  
7 shall proceed at once to investigate the matter. If the county  
8 attorney finds that the officer complained of refuses through  
9 contumacy or for insufficient reasons, the county attorney, on  
10 behalf of the district, shall apply to the proper court for a writ  
11 of mandamus to compel the officer to perform his or her duty.

12           Sec. 54. Section 79-580, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           79-580 The secretary of the school board or board of  
15 education of each Class I, II, and III, ~~and VI~~ school district  
16 having an annual budget of one hundred thousand dollars or more  
17 shall, within ten days after any regular or special meeting of the  
18 board, publish one time in a legal newspaper published in or of  
19 general circulation in such district a list of the claims, arising  
20 on contract or tort, allowed at the meeting. The list shall set  
21 forth the name of the claimant and the amount and nature of the  
22 claim allowed, to consist of not more than ten words in stating  
23 the nature of each such claim. The secretary shall likewise cause  
24 to be published a concise summary of all other proceedings of such  
25 meetings. Publication of such claims or proceedings in a legal  
26 newspaper shall not be required unless the publication can be done  
27 at an expense not exceeding the rates provided by law for the

1 publication of proceedings of county boards.

2           Sec. 55. Section 79-581, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           79-581 The secretary of any school board or board of  
5 education of a Class I, II, or III, ~~or VI~~ school district failing  
6 or neglecting to comply with the provisions of section 79-580 shall  
7 be guilty of a Class V misdemeanor. In the discretion of the court,  
8 the judgment of conviction may provide for the removal from office  
9 of such secretary for such failure or neglect.

10           Sec. 56. Section 79-586, Revised Statutes Cumulative  
11 Supplement, 2006, is amended to read:

12           79-586 The treasurer of each Class I, II, III, or IV,  
13 ~~or VI~~ school district shall, within ten days after his or her  
14 election, execute to the county and file with the secretary a bond  
15 or evidence of equivalent insurance coverage of not less than five  
16 hundred dollars in any instance and not more than double the amount  
17 of money, as nearly as can be ascertained, to come into his or  
18 her hands as treasurer at any one time, which bond shall be signed  
19 by either a personal surety or a surety company or companies of  
20 recognized responsibility as surety or sureties, to be approved by  
21 the president and secretary, conditioned for the faithful discharge  
22 of the duties of the office. The bond when approved or evidence  
23 of equivalent insurance coverage shall be filed by the secretary  
24 in the office of the county treasurer of the county in which the  
25 school district is situated. If the treasurer fails to execute such  
26 bond or provide evidence of such insurance coverage, the office  
27 shall be declared vacant by the school board or board of education

1 and the board shall immediately appoint a treasurer who shall be  
2 subject to the same conditions and possess the same powers as  
3 if elected to that office. The treasurer shall have no power or  
4 authority to withdraw or disburse the money of the district prior  
5 to filing the bond or evidence of equivalent insurance coverage  
6 provided for in this section.

7           Sec. 57. Section 79-587, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           79-587 The treasurer of each Class I, II, III, or IV~~7~~  
10 ~~or VI~~ school district shall apply for and receive from the county  
11 treasurer all school money apportioned to or collected for the  
12 district by the county treasurer, upon order of the secretary  
13 countersigned by the president. The treasurer shall pay out all  
14 money received by him or her, on the order of the secretary  
15 countersigned by the president of such district.

16           Sec. 58. Section 79-588, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18           79-588 The treasurer of a Class I, II, III, or IV~~7~~ ~~or~~  
19 ~~VI~~ school district shall keep a record in which the treasurer  
20 shall enter all the money received and disbursed by him or her,  
21 specifying particularly (1) the source from which money has been  
22 received, (2) to what fund it belongs, and (3) the person or  
23 persons to whom and the object for which the same has been paid  
24 out. The treasurer shall present to the district, at each annual  
25 meeting, a report in writing containing a statement of all money  
26 received during the preceding year and of the disbursement made  
27 with the items of such disbursements and exhibit the vouchers

1 therefor. At the close of the treasurer's term of office, he or she  
2 shall settle with the school board and shall hand over to his or  
3 her successor the records and all receipts, vouchers, orders, and  
4 papers coming into his or her hands as treasurer of the district,  
5 together with all money remaining in his or her hands as such  
6 treasurer.

7           Sec. 59. Section 79-594, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           79-594 The school board in a Class II, III, or IV  
10 ~~or VI~~ school district may also elect at any regular meeting one  
11 superintendent of public instruction with such salary as the board  
12 deems best and may enter into contract with him or her at its  
13 discretion, for a term not to exceed three years.

14           Sec. 60. Section 79-5,107, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16           79-5,107 The ~~board of education of any Class VI school~~  
17 ~~district formerly organized as a rural high school district or the~~  
18 school board of any Class II district may pay tuition based on  
19 the actual per pupil cost of the receiving district for any junior  
20 high, junior-senior high, or senior high school pupil residing in  
21 the district to attend an accredited junior high, junior-senior  
22 high, or senior high school outside such district when such  
23 facilities are located closer to the residence of the pupil than  
24 the school maintained by such district and when in the opinion of  
25 the board the best interest of such pupil or such school district  
26 may so require.

27           Sec. 61. Section 79-611, Revised Statutes Cumulative

1 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
2 amended to read:

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

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

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

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

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

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



1 a school in the school district under the control of such school  
2 board, and (c) the student does not reside in the attendance area  
3 for such school. Transportation shall be provided from the school  
4 building providing education in at least kindergarten through grade  
5 three in the attendance area in which the student resides to  
6 the school building the student attends. This subsection does not  
7 prohibit a school district from providing additional transportation  
8 to any student.

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

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

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

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

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

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

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

4 (7) No student shall be exempt from school attendance on  
5 account of distance from the public schoolhouse as long as the  
6 school district provides transportation for the student.

7 Sec. 62. Section 79-716, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9 79-716 Every affiliated high school district and every  
10 ~~Class VI school district~~ shall undertake efforts to provide  
11 for coordination of the curriculum between the elementary school  
12 program of instruction of participating Class I school districts  
13 and the high school program of instruction of such affiliated  
14 high school district, ~~or Class VI school district.~~ Notwithstanding  
15 reasonable and good faith efforts to provide for coordination of  
16 curriculum, each school board of a Class I school district shall  
17 retain the final authority to determine matters of curriculum. ~~Any~~  
18 ~~additional costs incurred in providing the coordinated services~~  
19 ~~required by this section shall be included as a cost of the Class~~  
20 ~~VI school district.~~ In the case of an affiliated school system, any  
21 additional costs incurred for curriculum coordination pursuant to  
22 this section shall be funded through the budget of the high school  
23 district. Any additional services required by any affiliated Class  
24 I district shall be funded through such Class I district's budget  
25 which may include contractual or purchased services.

26 Sec. 63. Any certificated employee, as defined in  
27 subsection (1) of section 79-824, who as a result of the enactment

1 of Laws 2005, LB 126, became employed by a Class II, III, IV, V, or  
2 VI school district and who was under an employment contract with a  
3 Class I school district on June 14, 2006, shall be reassigned and  
4 reallocated to the Class I district to which he or she was under  
5 contract on such date and shall remain employed by the Class I  
6 district under the terms and conditions of the employment contract  
7 between such certificated employee and the Class II, III, IV, V, or  
8 VI district at the time he or she is reassigned and reallocated to  
9 the Class I district. Such employment contract shall remain in full  
10 force and effect until nonrenewed, terminated, canceled, or amended  
11 pursuant to sections 79-824 to 79-842 or other applicable law.

12           Sec. 64. Any cost in addition to the cost that would  
13 have been incurred by any Class II, III, IV, V, or VI district  
14 as a result of the enactment of Laws 2005, LB 126, relating to  
15 the compensation such certificated employee may be accounted for in  
16 the budget of the applicable Class II, III, IV, V, or VI district,  
17 or the Class I district, as appropriate, and may constitute an  
18 exemption to applicable allowable budget growth rate and applicable  
19 levy limitations placed upon such districts. Such exceptions shall  
20 be allowable for school fiscal years 2007-08 and 2008-09.

21           Sec. 65. Any Class I district reorganized as a result  
22 of sections 1 to 7 of this act shall have levy authority and  
23 budget authority separate and distinct from the budget and levy  
24 authority of its principal Class II, III, IV, V, or VI district  
25 for purposes of reconciling any lost revenue and assets as a result  
26 of the enactment of Laws 2005, LB 126, as well as any increased  
27 liabilities resulting from its reorganization under such sections.

1 Such budget and levy authority shall exist for school fiscal years  
2 2007-08 and 2008-09, after which the budget and levy authority of  
3 any Class I reestablished as a result of the repeal of Laws 2005,  
4 LB 126, shall be as provided by section 79-1027.

5           Sec. 66. Any Class I district reorganized and remaining  
6 established for school fiscal years 2007-08 and 2008-09 shall  
7 have the authority to borrow up to one hundred percent of  
8 its established budget for purposes of funding its budgets as  
9 established by section 65 of this act.

10           Sec. 67. Any Class I district reorganized and remaining  
11 established for school fiscal years 2007-08 and 2008-09 shall have  
12 returned to it all of its physical assets within ninety days  
13 after the effective date of this act, except that any Class I  
14 district which by a special vote of its legal voters has received  
15 authority to dispose of its building and physical assets as excess  
16 property may be dissolved by order of the State Committee for  
17 the Reorganization of School Districts upon the forwarding by such  
18 Class I district to the state committee of notice, agenda, minutes,  
19 and recorded vote relating to such vote to dispose of its buildings  
20 and physical assets.

