

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 342

FINAL READING

Introduced by Raikes, 25; Adams, 24; Aguilar, 35; Avery, 28; Burling, 33; Carlson, 38; Christensen, 44; Cornett, 45; Dierks, 40; Engel, 17; Flood, 19; Friend, 10; Gay, 14; Hansen, 42; Janssen, 15; Johnson, 37; Karpisek, 32; Kopplin, 3; Kruse, 13; Lathrop, 12; McDonald, 41; Mines, 18; Pahls, 31; Pankonin, 2; Pedersen, 39; Preister, 5; Rogert, 16; Schimek, 27; Stuthman, 22; Synowiecki, 7; Wallman, 30; Wightman, 36

Read first time January 11, 2007

Committee: Education

A BILL

1 FOR AN ACT relating to education; to amend sections 85-1418,  
2 85-1511, 85-1536, and 85-1538, Reissue Revised Statutes  
3 of Nebraska, and sections 13-518, 77-3442, 85-9,177,  
4 85-9,178, 85-9,179, 85-9,180, 85-9,181, 85-9,182,  
5 85-1416, 85-1503, 85-1517, and 85-1903, Revised Statutes  
6 Cumulative Supplement, 2006; to adopt the Community  
7 College Foundation and Equalization Aid Act; to change  
8 and eliminate provisions related to community colleges;  
9 to rename and change provisions of the Minority

1           Scholarship Program Act; to harmonize provisions; to  
2           provide an operative date; to repeal the original  
3           sections; to outright repeal section 85-1537, Reissue  
4           Revised Statutes of Nebraska, and section 85-1536.01,  
5           Revised Statutes Cumulative Supplement, 2006; and to  
6           declare an emergency.

7   Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 29 of this act shall be  
2 known and may be cited as the Community College Foundation and  
3 Equalization Aid Act.

4           Sec. 2. The Community College Foundation and Equalization  
5 Aid Fund is created. The fund shall be used to provide state  
6 aid to community college areas pursuant to the Community College  
7 Foundation and Equalization Aid Act. Any money in the Community  
8 College Foundation and Equalization Aid Fund available for  
9 investment shall be invested by the state investment officer  
10 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
11 State Funds Investment Act.

12           Sec. 3. For purposes of the Community College Foundation  
13 and Equalization Aid Act, the definitions found in sections 4 to 20  
14 of this act apply.

15           Sec. 4. Average revenue remainder allowance means the  
16 amount calculated pursuant to subdivision (2)(b) of section 23 of  
17 this act.

18           Sec. 5. Base growth factor means the base limitation  
19 described in section 77-3446 minus one-half percent.

20           Sec. 6. Base revenue need means the amount calculated  
21 pursuant to section 23 of this act.

22           Sec. 7. Community college area has the definition found  
23 in section 85-1503.

24           Sec. 8. Equalization aid means the amount calculated  
25 pursuant to section 25 of this act.

1           Sec. 9. Formula base revenue means the base growth factor  
2 plus one, times the total prior year revenue for all community  
3 college areas.

4           Sec. 10. Full-time equivalent student has the definition  
5 found in section 85-1503.

6           Sec. 11. Local effort rate means the rate applied for the  
7 determination of total formula resources pursuant to section 24 of  
8 this act.

9           Sec. 12. Prior year revenue means the total of general  
10 fund property taxes, state aid, and tuition and fees collected in  
11 the fiscal year immediately preceding the fiscal year for which aid  
12 is being calculated.

13           Sec. 13. Reimbursable educational unit has the definition  
14 found in section 85-1503.

15           Sec. 14. Reimbursable educational unit aid equals  
16 reimbursable educational unit need.

17           Sec. 15. Reimbursable educational unit need equals the  
18 amount calculated in subdivision (2)(d) of section 23 of this act.

19           Sec. 16. Revenue remainder allowance means the amount  
20 calculated pursuant to subdivision (2)(e) of section 23 of this  
21 act.

22           Sec. 17. State foundation amount means the amount  
23 calculated pursuant to subdivision (2)(f) of section 23 of this  
24 act.

25           Sec. 18. State foundation percentage equals thirty

1 percent.

2           Sec. 19. System foundation aid means system foundation  
3 need.

4           Sec. 20. System foundation need means the amount  
5 calculated pursuant to subdivision (2)(g) of section 23 of this  
6 act.

7           Sec. 21. The Coordinating Commission for Postsecondary  
8 Education shall annually collect data from each community college  
9 area and maintain such data as necessary to carry out the Community  
10 College Foundation and Equalization Aid Act. Each community college  
11 area shall annually report data necessary to the commission to  
12 carry out the act.

13           Sec. 22. Section 85-1536, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15           ~~85-1536~~ (1) The Legislature, in an effort to promote  
16 quality postsecondary education and to avoid excessive and  
17 disproportionate taxation upon the taxable property of each  
18 community college area, may appropriate each biennium from such  
19 funds as may be available an amount for aid and assistance to the  
20 community colleges. The Legislature recognizes that education, as  
21 an investment in human resources, is fundamental to the quality of  
22 life and the economic prosperity of Nebraskans and that aid to the  
23 community colleges furthers these goals. It is the intent of the  
24 Legislature that such appropriations, ~~in particular equalization~~  
25 ~~aid provided in this section and section 85-1536.01,~~ reflect the

1 commitment of the Legislature to join with local governing bodies  
2 in a strong and continuing partnership to further advance the  
3 quality, responsiveness, access, and equity of Nebraska's community  
4 colleges and to foster high standards of performance and service  
5 so that every citizen, community, and business will have the  
6 opportunity to receive quality educational programs and services  
7 regardless of the size, wealth, or geographic location of the  
8 community college area or tribally controlled community college as  
9 defined in section 85-1503 by which that citizen, community, or  
10 business is served. Such funds so appropriated by the Legislature  
11 shall be allocated, adjusted, and distributed to the community  
12 college boards of governors as provided in the Community College  
13 Foundation and Equalization Aid Act. boards by the Department of  
14 Administrative Services as follows:

15           (a) ~~Fifty-two percent of such funds appropriated by~~  
16 ~~the Legislature for each fiscal year shall be allocated to~~  
17 ~~the community college areas in the same proportion as the~~  
18 ~~first one thousand seven hundred seventy-five audited reimbursable~~  
19 ~~educational units or portion thereof of the three-year average~~  
20 ~~for each community college area, calculated by taking the average~~  
21 ~~of the audited reimbursable educational units for the three most~~  
22 ~~recently completed fiscal years, is to the first one thousand~~  
23 ~~seven hundred seventy-five audited reimbursable educational units~~  
24 ~~or portion thereof of the three-year average of all community~~  
25 ~~college areas combined for such fiscal year.~~

1           ~~(b) Thirty-eight percent of such funds for each fiscal~~  
2 ~~year shall be distributed to the community college areas in~~  
3 ~~the same proportion as the three-year average of all audited~~  
4 ~~reimbursable educational units in excess of one thousand nine~~  
5 ~~hundred seventy-five for each community college area, calculated~~  
6 ~~by taking the average of the audited reimbursable educational~~  
7 ~~units for the three most recently completed fiscal years, is~~  
8 ~~to the audited reimbursable educational units in excess of one~~  
9 ~~thousand nine hundred seventy-five for all community college areas,~~  
10 ~~calculated by taking such average, combined for such fiscal year,~~  
11 ~~and~~

12           ~~(c) The balance of such funds for each fiscal year shall~~  
13 ~~be distributed pursuant to section 85-1536.01. Funding for tribally~~  
14 ~~controlled community colleges shall be calculated on the total~~  
15 ~~amount of funds available pursuant to this section and section~~  
16 ~~85-1537.~~

17           (2) The Department of Revenue shall certify aid amounts  
18 pursuant to the act and report such amounts to the Department of  
19 Administrative Services. The Department of Administrative Services  
20 shall distribute the total of such appropriated and allocated funds  
21 from subdivisions ~~(1)(a) and (b)~~ of this section to the boards  
22 of governors in ten as nearly as possible equal monthly payments  
23 between the fifth and twentieth day of each month beginning in  
24 September of each year.

