



Hundredth Legislature - First Session - 2007
Committee Statement
LB 641

Hearing Date: February 5, 2007
Committee On: Education

Introducer(s): (Raikes, 25)

Title: Provide for the division of a learning community into separate education centers and establish procedures

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

6	Yes	Senators Adams, Ashford, Avery, Burling, Johnson, and Raikes
2	No	Senators Howard and Kopplin
0	Present, not voting	
0	Absent	

Proponents:

Senator Ron Raikes
Pam Redfield

Representing:

Introducer
Self

Opponents:

John Bonaiuto
Ben Gray
John Lindsay

Representing:

Nebraska Association of School Boards
African American Achievement Council
Omaha Public Schools

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 641 would replace the requirement for Class V school districts to be divided into new school districts with a provision for the creation of education centers within Class V school districts and would require school districts in learning communities to provide enough openings for students residing outside the attendance area of a school such that at least 10% of the students attending the school could reside outside the attendance area.

A new section would provide a description of education centers. Education centers would be school districts for all purposes, except as otherwise provided. Each education center would have a board composed of 8 members elected from election districts. Education center boards

would be school boards for all purposes, except as otherwise provided. Each Class V school district with education centers would have an administrative board composed of 2 members from each education center board chosen by the education center boards. Education center board members serving on the Class V administrative board could not simultaneously serve on a learning community coordinating council. Except as otherwise provided, each Class V board would determine which responsibilities would be performed by the Class V school district for the benefit of the education centers and which responsibilities would be performed by the education centers. Each education center would be treated as an individual school district for the purposes of the Tax Equity and Educational Opportunities Support Act.

The Class V school district would retain the authority and responsibility for:

1. Levying property taxes and distributing the proceeds based on the proportionate share of the adjusted valuation of each education center;
2. Determining an equitable contribution from each education center to the Class V school district based on the budget of the Class V school district;
3. Financing, purchasing, constructing, remodeling, and maintaining facilities; and
4. Administration of the retirement system for Class V school employees; and
5. Reporting aggregate information to the Department of Education for the entire Class V school district.

Education centers would be required to have the authority and responsibility for:

1. Hiring teachers, principals, and a superintendent for the education center; and
2. Reporting information to the Department of Education on an individual education center basis.

Section 32-545 would be amended by providing for the election of board members for education centers. The current election procedures would apply for Class V school districts that have not been divided into education centers and for education centers that have been established. For new education centers, all eight board members would be elected at the statewide primary in the year that the new education centers were created. The board members would serve beginning on June 1 and until their successors are elected and qualified. Succeeding board members would be elected according to the current procedures based on the number of the election district being served. The requirement for six members to be elected at each statewide general election is modified to require half of the board members be elected at such time.

Section 32-552 would be amended by providing for the creation of election districts for education centers. The election commissioner of the county in which the greater part of a Class V school district is situated would be required to divide the education centers into 8 numbered election districts within 30 days after a request from the State Committee for the Reorganization of School Districts (State Committee). Language is deleted that requires the election districts to be redrawn to conform to changes in the territory of the school district. Clarification is also added for the drawing of election districts for Class IV school districts. There is currently a requirement for the election districts to be redrawn after the “next” federal decennial census. The modified requirement would be for redrawing after “each” federal decennial census.

Section 32-601 would be amended by requiring the State Committee to notify the election commissioner or county clerk of offices to be filled for a new education center no later than January 5 of the year in which the new education center is to be formed.

Section 32-604 would be amended by allowing a school board member for a new education center to continue to serve as a school board member for the Class V school district until the orders forming the new education center become effective.

Section 79-4,122 would be amended by adding plans to divide Class V school districts into education centers to the reorganization plans that require public hearings pursuant to the Learning Community Reorganization Act.

Section 79-4,129 would be amended by exempting education centers from the requirement for the State Committee to appoint board members for new school districts created pursuant to the Learning Community Reorganization Act. Requirements would be added for the State Committee to request that the election commissioner divide each education center into 8 numbered districts within 30 days of the request and for the State Committee to notify the election commissioner or county clerk of offices to be filled for new education centers no later than January 5 of the year in which the new education centers would be formed. The election districts would be included in the order forming the new education centers.

Section 79-4,130 would be amended by requiring the State Committee to issue orders to divide Class V school districts into education centers on or before December 31 of each odd-numbered year beginning in 2007. The education centers would be organized around two or three the attendance areas of existing high schools. The effective date for the divisions would be January 1 following the issuance of orders for election purposes and July 1 following the issuance of orders for all other purposes. The State Committee would be required to develop a plan and hold a hearing on the plan prior to the issuance of the orders. The school board members and employees of a Class V school districts divided into education centers would have a duty to prepare their school district for a smooth transition. The current provisions requiring learning community coordinating councils to divide Class V districts would be deleted.

Section 79-552 would be amended by excluding Class V school districts with education centers from the requirement for 12 member boards. The education center board members would be required to meet the residency and oath requirements. The deadline for taking the oath for board members for new education centers would be June 1 following their election for regular board members or designation for student board members.

Section 79-567 would be amended by requiring education center board member to elect a president and vice president at the initial meeting and at their regular meeting in January of each year.

Section 79-2101 would be amended by declaring that each education center in a learning community would be a member school district of the learning community.