21           For purposes of this section, physical assets means the  
22 schoolhouse, equipment, supplies, books, audio-visual equipment,  
23 computers, desks, furniture, and tangible property of any kind  
24 which belonged to the Class I district on June 14, 2006.

25           Sec. 68. Section 79-828, Reissue Revised Statutes of  
26 Nebraska, is amended to read:

27           79-828 (1) The contract of a probationary certificated

1 employee shall be deemed renewed and remain in full force and  
2 effect unless amended or not renewed in accordance with sections  
3 79-824 to 79-842.

4 (2) The purpose of the probationary period is to allow  
5 the employer an opportunity to evaluate, assess, and assist the  
6 employee's professional skills and work performance prior to the  
7 employee obtaining permanent status.

8 All probationary certificated employees employed by Class  
9 I, II, and III, ~~and VI~~ school districts shall, during each year of  
10 probationary employment, be evaluated at least once each semester,  
11 unless the probationary certificated employee is a superintendent,  
12 in accordance with the procedures outlined below:

13 The probationary employee shall be observed and  
14 evaluation shall be based upon actual classroom observations for  
15 an entire instructional period. If deficiencies are noted in  
16 the work performance of any probationary employee, the evaluator  
17 shall provide the teacher or administrator at the time of the  
18 observation with a list of deficiencies, a list of suggestions  
19 for improvement and assistance in overcoming the deficiencies, and  
20 followup evaluations and assistance when deficiencies remain.

21 If the probationary certificated employee is a  
22 superintendent, he or she shall be evaluated twice during the first  
23 year of employment and at least once annually thereafter.

24 Any certificated employee employed prior to September 1,  
25 1982, by the school board of any Class I, II, and III, ~~or VI~~  
26 school district shall serve the probationary period required by law  
27 prior to such date and shall not be subject to any extension of

1 probation.

2           (3) If the school board or the superintendent or  
3 superintendent's designee determines that it is appropriate to  
4 consider whether the contract of a probationary certificated  
5 employee or the superintendent should be amended or not renewed for  
6 the next school year, such certificated employee shall be given  
7 written notice that the school board will consider the amendment  
8 or nonrenewal of such certificated employee's contract for the  
9 ensuing school year. Upon request of the certificated employee,  
10 notice shall be provided which shall contain the written reasons  
11 for such proposed amendment or nonrenewal and shall be sufficiently  
12 specific so as to provide such employee the opportunity to prepare  
13 a response and the reasons set forth in the notice shall be  
14 employment related.

15           (4) The school board may elect to amend or not renew  
16 the contract of a probationary certificated employee for any reason  
17 it deems sufficient if such nonrenewal is not for constitutionally  
18 impermissible reasons, and such nonrenewal shall be in accordance  
19 with sections 79-824 to 79-842. Amendment or nonrenewal for reason  
20 of reduction in force shall be subject to sections 79-824 to 79-842  
21 and 79-846 to 79-849.

22           (5) Within seven calendar days after receipt of  
23 the notice, the probationary certificated employee may make a  
24 written request to the secretary of the school board or to the  
25 superintendent or superintendent's designee for a hearing before  
26 the school board.

27           (6) Prior to scheduling of action or a hearing on

1 the matter, if requested, the notice of possible amendment  
2 or nonrenewal and the reasons supporting possible amendment or  
3 nonrenewal shall be considered a confidential employment matter as  
4 provided in sections 79-539, 79-8,109, and 84-1410 and shall not be  
5 released to the public or any news media.

6 (7) At any time prior to the holding of a hearing or  
7 prior to final determination by the school board to amend or not  
8 renew the contract involved, the probationary certificated employee  
9 may submit a letter of resignation for the ensuing year, which  
10 resignation shall be accepted by the school board.

11 (8) The probationary certificated employee shall be  
12 afforded a hearing which shall not be required to meet the  
13 requirements of a formal due process hearing as set forth in  
14 section 79-832 but shall be subject to section 79-834.

15 Sec. 69. Section 79-850, Revised Statutes Cumulative  
16 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
17 amended to read:

18 79-850 For purposes of sections 79-850 to 79-858:

19 (1) Reorganized school district means: (a) Any expanded  
20 or altered school district, organized or altered by any of the  
21 means provided by Nebraska law including, but not limited to, the  
22 methods provided by the Reorganization of School Districts Act,  
23 the Learning Community Reorganization Act, section 79-407, 79-413,  
24 or 79-473, or sections 79-415 ~~to 79-417~~ and 79-416 or 79-452 to  
25 79-455; or (b) any school district to be formed in the future  
26 if the petition or plan for such reorganized school district  
27 has been approved pursuant to any of the methods set forth in



1 subdivision (1) (a) of this section when the effective date of such  
2 reorganization is prospective. For purposes of this subdivision,  
3 a petition or plan shall be deemed approved when the last legal  
4 action has been taken, as prescribed in section 79-413, 79-450, or  
5 79-455, necessary to effect the changes in boundaries as set forth  
6 in the petition or plan; and

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

11 Sec. 70. Section 79-1001, Revised Statutes Cumulative  
12 Supplement, 2006, is amended to read:

13 79-1001 Sections 79-1001 to 79-1033 and section 73 of  
14 this act shall be known and may be cited as the Tax Equity and  
15 Educational Opportunities Support Act.

16 Sec. 71. Section 79-1003, Revised Statutes Cumulative  
17 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
18 amended to read:

19 79-1003 For purposes of the Tax Equity and Educational  
20 Opportunities Support Act:

21 (1) Adjusted general fund operating expenditures means  
22 (a) for school fiscal years before school fiscal year 2007-08,  
23 general fund operating expenditures as calculated pursuant to  
24 subdivision (24) of this section minus the transportation allowance  
25 and minus the special receipts allowance, (b) for school fiscal  
26 year 2007-08, general fund operating expenditures as calculated  
27 pursuant to subdivision (24) of this section minus the sum of

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

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

23 (3) Allocated income tax funds means the amount of  
24 assistance paid to a local system pursuant to section 79-1005.01 or  
25 79-1005.02 as adjusted by the minimum levy adjustment pursuant to  
26 section 79-1008.02;

27 (4) Average daily attendance of a student who resides on

1 Indian land means average daily attendance of a student who resides  
2 on Indian land from the most recent data available on November 1  
3 preceding the school fiscal year in which aid is to be paid;

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

10 (6) Base fiscal year means the first school fiscal year  
11 following the school fiscal year in which the reorganization or  
12 unification occurred;

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

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

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

22 (10) Converted contract means an expired contract that  
23 was in effect for at least fifteen years for the education of  
24 students in a nonresident district in exchange for tuition from  
25 the resident district when the expiration of such contract results  
26 in the nonresident district educating students who would have been  
27 covered by the contract if the contract were still in effect

1 as option students pursuant to the enrollment option program  
2 established in section 79-234;

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

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

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

25 (14) District means any Class I, II, III, IV, or V, ~~or~~ VI  
26 school district;

27 (15) Ensuing school fiscal year means the school fiscal

1 year following the current school fiscal year;

2 (16) Equalization aid means the amount of assistance  
3 calculated to be paid to a local system pursuant to sections  
4 79-1008.01 to 79-1022 and 79-1022.02;

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

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

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

26 (20) Free lunch and free milk student means a student  
27 who qualified for free lunches or free milk from the most recent

1 data available on November 1 of the school fiscal year immediately  
2 preceding the school fiscal year in which aid is to be paid;

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

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

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

19 (24) General fund operating expenditures means the total  
20 general fund expenditures minus categorical funds, tuition paid,  
21 transportation fees paid to other districts, adult education,  
22 summer school, community services, redemption of the principal  
23 portion of general fund debt service, retirement incentive plans,  
24 staff development assistance, and transfers from other funds into  
25 the general fund for the second school fiscal year immediately  
26 preceding the school fiscal year in which aid is to be paid;

27 (25) High school district means a school district

1 providing instruction in at least grades nine through twelve;

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

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

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

13 (29) Local system means a ~~Class VI district and the~~  
14 ~~associated Class I districts or~~ a Class II, III, IV, or V district  
15 and any affiliated Class I districts ~~or portions of Class I~~  
16 ~~districts~~ and for school fiscal year 2008-09 and each school fiscal  
17 year thereafter, a learning community or a Class II, III, IV,  
18 or V district that is not a member of a learning community; ~~—~~  
19 ~~The membership, expenditures, and resources of Class I districts~~  
20 ~~that are affiliated with multiple high school districts will be~~  
21 ~~attributed to local systems based on the percent of the Class I~~  
22 ~~valuation that is affiliated with each high school district;~~

23 (30) Low-income child means (a) for school fiscal years  
24 prior to 2008-09, a child under nineteen years of age living in  
25 a household having an annual adjusted gross income of fifteen  
26 thousand dollars or less for the second calendar year preceding  
27 the beginning of the school fiscal year for which aid is being

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

10 (31) Low-income students means the number of low-income  
11 children within the local system multiplied by the ratio of the  
12 formula students in the local system divided by the total children  
13 under nineteen years of age residing in the local system as derived  
14 from income tax information;

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

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

24 (34) Qualified early childhood education average daily  
25 membership means the product of the average daily membership for  
26 school fiscal year 2006-07 and each school fiscal year thereafter  
27 of students who will be eligible to attend kindergarten the