25           (3) The Department of Administrative Services shall

1 reduce the amount of the distribution to a board of governors  
2 by the amount of funds used by the community college area to  
3 provide a program or capital construction project as such term  
4 is defined in section 85-1402 which has not been approved or has  
5 been disapproved by the Coordinating Commission for Postsecondary  
6 Education pursuant to the Coordinating Commission for Postsecondary  
7 Education Act.

8           Sec. 23. (1) The Department of Revenue shall annually  
9 calculate the base revenue need for each community college area as  
10 follows:

11           (a) For fiscal years 2007-08 and 2008-09, base revenue  
12 need for each community college area shall equal one plus the base  
13 growth factor plus the percentage growth in full-time equivalent  
14 enrollments attributable to each community college area times  
15 the sum of (i) system foundation need plus (ii) reimbursable  
16 educational unit need plus (iii) the average need adjustment plus  
17 (iv) the revenue remainder allowance for each community college  
18 area; and

19           (b) For fiscal year 2009-10 and each fiscal year  
20 thereafter, base revenue need for each community college area  
21 shall equal the sum of (i) system foundation need plus (ii)  
22 reimbursable educational unit need plus (iii) the average revenue  
23 remainder allowance.

24           (2) For purposes of the calculation required pursuant to  
25 this section:



1           (a) Average need adjustment shall be calculated for  
2 fiscal year 2007-08 aid distribution as follows: Average need  
3 adjustment shall equal the sum of average adjusted revenue  
4 per full-time equivalent student minus the adjusted revenue  
5 per full-time equivalent student times the number of full-time  
6 equivalent students attributable to each community college area  
7 up to the number of full-time equivalent students attributable to  
8 the community college area with the fewest number of full-time  
9 equivalent students, except that the amount shall not be less than  
10 negative seven hundred fifty thousand or greater than seven hundred  
11 fifty thousand. For purposes of the average need adjustment, (i)  
12 adjusted revenue per full-time equivalent student equals the sum  
13 of the prior year revenue for each community college area minus  
14 the system foundation need divided by the number of full-time  
15 equivalent students for each community college area and (ii)  
16 average adjusted revenue per full-time equivalent student equals  
17 the sum of the prior year revenue for all community college areas  
18 minus the system foundation need for all areas divided by the  
19 number of full-time equivalent students for all areas;

20           (b) Average revenue remainder allowance shall equal the  
21 average revenue remainder per full-time equivalent student times  
22 the number of full-time equivalent students for each community  
23 college area;

24           (c) Average revenue remainder per full-time equivalent  
25 student equals the revenue remainder allowance for all community

1 college areas divided by the total number of full-time equivalent  
2 students in all community college areas;

3 (d) Reimbursable educational unit need for each community  
4 college area equals the product of the state foundation amount  
5 times forty percent divided by the total reimbursable educational  
6 units of all community college areas times the number of  
7 reimbursable educational units attributable to each community  
8 college area;

9 (e) Revenue remainder allowance equals the formula base  
10 revenue attributable to each community college area minus the sum  
11 of system foundation need plus reimbursable educational unit need;

12 (f) State foundation amount equals formula base revenue  
13 times the state foundation percentage; and

14 (g) System foundation need for each community college  
15 area equals the product of the state foundation amount times sixty  
16 percent divided by the number of community college areas.

17 Sec. 24. (1) The Department of Revenue shall calculate  
18 local effort rate by dividing the sum of (a) the total of base  
19 revenue need for all community college areas minus (b) the amount  
20 appropriated by the Legislature pursuant to the Community College  
21 Foundation and Equalization Aid Act minus (c) the total formula  
22 tuition and fees for all community college areas by the total  
23 valuation of all community college areas times one hundred.

24 (2) The department shall calculate the formula resources  
25 available to each community college area by adding (a) the yield

1 from local effort rate plus (b) local formula tuition and fees plus  
2 (c) system foundation aid plus (d) reimbursable educational unit  
3 aid.

4 (3) For purposes of the calculation required pursuant to  
5 this section:

6 (a) The yield from local effort rate for each community  
7 college area equals the local effort rate times the property  
8 valuation attributable to each community college area divided by  
9 one hundred;

10 (b) Local formula tuition and fees equals tuition and  
11 fees attributable to each community college area that were  
12 collected in the fiscal year prior to the fiscal year for which aid  
13 is to be calculated;

14 (c) Reimbursable educational unit aid equals reimbursable  
15 educational unit need calculated pursuant to section 23 of this  
16 act; and

17 (d) System foundation aid equals system foundation need  
18 calculated pursuant to section 23 of this act.

19 Sec. 25. Equalization aid for each community college area  
20 shall equal base revenue need attributable to the community college  
21 area minus formula resources attributable to the community college  
22 area.

23 Sec. 26. Total aid for each community college area shall  
24 equal the sum of such community college area's equalization aid,  
25 system foundation aid, and reimbursable educational unit aid,

1 except that total aid shall not be less than zero.

2           Sec. 27. The maximum levy for each community college  
3 area shall be certified by the Department of Revenue annually and  
4 shall equal one hundred fifteen percent of the local effort rate  
5 calculated pursuant to section 24 of this act plus amounts allowed  
6 pursuant to subsection (2) of section 85-1517.

7           Sec. 28. For fiscal year 2008-09 and for each fiscal  
8 year thereafter, a minimum levy aid reduction shall apply to any  
9 community college area that does not levy at least eighty percent  
10 of the local effort rate calculated pursuant to section 24 of this  
11 act for the fiscal year immediately preceding the fiscal year for  
12 which aid is being calculated.

13           The minimum levy aid reduction shall equal the difference  
14 between the amount of revenue collected by the community college  
15 area as a result of its levy and the amount of revenue that would  
16 have been collected using eighty percent of the local effort rate  
17 in the prior fiscal year. The Department of Revenue shall reduce  
18 the amount of aid calculated pursuant to section 26 of this act by  
19 an amount equal to the minimum levy aid reduction.

20           Sec. 29. Section 85-1538, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22           ~~85-1538~~ The Director of Administrative Services shall,  
23 upon notification by the State Treasurer that sufficient funds  
24 are available for payment, draw warrants on vouchers presented by  
25 the budget division of the Department of Administrative Services

1 against funds appropriated and deliver such warrants to the various  
2 community colleges.