Section 79-2110 would be amended by modifying the procedure for determining how many students would be accepted into a school building in a learning community from outside of the

school's attendance area. The number of students to be accepted would be based on the greater of:

1. The established capacity and the estimated students who will attend the school building from the attendance area or as continuing students; or
2. The number of students which, when added to the estimated number of continuing students, would result in 10% or more of the school's students residing outside of the attendance area.

A provision would be added requiring the coordinating council to establish a procedure for determining the maximum capacity for each school building. Clarification would also be added that the certification of the number of students to be accepted is for the next school year and that the students to be accepted would be those who reside outside of the school building's attendance area.

Explanation of amendments, if any:

Basic Summary

The committee amendments replace the original provisions of LB 641. The new provisions would redefine learning communities as designated educational service units (ESU's) and provide for the election of boards to be known as both ESU boards and learning community coordinating councils. The learning community would be authorized to levy common levies for school district general funds, school district building funds, and certain capital projects.

Within learning communities, students could attend any school the learning community that had capacity with transportation provided either free or for a fee. Preference for transfers would be given to students in poverty, except in focus schools and programs. In focus schools and programs, preferences would be given to achieve the same socio-economic balance as found in the learning community as a whole.

A student achievement coordinator would develop a plan to improve educational achievement statewide with a focus on students in poverty, limited English proficient students, and highly mobile students. Learning communities would provide elementary learning centers focused on assisting students and families facing educational challenges. Class V school boards would form subcommittees to provide greater interaction between the board, the community, and the school on elementary school issues.

The school finance formula would be revised to reflect learning communities, class sizes, student growth, teacher education, and common levies. Poverty and limited English proficiency plans would be required for the respective allowances. The budget limitations would also be revised to reflect the needs calculated for each school district.

Learning community coordinating councils would be charged with assisting in dispute resolution, which would include a learning community ombudsman and referrals to mediation centers.

The boundaries of school districts in counties with a metropolitan class city contiguous to the city would remain as they were in March 2006 for cities of the metropolitan class designated

prior to January 2008 or as they are on March 1 immediately preceding such designation for other cities. Learning community coordinating councils would work with planning commissions on the deconcentration of affordable housing.

ESU's as Learning Communities

Section 79-2101 would be amended to redefine define a learning community as an educational service unit established and designated pursuant to § 79-2102 which shares the territory of member school districts. The ESU board for an ESU designated as a learning community would be known as both the ESU board and the learning community coordinating council.

Section 79-2102 would be amended by revising the procedure for establishing a learning community. The Commissioner of Education would replace the Secretary of State as the official certifying the establishment and designating the ESU as a learning community. The deadline for such certifications would be September 15, 2007 and August 1 of each odd numbered year. The effective date for such certifications would be the first Thursday after the first Tuesday in January of 2008 for designations made on or before September 15, 2007 and the first Thursday after the first Tuesday in January of the next odd numbered year for all other certifications. The provisions for learning communities that are not based on cities of the metropolitan class would be modified. A learning community could be established at the request of at least three school boards if:

1. All school district headquartered in a specified county are participating and either:
 - a. The school districts are all in the sparse or very sparse cost grouping; or
 - b. The requesting school districts have at least 2,000 students; or
2. The requesting school districts have at least 10,000 students.

The deadline for requests would be May 1 of each odd numbered year.

If the majority of member school districts will be in the new learning community, the assets and liabilities of an ESU would be transferred to the new learning community ESU. On or before September 20, 2007 for certifications issued in 2007 and on or before September 1 following all other certifications, any member school districts that are not required to be included in the learning community would certify that the district will be a member of the new learning community or will be joining another specified ESU.

The Commissioner would convene a meeting of the newly elected council during January following the election. Board members and employees of an ESU with territory to be included in a new learning community would be required to prepare for a smooth transition.

For school districts that join another ESU, the learning community would continue to provide services through a contract between the ESU's if the services are requested by the district, were received by the district prior to the transfer, and continue to be provided by the learning community to member districts. If the two ESU's cannot agree, the department would determine the amount to be paid based on marginal costs.

Section 79-2104 would be amended to clarify that the authority provided to the learning community coordinating council is in addition to the authority granted pursuant to ESU boards and to revise such authority. New and revised powers would include:

1. Analysis of achievement data and development of plans to most effectively target core services funding to improve the academic success of any demographic group that has below average achievement;
2. Administration of the open enrollment provisions as part of a diversity plan that would include goals and benchmarks for the transfer of students and the monitoring of progress toward the goals;
3. Approval of magnet pathways;
4. Provision of annual school fairs to provide students and parents the opportunity to explore educational opportunities and other methods would be developed for encouraging access to information and promotional materials;
5. Establishment and administration of elementary learning centers and administration of learning community elementary funds;
6. Approval of poverty plans for member school districts;
7. Receipt of community input and complaints, including access to the office of the learning community ombudsman;
8. Establishment of a procedure for utilizing a mediation center to resolve disputes between member school districts; and
9. Assistance with planning commissions in developing a long-range plan for the deconcentration of affordable housing.

Cross references would be added for the distribution of levy proceeds.

A new section would require learning community coordinating councils to establish student achievement advisory committees to analyze and make recommendations regarding programs to most effectively target core services funding to improve the academic success of any demographic group that has below average achievement. Membership would include the state student achievement coordinator, teachers from the learning community, and learning community programs directors and employees. Recommendations would be advisory and be submitted to both the coordinating council and the superintendents' advisory committee.

Sections 79-2105 and 79-2106, which currently provide for the governance of learning communities, would be outright repealed.