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

12 (35) Qualified early childhood education fall membership  
13 means the product of membership on the last Friday in September  
14 2006 and each year thereafter of students who will be eligible  
15 to attend kindergarten the following school year and are enrolled  
16 in an early childhood education program approved by the department  
17 pursuant to section 79-1103 for such school district for such  
18 school year if: (a) The program is receiving a grant pursuant  
19 to such section for the third year; (b) the program has already  
20 received grants pursuant to such section for three years; or (c)  
21 the program has been approved pursuant to subsection (5) of section  
22 79-1103 for such school year and the two preceding school years,  
23 including any such students in portions of any of such programs  
24 receiving an expansion grant, multiplied by the ratio of the  
25 planned instructional hours of the program divided by one thousand  
26 thirty-two;

27 (36) Regular route transportation means the

1 transportation of students on regularly scheduled daily routes to  
2 and from the attendance center;

3 (37) Reorganized district means any district involved  
4 in a consolidation and currently educating students following  
5 consolidation;

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

8 (39) Special education means specially designed  
9 kindergarten through grade twelve instruction pursuant to section  
10 79-1125, and includes special education transportation;

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

19 (41) Special receipts allowance means the amount of  
20 special education, state ward, and accelerated or differentiated  
21 curriculum program receipts included in local system formula  
22 resources under subdivisions (7), (8), (16), and (17) of section  
23 79-1018.01 attributable to the school district;

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

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

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

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

17           (46) Transportation allowance means the lesser of (a)  
18 each local system's general fund expenditures for regular route  
19 transportation and in lieu of transportation expenditures pursuant  
20 to section 79-611 in the second school fiscal year immediately  
21 preceding the school fiscal year in which aid is to be paid,  
22 but not including special education transportation expenditures or  
23 other expenditures previously excluded from general fund operating  
24 expenditures, or (b) the number of miles traveled in the second  
25 school fiscal year immediately preceding the school fiscal year in  
26 which aid is to be paid by vehicles owned, leased, or contracted  
27 by the district or the districts in the local system for the

1 purpose of regular route transportation multiplied by four hundred  
2 percent of the mileage rate established by the Department of  
3 Administrative Services pursuant to section 81-1176 as of January 1  
4 of the most recently available complete data year added to in lieu  
5 of transportation expenditures pursuant to section 79-611 from the  
6 same data year;

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

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

14 Sec. 72. Section 79-1007.02, Revised Statutes Cumulative  
15 Supplement, 2006, is amended to read:

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

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

1 divide the local systems into three cost groupings prior to the  
2 certification of state aid based upon the following criteria:

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

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

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

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

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

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

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

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

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

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

1                   (b) The cost growth factor for each cost grouping is  
2 equal to the sum of: (i) One; plus (ii) the product of two  
3 times the ratio of the difference between the formula students  
4 attributable to the cost grouping without weighting or adjustment  
5 pursuant to section 79-1007.01 and the sum of the average  
6 daily membership plus tuitioned students attributable to the cost  
7 grouping for the most recently available complete data year divided  
8 by the sum of the average daily membership plus tuitioned students  
9 attributable to the cost grouping for the most recently available  
10 complete data year, except that the ratio shall not be less than  
11 zero; plus (iii) the basic allowable growth rate pursuant to  
12 section 79-1025 for the school fiscal year in which the aid is to  
13 be distributed; plus (iv) the basic allowable growth rate pursuant  
14 to section 79-1025 for the school fiscal year immediately preceding  
15 the school fiscal year in which the aid is to be distributed;  
16 plus (v) one-half of any additional growth rate allowed by special  
17 action of school boards for the school fiscal year in which the  
18 aid is to be distributed as determined for the school fiscal  
19 year immediately preceding the school fiscal year when aid is to  
20 be distributed; plus (vi) one-half of any additional growth rate  
21 allowed by special action of the school boards for the school  
22 fiscal year immediately preceding the school fiscal year when the  
23 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 shall  
19 equal the greater of (a) the sum of the school district's  
20 transportation allowance, remote elementary allowance, elementary  
21 class size allowance, focus school and program allowance, limited  
22 English proficiency allowance, poverty allowance, special receipts  
23 allowance, and distance education and telecommunications allowance  
24 plus the product of the school district's adjusted formula students  
25 multiplied by the average formula cost per student in the school  
26 district's local system cost grouping or (b) if the school  
27 district's general fund levy was at or above ninety-nine cents

1 per one hundred dollars of valuation for the previous year,  
2 the school district's prior year formula need multiplied by one  
3 hundred percent. The calculation of total adjusted formula students  
4 for purposes of this subdivision shall take into account the  
5 requirements of subdivision (2) of section 79-1007.03.

6       Sec. 73. For school fiscal year 2008-09 and each school  
7 fiscal year thereafter, the department shall determine the remote  
8 elementary allowance for each local system in the standard cost  
9 grouping which has at least one qualifying remote elementary  
10 attendance center and which submits the information required for  
11 the calculation on a form prescribed by the department on or  
12 before October 15 for state aid certified pursuant to section  
13 79-1022 and on or before June 30 for the final calculation of  
14 state aid pursuant to section 79-1065. For purposes of calculations  
15 pursuant to this section, a qualifying remote elementary attendance  
16 center is an elementary attendance center, in a district with  
17 multiple elementary attendance centers, which does not have another  
18 elementary attendance center within seven miles in the same school  
19 district and which is not the elementary attendance center with  
20 the greatest number of formula students attributed to it in the  
21 school district. The remote elementary allowance for each local  
22 system with at least one qualifying remote elementary attendance  
23 center shall equal the product of the formula students in grades  
24 kindergarten through six attributed to the qualifying remote  
25 elementary attendance centers in the local system multiplied by  
26 fifty percent of the statewide average general fund operating  
27 expenditures per formula student.

1           Sec. 74. Section 79-1023, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           79-1023 No Class II, III, IV, or V ~~or VI~~ district shall  
4 increase its general fund budget of expenditures more than the  
5 local system's applicable allowable growth rate.

6           Sec. 75. Section 79-1026, Revised Statutes Cumulative  
7 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
8 amended to read:

9           79-1026 For school fiscal years prior to 2008-09: On or  
10 before ~~June 15, 2003~~, and ~~on or before~~ February 1, ~~for each year~~  
11 ~~thereafter~~, the department shall determine and certify to each  
12 Class II, III, IV, or V ~~or VI~~ district an applicable allowable  
13 growth rate carried out at least four decimal places for each local  
14 system as follows:

15           (1) The department shall establish a target budget level  
16 range of general fund operating expenditure levels for each school  
17 fiscal year for each local system which shall begin at twenty  
18 percent less than the local system's formula need and end at the  
19 local system's formula need. The beginning point of the range shall  
20 be assigned a number equal to the maximum allowable growth rate  
21 established in section 79-1025, and the end point of the range  
22 shall be assigned a number equal to the basic allowable growth rate  
23 as prescribed in such section such that the lower end of the range  
24 shall be assigned the maximum allowable growth rate and the higher  
25 end of the range shall be assigned the basic allowable growth rate;  
26 and

27           (2) For each school fiscal year, each local system's

1 general fund operating expenditures shall be compared to its target  
2 budget level along the range described in subdivision (1) of  
3 this section to arrive at an applicable allowable growth rate as  
4 follows: If each local system's general fund operating expenditures  
5 fall below the lower end of the range, such applicable allowable  
6 growth rate shall be the maximum growth rate identified in section  
7 79-1025. If each local system's general fund operating expenditures  
8 are greater than the higher end of the range, the local system's  
9 allowable growth rate shall be the basic allowable growth rate  
10 identified in such section. If each local system's general fund  
11 operating expenditures fall between the lower end and the higher  
12 end of the range, the department shall use a linear interpolation  
13 calculation between the end points of the range to arrive at the  
14 applicable allowable growth rate for the local system.

15           Sec. 76. Section 79-1028, Revised Statutes Cumulative  
16 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
17 amended to read:

18           79-1028 (1) A Class I, II, III, IV, or V, ~~or VI~~ school  
19 district may exceed its applicable allowable growth rate for (a)  
20 expenditures in support of a service which is the subject of  
21 an agreement or a modification of an existing agreement whether  
22 operated by one of the parties to the agreement or an independent  
23 joint entity or joint public agency, (b) expenditures to pay for  
24 repairs to infrastructure damaged by a natural disaster which is  
25 declared a disaster emergency pursuant to the Emergency Management  
26 Act, (c) expenditures to pay for judgments, except judgments  
27 or orders from the Commission of Industrial Relations, obtained

1 against a school district which require or obligate a school  
2 district to pay such judgment, to the extent such judgment is not  
3 paid by liability insurance coverage of a school district, (d)  
4 expenditures to pay for sums agreed to be paid by a school district  
5 to certificated employees in exchange for a voluntary termination  
6 of employment, or (e) expenditures to pay for lease-purchase  
7 contracts approved on or after July 1, 1997, and before July  
8 1, 1998, to the extent the lease payments were not budgeted  
9 expenditures for fiscal year 1997-98.

10 (2) A Class I, II, III, IV, or V ~~or VI~~ district  
11 may exceed its applicable allowable growth rate by a specific  
12 dollar amount if the district projects an increase in formula  
13 students in the district over the current school year greater  
14 than twenty-five students or greater than those listed in the  
15 schedule provided in this subsection, whichever is less. Districts  
16 shall project increases in formula students on forms prescribed by  
17 the department. The department shall approve, deny, or modify the  
18 projected increases.