3 Sec. 30. Section 13-518, Revised Statutes Cumulative  
4 Supplement, 2006, is amended to read:

5 13-518 For purposes of sections 13-518 to 13-522:

6 (1) Allowable growth means (a) for governmental units  
7 other than community colleges, the percentage increase in taxable  
8 valuation in excess of the base limitation established under  
9 section 77-3446, if any, due to improvements to real property as  
10 a result of new construction, additions to existing buildings,  
11 any improvements to real property which increase the value of  
12 such property, and any increase in valuation due to annexation  
13 and any personal property valuation over the prior year and (b)  
14 for community colleges, (i) for fiscal years prior to fiscal year  
15 2003-04 and after fiscal year 2004-05 until fiscal year 2007-08,  
16 the percentage increase in excess of the base limitation, if any,  
17 in full-time equivalent students from the second year to the first  
18 year preceding the year for which the budget is being determined,  
19 ~~and~~ (ii) for fiscal year 2003-04 and fiscal year 2004-05, the  
20 percentage increase in full-time equivalent students from the  
21 second year to the first year preceding the year for which the  
22 budget is being determined, and (iii) for fiscal year 2007-08 and  
23 each fiscal year thereafter, community college areas may exceed the  
24 base limitation to equal base revenue need calculated pursuant to  
25 section 23 of this act;

1           (2) Capital improvements means (a) acquisition of real  
2 property or (b) acquisition, construction, or extension of any  
3 improvements on real property;

4           (3) Governing body has the same meaning as in section  
5 13-503;

6           (4) Governmental unit means every political subdivision  
7 which has authority to levy a property tax or authority to  
8 request levy authority under section 77-3443 except sanitary and  
9 improvement districts which have been in existence for five years  
10 or less and school districts;

11           (5) Qualified sinking fund means a fund or funds  
12 maintained separately from the general fund to pay for acquisition  
13 or replacement of tangible personal property with a useful life of  
14 five years or more which is to be undertaken in the future but  
15 is to be paid for in part or in total in advance using periodic  
16 payments into the fund. The term includes sinking funds under  
17 subdivision (13) of section 35-508 for firefighting and rescue  
18 equipment or apparatus;

19           (6) Restricted funds means (a) property tax, excluding  
20 any amounts refunded to taxpayers, (b) payments in lieu of property  
21 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)  
22 state aid, (f) transfers of surpluses from any user fee, permit  
23 fee, or regulatory fee if the fee surplus is transferred to fund a  
24 service or function not directly related to the fee and the costs  
25 of the activity funded from the fee, (g) any funds excluded from

1 restricted funds for the prior year because they were budgeted for  
2 capital improvements but which were not spent and are not expected  
3 to be spent for capital improvements, (h) the tax provided in  
4 sections 77-27,223 to 77-27,227 beginning in the second fiscal year  
5 in which the county will receive a full year of receipts, and (i)  
6 any excess tax collections returned to the county under section  
7 77-1776; and

8 (7) State aid means:

9 (a) For all governmental units, state aid paid pursuant  
10 to sections 60-3,202 and 77-3523;

11 (b) For municipalities, state aid to municipalities  
12 paid pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190,  
13 77-27,136, and 77-27,139.04 and insurance premium tax paid to  
14 municipalities;

15 (c) For counties, state aid to counties paid pursuant  
16 to sections 39-2501 to 39-2520, 47-119.01, 60-3,184 to 60-3,190,  
17 77-27,136, and 77-3618, insurance premium tax paid to counties,  
18 and reimbursements to counties from funds appropriated pursuant to  
19 section 29-3933;

20 (d) For community colleges, state aid to community  
21 colleges paid under ~~sections 85-1536 to 85-1537,~~ the Community  
22 College Foundation and Equalization Aid Act;

23 (e) For natural resources districts, state aid to natural  
24 resources districts paid pursuant to section 77-27,136;

25 (f) For educational service units, state aid appropriated

1 under section 79-1241; and

2 (g) For local public health departments as defined in  
3 section 71-1626, state aid as distributed under section 71-1628.08.

4 Sec. 31. Section 77-3442, Revised Statutes Cumulative  
5 Supplement, 2006, is amended to read:

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

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

16 (b) Except as provided in subdivision (2) (d) of this  
17 section, for fiscal year 2008-09 and each fiscal year thereafter,  
18 (i) learning communities may levy a maximum levy for the general  
19 fund budgets of member school districts equal to the ratio of the  
20 aggregate difference of one hundred ten percent of the formula  
21 needs as calculated pursuant to section 79-1007.02 minus the amount  
22 of state aid certified pursuant to section 79-1022 and minus the  
23 other actual receipts included in local system formula resources  
24 pursuant to section 79-1018.01 for each member school district for  
25 such school fiscal year divided by each one hundred dollars of



1 taxable property subject to the levy, except that such levy shall  
2 not exceed one dollar and two cents on each one hundred dollars  
3 of taxable property subject to the levy, and (ii) school districts  
4 that are members of learning communities may levy a maximum levy  
5 of the difference of one dollar and two cents on each one hundred  
6 dollars of taxable property subject to the levy minus the learning  
7 community levy pursuant to this subdivision for purposes of such  
8 school district's general fund budget and special building funds.

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

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

1 federal government sources pursuant to Title VIII of Public Law  
2 103-382, as such title existed on September 1, 2001.

3 (e) For school fiscal year 2002-03 through school fiscal  
4 year 2007-08, school districts and multiple-district school systems  
5 may, upon a three-fourths majority vote of the school board of  
6 the school district, the board of the unified system, or the  
7 school board of the high school district of the multiple-district  
8 school system that is not a unified system, exceed the maximum  
9 levy prescribed by subdivision (2) (a) of this section in an amount  
10 equal to the net difference between the amount of state aid that  
11 would have been provided under the Tax Equity and Educational  
12 Opportunities Support Act without the temporary aid adjustment  
13 factor as defined in section 79-1003 for the ensuing school fiscal  
14 year for the school district or multiple-district school system  
15 and the amount provided with the temporary aid adjustment factor.  
16 The State Department of Education shall certify to the school  
17 districts and multiple-district school systems the amount by which  
18 the maximum levy may be exceeded for the next school fiscal year  
19 pursuant to this subdivision (e) of this subsection on or before  
20 February 15 for school fiscal years 2004-05 through 2007-08.

21 (f) For fiscal year 2008-09 and each fiscal year  
22 thereafter, learning communities may levy a maximum levy of two  
23 cents on each one hundred dollars of taxable property subject to  
24 the levy for special building funds for member school districts.

25 (g) For fiscal year 2008-09 and each fiscal year

1 thereafter, learning communities may levy a maximum levy of one  
2 cent on each one hundred dollars of taxable property subject to the  
3 levy for the learning community budget and for projects approved by  
4 the learning community coordinating council.

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

17 (4) Natural resources districts may levy a maximum levy  
18 of four and one-half cents per one hundred dollars of taxable  
19 valuation of property subject to the levy. Natural resources  
20 districts shall also have the power and authority to levy a  
21 tax equal to the dollar amount by which their restricted funds  
22 budgeted to administer and implement ground water management  
23 activities and integrated management activities under the Nebraska  
24 Ground Water Management and Protection Act exceed their restricted  
25 funds budgeted to administer and implement ground water management

1 activities and integrated management activities for FY2003-04,  
2 not to exceed one cent on each one hundred dollars of taxable  
3 valuation annually on all of the taxable property within the  
4 district. In addition, natural resources districts located in a  
5 river basin, subbasin, or reach that has been determined to be  
6 fully appropriated pursuant to section 46-714 or designated as  
7 overappropriated pursuant to section 46-713 by the Department of  
8 Natural Resources shall also have the power and authority to  
9 levy a tax equal to the dollar amount by which their restricted  
10 funds budgeted to administer and implement ground water management  
11 activities and integrated management activities under the Nebraska  
12 Ground Water Management and Protection Act exceed their restricted  
13 funds budgeted to administer and implement ground water management  
14 activities and integrated management activities for FY2005-06, not  
15 to exceed three cents on each one hundred dollars of taxable  
16 valuation on all of the taxable property within the district for  
17 fiscal year 2006-07 and not to exceed two cents on each one  
18 hundred dollars of taxable valuation annually on all of the taxable  
19 property within the district for fiscal years 2007-08 and 2008-09.