ESU Duties and Structure

Section 79-1204 would be amended by requiring staff development under core services to include access to staff development related to improving the achievement of students in poverty and students with diverse backgrounds.

A new section would require each ESU to have a member school district advisory committee. For learning communities, the membership would consist of the superintendents of each member school district. For all other ESU's, the membership would be determined by a process mutually acceptable to the ESU and the member school districts. The advisory committee would provide recommendations for educational services to the ESU board.

Section 79-1201 would be amended to incorporate new sections into the Educational Service Units Act.

Learning Community and ESU Elections

A new section would require the election commissioners of all counties with territory that will be in a new learning community to divide the territory into 12 numbered election districts that are compact, contiguous, and substantially equal in population. The deadline for certifying election districts to the Secretary of State would be October 1 for certifications issued in 2007 and November 1 for all other certifications. The coordinating council members for certifications issued in 2007 would be elected at a special election conducted by the Secretary of State in December 2007. Candidates would file for office on or before October 15, 2007 and would be required to reside in the election district. The cost of the election would be paid by the Secretary of State.

Section 32-515 would be amended by providing that terms of ESU board members elected in 2007 or 2008 to represent odd-numbered election districts would expire in 2011. The terms for those elected to represent even-numbered election districts would expire in 2013. Provisions regarding county candidates would be deleted. The changes harmonize with the changes contained in LB 603, which is currently on select file.

Section 32-606 would be amended to allow candidates for new learning community coordinating councils to place their names on the special election ballot and to recognize an exception to the filing deadlines. Section 32-607 would be amended by eliminating provisions regarding county representatives on ESU boards. The changes harmonize with the changes contained in LB 603, which is currently on select file.

Section 79-1217 would be amended by limiting the current ESU board structure to the time preceding the first Thursday after the first Tuesday in January 2009. Beginning on that date, the ESU boards, except those for ESU's with only one member school district and the boards of learning communities, would be composed of one member elected to represent each election district. The vacancy provisions would recognize a requirement for the replacement board member to live in the election district to be represented. Provisions for the election of county representatives and at large representatives would be deleted. Provisions specific to the boards of ESU's 18 and 19 would be replaced with a requirement that ESU's with only one member school district be governed by the school board of such school district. The changes to this section harmonize with the changes contained in LB 603, which is currently on select file.

A new section would require ESU boards to divide the territory of the educational service unit into at least 5 and up to 12 numbered election districts by December 31, 2007 and after each decennial census. ESU's with only one member school district and ESU's for which a majority

of the member school districts will become members of a learning community in January 2008 are excluded from the requirement. The newly established election districts shall apply beginning with the nomination and election of board members in 2008. The changes to this section harmonize with the changes contained in LB 603, which is currently on select file.

ESU Funding

A new section would provide for the combining of core services and technology infrastructure funding with a new distribution formula beginning with the 2008-09 school fiscal year. The new formula would be an equalized formula that would take into account distance education and telecommunications costs, satellite offices, learning communities, sparsity, the number of students served, and a base amount for each ESU.

The first step is to set aside 1% of the funds for the Educational Service Unit Coordinating Council. The remainder of the funds would be distributed to individual ESU's as follows:

1. The distance education and telecommunications allowance would equal 85% of the costs for telecommunications services, access to data transmission networks, and the transmission of data minus the receipts from the federal Universal Service Fund and minus any receipts from school districts or other educational entities for such costs;
2. The base allocation for each educational service unit would equal 2.5% of the funds;
3. The satellite office allocation would equal 1% of the funds for each office of the ESU, except the headquarters, up to a maximum equal to the difference of the ratio of the square miles within the boundaries of the ESU divided by 4,000 minus one;
4. The learning community allocation for each learning community would equal 1% of the funds;
5. The statewide adjusted valuation would equal the total adjusted valuation for all school districts;
6. The adjusted valuation for each ESU would equal the adjusted valuation for all member school districts;
7. The local effort rate would equal \$0.0135 per \$100 of adjusted valuation;
8. Unless otherwise adjusted, the statewide student allocation would equal the amount appropriated plus the product of the statewide adjusted valuation multiplied by the local effort rate minus the sum of the distance education and telecommunications allowance, the base allocation, the satellite office allocation, and learning community allocation for all ESU's;
9. The sparsity adjustment would equal one tenth of the ratio of the square miles divided by the fall membership of the member school districts;
10. The learning community elementary adjustment for each learning community would equal 0.65;
11. The adjusted students would shall equal the fall membership of the member school districts

multiplied by the sum of 1 plus the learning community elementary adjustment and the sparsity adjustment;

12. The per student allocation would equal the statewide student allocation divided by the total adjusted students for all ESU's;
13. The student allocation would equal the per student allocation multiplied by the adjusted students for the ESU;
14. The needs for each educational service unit shall equal the sum of the distance education and telecommunications allowance, base allocation, satellite office allocation, learning community allocation, and student allocation for the ESU; and
15. The distribution of core services and technology infrastructure funds for each ESU would equal the needs for the ESU minus the product of the adjusted valuation for the ESU multiplied by the local effort rate.

If two or more ESU's merge or an ESU receives new member school districts, for the following two fiscal years, the ESU would receive core services and technology infrastructure funds in an amount not less than the amount that each of the merging ESU's received in the fiscal year preceding the merger. If the appropriation is less than the appropriation for such funds for the fiscal year preceding the merger, the minimum core services and technology infrastructure funds would be reduced proportionally.