19	Average daily	Projected increase
20	membership of	of formula students
21	district	by percentage
22	0 - 50	10
23	50.01 - 250	5
24	250.01 - 1,000	3
25	1,000.01 and over	1

26 The department shall compute the district's estimated  
27 allowable budget per pupil using the budgeted general fund

1 expenditures found on the budget statement for the current school  
2 year divided by the number of formula students in the current  
3 school year and multiplied by the district's applicable allowable  
4 growth rate. The resulting allowable budget per pupil shall be  
5 multiplied by the projected formula students to arrive at the  
6 estimated budget needs for the ensuing year. The department  
7 shall allow the district to increase its general fund budget  
8 of expenditures for the ensuing school year by the amount  
9 necessary to fund the estimated budget needs of the district  
10 as computed pursuant to this subsection. On or before July  
11 1, the department shall make available to districts which have  
12 been allowed additional growth pursuant to this subsection the  
13 necessary document to recalculate the actual formula students of  
14 such district. Such document shall be filed with the department  
15 under subsection (1) of section 79-1024.

16 (3) A Class I, II, III, IV, or V ~~VI~~ district  
17 may exceed its applicable allowable growth rate by a specific  
18 dollar amount if construction, expansion, or alteration of district  
19 buildings will cause an increase in building operation and  
20 maintenance costs of at least five percent. The department  
21 shall document the projected increase in building operation and  
22 maintenance costs and may allow a Class II, III, IV, or V ~~VI~~  
23 district to exceed its applicable allowable growth rate by the  
24 amount necessary to fund such increased costs. The department shall  
25 compute the actual increased costs for the school year and shall  
26 notify the district on or before July 1 of the recovery of the  
27 additional growth pursuant to this subsection.

1           (4) A Class I, II, III, IV, or V ~~or VI~~ district may  
2 exceed its applicable allowable growth rate by a specific dollar  
3 amount if the district demonstrates to the satisfaction of the  
4 department that it will exceed its applicable allowable growth rate  
5 as a result of costs pursuant to the Retirement Incentive Plan  
6 authorized in section 79-855 or the Staff Development Assistance  
7 authorized in section 79-856. The department shall compute the  
8 amount by which the increased cost of such program or programs  
9 exceeds the district's applicable allowable growth rate and shall  
10 allow the district to increase its general fund expenditures by  
11 such amount for that fiscal year.

12           (5) A Class I, II, III, IV, or V district may exceed its  
13 applicable allowable growth rate by the specific dollar amount of  
14 incentive payments or base fiscal year incentive payments to be  
15 received in such school fiscal year pursuant to section 79-1011.

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

1 early childhood education fall membership for the first time or by  
2 the district's adjusted formula students attributed to such early  
3 childhood education programs minus the district's adjusted formula  
4 students attributed to such early childhood education programs for  
5 the prior school fiscal year if a program is receiving an expansion  
6 grant in the school fiscal year for which the fall membership is  
7 measured. The department shall allow the district to increase its  
8 general fund expenditures by such amount for such school fiscal  
9 year.

10 (7) For school fiscal year 2005-06, a Class II, III, IV,  
11 V, or VI district may exceed its applicable allowable growth rate  
12 by a specific dollar amount not to exceed seventy-four hundredths  
13 percent of the amount budgeted for employee salaries for such  
14 school fiscal year. For school fiscal year 2006-07, a Class II,  
15 III, IV, V, or VI district may exceed its applicable allowable  
16 growth rate by a specific dollar amount not to exceed fifty-nine  
17 hundredths percent of the amount budgeted for employee salaries for  
18 such school fiscal year.

19 (8) A Class II, III, IV, or V district that is a  
20 member of a learning community may exceed its applicable allowable  
21 growth rate for the first school fiscal year in which the school  
22 district will be a member of a learning community for the full  
23 school fiscal year by an amount equal to anticipated increases in  
24 transportation expenditures necessary to meet the requirements of  
25 subsection (2) of section 79-611 as approved by the department. The  
26 department shall approve, deny, or modify the amount allowed  
27 for anticipated increases in transportation expenditures. The



1 department shall compute the actual increase in transportation  
2 expenditures necessary to meet the requirements of subsection (2)  
3 of section 79-611 for such school fiscal year and shall, if needed,  
4 modify the district's applicable allowable growth rate for the  
5 ensuing school fiscal year.

6 (9) For school fiscal year 2008-09, a Class I, II,  
7 III, IV, or V district may exceed its applicable allowable  
8 growth rate by a specific dollar amount if the sum of the  
9 poverty allowance, elementary class size allowance, focus school  
10 and program allowance, and limited English proficiency allowance  
11 for the school district for school fiscal year 2008-09 exceeds  
12 the poverty weightings plus limited English proficiency weightings  
13 multiplied by the cost grouping cost per student for the school  
14 district for school fiscal year 2007-08. The department shall  
15 compute the amount by which the district may exceed the applicable  
16 allowable growth rate by subtracting the product of the sum of  
17 the poverty weightings and limited English proficiency weightings  
18 for school fiscal year 2007-08 multiplied by the average formula  
19 cost per student in the school district's cost grouping for school  
20 fiscal year 2007-08 from the sum of the school fiscal year 2008-09  
21 poverty allowance, elementary class size allowance, focus school  
22 and program allowance, and limited English proficiency allowance  
23 for the school district. The department shall allow the district to  
24 increase its general fund expenditures by such amount for school  
25 fiscal year 2008-09.

26 (10) For school fiscal year 2009-10 and each school  
27 fiscal year thereafter, a Class I, II, III, IV, or V district may

1 exceed its applicable allowable growth rate by a specific dollar  
2 amount if the sum of the poverty allowance, elementary class size  
3 allowance, focus school and program allowance, and limited English  
4 proficiency allowance for the school district has grown at a rate  
5 higher than the applicable allowable growth rate of the district.  
6 The department shall compute the amount by which the district  
7 may exceed the applicable allowable growth rate by subtracting  
8 the product of the sum of the poverty allowance, elementary class  
9 size allowance, focus school and program allowance, and limited  
10 English proficiency allowance for the immediately preceding school  
11 fiscal year multiplied by the sum of one plus the applicable  
12 allowable growth rate to be exceeded from the sum of the poverty  
13 allowance, elementary class size allowance, focus school and  
14 program allowance, and limited English proficiency allowance for  
15 the district for the school fiscal year for which the applicable  
16 allowable growth rate would be exceeded. The department shall allow  
17 the district to increase its general fund expenditures by such  
18 amount for the applicable school fiscal year.

19 (11) A Class I, II, III, IV, or V school district may  
20 exceed its applicable allowable growth rate by a specific dollar  
21 amount not to exceed the amount received during such school fiscal  
22 year from educational entities as defined in section 79-1332 for  
23 providing distance education courses through the Distance Education  
24 Council to such educational entities.

25 (12) A Class II, III, IV, or V school district may exceed  
26 its applicable allowable growth rate for school fiscal year 2007-08  
27 by a specific dollar amount equal to the amount paid in school

1 fiscal year 2006-07 to any distance education consortium in which  
2 the school district was participating pursuant to an interlocal  
3 agreement.

4 Sec. 77. Section 79-1029, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6 79-1029 (1) A Class I, II, III, IV, or V ~~or VI~~ district  
7 may exceed the basic allowable growth rate prescribed in section  
8 79-1025 upon an affirmative vote of at least seventy-five percent  
9 of the board. The total growth shall not exceed the applicable  
10 allowable growth rate certified for the local system under section  
11 79-1026 plus one percent. The vote shall be taken at a public  
12 meeting of the board following a special public hearing called for  
13 the purpose of receiving testimony on such proposed increase. The  
14 board shall give at least five calendar days' notice of such public  
15 hearing and shall publish such notice at least once in a newspaper  
16 of general circulation in the local system.

17 (2) A Class I, II, III, IV, or V ~~or VI~~ district may  
18 exceed the applicable allowable growth rate prescribed in section  
19 79-1026 by an amount approved by a majority of legal voters voting  
20 on the issue at a primary, general, or special election called  
21 for such purpose upon the recommendation of the board or upon  
22 the receipt by the county clerk or election commissioner of a  
23 petition requesting an election signed by at least five percent  
24 of the legal voters of the district. The recommendation of the  
25 board or the petition of the legal voters shall include the amount  
26 and percentage by which the board would increase its general fund  
27 budget of expenditures for the ensuing school year over and above

1 the current year's general fund budget of expenditures. The county  
2 clerk or election commissioner shall place the question on the  
3 primary or general election ballot or call for a special election  
4 on the issue after the receipt of such board recommendation or  
5 legal voter petition. The election shall be held pursuant to the  
6 Election Act or section 77-3444, and all costs for a special  
7 election shall be paid by the district. A vote to exceed the  
8 applicable allowable growth rate may be approved on the same  
9 question as a vote to exceed the levy limits provided in section  
10 77-3444.

11           Sec. 78. Section 79-1030, Revised Statutes Cumulative  
12 Supplement, 2006, is amended to read:

13           79-1030 A Class I, II, III, IV, or V ~~or VI~~ district may  
14 choose not to increase its general fund budget of expenditures by  
15 the full amount of its applicable allowable growth rate. In such  
16 cases, the department shall calculate the amount of unused budget  
17 authority which shall be carried forward to future budget years  
18 so a Class I, II, III, IV, or V ~~or VI~~ district may increase its  
19 general fund budget of expenditures in future budget years by the  
20 amount of such total unused budget authority in addition to its  
21 applicable allowable growth rate for the specific budget year.