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

23 (6)(a) Incorporated cities and villages which are not  
24 within the boundaries of a municipal county may levy a maximum levy  
25 of forty-five cents per one hundred dollars of taxable valuation

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

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

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

1 which have been in existence for more than five years and are  
2 located in a municipal county may levy a maximum of eighty-five  
3 cents per hundred dollars of taxable valuation of property subject  
4 to the levy.

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

1 purpose of supporting that political subdivision's share of revenue  
2 required under an agreement or agreements executed pursuant to the  
3 Interlocal Cooperation Act or the Joint Public Agency Act. If an  
4 allocation by a county would cause another county to exceed its  
5 levy authority under this section, the second county may exceed the  
6 levy authority in order to levy the amount allocated.

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

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

24 (11) The limitations on tax levies provided in this  
25 section are to include all other general or special levies

1 provided by law. Notwithstanding other provisions of law, the  
2 only exceptions to the limits in this section are those provided by  
3 or authorized by sections 77-3442 to 77-3444.

4 (12) Tax levies in excess of the limitations in this  
5 section shall be considered unauthorized levies under section  
6 77-1606 unless approved under section 77-3444.

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

10 Sec. 32. Section 85-9,177, Revised Statutes Cumulative  
11 Supplement, 2006, is amended to read:

12 85-9,177 Sections 85-9,177 to 85-9,182 shall be known and  
13 may be cited as the Minority Student Diversity Scholarship Program  
14 Act.

15 Sec. 33. Section 85-9,178, Revised Statutes Cumulative  
16 Supplement, 2006, is amended to read:

17 85-9,178 (1) The Legislature finds that the State of  
18 Nebraska has a compelling interest to provide access to the  
19 University of Nebraska, the state colleges, and the community  
20 colleges for ~~Black, American Indian, and Hispanic minority students~~  
21 and students from diverse racial, ethnic, and cultural backgrounds  
22 who often find that the financial requirements of postsecondary  
23 education often represent major obstacles to such students because  
24 of the lack of financial resources available to them. are a major  
25 obstacle. The Legislature further finds that the State of Nebraska



1 has a compelling interest in attaining greater diversity in the  
2 racial, ethnic, and cultural makeup of the student bodies at the  
3 University of Nebraska, the state colleges, and the community  
4 colleges because of the educational benefits that a diverse  
5 educational environment will produce for all students attending  
6 the University of Nebraska, the state colleges, and the community  
7 colleges.

8 (2) It is the intent of the Legislature:

9 (a) To appropriate funds to support a minority  
10 scholarship student diversity program to serve as a temporary  
11 measure for the purpose of eliminating the statistical disparity  
12 between the representation of full-time Black, American Indian,  
13 and Hispanic minority students in the undergraduate population  
14 of the University of Nebraska, the state colleges, and the  
15 community colleges and the representation of such minority  
16 students in the student population of the primary and secondary  
17 schools of this state and for the purpose of developing a more  
18 racially, ethnically, and culturally diverse student body at such  
19 public bodies at the state's public postsecondary educational  
20 institutions;

21 (b) That Black, American Indian, and Hispanic minority  
22 students attending the University of Nebraska, a state college,  
23 or a community college will be eligible to participate in the  
24 scholarship program supported pursuant to the Minority Scholarship  
25 Program Act; and the student diversity scholarship program be

1 designed and implemented so as to achieve a greater racial, ethnic,  
2 and cultural diversity in student populations in fulfillment of the  
3 compelling interest found by the Legislature pursuant to subsection  
4 (1) of this section; and

5 (c) That all funds appropriated by the Legislature  
6 for ~~minority~~ student diversity scholarships at the University  
7 of Nebraska, the state colleges, and the community colleges  
8 shall be used in coordination with private donations for such  
9 scholarships and in consultation with the major donors thereof  
10 and in coordination with federal grant funds available to ~~minority~~  
11 students at ~~such institutions~~ the University of Nebraska, the state  
12 colleges, and the community colleges so as to maximize the level of  
13 benefits and accomplish the purposes of the ~~act.~~ Student Diversity  
14 Scholarship Program Act.

15 Sec. 34. Section 85-9,179, Revised Statutes Cumulative  
16 Supplement, 2006, is amended to read:

17 85-9,179 (1) All funds appropriated by the Legislature  
18 for the ~~Minority~~ Student Diversity Scholarship Program Act shall  
19 be used to support endowed scholarship funds which shall be held,  
20 managed, and invested as authorized by section 72-1246 with only  
21 the income therefrom expended for scholarships.

22 (2) The purpose of such endowed scholarship funds is to  
23 provide total or partial undergraduate scholarships for tuition,  
24 fees, board and room, and books at all campuses of the University  
25 of Nebraska, the state colleges, and the community colleges to

1 full-time undergraduate students ~~from Black, American Indian, and~~  
2 ~~Hispanic minority groups which are underrepresented in the student~~  
3 ~~population of such public institutions who fulfill the criteria for~~  
4 ~~award of a student diversity scholarship~~ and who cannot afford such  
5 educational expenses due to lack of financial resources available  
6 to them.

7           Sec. 35. Section 85-9,180, Revised Statutes Cumulative  
8 Supplement, 2006, is amended to read:

9           85-9,180 ~~(1)~~ Funds appropriated in years prior to  
10 fiscal year 2000-01 for the minority scholarship program supported  
11 pursuant to section 85-1,125 as such section existed prior to July  
12 13, 2000, shall be used, administered, and distributed only for the  
13 benefit of students at the University of Nebraska in such manner as  
14 the Board of Regents of the University of Nebraska shall determine.

15           ~~(2)~~ (1) Funds appropriated for fiscal year 2000-01 and  
16 each fiscal year thereafter before fiscal year 2007-08 for the  
17 Minority Scholarship Program Act as it existed immediately prior  
18 to the operative date of this act shall be used for the benefit  
19 of students pursuant to the Minority Scholarship Program Act at  
20 the University of Nebraska, the state colleges, and the community  
21 colleges.

22           (2) Funds appropriated for fiscal year 2007-08 and each  
23 fiscal year thereafter for the Student Diversity Scholarship  
24 Program Act shall be used for the benefit of students pursuant  
25 to the Student Diversity Scholarship Program Act at the University

1 of Nebraska, the state colleges, and the community colleges.

2           Sec. 36. Section 85-9,181, Revised Statutes Cumulative  
3 Supplement, 2006, is amended to read:

4           85-9,181 (1) Funds appropriated for the ~~Minority Student~~  
5 Diversity Scholarship Program Act for the benefit of students at  
6 the University of Nebraska and students attending any community  
7 colleges who are enrolled in an associate degree program with the  
8 intention of transferring to the University of Nebraska shall be  
9 used, administered, and invested in such manner as the Board of  
10 Regents of the University of Nebraska, in consultation with the  
11 ~~boards~~ board of governors of each participating community college,  
12 shall determine.

13           (2) Funds appropriated for the ~~Minority Student Diversity~~  
14 Scholarship Program Act for the benefit of students at the state  
15 colleges and students attending any community colleges who are  
16 enrolled in an associate degree program with the intention of  
17 transferring to a state college shall be used, administered, and  
18 invested in such manner as the Board of Trustees of the Nebraska  
19 State Colleges, in consultation with the ~~boards~~ board of governors  
20 of each participating community college, shall determine.