For 2008-09 through 2013-14, each ESU would receive at least 95% of the core services and technology infrastructure funds received in the prior fiscal year. If the appropriation is less than the appropriation for the prior fiscal year, the minimum would be reduced proportionally.

If the minimum core services and technology infrastructure funds exceed the amount that would otherwise be distributed to the ESU, the statewide student allocation would be reduced such that the total amount to be distributed would equal the appropriation.

The department would certify the distribution to each ESU on or before July 1. The department would also certify to each learning community an amount of such distribution designated as learning community elementary funds equal to the fall membership of the member school districts multiplied by the learning community elementary adjustment. Except learning community elementary funds, the funds distributed would be used exclusively for core services and technology infrastructure with the approval of representatives of 2/3 of the member school districts, representing 1/3 of the students. Funds designated as learning community elementary funds would be used pursuant to a new section. The section harmonizes with the changes contained in LB 603, which is currently on select file.

Sections 79-1241 and 79-1243 would be amended by limiting the application of the current core service and technology infrastructure fund distribution formulas to school fiscal years prior to 2008-09. Section 79-1241.01 would be amended by applying the appropriations intent language to the funds to be distributed pursuant to the new formula. These changes harmonize with the changes contained in LB 603, which is currently on select file.

Section 79-1242 would be amended by changing the approval requirement for the use of levy proceeds by an ESU. The requirement for 2/3 of the member school districts would remain, but such districts would only be required to represent 1/3 of the students, instead of a majority of the students.

Property Tax Levies

Section 77-3442 would be amended by revising the levies applicable to learning communities and member school districts. The maximum common general fund levy for learning communities would be 101% of the greater of:

1. The local effort rate used in the calculation of state aid; or
2. A levy equal to the ratio of:
 - a. The aggregate difference of:
 - i. The sum of the greater of 100% of formula needs or the 2006-07 school district resources for each member school district; minus
 - ii. The state aid certified for each member school district; minus
 - iii. The other actual receipts included in the local system formula resources.
 - b. Divided by each \$100 of taxable property subject to the levy.

Such maximum levy could not exceed \$1.05. The 2006-07 school district resources would be defined as the sum of 99% of the product of the 2006-07 general fund levy multiplied by the taxable property plus the 2006-07 certified state aid plus the 2006-07 other actual receipts included in formula resources. The current maximum common general fund levy for learning communities is based on 110% of formula needs minus state aid and other actual receipts.

The maximum common special building fund levy for learning communities would continue to be \$0.02, except that the combined common levies could not exceed \$1.05.

Member school districts would be authorized to levy for general funds and special building funds up to a maximum combined levy of the difference of \$1.05 minus the learning community common levies for general funds and special building funds of member school districts. The current maximum member school district levy is \$1.02 minus the learning community general fund common levy.

Learning communities would be authorized to levy up to \$0.015 as the educational service unit serving the territory of the learning community.

Learning communities would also be authorized to levy up to \$0.05 for education center facilities and for up to 50% of the estimated cost for capital projects of member school districts which would be used for focus schools or programs or to otherwise diversify the student population to be served at that location. A new section would provide the specifications for how such funds could be used. The funds could be used for education center facilities and for one time reductions of the bonded indebtedness for approved projects up to 50% of the estimated cost. Approved projects would include the purchase, construction, or remodeling of facilities for

a focus school or program or a school or program that will otherwise specifically attract a more economically and culturally diverse student body. If a facility is used for purposes other than those stated for qualification within the 10 years, the district would be required to repay such funds to the learning community with interest. The learning community coordinating council could waive repayment if the facility is used for a different qualifying use for at least 10 years.

Section 79-1073 would be amended to revise the distribution of the general fund common levy. The proceeds would be distributed proportionally based on the greater of:

1. The difference of 100% of the school district's formula need minus the certified state aid and other actual receipts; or
2. The 2006-07 school district resources using the same definition as in § 77-3442 minus the certified state aid and other actual receipts.

The current distribution provisions are based on is based on 110% of formula needs minus state aid and other actual receipts.

Sections 79-1073.01, 79-10,120, and 79-126.01 would be amended to harmonize with the amendments to § 77-3442. Section 79-2103, which provides for transition aid for learning communities, would be outright repealed.

Educational Opportunities

Section 79-2110 would be amended to revise the open enrollment provisions for learning communities. Requirements would be added for school building capacities and estimates of attendance to be determined pursuant to procedures and criteria established by the coordinating council. Students would be deemed to reside in any attendance area where such student or at least one of his or her parents or guardians reside.

Parents or guardians would be allowed, but not required, to provide information on the application regarding the applicant's potential qualification for free or reduced price lunches. Information provided would be subject to verification and would only be used for the purpose of the open enrollment provisions. In no information is provided, the student would be presumed not to qualify for free or reduced price lunches.

Students would not be allowed to apply to attend a school building for any grades that are offered by another school building for which the student has previously applied and been accepted. Students completing the grades offered at a focus school or program that is part of a magnet pathway would be allowed to attend the focus school or program offering the next grade level as part of such magnet pathway as a continuing student.

Clarification would be added regarding the acceptance of students who move or who wish to transfer for emergency or hardship reasons. In both cases the students could only be accepted to the extent number of applicants that will be accepted into the school exceeds the number of applicants that have been accepted. Hardship and emergency applications could only be accepted if an emergency or hardship was presented which justifies an exemption from the normal procedures based on the judgment of the school board. Terminology would also be improved.