22           Sec. 79. Section 79-1036, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24           79-1036 (1) In making the apportionment under section  
25 79-1035, the Commissioner of Education shall distribute from the  
26 school fund for school purposes, to any and all school districts  
27 in which there are situated school lands which have not been sold

1 and transferred by deed or saline lands owned by the state, which  
2 lands are being used for a public purpose, an amount in lieu of  
3 tax money that would be raised if such lands were taxable, to  
4 be ascertained in accordance with subsection (2) of this section,  
5 except that: ~~(a) For~~ for Class I districts ~~or portions thereof~~ which  
6 are affiliated and in which there are situated school or saline  
7 lands, 38.6207 percent of the in lieu of land tax money calculated  
8 pursuant to subsection (2) of this section, based on the affiliated  
9 school system tax levy computed pursuant to section 79-1077, shall  
10 be distributed to the affiliated high school district and the  
11 remainder shall be distributed to the Class I district. ;

12 ~~(b) For Class I districts or portions thereof which are~~  
13 ~~part of a Class VI district which offers instruction in grades nine~~  
14 ~~through twelve and in which there are situated school or saline~~  
15 ~~lands, 38.6207 percent of the in lieu of land tax money calculated~~  
16 ~~pursuant to subsection (2) of this section, based on the Class VI~~  
17 ~~school system levy computed pursuant to section 79-1078, shall be~~  
18 ~~distributed to the Class VI district and the remainder shall be~~  
19 ~~distributed to the Class I district;~~

20 ~~(c) For Class I districts or portions thereof which are~~  
21 ~~part of a Class VI district which offers instruction in grades~~  
22 ~~seven through twelve and in which there are situated school or~~  
23 ~~saline lands, 55.1724 percent of the in lieu of land tax money~~  
24 ~~calculated pursuant to subsection (2) of this section, based on the~~  
25 ~~Class VI school system levy computed pursuant to section 79-1078,~~  
26 ~~shall be distributed to the Class VI district and the remainder~~  
27 ~~shall be distributed to the Class I district; and~~

1           ~~(d) For Class I districts or portions thereof which are~~  
2 ~~part of a Class VI district which offers instruction in grades six~~  
3 ~~through twelve and in which there are situated school or saline~~  
4 ~~lands, 62.0690 percent of the in lieu of land tax money calculated~~  
5 ~~pursuant to subsection (2) of this section, based on the Class VI~~  
6 ~~school system levy computed pursuant to section 79-1078, shall be~~  
7 ~~distributed to the Class VI district and the remainder shall be~~  
8 ~~distributed to the Class I district.~~

9           (2) The county assessor shall certify to the Commissioner  
10 of Education the tax levy for school purposes of each school  
11 district in which school land or saline land is located and the  
12 last appraised value of such school land, which value shall be  
13 the same percentage of the appraised value as the percentage of  
14 the assessed value is of market value in subsection (2) of section  
15 77-201 for the purpose of applying the applicable tax levy for  
16 each district in determining the distribution to the districts of  
17 such amounts. The school board of any school district in which  
18 there is located any leased or undeeded school land or saline land  
19 subject to this section may appeal to the Board of Educational  
20 Lands and Funds for a reappraisalment of such school land if such  
21 school board deems the land not appraised in proportion to the  
22 value of adjoining land of the same or similar value. The Board of  
23 Educational Lands and Funds shall proceed to investigate the facts  
24 involved in such appeal and, if the contention of the school board  
25 is correct, make the proper reappraisalment. The value calculation  
26 in this subsection shall be used by the Commissioner of Education  
27 for making distributions in each school fiscal year.

1           Sec. 80. Section 79-1065.02, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           79-1065.02 (1) State aid payments shall be adjusted to  
4 reflect transfers of property due to annexation, to any dissolution  
5 of a Class I school district, and to any reorganization involving  
6 one or more Class I school districts.

7           (2) This section applies whenever property ~~+(a)~~ A Class  
8 I school district dissolves or reorganizes in such a manner that  
9 the parcels of property making up the Class I district prior to  
10 the dissolution or reorganization which were affiliated with a  
11 Class II, III, IV, or V school district do not become part of the  
12 Class II, III, IV, or V school district with which such parcels of  
13 property were affiliated, ~~or (b)~~ Property within the boundaries of a  
14 Class I, II, III, IV, or V school district is transferred  
15 to another school district due to a change in the school district  
16 boundaries in response to annexation of the transferred property by  
17 a city or village.

18           (3) To qualify for additional state aid pursuant to  
19 this section, the school district from which property is being  
20 transferred shall apply on a form prescribed by the State  
21 Department of Education on or before August 20 preceding the first  
22 school fiscal year for which the property will not be available for  
23 taxation for the school district's general fund levy. On or before  
24 such deadline, the applicant school district shall send copies of  
25 the application to the high school districts of the local systems  
26 receiving valuation in the transfer. For purposes of this section,  
27 property is deemed transferred from the school district whether the

1 property was within the boundaries of the school district or the  
2 property was affiliated with the school district.

3 (4) Upon receipt of the application, the department,  
4 with the assistance of the Property Tax Administrator, shall  
5 calculate the amount of additional state aid, if any, that the  
6 local system, as defined in section 79-1003, for the applicant  
7 school district would have received for such school fiscal year if  
8 the adjusted valuation for the transferred property had not been  
9 included in the adjusted valuation of such local system for the  
10 calculation of state aid for such school fiscal year. On or before  
11 September 20 of such school fiscal year, the department shall  
12 certify to the applicant school district the amount of additional  
13 state aid, if any, the district will receive. Except as otherwise  
14 provided in this subsection, if such applicant school district  
15 receives a lump-sum payment pursuant to subsection (2) of section  
16 79-1022, such lump-sum payment shall be increased by the amount  
17 of additional state aid. Except as otherwise provided in this  
18 subsection, if such applicant school district does not receive a  
19 lump-sum payment pursuant to such subsection, state aid payments  
20 shall be increased by one-tenth of the amount of additional state  
21 aid for each of the ten state aid payments for such school fiscal  
22 year. If a portion of the total reduction calculated pursuant  
23 to subsection (5) of this section for local systems receiving  
24 valuation in the transfer of property that is the subject of the  
25 application is delayed until future years, the additional state aid  
26 to be paid in the school fiscal year described in subsection (3) of  
27 this section shall be reduced by the amount of the total reduction



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

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

26 (6) For purposes of the final calculation of state aid  
27 pursuant to section 79-1065, the adjusted valuation of the property

1 that was transferred shall also be transferred for purposes of  
2 adjusted valuation for the final calculation of state aid. For  
3 determining adjustments in state aid pursuant to section 79-1065,  
4 the final calculation of state aid shall be compared to the  
5 state aid certified for such school fiscal year combined with  
6 any adjustments in state aid payments and transfers from other  
7 districts pursuant to this section.

8 Sec. 81. Section 79-1072, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10 79-1072 The school board or board of education of any  
11 Class I, II, III, IV, or V, ~~or VI~~ school district may establish  
12 a contingency fund for losses. Such contingency fund shall be  
13 established and maintained by transfers from the general fund  
14 of such school district as authorized by the school board or  
15 board of education of such school district. Disbursements from  
16 such contingency fund shall not exceed five percent of the total  
17 budgeted general fund expenditures of the school district and shall  
18 be used only for defense against losses, payment of losses, and  
19 transfer of funds to the general fund of such school district as  
20 authorized by the board.

21 Sec. 82. Section 79-1077, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 79-1077 ~~(1)~~ Whenever the affiliation of a Class I  
24 district ~~or portion thereof~~ becomes final, the general fund  
25 property tax requirement of the high school district and each  
26 Class I district ~~or portion thereof~~ in an affiliated school system  
27 shall be certified to the county assessor for computation of

1 an affiliated school system tax levy. The proceeds of such tax  
2 levy, upon collection by the county, shall be distributed to the  
3 districts in the affiliated school system in amounts which are  
4 in proportion to the amounts of the general fund property tax  
5 requirements certified by such districts to the county assessor.  
6 Such tax levy shall be computed as follows: ~~(a) If one or more Class~~  
7 ~~I districts affiliate with only one high school district,~~ the sum  
8 of the general fund property tax requirements of the high school  
9 district and all such affiliated Class I districts shall be divided  
10 by the sum of the assessed valuation, in hundreds, of all such  
11 districts. ~~or~~

12 ~~(b) If a Class I district or portion thereof affiliates~~  
13 ~~with more than one high school district,~~ such Class I district's  
14 general fund property tax requirement shall be apportioned to  
15 respective portions of such Class I district for purposes of this  
16 computation based on each portion's assessed taxable valuation in  
17 relation to the total assessed valuation of all affiliated portions  
18 of the Class I district certified by the county clerk pursuant to  
19 section 79-1074, and the affiliated school system tax levy shall  
20 be computed as though it were a single district as prescribed in  
21 subdivision ~~(a)~~ of this subsection.

22 ~~(2) When a Class I district or portion thereof affiliates~~  
23 ~~in part with one or more districts and in part becomes a part of~~  
24 ~~one or more Class VI districts,~~ the tax levy assessed on taxable  
25 property within the Class I district to fund the portion of the  
26 budget of the Class I district which is to come from the general  
27 fund property tax requirement shall be made as follows:

1           (a) The proportionate share of the Class I district  
2 budget allocable to any affiliated system shall be assessed on  
3 all property within such affiliated system as described in this  
4 section; and

5           (b) The proportionate share of the Class I general fund  
6 property tax requirement not allocable to any affiliated system  
7 shall be assessed in accordance with section 79-1078.