21           Sec. 37. Section 85-9,182, Revised Statutes Cumulative  
22 Supplement, 2006, is amended to read:

23           85-9,182 ~~Awards~~ Criteria for the award of scholarships  
24 under the ~~Minority Student Diversity Scholarship Program Act~~ shall  
25 be determined by a committee selected by the Board of Regents of

1 the University of Nebraska, the Board of Trustees of the Nebraska  
2 State Colleges, and the community college boards of governors.  
3 The committee shall include members of underrepresented minority  
4 groups and private donors to the endowed scholarship funds. Awards  
5 shall be consistent with the intent stated in the act and with  
6 the constitutions and laws of the United States and the State of  
7 Nebraska.

8           Sec. 38. Section 85-1416, Revised Statutes Cumulative  
9 Supplement, 2006, is amended to read:

10           85-1416 (1) Pursuant to the authority granted in  
11 Article VII, section 14, of the Constitution of Nebraska and  
12 the Coordinating Commission for Postsecondary Education Act, the  
13 commission shall, in accordance with the coordination function of  
14 the commission pursuant to section 85-1403, review and modify, if  
15 needed to promote compliance and consistency with the comprehensive  
16 statewide plan and prevent unnecessary duplication, the budget  
17 requests of the governing boards.

18           (2)(a) At least thirty days prior to submitting to  
19 the Governor their biennial budget requests pursuant to section  
20 81-1113 and any major deficit appropriation requests pursuant  
21 to instructions of the Department of Administrative Services,  
22 the Board of Regents of the University of Nebraska and the  
23 Board of Trustees of the Nebraska State Colleges shall each  
24 submit to the commission an outline of its proposed operating  
25 budget. The outline of its proposed operating budget or outline

1 of proposed state aid request shall include those information  
2 summaries provided to the institution's governing board describing  
3 the respective institution's budget for the next fiscal year or  
4 biennium. The outline shall contain projections of funds necessary  
5 for (i) the retention of current programs and services at current  
6 funding levels, (ii) any inflationary costs necessary to maintain  
7 current programs and services at the current programmatic or  
8 service levels, and (iii) proposed new and expanded programs and  
9 services. In addition to the outline, the commission may request  
10 an institution to provide to the commission any other supporting  
11 information to assist the commission in its budget review process.  
12 An institution may comply with such requests pursuant to section  
13 85-1417.

14 (b) On September 15 of each biennial budget request  
15 year, the boards of governors of the community colleges or their  
16 designated representatives shall submit to the commission outlines  
17 of their proposed state aid requests pursuant to ~~sections 85-1536~~  
18 ~~and 85-1537.~~ the Community College Foundation and Equalization Aid  
19 Act.

20 (c) The commission shall analyze institutional budget  
21 priorities in light of the comprehensive statewide plan, role and  
22 mission assignments, and the goal of prevention of unnecessary  
23 duplication. The commission shall submit to the Governor and  
24 Legislature by October 15 of each year recommendations for approval  
25 or modification of the budget requests together with a rationale

1 for its recommendations. The analysis and recommendations by the  
2 commission shall focus on budget requests for new and expanded  
3 programs and services and major statewide funding issues or  
4 initiatives as identified in the comprehensive statewide plan.  
5 If an institution does not comply with the commission's request  
6 pursuant to subdivision (a) of this subsection for additional  
7 budget information, the commission may so note the refusal  
8 and its specific information request in its report of budget  
9 recommendations. The commission shall also provide to the Governor  
10 and the Appropriations Committee of the Legislature on or before  
11 October 1 of each even-numbered year a report identifying public  
12 policy issues relating to student tuition and fees, including  
13 the appropriate relative differentials of tuition and fee levels  
14 between the sectors of public postsecondary education in the state  
15 consistent with the comprehensive statewide plan.

16 (3) At least thirty days prior to submitting to the  
17 Governor their biennial budget requests pursuant to section  
18 81-1113 and any major deficit appropriation requests pursuant to  
19 instructions of the Department of Administrative Services, the  
20 Board of Regents of the University of Nebraska and the Board of  
21 Trustees of the Nebraska State Colleges shall each submit to the  
22 commission information the commission deems necessary regarding  
23 each board's capital construction budget requests. The commission  
24 shall review the capital construction budget request information  
25 and may recommend to the Governor and the Legislature modification,

1 approval, or disapproval of such requests consistent with the  
2 statewide facilities plan and any project approval determined  
3 pursuant to subsection (10) of section 85-1414 and to section  
4 85-1415. The commission shall develop from a statewide perspective  
5 a unified prioritization of individual capital construction budget  
6 requests for which it has recommended approval and submit such  
7 prioritization to the Governor and the Legislature for their  
8 consideration. In establishing its prioritized list, the commission  
9 may consider and respond to the priority order established by the  
10 Board of Regents or the Board of Trustees in their respective  
11 capital construction budget requests.

12 (4) Nothing in this section shall be construed to affect  
13 other constitutional, statutory, or administrative requirements for  
14 the submission of budget or state aid requests by the governing  
15 boards to the Governor and the Legislature.

16 Sec. 39. Section 85-1418, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 85-1418 (1) No state warrant shall be issued by the  
19 Department of Administrative Services or used by any public  
20 institution for the purpose of funding any program or capital  
21 construction project which has not been approved or which has  
22 been disapproved by the commission pursuant to the Coordinating  
23 Commission for Postsecondary Education Act. If state funding for  
24 any such program or project cannot be or is not divided into  
25 warrants separate from other programs or projects, the department



1 shall reduce a warrant to the public institution which includes  
2 funding for the program or project by the amount of tax funds  
3 designated by the Legislature which are budgeted in that fiscal  
4 year by the public institution for use for the program or project.

5 (2) The department may reduce the amount of state aid  
6 distributed to a community college area pursuant to ~~sections~~  
7 ~~85-1536 and 85-1537~~ the Community College Foundation and  
8 Equalization Aid Act by the amount of funds used by the area to  
9 provide a program or capital construction project which has not  
10 been approved or which has been disapproved by the commission.

11 (3) The district court of Lancaster County shall have  
12 jurisdiction to enforce an order or decision of the commission  
13 entered pursuant to the Coordinating Commission for Postsecondary  
14 Education Act and to enforce this section.

15 (4) Any person or public institution aggrieved by a  
16 final order of the commission entered pursuant to section 85-1413,  
17 85-1414, 85-1415, or 85-1416 shall be entitled to judicial review  
18 of the order. Proceedings for review shall be instituted by filing  
19 a petition in the district court of Lancaster County within thirty  
20 days after public notice of the final decision by the commission  
21 is given. The filing of the petition or the service of summons  
22 upon the commission shall not stay enforcement of such order. The  
23 review shall be conducted by the court without a jury on the  
24 record of the commission. The court shall have jurisdiction to  
25 enjoin enforcement of any order of the commission which is (a)

1 in violation of constitutional provisions, (b) in excess of the  
2 constitutional or statutory authority of the commission, (c) made  
3 upon unlawful procedure, or (d) affected by other error of law.

4 (5) A party may secure a review of any final judgment of  
5 the district court by appeal to the Court of Appeals. Such appeal  
6 shall be taken in the manner provided by law for appeals in civil  
7 cases and shall be heard de novo on the record.