Section 79-611 would be amended to revise the provisions for transportation within a learning community. Language exempting members of learning communities from the general transportation requirements is deleted. Member school districts would also be required to provide transportation for students attending a school in the school district pursuant to the acceptance of an application pursuant to section 79-2110 without regard to the resident school district. The transportation would be provided from a location not more than ½ mile from the residence of the student. The transportation would be provided free to any student qualifying for free or reduced price lunches, any student attending a school building in which 35% of the students attending the building who residing the attendance area qualify for free or reduced price lunch, and any student attending a focus school or program who lives more than ½ mile from the school building. The learning community coordinating council would set a fee for students who do not qualify for free transportation. The current provisions require free transportation for all transfer students in learning communities.

Section 79-769 would be amended by clarifying that more than one member school district may work together to establish a focus school or program and to authorize the designation of magnet pathways by the learning community coordinating council. A magnet pathway would consist of focus schools or programs at different grade levels centered around similar learning goals. Participating students who complete the grades offered at a focus school or program that in the pathway would be allowed to attend the focus school or program in the pathway offering the next grade level. Preference would be given for designating magnet pathways with schools or programs in different districts.

Sections 79-2108 and 79-2109, which provide for an integration task force and diversity plans and sanctions, would be outright repealed. Section 79-4,126 and 79-4,128 would be amended to harmonize with the outright repeal of § 79-2108.

Student Achievement Coordinator

Section 79-11,150 would be amended by renaming the high-needs education coordinator as the student achievement coordinator and modifying the requirements. Instead of interest in and knowledge of instructional effectiveness for students in poverty, limited English proficient students, and highly mobile students, the coordinator would be required to have background and training in instructional methods to address the unique educational needs of such students. The coordinator would serve on the student achievement advisory council of each learning community. In developing the plan to improve educational achievement, the coordinator could seek input from superintendents, principals, teachers, social workers, and other individuals with relevant expertise. The deadline for the plan would be delayed from November 1, 2007 to November 1, 2008.

Elementary Learning Centers and Learning Community Elementary Funds

New sections would require learning community to provide for elementary learning centers. Elementary learning centers would be visionary resource centers for enhancing the academic success of elementary students, particularly those who face challenges due to poverty, limited English skills, and mobility.

The executive director would be appointed by the coordinating council and would be a person well equipped to work with populations in poverty and to analyze effective methods for assisting and encouraging such populations to access the programs. The executive director would serve for a term of 6 years, unless removed by a vote of 2/3 of the members of the learning community coordinating council upon their determining that he or she has become incapacitated or has been guilty of neglect of duty or misconduct. If the position becomes vacant, a temporary executive director could serve for up to 1 year. The executive director would receive a salary set by the coordinating council and could appoint assistants and employees within the amount set by the council.

The council would be required to establish at least 1 elementary learning center region for each 25 elementary schools in which at least 35% of the students attending the school from the attendance area qualify for free or reduced price lunch. A community advisory committee of at least 5 members and not more than 9 members would be appointed for each region. Members would be required to reside in the region with the terms of membership determined by the council.

Each committee would submit a plan to the council for the elementary learning center in their region. Committees would seek input and collaboration from community resources in order to maximize opportunities and participation. Committees may recommend services be provided through contracts with, or grants to, entities, other than school districts, to provide some or all of the services. Collaborative groups could include the participation of a school district. Committees could also recommend that the center serve as a clearing house, providing assistance in accessing programs.

Each region would have at least 1 elementary learning center facility, that is not in a building owned by a school district, located in an area with a high concentration of poverty. The facility could be owned or leased by the learning community or use of the facility may be donated to the learning community. Programs may be offered in the center or in other facilities located within the region.

Programs could be accessed by any student attending a public elementary school in the learning community and by their family. The programs would be designed to enhance academic success of elementary students and could include, but would not be limited to:

1. Summer school, extended school day programs, and extended school year programs, which may be coordinated with programs offered in the schools;
2. Literacy centers for providing intensive assistance to elementary age children and their parents to work on reading skills outside of the school day;
3. Computer labs;
4. Tutors for elementary students;
5. Mentors for elementary students;
6. Services for transient students;
7. Attendance advocates to assist in resolving issues that contribute to truancy;

8. Transportation for truant students;
9. English classes for parents and other family members;
10. Health services;
11. Mental health services;
12. Childcare for parents working on their own literacy skills or working with their children on academic skills at the center;
13. Nutritional services for families working on skills at the center;
14. Transportation for participating families;
15. Distribution of clothing and school supplies;
16. Information on other resources to assist participating families;
17. Access to the learning community ombudsman;
18. Interpreter services for educational needs.

Elementary learning centers would report the participation of elementary students in academic programs offered by the center or in collaboration with the center to the elementary school attended by the student.

Learning community elementary funds could only be used for:

1. The administration, operations, and programs of elementary learning centers;
2. Supplements for extended hours to teachers in elementary schools in which at least 35% of the students attending the school from the attendance area qualify for free or reduced price lunch;
3. Transportation for parents to school functions of students in elementary schools who qualify for free or reduced price lunch; and
4. Pilot projects enhancing the academic achievement of elementary students, particularly students affected by poverty, limited English skills, and mobility.

Coordinating councils would adopt policies and procedures for granting supplements for extended hours and for providing transportation for parents. An example stated in the statute of a pilot project eligible to receive funds would be a school designated as Jump Start Center focused on providing intensive literacy services for elementary students with low reading scores. The councils would also provide for financial audits and evaluations of effectiveness of education centers and pilot projects receiving funds. In addition, the councils would serve as the recipients of private funds donated to support any education center or pilot project.