8           Sec. 83. Section 79-1083.02, Revised Statutes Cumulative  
9 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
10 amended to read:

11           79-1083.02 On or before February 5, 2003, and on or  
12 before February 1, of each year thereafter, the State Department  
13 of Education shall designate ~~a~~ as the primary high school district  
14 for each Class I school district for the following school fiscal  
15 year the Class II, III, or IV school district with which the  
16 Class I district is affiliated. The primary high school district  
17 shall be the one Class II, III, IV, or V, ~~or VI~~ school district  
18 or the unified system with which the greatest share of the Class  
19 I district's assessed valuation is affiliated or of which such  
20 share is a part for the school fiscal year immediately preceding  
21 the school fiscal year for which the primary high school district  
22 determination is made. The department shall certify to all school  
23 districts and all county clerks the primary high school district  
24 for each Class I district.

25           Sec. 84. Section 79-1083.03, Revised Statutes Cumulative  
26 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
27 amended to read:

1           79-1083.03 ~~(1)(a)~~ If the primary high school district  
2 designated pursuant to section 79-1083.02 is a Class VI district,  
3 the Class I district's total allowable general fund budget of  
4 expenditures minus the special education budget of expenditures  
5 shall be determined by the school board of such Class VI district  
6 and shall be certified to the Class I district on or before June  
7 24, 2003, and on or before March 1 each year thereafter for the  
8 following school fiscal year.

9           ~~(b)~~ The Class VI primary high school district shall  
10 certify the total allowable general fund budget of expenditures  
11 minus the special education budget of expenditures for the Class I  
12 district to the State Department of Education on or before August  
13 1, 2003, and on or before April 20 each year thereafter.

14           ~~(2)~~ If the primary high school district is not a Class  
15 VI district, the (1) The Class I district's total allowable minimum  
16 budget authority for the general fund budget of expenditures minus  
17 the special education budget of expenditures shall be determined by  
18 the department as follows and certified on or before June 15, 2003,  
19 and certified on or before February 1 each year thereafter, for the  
20 following school fiscal year and shall equal the greater of fifty  
21 thousand dollars or the cost grouping cost per student for the  
22 local system's cost grouping multiplied by the adjusted weighted  
23 formula students attributed to the Class I school district for the  
24 certification of aid pursuant to section 79-1022. For new Class I  
25 school districts which will be created for the following school  
26 year pursuant to orders issued by the State Committee for the  
27 Reorganization of School Districts, the minimum budget authority

1 for the general fund budget of expenditures minus the special  
2 education budget of expenditures shall equal the greater of fifty  
3 thousand dollars or the cost grouping cost per student for the  
4 local system's cost grouping multiplied by the estimated number of  
5 students included in the plan pursuant to sections 1 to 7 of this  
6 act. +

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

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

1 section 79-1003 weighted by the grade weighting factors contained  
2 in subdivision (1)(a) of section 79-1007.01 to calculate the total  
3 allowable general fund budget of expenditures minus the special  
4 education budget of expenditures for kindergarten through grade  
5 eight in the primary high school district. The total allowable  
6 general fund budget of expenditures minus the special education  
7 budget of expenditures for kindergarten through grade eight shall  
8 be divided by the kindergarten through grade eight formula students  
9 without weighting. The result shall be increased by the applicable  
10 allowable growth rate for the primary high school district's local  
11 system for the ensuing school fiscal year calculated pursuant to  
12 section 79-1026 as determined on or before June 15, 2003, and on or  
13 before February 1 each year thereafter, of the school fiscal year  
14 immediately preceding the school fiscal year for which the budget  
15 is prepared.

16 (c) The amounts calculated in subdivisions (2)(a) and  
17 (2)(b) of this section shall be summed and the result divided  
18 by two to arrive at the total allowable general fund budget of  
19 expenditures minus the special education budget of expenditures per  
20 formula student for the Class I district, and

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

1 education budget of expenditures for the Class I district for the  
2 ensuing school fiscal year except as provided in subsection (3) of  
3 this section.

4 ~~(3)(a)~~ (2)(a) The school board of the Class I district  
5 ~~may~~, shall, on or before July 1, 2003, and ~~on or~~ before March 10,  
6 each year thereafter, submit a request to exceed the for a total  
7 allowable general fund budget of expenditures minus the special  
8 education budget of expenditures to all the school boards the  
9 school board of the high school district ~~or districts~~ with which  
10 the Class I district is affiliated, ~~or of which it is a part~~. For  
11 Class I districts to exceed the total allowable general fund budget  
12 of expenditures minus the special education budget of expenditures,  
13 the total general fund budget of expenditures request shall be  
14 approved by high school districts, including the primary high  
15 school district, such that the portions of the Class I district  
16 that are affiliated with or part of the approving high school  
17 districts comprise at least two-thirds of the assessed valuation  
18 of the Class I district. Such request shall specify the total  
19 general fund budget of expenditures, broken down by expenditures  
20 for special education, for regular education, and for special grant  
21 funds as defined in section 79-1003, for which the Class I district  
22 seeks authority.

23 (b) The high school district shall approve or deny the  
24 request on or before July 15, 2003, and ~~on or~~ before April 10 each  
25 year thereafter following the receipt of such request and shall  
26 forward written notification to the Class I district of approval  
27 or denial. A request for additional budget authority shall be



1 considered approved in the full amount of the request if (i) no  
2 action is taken by the high school district or (ii) the high school  
3 district fails to send written notification to the Class I district  
4 of the denial of a request for additional budget authority. The  
5 high school district may modify the request prior to approval,  
6 except that the total allowable general fund budget of expenditures  
7 minus the special education budget of expenditures shall not be  
8 less than the minimum budget authority calculated pursuant to  
9 subsection (1) of this section for an approved request. If the high  
10 school district denies the request, the total allowable general  
11 fund budget of expenditures minus the special education budget of  
12 expenditures shall be zero. The total allowable general fund budget  
13 of expenditures minus the special education budget of expenditures  
14 for a Class I school district shall be included within the budget  
15 authority of the high school district.

16 (4) The school board of a Class I district may, after  
17 October 15 of each year, amend the general fund budget of  
18 expenditures (a) by increasing the special education budget of  
19 expenditures, (b) for any special grant funds as defined in section  
20 79-1003 received any time during a school fiscal year, or (c) for  
21 current fiscal year expenditures the board deems essential if the  
22 expenditures could not reasonably have been anticipated at the time  
23 the budget for the current year was adopted. A copy of the revised  
24 budget shall be filed pursuant to subsection (4) of section 13-511  
25 and section 79-1024.

26 (5) ~~All~~ Each Class I ~~districts~~ district shall certify the  
27 items required by subsection (1) of section 13-508 to ~~all of their~~

1 ~~high school districts~~ its high school district on or before August  
2 1.

3 (6) All primary high school districts shall certify to  
4 the department and all ~~other affected districts,~~ ~~on or before~~  
5 ~~August 1, 2003,~~ and on or before April 20 each year thereafter,  
6 the approved total allowable general fund budget of expenditures  
7 minus the special education budget of expenditures for a each Class  
8 I district when the Class I district has requested to exceed its  
9 certified budget authority and the request has been approved, with  
10 which the high school district is affiliated.

11 Sec. 85. Section 79-10,103, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13 79-10,103 (1) The school board of any school district  
14 may lease, purchase, acquire, own, manage, and hold title to  
15 real property which is located outside of its school district for  
16 laboratory, recreation, camping, or educational facilities, except  
17 that any purchase costing (a) more than one thousand dollars by  
18 any Class I or II school district or (b) more than five thousand  
19 dollars by any Class III, IV, or V, ~~or VI~~ school district shall  
20 be submitted to a vote of the legal voters in that school district  
21 seeking to acquire the property.

22 (2) The election provisions of this section do not  
23 apply when a school district which currently owns real property  
24 outside the school district desires to lease, purchase, acquire,  
25 own, manage, and hold title to additional real property located  
26 contiguous to such property for laboratory, recreation, camping, or  
27 educational facilities.

1           Sec. 86. Section 79-10,110, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           79-10,110 (1) After making a determination that an actual  
4 or potential environmental hazard or accessibility barrier exists,  
5 that a life safety code violation exists, or that expenditures  
6 are needed for indoor air quality or mold abatement and prevention  
7 within the school buildings or grounds under its control, a school  
8 board may make and deliver to the county clerk of such county  
9 in which any part of the school district is situated, not later  
10 than the date provided in section 13-508, an itemized estimate of  
11 the amounts necessary to be expended for the abatement of such  
12 environmental hazard, for accessibility barrier elimination, or for  
13 modifications for life safety code violations, indoor air quality,  
14 or mold abatement and prevention in such school buildings or  
15 grounds. The board shall conduct a public hearing on the itemized  
16 estimate prior to presenting such estimate to the county clerk.  
17 Notice of the place and time of such hearing shall, at least five  
18 days prior to the date set for hearing, be published in a newspaper  
19 of general circulation within the school district. The board shall  
20 designate the particular environmental hazard abatement project,  
21 accessibility barrier elimination project, or modification for life  
22 safety code violations, indoor air quality, or mold abatement and  
23 prevention for which the tax levy provided for by this section will  
24 be expended, the period of years, which shall not exceed ten years,  
25 for which the tax will be levied for such project, and the amount  
26 of the levy for each year of the period.

27           (2) After a public hearing, a school board may undertake

1 any qualified capital purpose in any qualified zone academy under  
2 its control and may levy a tax as provided in this section to  
3 repay a qualified zone academy bond issued for such undertaking.  
4 The board shall designate the particular qualified capital purpose  
5 for which the qualified zone academy bond was issued and for which  
6 the tax levy provided for by this section will be expended, the  
7 period of years, not exceeding fifteen, for which the tax will be  
8 levied for such qualified zone academy bond, and the amount of the  
9 levy for each year of the period. The hearing required by this  
10 subsection shall be held only after notice of such hearing has been  
11 published for three consecutive weeks prior to the hearing in a  
12 legal newspaper published or of general circulation in the school  
13 district.