8 Sec. 40. Section 85-1503, Revised Statutes Cumulative  
9 Supplement, 2006, is amended to read:

10 85-1503 For purposes of sections 85-1501 to 85-1540,  
11 unless the context otherwise requires:

12 (1) Community college ~~shall mean~~ means an educational  
13 institution operating and offering programs pursuant to such  
14 sections;

15 (2) Community college area ~~shall mean~~ means an area  
16 established by section 85-1504;

17 (3) Board ~~shall mean~~ means the Community College Board of  
18 Governors for each community college area;

19 (4) Full-time equivalent student ~~shall mean,~~ means,  
20 in the aggregate, the equivalent of a registered student who  
21 in a twelve-month period is enrolled in (a) thirty semester  
22 credit hours or forty-five quarter credit hours of classroom,  
23 laboratory, clinical, practicum, or independent study course work  
24 or cooperative work experience or (b) nine hundred contact hours of  
25 classroom or laboratory course work for which credit hours are not

1 offered or awarded. Avocational and recreational community service  
2 programs or courses ~~shall not be~~ are not included in determining  
3 full-time equivalent students or student enrollment;

4 (5) Contact hour ~~shall mean~~ means an educational activity  
5 consisting of sixty minutes minus break time and required time to  
6 change classes;

7 (6) Credit hour ~~shall mean~~ means the unit used to  
8 ascertain the educational value of course work offered by the  
9 institution to students enrolling for such course work, earned  
10 by such students upon successful completion of such course work,  
11 and for which tuition is charged. A credit hour may be offered  
12 and earned in any of several instructional delivery systems,  
13 including, but not limited to, classroom hours, laboratory hours,  
14 clinical hours, practicum hours, cooperative work experience, and  
15 independent study. A credit hour shall consist of a minimum of: (a)  
16 Ten quarter or fifteen semester classroom contact hours per term of  
17 enrollment; (b) twenty quarter or thirty semester academic transfer  
18 and academic support laboratory hours per term of enrollment; (c)  
19 thirty quarter or forty-five semester vocational laboratory hours  
20 per term of enrollment; (d) thirty quarter or forty-five semester  
21 clinical or practicum contact hours per term of enrollment; or  
22 (e) forty quarter or sixty semester cooperative work experience  
23 contact hours per term of enrollment. An institution may include  
24 in a credit hour more classroom, laboratory, clinical, practicum,  
25 or cooperative work experience hours than the minimum required in

1 this subdivision. The institution shall publish in its catalog, or  
2 otherwise make known to the student in writing prior to the student  
3 enrolling or paying tuition for any courses, the number of credit  
4 or contact hours offered in each such course. Such published credit  
5 or contact hour offerings shall be used to determine whether a  
6 student is a full-time equivalent student pursuant to subdivision  
7 (4) of this section;

8 (7) Classroom hour ~~shall mean~~ means a minimum of fifty  
9 minutes of formalized instruction on campus or off campus in which  
10 a qualified instructor applying any combination of instructional  
11 methods such as lecture, directed discussion, demonstration, or the  
12 presentation of audiovisual materials is responsible for providing  
13 an educational experience to students;

14 (8) Laboratory hour ~~shall mean~~ means a minimum of fifty  
15 minutes of educational activity on campus or off campus in  
16 which students conduct experiments, perfect skills, or practice  
17 procedures under the direction of a qualified instructor;

18 (9) Clinical hour ~~shall mean~~ means a minimum of fifty  
19 minutes of educational activity on campus or off campus during  
20 which the student is assigned practical experience under constant  
21 supervision at a health-related agency, receives individual  
22 instruction in the performance of a particular function, and is  
23 observed and critiqued in the repeat performance of such function.  
24 Adjunct professional personnel, who may or may not be paid by the  
25 college, may be used for the directed supervision of students and

1 for the delivery of part of the didactic phase of the experience;

2 (10) Practicum hour ~~shall mean~~ means a minimum of fifty  
3 minutes of educational activity on campus or off campus during  
4 which the student is assigned practical experiences, receives  
5 individual instruction in the performance of a particular function,  
6 and is observed and critiqued by an instructor in the repeat  
7 performance of such function. Adjunct professional personnel, who  
8 may or may not be paid by the college, may be used for the directed  
9 supervision of the students;

10 (11) Cooperative work experience ~~shall mean~~ means an  
11 internship or on-the-job training, designed to provide specialized  
12 skills and educational experiences, which is coordinated,  
13 supervised, observed, and evaluated by qualified college staff or  
14 faculty and may be completed on campus or off campus, depending  
15 on the nature of the arrangement;

16 (12) Independent study ~~shall mean~~ means an arrangement  
17 between an instructor and a student in which the instructor is  
18 responsible for assigning work activity or skill objectives to  
19 the student, personally providing needed instruction, assessing the  
20 student's progress, and assigning a final grade. Credit hours shall  
21 be assigned according to the practice of assigning credits in  
22 similar courses;

23 (13) Full-time equivalent student enrollment total ~~shall~~  
24 ~~mean~~ means the total of full-time equivalent students enrolled in a  
25 community college in any fiscal year;

1           (14) General academic transfer course ~~shall mean~~ means a  
2 course offering in a one-year or two-year degree-credit program,  
3 at the associate degree level or below, intended by the offering  
4 institution for transfer into a baccalaureate program. The  
5 completion of the specified courses in a general academic transfer  
6 program may include the award of a formal degree;

7           (15) Applied technology or occupational course ~~shall~~  
8 ~~mean~~ means a course offering in an instructional program, at the  
9 associate degree level or below, intended to prepare individuals  
10 for immediate entry into a specific occupation or career. The  
11 primary intent of the institutions offering an applied technology  
12 or occupational program shall be that such program is for immediate  
13 job entry. The completion of the specified courses in an applied  
14 technology or occupational program may include the award of a  
15 formal degree, diploma, or certificate;

16           (16) Academic support course ~~shall mean~~ means a general  
17 education academic course offering which may be necessary to  
18 support an applied technology or occupational program;

19           (17) Class 1 course ~~shall mean~~ means an applied  
20 technology or occupational course offering which requires the use  
21 of equipment, facilities, or instructional methods easily adaptable  
22 for use in a general academic transfer program classroom or  
23 laboratory;

24           (18) Class 2 course ~~shall mean~~ means an applied  
25 technology or occupational course offering which requires the use

1 of specialized equipment, facilities, or instructional methods not  
2 easily adaptable for use in a general academic transfer program  
3 classroom or laboratory;

4 ~~(19) Reported aid equivalent student shall mean a~~  
5 ~~full-time equivalent student subject to the following limitations:~~

6 ~~(a) The number of credit hours which can be counted for~~  
7 ~~each student per semester or quarter shall be limited to eighteen~~  
8 ~~credit hours;~~

9 ~~(b) For students enrolled for more than eighteen credit~~  
10 ~~hours, credit hours for each course shall be prorated as the~~  
11 ~~eighteen-credit-hour limit is to the student's total credit hours~~  
12 ~~for the semester or quarter;~~

13 ~~(c) The credit-hour limit for a special instructional~~  
14 ~~term shall be prorated on the same ratio that a fifteen-week term~~  
15 ~~is to eighteen semester credit hours or a ten-week term is to~~  
16 ~~eighteen quarter credit hours; and~~

17 ~~(d) (19) Full-time equivalent student means a full-time~~  
18 ~~equivalent student subject to the following limitation: The number~~  
19 ~~of credit and contact hours which shall be counted by any community~~  
20 ~~college area in which a tribally controlled community college~~  
21 ~~is located shall include credit and contact hours awarded by~~  
22 ~~such tribally controlled community college to students for which~~  
23 ~~such institution received no federal reimbursement pursuant to the~~  
24 ~~Tribally Controlled Community College Assistance Act, 25 U.S.C.~~  
25 ~~1801;~~