The terms and conditions employment of school employees providing services for an elementary learning center would be established by the negotiated agreement of the learning community. For certificated employees, the learning community would be deemed to be an employer. Compensation paid to those employees would be subject to the School Employees Retirement Act, unless the employee is employed by a Class V school district, in which event compensation would be subject to the Class V School Employees Retirement Act.

Class V School Boards

A new section would require Class V school boards to create 3 or 4 subcommittees of the school board as of the effective date of the act. Each member of the school board would be on one, and only one, subcommittee. The subcommittees would recommend principals, teachers, and academic programs for the represented elementary schools. The subcommittees would also review approaches to educating students in poverty and community input into elementary school governance. Recommendations would be made to the school board to improve achievement and community input in elementary schools. The school board would be required to develop policies and procedures for the operation of the subcommittees and for accepting recommendations. Each subcommittee would report to the Education Committee regarding their plans to improve achievement and community input on or before December 15th of each odd numbered year.

School Finance

Section 79-1003 would be amended by adding the distance education and telecommunications allowance and learning community allowance to the allowances subtracted to arrive at the adjusted general fund operating expenditures beginning with 2008-09. The addition of the distance education and telecommunications allowance is the correction of a past drafting error. A definition would be added to define a teacher according to the definition in § 79-101. The definition for the temporary aid adjustment would be clarified by deleting language suggesting that the method used to determine the adjustment for 2007-08 would be used for each school fiscal year thereafter.

A new section would define a summer school student unit as one student enrolled in summer school in a school district, whether or not in the membership of the district, for at least 3 hours but fewer than 6 hours per day for at least 12 days but fewer than 24 days. A summer school student unit would be given for each qualified time period, up to 6 units per student. An additional unit would be given for units attributed to remedial math or reading programs. An additional unit would also be given for each unit attributed to a free lunch and free milk student. School districts would not be prevented from collecting fees for summer school, except that no units would be calculated for programs where fees are collected from students who qualify for free or reduced-price lunches.

Section 79-1007.02 would be amended by adding the learning community allowance, teacher education adjustment, and student growth adjustment to formula needs and subtracting the limited English proficiency allowance, poverty allowance, and student growth corrections from formula needs. The provisions for minimum formula needs based on the prior year formula needs are also revised. The qualifying levy of at least \$0.99 is replaced with a qualifying levy of at least 95% of the maximum levy. Language is added clarifying that the cost growth factor contained in the section is only applicable to school fiscal years prior to 2008-09. The cost growth factor in § 79-1007.10 applies beginning in 2008-09.

Section 79-1007.03 would be amended by defining the summer school factor as 0.025 times the number of summer school student units. The summer school factor would be added to the

adjusted students, except that the summer school factor would not be included in the calculation of the average formula cost per student in each cost grouping.

Section 79-1007.04 would be amended to apply the elementary class size allowance to grades K-8, instead of K-5.

Section 79-1007.05 would be amended by adding a requirement for the department to calculate a learning community allowance for school districts in learning communities. The allowance would equal the statewide average general fund operating expenditures per formula student multiplied by 0.01 then multiplied by the school district's formula students.

Section 79-1007.06 would be amended by requiring school districts to designate a maximum poverty allowance and to submit a poverty plan to receive a poverty allowance. A new section would require the plan be submitted on or before November 1 of each year for the next school fiscal year. Members of learning communities would be required to submit the plan to the coordinating council in addition to the department. On or before December 1, the department or the coordinating council would approve or disapprove the plans. Approved plans would include an explanation of how the school district will address the following issues:

1. Attendance, including absence follow up and transportation for students qualifying for free or reduced price lunch residing more than ½ mile from the attendance center;
2. Student mobility, including transportation to allow a student to continue attendance at the same school;
3. Parental involvement at the school building level with a focus on the involvement of parents in poverty and other diverse backgrounds;
4. Parental involvement at the school district level with a focus on the involvement of parents in poverty and other diverse backgrounds;
5. Class size reduction or maintenance of small class sizes for poverty students;
6. Scheduled teaching time that will be free from interruptions on a weekly basis;
7. Access to early childhood education programs for children in poverty;
8. Student access to social workers in the school building if more than 150 students qualify for free or reduced price lunch or at a convenient location for students in all other school buildings;
9. Access to summer school, extended school day, or extended year programs;
10. Mentoring for new and newly reassigned teachers;
11. Professional development focused on addressing the educational needs of students in poverty and students from other diverse backgrounds;
12. Coordination with education centers for districts in learning communities; and
13. An evaluation to determine the effectiveness of the elements of the poverty plan.

The State Board would be required to establish a procedure for appeal of decisions of the

department and of learning community coordinating councils to the State Board for a final determination.

Section 79-1007.07 would be amended by adding a requirement for school districts to report the relationship between programs and the poverty plan and how required elements of the plan were met. A poverty allowance correction of 50% of the allowance would also be added for failure to meet the required elements of the plan.

Section 79-1007.08 would be amended by requiring school districts to designate a maximum limited English proficiency allowance and to submit a limited English proficiency plan to receive a limited English proficiency allowance. A new section would require the plan be submitted on or before November 1 of each year for the next school fiscal year. On or before December 1, the department would approve or disapprove the plans. Approved plans would include an explanation of how the school district will address the following issues:

1. Identification of students with limited English proficiency;
2. Instructional approaches;
3. Assessment of students' progress toward mastering the English language; and
4. An evaluation to determine the effectiveness of the elements of the plan.