14 (3) The board may designate more than one project under  
15 subsection (1) of this section or qualified capital purpose  
16 under subsection (2) of this section and levy a tax pursuant  
17 to this section for each such project or qualified capital  
18 purpose, concurrently or consecutively, as the case may be, if  
19 the aggregate levy in each year and the duration of each such  
20 levy will not exceed the limitations specified in this section.  
21 Each levy for a project or qualified capital purpose which is  
22 authorized by this section may be imposed for such duration as  
23 the board specifies, notwithstanding the contemporaneous existence  
24 or subsequent imposition of any other levy for another project  
25 or qualified capital purpose imposed pursuant to this section and  
26 notwithstanding the subsequent issuance by the district of bonded  
27 indebtedness payable from its general fund levy.

1           (4) The county clerk shall levy such taxes, not to  
2 exceed five and one-fifth cents per one hundred dollars of taxable  
3 valuation for Class II, III, IV, and V~~7~~ ~~and VI~~ districts, and  
4 not to exceed the limits set for Class I districts in section  
5 79-10,124, on the taxable property of the district necessary to (a)  
6 cover the environmental hazard abatement or accessibility barrier  
7 elimination project costs or costs for modification for life  
8 safety code violations, indoor air quality, or mold abatement and  
9 prevention itemized by the board pursuant to subsection (1) of this  
10 section and (b) repay any qualified zone academy bonds pursuant to  
11 subsection (2) of this section. Such taxes shall be collected by  
12 the county treasurer at the same time and in the same manner as  
13 county taxes are collected and when collected shall be paid to the  
14 treasurer of the district and used to cover the project costs.

15           (5) If such board operates grades nine through twelve  
16 as part of an affiliated school system, it shall designate the  
17 fraction of the project or undertaking to be conducted for the  
18 benefit of grades nine through twelve. Such fraction shall be  
19 raised by a levy placed upon all of the taxable value of all  
20 taxable property in the affiliated school system pursuant to  
21 subsection (2) of section 79-1075. The balance of the project or  
22 undertaking to be conducted for the benefit of grades kindergarten  
23 through eight shall be raised by a levy placed upon all of the  
24 taxable value of all taxable property in the district which is  
25 governed by such board. The combined rate for both levies in the  
26 high school district, to be determined by such board, shall not  
27 exceed five and one-fifth cents on each one hundred dollars of

1 taxable value.

2 (6) Each board which submits an itemized estimate shall  
3 establish an environmental hazard abatement and accessibility  
4 barrier elimination project account, a life safety code  
5 modification project account, an indoor air quality project  
6 account, or a mold abatement and prevention project account, and  
7 each board which undertakes a qualified capital purpose shall  
8 establish a qualified capital purpose undertaking account, within  
9 the qualified capital purpose undertaking fund. Taxes collected  
10 pursuant to this section shall be credited to the appropriate  
11 account to cover the project or undertaking costs. Such estimates  
12 may be presented to the county clerk and taxes levied accordingly.

13 (7) For purposes of this section:

14 (a) Abatement includes, but is not limited to, any  
15 inspection and testing regarding environmental hazards, any  
16 maintenance to reduce, lessen, put an end to, diminish, moderate,  
17 decrease, control, dispose of, or eliminate environmental hazards,  
18 any removal or encapsulation of environmentally hazardous material  
19 or property, any restoration or replacement of material or  
20 property, any related architectural and engineering services, and  
21 any other action to reduce or eliminate environmental hazards in  
22 the school buildings or on the school grounds under the board's  
23 control, except that abatement does not include the encapsulation  
24 of any material containing more than one percent friable asbestos;

25 (b) Accessibility barrier means anything which impedes  
26 entry into, exit from, or use of any building or facility by all  
27 people;

1           (c) Accessibility barrier elimination includes, but is  
2 not limited to, inspection for and removal of accessibility  
3 barriers, maintenance to reduce, lessen, put an end to, diminish,  
4 control, dispose of, or eliminate accessibility barriers, related  
5 restoration or replacement of facilities or property, any related  
6 architectural and engineering services, and any other action to  
7 eliminate accessibility barriers in the school buildings or grounds  
8 under the board's control;

9           (d) Environmental hazard means any contamination of the  
10 air, water, or land surface or subsurface caused by any substance  
11 adversely affecting human health or safety if such substance has  
12 been declared hazardous by a federal or state statute, rule, or  
13 regulation;

14           (e) Modification for indoor air quality includes, but  
15 is not limited to, any inspection and testing regarding indoor  
16 air quality, any maintenance to reduce, lessen, put an end to,  
17 diminish, moderate, decrease, control, dispose of, or eliminate  
18 indoor air quality problems, any restoration or replacement of  
19 material or related architectural and engineering services, and any  
20 other action to reduce or eliminate indoor air quality problems  
21 or to enhance air quality conditions in new or existing school  
22 buildings or on school grounds under the control of a school board;

23           (f) Modification for life safety code violation includes,  
24 but is not limited to, any inspection and testing regarding life  
25 safety codes, any maintenance to reduce, lessen, put an end to,  
26 diminish, moderate, decrease, control, dispose of, or eliminate  
27 life safety hazards, any restoration or replacement of material or

1 property, any related architectural and engineering services, and  
2 any other action to reduce or eliminate life safety hazards in new  
3 or existing school buildings or on school grounds under the control  
4 of a school board;

5 (g) Modification for mold abatement and prevention  
6 includes, but is not limited to, any inspection and testing  
7 regarding mold abatement and prevention, any maintenance to  
8 reduce, lessen, put an end to, diminish, moderate, decrease,  
9 control, dispose of, or eliminate mold problems, any restoration or  
10 replacement of material or related architectural and engineering  
11 services, and any other action to reduce or eliminate mold problems  
12 or to enhance air quality conditions in new or existing school  
13 buildings or on school grounds under the control of a school board;

14 (h) Qualified capital purpose means (i) rehabilitating or  
15 repairing the public school facility in which the qualified zone  
16 academy is established or (ii) providing equipment for use at such  
17 qualified zone academy;

18 (i) Qualified zone academy has the meaning found in 26  
19 U.S.C. 1397E(d)(4), as such section existed on April 6, 2001;

20 (j) Qualified zone academy allocation means the  
21 allocation of the qualified zone academy bond limitation by the  
22 State Department of Education to the qualified zone academies  
23 pursuant to 26 U.S.C. 1397E(e)(2), as such section existed on April  
24 6, 2001; and

25 (k) Qualified zone academy bond has the meaning found in  
26 26 U.S.C. 1397E(d)(1), as such section existed on May 8, 2001.

27 (8) Accessibility barrier elimination project costs



1 includes, but is not limited to, inspection, maintenance,  
2 accounting, emergency services, consultation, or any other action  
3 to reduce or eliminate accessibility barriers.

4 (9) For the purpose of paying amounts necessary for  
5 the abatement of environmental hazards, accessibility barrier  
6 elimination, or modifications for life safety code violations,  
7 indoor air quality, or mold abatement and prevention, the board may  
8 borrow money and issue bonds and other evidences of indebtedness  
9 of the district, which bonds and other evidences of indebtedness  
10 shall be secured by and payable from an irrevocable pledge by the  
11 district of amounts received in respect of the tax levy provided  
12 for by this section and any other funds of the district available  
13 therefor. Bonds and other evidences of indebtedness issued by a  
14 district pursuant to this subsection shall not constitute a general  
15 obligation of the district or be payable from any portion of its  
16 general fund levy.

17 (10) The total principal amount of bonds for  
18 modifications to correct life safety code violations, for indoor  
19 air quality problems, or for mold abatement and prevention which  
20 may be issued pursuant to this section shall not exceed the total  
21 amount specified in the itemized estimate described in subsection  
22 (1) of this section.

23 (11) The total principal amount of qualified zone academy  
24 bonds which may be issued pursuant to this section for qualified  
25 capital purposes with respect to a qualified zone academy shall  
26 not exceed the qualified zone academy allocation granted to the  
27 board by the department. The total amount that may be financed by

1 qualified zone academy bonds pursuant to this section for qualified  
2 purposes with respect to a qualified zone academy shall not exceed  
3 seven and one-half million dollars statewide in a single year.  
4 In any year that the Nebraska qualified zone academy allocations  
5 exceed seven and one-half million dollars for qualified capital  
6 purposes to be financed with qualified zone academy bonds issued  
7 pursuant to this section, (a) the department shall reduce such  
8 allocations proportionally such that the statewide total for such  
9 allocations equals seven and one-half million dollars and (b) the  
10 difference between the Nebraska allocation and seven and one-half  
11 million dollars shall be available to qualified zone academies for  
12 requests that will be financed with qualified zone academy bonds  
13 issued without the benefit of this section.

14           Nothing in this section directs the State Department of  
15 Education to give any preference to allocation requests that will  
16 be financed with qualified zone academy bonds issued pursuant to  
17 this section.

18           Sec. 87. Section 79-10,114, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20           79-10,114 No school property of any kind belonging to  
21 any Class II, III, or IV, ~~or~~ VI school district shall be sold  
22 by the school board or board of education except at a regular  
23 meeting of the board and with an affirmative recorded vote of at  
24 least two-thirds of all the members of the board. Proceeds of sale  
25 of school property sold as provided in this section may be held  
26 separately from other funds of the school district and may be used  
27 for any school purpose as the board may determine, including, but

1 not limited to, acquiring sites for school buildings or teacherages  
2 and purchasing existing buildings for use as school buildings or  
3 teacherages, including the sites upon which such buildings are  
4 located, and the erection, alteration, equipping, and furnishing of  
5 school buildings or teacherages.