1           (20) ~~Reported aid~~ Full-time equivalent total ~~shall~~  
2 ~~mean means~~ the total of all ~~reported aid~~ full-time equivalents  
3 accumulated in a community college area in any fiscal year;

4           (21) Reimbursable educational unit ~~shall mean means~~ a  
5 ~~reported aid~~ full-time equivalent student multiplied by (a) for  
6 a general academic transfer course or an academic support course,  
7 a factor of one, (b) for a Class 1 course, a factor of one  
8 and fifty-hundredths, (c) for a Class 2 course, a factor of ~~one~~  
9 ~~and eight-tenths for fiscal year 1995-96 and for the three-year~~  
10 ~~averages,~~ a factor of one and ~~nine-tenths for fiscal year 1996-97~~  
11 ~~and for the three-year averages,~~ and a factor of two for fiscal  
12 year 1997-98 and each fiscal year thereafter and for the three-year  
13 averages, two, (d) for a tribally controlled community college  
14 general academic transfer course or academic support course, a  
15 factor of two, (e) for a tribally controlled community college  
16 Class 1 course, a factor of three, and (f) for a tribally  
17 controlled community college Class 2 course, a factor of ~~three and~~  
18 ~~six-tenths for fiscal year 1995-96 and for the three-year averages,~~  
19 a factor of three and ~~eight-tenths for fiscal year 1996-97 and~~  
20 ~~for the three-year averages,~~ and a factor of four for fiscal year  
21 1997-98 and each fiscal year thereafter and for the three-year  
22 averages, four;

23           (22) Reimbursable educational unit total ~~shall mean means~~  
24 the total of all reimbursable educational units accumulated in a  
25 community college area in any fiscal year;



1           (23) Special instructional term ~~shall mean~~ means any term  
2 which is less than fifteen weeks for community colleges using  
3 semesters or ten weeks for community colleges using quarters;

4           (24) Statewide reimbursable ~~reported aid~~ full-time  
5 equivalent total ~~shall mean~~ means the total of all reimbursable  
6 ~~reported aid~~ full-time equivalents accumulated statewide for the  
7 community college in any fiscal year;

8           (25) Tribally controlled community college ~~shall mean~~  
9 means an educational institution operating and offering programs  
10 pursuant to the Tribally Controlled Community College Assistance  
11 Act, 25 U.S.C. 1801; and

12           (26) Tribally controlled community college state aid  
13 amount ~~shall mean~~ means the quotient of the amount of state aid  
14 to be distributed pursuant to ~~sections 85-1536 and 85-1537~~ the  
15 Community College Foundation and Equalization Aid Act for the  
16 current fiscal year to a community college area in which a tribally  
17 controlled community college is located divided by ~~the average of~~  
18 the reimbursable educational unit ~~totals~~ total for such community  
19 college area for the immediately preceding ~~three fiscal years,~~  
20 fiscal year, with such quotient then multiplied by the average  
21 reimbursable educational units derived pursuant to subdivision  
22 ~~(19)-(d)~~ (19) of this section for the immediately preceding ~~three~~  
23 ~~fiscal years,~~ fiscal year.

24           Sec. 41. Section 85-1511, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1           85-1511 In addition to any other powers and duties  
2 imposed upon the community college system or its areas, campuses,  
3 or boards by the Community College Foundation and Equalization Aid  
4 Act, sections 85-917 to 85-966 and 85-1501 to 85-1540, and any  
5 other provision of law, each board shall:

6           (1) Have general supervision, control, and operation of  
7 each community college within its jurisdiction;

8           (2) Subject to coordination by the Coordinating  
9 Commission for Postsecondary Education as prescribed in the  
10 Coordinating Commission for Postsecondary Education Act, develop  
11 and offer programs of applied technology education, academic  
12 transfer programs, academic support courses, and such other  
13 programs and courses as the needs of the community college area  
14 served may require. The board shall avoid unnecessary duplication  
15 of existing programs and courses in meeting the needs of the  
16 students and the community college area;

17           (3) Employ, for a period to be fixed by the board,  
18 executive officers, members of the faculty, and such other  
19 administrative officers and employees as may be necessary or  
20 appropriate and fix their salaries and duties;

21           (4) Subject to coordination by the Coordinating  
22 Commission for Postsecondary Education as prescribed in the  
23 Coordinating Commission for Postsecondary Education Act, construct,  
24 lease, purchase, purchase on contract, operate, equip, and maintain  
25 facilities;

1           (5) Contract for services connected with the operation of  
2 the community college area as needs and interest demand;

3           (6) Cause an examination and comprehensive audit of  
4 the books, accounts, records, and affairs, including full-time  
5 equivalent student enrollment totals, ~~reported aid~~ full-time  
6 equivalent totals, and reimbursable educational unit totals  
7 as defined in section 85-1503, to be made annually covering  
8 the most recently completed fiscal year. The audit of each  
9 area shall include the full-time equivalent student enrollment  
10 totals, ~~reported aid~~ full-time equivalent totals, and reimbursable  
11 educational unit totals for the three most recently completed  
12 fiscal years which shall be used for calculation of aid to the  
13 community college areas as prescribed in ~~section 85-1536.~~ the  
14 Community College Foundation and Equalization Aid Act. The audit  
15 shall also include the county-certified property valuations for the  
16 community college area for the three most recently completed fiscal  
17 years which shall be used for calculation of aid to such community  
18 college areas. Such examination and audit of the books, accounts,  
19 records, and affairs shall be completed and filed with the Auditor  
20 of Public Accounts and the Department of Administrative Services  
21 on or before October 15 of each year. The examination and audit  
22 of the full-time equivalent student enrollment totals, ~~reported~~  
23 ~~aid~~ full-time equivalent totals, and reimbursable educational unit  
24 totals shall be completed and filed with the Auditor of Public  
25 Accounts and the Department of Administrative Services on or before

1 August 15 of each year;

2 (7) Establish fees and charges for the facilities  
3 authorized by sections 85-1501 to 85-1540. Each board may enter  
4 into agreements with owners of facilities to be used for housing  
5 regarding the management, operation, and government of such  
6 facilities and may employ necessary employees to govern, manage,  
7 and operate such facilities;

8 (8) Receive such gifts, grants, conveyances, and bequests  
9 of real and personal property from public or private sources as  
10 may be made from time to time, in trust or otherwise, whenever  
11 the terms and conditions thereof will aid in carrying out the  
12 community college programs as specified by law. Each board may  
13 sell, lease, exchange, invest, or expend such gifts, grants,  
14 conveyances, and bequests or the proceeds, rents, profits, and  
15 income therefrom according to the terms and conditions thereof and  
16 adopt and promulgate rules and regulations governing the receipt  
17 and expenditure of such proceeds, rents, profits, and income,  
18 except that acceptance of such gifts, grants, or conveyances shall  
19 not be conditioned on matching state or local funds;

20 (9) Prescribe the courses of study for any community  
21 college under its control and publish such catalogs and bulletins  
22 as may be necessary;

23 (10) Grant to every student upon graduation or completion  
24 of a course of study a suitable diploma, associate degree, or  
25 certificate;

1           (11) Adopt and promulgate such rules and regulations  
2 and perform all other acts as the board may deem necessary  
3 or appropriate to the administration of the community college  
4 area. Such rules and regulations shall include, but not be  
5 limited to, rules and regulations relating to facilities, housing,  
6 scholarships, discipline, and pedestrian and vehicular traffic on  
7 property owned, operated, or maintained by the community college  
8 area;