The State Board would be required to establish a procedure for appeal of decisions of the department to the State Board for a final determination.

Section 79-1007.09 would be amended by adding a requirement for school districts to report the relationship between programs and the limited English proficiency plan and how required elements of the plan were met. A limited English proficiency allowance correction of 50% of the allowance would be added for failure to meet the required elements of the plan.

Section 79-1007.10 would be amended by eliminating student growth from the calculation of the cost growth factor beginning with the 2008-09 school fiscal year.

A new section would provide for the calculation of a teacher education adjustment beginning with the 2008-09 school fiscal year. The adjustment would be calculated as follows:

1. Each district would receive 1 point for each full-time equivalent teacher who has a master's degree or the equivalent and 1 additional point for each full-time equivalent teacher who has a doctoral degree;
2. A teacher education index would be calculated for each district by dividing the ratio of points for the district divided by the number of full-time equivalent teachers in the district by the ratio of points for all districts divided by the number of full-time equivalent teachers in all districts; and
3. The teacher education adjustment for each district would equal 13.75% of the product of the district's formula students multiplied by the standard cost grouping's average formula cost per student multiplied by the difference of the district's teacher education index minus 1, except that if the result is less than zero, the teacher education adjustment shall

equal zero.

A new section would provide for the calculation of a student growth adjustment beginning with the 2008-09 school fiscal year. A qualifying district could apply on or before October 1 of the school fiscal year preceding the calculation of aid. The adjustment would equal the statewide average general fund operating expenditures per formula student multiplied by the difference of the district's projected average daily membership minus the sum of 25 plus the formula students. For school fiscal year 2010-11 and each school fiscal year thereafter, if any district in the most recently available complete data year had an average daily membership less than projected, a student growth correction would be calculated equal to the statewide average general fund operating expenditures per formula student multiplied by the difference of the projected average daily membership minus the average daily membership. A qualifying district would:

1. Project an average daily membership greater than 25 students over the formula students;
and
2. Not have a student growth correction.

Section 79-1008.02 would be amended by replacing the levy used to determine the minimum levy adjustment. The current minimum levy equal to 90% of the maximum levy would be replaced with a minimum levy of \$0.10 below the maximum levy. This change harmonizes with the local effort rate.

A new section would require the calculation of two preliminary state aid amounts for members of learning communities for school fiscal years 2008-09 through 2012-13. One amount would be based on separate local systems and the other on the learning community as a whole. For the amount based on separate local systems, the aid for each member school district would be calculated as if the district were its own local system. For the amount based on the learning community as a whole, the formula needs would be calculated separately for each member district then added together to calculate the local system formula needs, the local system formula resources would include the formula resources for all member districts, and equalization aid would be based on the local system formula needs and the local system formula resources. The local system aid based on such calculation would be divided between the member districts proportionally based on the needs calculated for each member district to calculate the preliminary amount based on the learning community as a whole. The aid for the affected years would be calculated as follows:

1. For 2008-09, for each member district, the state aid certified would equal 100% of the preliminary amount for such district based on separate local systems;
2. For 2009-10, for each member district, the state aid certified would equal the sum of 75% of the preliminary amount based on separate local systems plus 25% of the preliminary amount based on the learning community as a whole;
3. For 2010-11, for each member district, the state aid certified would equal the sum of 50% of the preliminary amount based on separate local systems plus 50% of the preliminary amount based on the learning community as a whole;
4. For 2011-12, for each member district, the state aid certified would equal the sum of 25%

of the preliminary amount based on separate local systems plus 75% of the preliminary amount for based on the learning community as a whole;

5. For 2012-13, for each member district, the state aid certified would equal 100% percent of the preliminary amount based on the learning community as a whole.

Section 79-1022 would be amended to recognize that the amount of aid to be paid for members of learning communities would be calculated pursuant to the new provisions for school fiscal years 2008-09 through 2012-13.

Budget Limitations

Section 79-1023 would be amended by requiring the department to certify maximum allowable growth rates, which would be the greater of the local system's applicable allowable growth rate or the percentage that would allow the district to have a general fund budget of expenditures equal to 103.5% of the district's formula needs. The deadline for certifying the rate would be September 5, 2007 for 2007-08, and February 5 for each school fiscal year thereafter.

Sections 79-1008.01, 79-1027, 79-1028, 79-1029, 79-1030, and 79-1083.03 would be amended by replacing references to the applicable allowable growth rate with references to the maximum allowable growth rate. In section 79-1028, an obsolete budget exception would also be deleted.

Ombudsman

New sections would require each learning community coordinating council to establish a procedure for receiving community input and complaints regarding the learning community or member school districts, which shall include the office of the learning community ombudsman established by the council.

The ombudsman would be appointed by the council and would be a person well equipped to analyze problems of law, administration, and public policy. The ombudsman would serve for a term of six years, unless removed by a vote of two-thirds of the members of the council upon determining that he or she has become incapacitated or has been guilty of neglect of duty or misconduct. If the office of ombudsman becomes vacant, a temporary ombudsman could serve for up to one year. The ombudsman would receive a salary set by the council and could appoint assistants and employees within the amount set by the council.