6 Sec. 88. Section 79-10,117, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 79-10,117 The legal voters of any Class III ~~or VI~~ school  
9 district have the power, at an election or at any annual or special  
10 meeting, to (1) direct the purchasing or leasing of any appropriate  
11 site and the building, hiring, or purchasing of a teacherage  
12 for the purpose of providing housing facilities for the school  
13 employees of the district, (2) determine the amount necessary to be  
14 expended for such purposes the succeeding year, and (3) vote on a  
15 tax on the property of the district for the payment of the amount.

16 Sec. 89. Section 79-10,118, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 79-10,118 A tax to establish a special fund for the  
19 building, hiring, or purchasing of a teacherage for the purpose of  
20 providing housing facilities for the school employees of any Class  
21 III ~~or VI~~ district may be levied when authorized by fifty-five  
22 percent of the legal voters voting on the proposition. The notice  
23 of the proposal to establish such special fund shall include the  
24 sum to be raised or the amount of the tax to be levied, the  
25 period of years, and the time of its taking effect. If fifty-five  
26 percent of the legal voters voting at any such election vote in  
27 favor of the proposition, the result of such election shall be

1 certified to the county board which, upon being satisfied that all  
2 the requirements have been substantially complied with, shall cause  
3 the proceedings to be entered upon the record of the county board  
4 and shall make an order that the levy be made in accordance with  
5 the election result and collected as other taxes.

6           Sec. 90. Section 79-10,120, Revised Statutes Cumulative  
7 Supplement, 2006, is amended to read:

8           79-10,120 The school board or board of education of a  
9 Class II, III, IV, or V ~~or VI~~ school district may establish a  
10 special fund for purposes of acquiring sites for school buildings  
11 or teacherages, purchasing existing buildings for use as school  
12 buildings or teacherages, including the sites upon which such  
13 buildings are located, and the erection, alteration, equipping,  
14 and furnishing of school buildings or teacherages and additions  
15 to school buildings for elementary and high school grades and  
16 for no other purpose. For school districts that are not members  
17 of learning communities, the fund shall be established from the  
18 proceeds of an annual levy, to be determined by the board, of  
19 not to exceed fourteen cents on each one hundred dollars upon  
20 the taxable value of all taxable property in the district which  
21 shall be in addition to any other taxes authorized to be levied  
22 for school purposes. Such tax shall be levied and collected as  
23 are other taxes for school purposes. For school districts that are  
24 members of a learning community, such fund shall be established  
25 from the proceeds of the learning community special building funds  
26 levy directed to the school district for such purpose pursuant  
27 to subdivision (2)(f) of section 77-3442 and the proceeds of any

1 school district special building fund levy pursuant to subdivision  
2 (2) (b) of section 77-3442.

3 Sec. 91. Section 79-1217, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5 79-1217 (1) All educational service units, except  
6 Educational Service Units No. 18 and 19, shall be governed by a  
7 board to be known as the Board of Educational Service Unit No.  
8 ..... . The educational service unit board shall be composed of  
9 one member from each county and four members at large, all of whom  
10 shall reside within the geographical boundaries of the educational  
11 service unit, but no more than two of the members at large shall  
12 be appointed or elected from the same county unless any one county  
13 within the educational service unit has a population in excess of  
14 one hundred fifty thousand inhabitants or the educational service  
15 unit consists of only one county. The four candidates who receive  
16 the highest number of votes for at-large representative shall be  
17 elected, except that if more than two of such candidates reside  
18 within the same county which has a population of one hundred fifty  
19 thousand inhabitants or less, the candidates from such county  
20 receiving fewer votes than the two candidates receiving the highest  
21 number of votes for at-large representative from such county shall  
22 not be elected and a vacancy or vacancies shall exist for at-large  
23 representative. The vacancy shall be filled pursuant to subsection  
24 (2) of this section. Successors to the members initially appointed  
25 shall be elected pursuant to section 32-515.

26 (2) Vacancies in office shall occur as set forth in  
27 section 32-560. Whenever any vacancy occurs on the board, the

1 remaining members of such board shall appoint an individual  
2 residing within the geographical boundaries of the educational  
3 service unit and meeting the qualifications for the office to fill  
4 such vacancy for the balance of the unexpired term.

5 (3) Members of the board shall receive no compensation  
6 for their services but shall be reimbursed for the actual and  
7 necessary expenses incurred in the performance of their duties  
8 under the Educational Service Units Act as provided in sections  
9 81-1174 to 81-1177.

10 (4) Except as provided in subsection (5) of this section,  
11 any joint school district located in two or more counties shall  
12 be considered a part of the educational service unit in which the  
13 greater number of school-age children of such joint school district  
14 reside. All legal voters of any such joint school district shall be  
15 eligible to hold office as the county representative of the county  
16 in which the greater number of school-age children reside. Any  
17 legal voter of any joint school district shall be eligible to hold  
18 office as the at-large representative if such legal voter resides  
19 within the geographical boundary of the school district comprising  
20 the educational service unit.

21 ~~(5) Any Class I district which is part of a Class VI~~  
22 ~~district shall be considered a part of the educational service~~  
23 ~~unit of which the Class VI district is a member. If the Class~~  
24 ~~VI district has removed itself from an educational service unit,~~  
25 ~~each Class I district which is part of such Class VI district may~~  
26 ~~continue its existing membership in an educational service unit~~  
27 ~~or may change its status relative to membership in an educational~~

1 service unit in accordance with section 79-1209. The patrons of a  
2 Class I district maintaining membership in an educational service  
3 unit pursuant to this subsection shall have the same rights and  
4 privileges as other patrons of the educational service unit, and  
5 the taxable valuation of the taxable property within the geographic  
6 boundaries of such Class I district shall be subject to the  
7 educational service unit's tax levy established pursuant to section  
8 79-1225.

9           ~~(6)~~ (5) The administrator of each educational service  
10 unit, prior to July 1 of each year in which a statewide primary  
11 election is to be held, shall certify to the election commissioner  
12 or county clerk of each county located within the unit the  
13 corporate name of each school district, as described in section  
14 79-405, located within the county. If a school district is a joint  
15 school district located in two or more counties, the administrator  
16 shall certify to each election commissioner or county clerk the  
17 educational service unit of which the school district is considered  
18 to be a part.

19           ~~(7)~~ (6) Educational Service Unit No. 18 shall be governed  
20 by the school board of School District 55-001 of Lancaster County.

21           ~~(8)~~ (7) Educational Service Unit No. 19 shall be governed  
22 by the school board of School District 28-001 of Douglas County.

23           Sec. 92. Section 79-1504, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25           79-1504 The provisions of Article III, SECTION A., of the  
26 Compact for Education notwithstanding, the members of the Education  
27 Commission of the States representing this state shall consist

1 of the Governor, three members of the Legislature selected by  
2 the Executive Board of the Legislative Council, and three members  
3 appointed by the Governor. Of the three members appointed by the  
4 Governor, one member shall be a member of a school board or board  
5 of education of a Class II, III, IV, or V ~~or VI~~ school district or  
6 an appointed representative of a state association of school boards  
7 or boards of education representing such districts.

8           Sec. 93. The Revisor of Statutes shall assign sections 1  
9 to 7 of this act within Chapter 79.

10           Sec. 94. If any section in this act or any part of any  
11 section is declared invalid or unconstitutional, the declaration  
12 shall not affect the validity or constitutionality of the remaining  
13 portions.

14           Sec. 95. Original sections 32-570, 32-1206, 79-498,  
15 79-4,100, 79-4,103, 79-501, 79-502, 79-524, 79-525, 79-526,  
16 79-559, 79-569, 79-570, 79-572, 79-576, 79-577, 79-578, 79-579,  
17 79-580, 79-581, 79-587, 79-588, 79-594, 79-5,107, 79-716, 79-828,  
18 79-1023, 79-1029, 79-1036, 79-1072, 79-1077, 79-10,103, 79-10,110,  
19 79-10,114, 79-10,117, 79-10,118, 79-1217, and 79-1504, Reissue  
20 Revised Statutes of Nebraska, sections 23-3302, 72-2304, 79-528,  
21 79-554, 79-586, 79-1001, 79-1007.02, 79-1030, 79-1065.02, and  
22 79-10,120, Revised Statutes Cumulative Supplement, 2006, and  
23 sections 79-102, 79-401, 79-402, 79-403, 79-413, 79-415, 79-416,  
24 79-418, 79-419, 79-423, 79-431, 79-433, 79-434, 79-443, 79-447,  
25 79-452, 79-454, 79-455, 79-470, 79-473, 79-479, 79-494, 79-495,  
26 79-4,101, 79-611, 79-850, 79-1003, 79-1026, 79-1028, 79-1083.02,  
27 and 79-1083.03, Revised Statutes Cumulative Supplement, 2006, as



1 affected by Referendum 2006, No. 422, are repealed.

2           Sec. 96. The following sections are outright repealed:

3 Sections 32-546, 79-523, 79-553, 79-563, 79-568, 79-585, 79-5,108,

4 79-717, and 79-1078, Reissue Revised Statutes of Nebraska, and

5 sections 79-404, 79-410, 79-411, 79-417, 79-424, 79-425, 79-426,

6 79-477, 79-478, 79-4,109, 79-4,110, and 79-4,111, Revised Statutes

7 Cumulative Supplement, 2006, as affected by Referendum 2006, No.

8 422.