9           (12) Employ, for a period to be fixed by the board, an  
10 executive officer for the community college area and, by written  
11 order filed in its office, delegate to such executive officer  
12 any of the powers and duties vested in or imposed upon it by  
13 sections 85-1501 to 85-1540. Such delegated powers and duties may  
14 be exercised in the name of the board;

15           (13) Acquire real property by eminent domain pursuant to  
16 sections 76-701 to 76-724;

17           (14) Acquire real and personal property and sell, convey,  
18 or lease such property whenever the community college area will  
19 be benefited thereby. The sale, conveyance, or lease of any real  
20 estate owned by a community college area shall be effective only  
21 when authorized by an affirmative vote of at least two-thirds of  
22 all the members of the board;

23           (15) Enter into agreements for services, facilities, or  
24 equipment and for the presentation of courses for students when  
25 such agreements are deemed to be in the best interests of the

1 education of the students involved;

2 (16) Transfer tribally controlled community college state  
3 aid amounts to a tribally controlled community college located  
4 within its community college area;

5 (17) Invest, after proper consideration of the  
6 requirements for the availability of money, funds of the community  
7 college in securities the nature of which individuals of prudence,  
8 discretion, and intelligence acquire or retain in dealing with the  
9 property of another;

10 (18) Establish tuition rates for courses of instruction  
11 offered by each community college within its community college  
12 area. Separate tuition rates shall be established for students who  
13 are nonresidents of the State of Nebraska;

14 (19) Establish a fiscal year for the community college  
15 area which conforms to the fiscal year of the state; and

16 (20) Exercise any other powers, duties, and  
17 responsibilities necessary to carry out sections 85-1501 to  
18 85-1540.

19 Sec. 42. Section 85-1517, Revised Statutes Cumulative  
20 Supplement, 2006, is amended to read:

21 85-1517 (1) The board may certify to the county board of  
22 equalization of each county within the community college area a tax  
23 levy not to exceed ~~six cents~~ the maximum levy calculated pursuant  
24 to the Community College Foundation and Equalization Aid Act on  
25 each one hundred dollars on the taxable valuation of all property

1 subject to the levy within the community college area, uniform  
2 throughout such area, for the purpose of supporting operating  
3 expenditures of the community college area.

4 (2) (a) In addition to the levies provided in subsection  
5 (1) of this section and this subsection, the board may certify  
6 to the county board of equalization of each county within the  
7 community college area a tax levy of not to exceed one cent on each  
8 one hundred dollars on the taxable valuation of all property within  
9 the community college area, uniform throughout such area, for the  
10 purpose of establishing a capital improvement fund and bond sinking  
11 fund as provided in section 85-1515.

12 (b) In addition to the levies provided in subsection (1)  
13 of this section and this subsection, the board may also certify  
14 to the county board of equalization of each county within the  
15 community college area a tax levy on each one hundred dollars on  
16 the taxable valuation of all property within the community college  
17 area, uniform throughout such area, in the amount which will  
18 produce funds only in the amount necessary to pay for funding  
19 accessibility barrier elimination project costs and abatement  
20 of environmental hazards as such terms are defined in section  
21 79-10,110. Such tax levy shall not be so certified unless approved  
22 by an affirmative vote of a majority of the board taken at a  
23 public meeting of the board following notice and a hearing. The  
24 board shall give at least seven days' notice of such public hearing  
25 and shall publish such notice once in a newspaper of general

1 circulation in the area to be affected by the increase.

2 (c) In addition to the levies provided in subsection (1)  
3 of this section and this subsection, the board of any community  
4 college area whose valuation per ~~reported aid~~ full-time equivalent  
5 student was less than eighty-two percent of the statewide average  
6 of all community colleges for fiscal year 1997-98 may also certify  
7 to the county board of equalization of each county within the  
8 community college area a tax levy up to an additional one-half  
9 cent for each of fiscal years 2005-06 and 2006-07, on each one  
10 hundred dollars on the taxable valuation of all property within  
11 the community college area, uniform throughout such area. Such tax  
12 levy shall not be so certified unless approved by an affirmative  
13 vote of three-fourths of the board taken at a public meeting of the  
14 board following notice and a hearing. The board shall give at least  
15 seven days' notice of such public hearing and shall publish such  
16 notice once in a newspaper of general circulation in the area to be  
17 affected by the increase.

18 (3) The levy provided by subdivision (2)(a) of this  
19 section may be exceeded by that amount necessary to retire the  
20 general obligation bonds assumed by the community college area or  
21 issued pursuant to section 85-1515 according to the terms of such  
22 bonds or for any obligation pursuant to section 85-1535 entered  
23 into prior to January 1, 1997.

24 (4) The tax shall be levied and assessed in the same  
25 manner as other property taxes and entered on the books of the



1 county treasurer. The proceeds of the tax, as collected, shall be  
2 remitted to the treasurer of the board not less frequently than  
3 once each month.

4 Sec. 43. Section 85-1903, Revised Statutes Cumulative  
5 Supplement, 2006, is amended to read:

6 85-1903 Award means a grant of money by the commission  
7 to an eligible student for educational expenses. Awards shall not  
8 exceed:

9 (1) For award years prior to the 2007-08 award year,  
10 fifty percent of the tuition and mandatory fees for a full-time,  
11 resident, undergraduate student for the last completed award year  
12 at the University of Nebraska-Lincoln; and ~~+(a) For students~~  
13 ~~who received an award from the Postsecondary Education Award~~  
14 ~~Program Act, the Scholarship Assistance Program Act, or the State~~  
15 ~~Scholarship Award Program Act for the 2002-03 award year, the~~  
16 ~~greater of the total awards received by the student pursuant~~  
17 ~~to such acts for the 2002-03 award year or one-half of the~~  
18 ~~tuition and mandatory fees for a full-time, resident, undergraduate~~  
19 ~~student for the last completed award year at the University of~~  
20 ~~Nebraska-Lincoln; or(b) For students who did not receive an award~~  
21 ~~from the Postsecondary Education Award Program Act, the Scholarship~~  
22 ~~Assistance Program Act, or the State Scholarship Award Program Act~~  
23 ~~for the 2002-03 award year, one-half of the tuition and mandatory~~  
24 ~~fees for a full-time, resident, undergraduate student for the last~~  
25 ~~completed award year at the University of Nebraska-Lincoln; and~~

1           (2) For the ~~2007-08~~ 2008-09 award year and each award  
2 year thereafter, twenty-five percent of the tuition and mandatory  
3 fees for a full-time, resident, undergraduate student for the last  
4 completed award year at the University of Nebraska-Lincoln.

5           Sec. 44. This act becomes operative on July 1, 2007.

6           Sec. 45. Original sections 85-1418, 85-1511, 85-1536,  
7 and 85-1538, Reissue Revised Statutes of Nebraska, and sections  
8 13-518, 77-3442, 85-9,177, 85-9,178, 85-9,179, 85-9,180, 85-9,181,  
9 85-9,182, 85-1416, 85-1503, 85-1517, and 85-1903, Revised Statutes  
10 Cumulative Supplement, 2006, are repealed.

11           Sec. 46. The following sections are outright repealed:  
12 Section 85-1537, Reissue Revised Statutes of Nebraska, and section  
13 85-1536.01, Revised Statutes Cumulative Supplement, 2006.

14           Sec. 47. Since an emergency exists, this act takes effect  
15 when passed and approved according to law.