The ombudsman would have the power to:

1. Investigate, on complaint or on his or her own motion, any administrative act of the learning community or a member school district;
2. Prescribe the methods for complaints, determine the scope and manner of investigations, and determine the distribution of conclusions, recommendations, and proposals;
3. Conduct inspections of the premises of the learning community or any member school district to carry out duties prescribed pursuant to this section;
4. Request and receive from the learning community and any member school district the

assistance and information the ombudsman deems necessary, inspect and examine the records and documents of the learning community and all member school districts, and enter and inspect premises within the control of the learning community or any member school district;

5. Issue a subpoena to compel any person to appear, give sworn testimony, or produce documentary or other evidence deemed relevant. A person required to provide information would be paid the same fees and travel allowances and accorded the same privileges and immunities as extended to witnesses in district courts and would also be entitled to counsel;
6. Undertake, participate in, or cooperate with studies if he or she believes that they may enhance knowledge about or lead to improvements in the functioning of the learning community or any member school districts; and
7. Make investigations, reports, and recommendations necessary to carry out his or her duties under this section.

As used in the new ombudsman sections, administrative acts would include every action, rule, regulation, order, omission, decision, recommendation, practice, or procedure, of an administrative agency.

In selecting matters for attention, the ombudsman would particularly address administrative acts that might be:

1. Contrary to law or regulation;
2. Unreasonable, unfair, oppressive, or inconsistent with the general course of the learning community or any member school districts;
3. Mistaken in law or arbitrary in ascertainment of facts;
4. Improper in motivation or based on irrelevant considerations;
5. Unclear or inadequately explained when reasons should have been revealed; or
6. Inefficiently performed.

The ombudsman could also concern himself or herself with strengthening procedures and practices which lessen the risk that objectionable administrative acts will occur.

The ombudsman could receive a complaint from any person and would conduct an investigation unless he or she believes that:

1. The complainant has available another remedy which he or she could reasonably be expected to use, including resolution of a dispute through the Dispute Resolution Act;
2. The grievance pertains to a matter outside his or her power;
3. The complainant's interest is insufficiently related;
4. The complaint is trivial, frivolous, vexatious, or not made in good faith;
5. Other complaints are more worthy of attention;

6. His or her resources are insufficient for adequate investigation; or
7. The complaint has been delayed to long to justify examination.

If the ombudsman declines to investigate, he or she shall not be barred from proceeding on his or her own motion to inquire into related problems. After completing consideration of a complaint, the ombudsman would be required to inform the complainant and the learning community or member school district involved.

If the ombudsman has reason to believe any public officer or employee has acted in a manner warranting criminal or disciplinary proceedings, he or she would be required to refer the matter to the appropriate authorities.

Before announcing a conclusion or recommendation that expressly or impliedly criticizes the learning community, a member school district, or any person, the ombudsman would be required to consult with the entity or person.

If the ombudsman is of the opinion that an administrative agency should consider the matter further, modify or cancel an administrative act, alter a regulation or ruling, explain more fully the administrative act in question, or take any other step, the ombudsman shall state the recommendations to the learning community or member school district. If the ombudsman so requests, the learning community or school district would be required to inform the ombudsman about the action taken on the recommendations or the reasons for not complying.

If the ombudsman believes that a statute had dictated an administrative action whose results are unfair or otherwise objectionable, the ombudsman would be required to bring a desirable statutory change to the attention of the Legislature.

The ombudsman may publish conclusions and suggestions by transmitting them to the Governor, the Legislature or any of its committees, the press, and others who may be concerned. When publishing an adverse opinion, statements of the learning community or member school district shall be included.

The ombudsman would be required to report to the coordinating council on or before February 15 of each year. The ombudsman would not need to identify those immediately concerned if it would cause needless hardship. So far as the report criticizes the learning community, named member school districts, or named officials, it must include also their replies to the criticism. Each member school district would receive a copy of the report.

Proceedings, opinions, and expressions of the ombudsman would not be reviewable in court. Neither the ombudsman nor the staff would be required to testify or produce evidence in any judicial or administrative proceeding concerning matters within their official cognizance, except proceedings brought to enforce these provisions.

A person who willfully obstructs the ombudsman's functions, or willfully misleads the ombudsman, would be guilty of a Class II misdemeanor. Employees of the learning community or member school districts who file a complaint could not be subject to penalties, sanctions, or restrictions in connection with employment due to the complaint.

School District Boundaries

Section 79-4,130, which currently provides for the division of Class V school districts, would be outright repealed. Sections 79-4,117, 79-4,125, 79-4,126, 79-4,128 would be amended to harmonize with the outright repeal of section 79-4,130.

Section 79-2107 would be amended by modifying the prohibition against changing boundaries prior to the establishment of a learning community for school districts in counties with a city of the metropolitan class and counties with a contiguous border of at least 5 miles with such city. The boundaries of such districts would be as they were on March 1, 2006 for cities of the metropolitan class designated prior to January 2008 or as of March 1 immediately preceding the designation as a city of the metropolitan class for cities designated as such on or after January 1, 2008.

Housing Patterns

A new section would require the planning commissions within any learning community to work together with the learning community coordinating council to develop a long-range plan for the deconcentration of affordable housing. The deadline for such plan would be July 1, 2009 or July 1 of the year immediately following the effective date of the establishment of a new learning community. The plans would be reviewed by the commissions and learning community coordinating council on an ongoing basis with a report submitted on or before July 1 of each odd numbered year.

Severability Clause

The measure would contain a severability clause.

Senator Ron Raikes, Chairperson