

LEGISLATURE OF NEBRASKA  
 ONE HUNDREDTH LEGISLATURE  
 FIRST SESSION  
**LEGISLATIVE BILL 641**

FINAL READING

Introduced by Raikes, 25

Read first time January 17, 2007

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend sections 32-567,  
 2 32-604, 32-606, and 79-1015.01, Reissue Revised Statutes  
 3 of Nebraska, sections 77-3442, 79-4,117, 79-4,125,  
 4 79-4,126, 79-4,128, 79-528, 79-769, 79-1001, 79-1007.02,  
 5 79-1007.03, 79-1007.04, 79-1007.05, 79-1007.06,  
 6 79-1007.07, 79-1007.08, 79-1007.09, 79-1008.02, 79-1073,  
 7 79-1073.01, 79-10,120, 79-10,126.01, 79-11,150, 79-1204,  
 8 79-2101, 79-2102, 79-2103, 79-2104, 79-2107, and  
 9 79-2110, Revised Statutes Cumulative Supplement, 2006,  
 10 and sections 79-611, 79-1003, and 79-1022, Revised  
 11 Statutes Cumulative Supplement, 2006, as affected by  
 12 Referendum 2006, No. 422; to change and eliminate  
 13 provisions relating to property tax levy limits,

1 school funding, school financial reports, transportation  
2 costs, state aid, the high-needs education coordinator,  
3 learning communities, and learning community coordinating  
4 councils; to provide powers and duties; to provide for  
5 election and appointment of members of the councils; to  
6 provide for achievement subcouncils; to eliminate a task  
7 force and a plan to divide a Class V school district; to  
8 harmonize provisions; to provide severability; to repeal  
9 the original sections; and to outright repeal sections  
10 79-4,130, 79-2105, 79-2106, 79-2108, and 79-2109, Revised  
11 Statutes Cumulative Supplement, 2006.

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

1                   Section 1. Section 32-567, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   32-567 Vacancies in office shall be filled as follows:

4                   (1) In state and judicial district offices and in the  
5 membership of any board or commission created by the state when no  
6 other method is provided, by the Governor;

7                   (2) In county offices, by the county board;

8                   (3) In the membership of the county board, by the county  
9 clerk, county attorney, and county treasurer;

10                  (4) In township offices, by the township board or, if  
11 there are two or more vacancies on the township board, by the  
12 county board;

13                  (5) In offices in public power and irrigation districts,  
14 according to section 70-615;

15                  (6) In offices in natural resources districts, according  
16 to section 2-3215;

17                  (7) In offices in community college areas, according to  
18 section 85-1514;

19                  (8) In offices in educational service units, according to  
20 section 79-1217;

21                  (9) In offices in hospital districts, according to  
22 section 23-3534;

23                  (10) In offices in metropolitan utilities districts,  
24 according to section 14-2104;

25                  (11) In membership on airport authority boards, according

1 to section 3-502, 3-611, or 3-703, as applicable;

2 (12) In membership on the board of trustees of a road  
3 improvement district, according to section 39-1607; ~~and~~

4 (13) In membership on the council of a municipal county,  
5 by the council; and -

6 (14) For learning community coordinating councils,  
7 according to section 49 of this act.

8 Unless otherwise provided by law, all vacancies shall be  
9 filled within forty-five days after the vacancy occurs unless good  
10 cause is shown that the requirement imposes an undue burden.

11 Sec. 2. Section 32-604, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13 32-604 (1) Except as provided in subsection (2) or (4) of  
14 this section, no person shall be precluded from being elected or  
15 appointed to or holding an elective office for the reason that he  
16 or she has been elected or appointed to or holds another elective  
17 office.

18 (2) No person serving as a member of the Legislature or  
19 in an elective office described in Article IV, section 1 or 20,  
20 or Article VII, section 3 or 10, of the Constitution of Nebraska  
21 shall simultaneously serve in any other elective office, except  
22 that such a person may simultaneously serve in another elective  
23 office which is filled at an election held in conjunction with the  
24 annual meeting of a public body.

25 (3) Whenever an incumbent serving as a member of the

1 Legislature or in an elective office described in Article IV,  
2 section 1 or 20, or Article VII, section 3 or 10, of the  
3 Constitution of Nebraska assumes another elective office, except  
4 an elective office filled at an election held in conjunction with  
5 the annual meeting of a public body, the office first held by the  
6 incumbent shall be deemed vacant.

7 (4) No person serving in a high elective office shall  
8 simultaneously serve in any other high elective office, except that  
9 a county attorney may serve as the county attorney for more than  
10 one county if appointed under subsection (2) of section 23-1201.01.

11 (5) Notwithstanding subsections (2) through (4) of this  
12 section, any person holding more than one high elective office upon  
13 September 13, 1997, shall be entitled to serve the remainder of all  
14 terms for which he or she was elected or appointed.

15 (6) For purposes of this section, (a) elective office has  
16 the meaning found in section 32-109 and includes an office which is  
17 filled at an election held in conjunction with the annual meeting  
18 of a public body created by an act of the Legislature and (b)  
19 high elective office means a member of the Legislature, an elective  
20 office described in Article IV, section 1 or 20, or Article VII,  
21 section 3 or 10, of the Constitution of Nebraska, or a county,  
22 city, learning community, or school district elective office.

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

25 32-606 (1) Any candidate may place his or her name on

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

17 (2) Any candidate for a township office in a county  
18 under township organization, the board of trustees of a village,  
19 the board of directors of a reclamation district, the county  
20 weed district board, the board of directors of a public power  
21 district receiving annual gross revenue of less than forty million  
22 dollars, the school board of a Class II school district, a  
23 learning community coordinating council, or the board of an  
24 educational service unit may place his or her name on the general  
25 election ballot by filing a candidate filing form prescribed by the

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

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

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

20 77-3442 (1) Property tax levies for the support of local  
21 governments for fiscal years beginning on or after July 1, 1998,  
22 shall be limited to the amounts set forth in this section except as  
23 provided in section 77-3444.

24 (2)(a) Except as provided in subdivision ~~(2)(d)~~ (2)(e)  
25 of this section, school districts and multiple-district school

1 systems, except learning communities and school districts that are  
2 members of learning communities, may levy a maximum levy of one  
3 dollar and five cents per one hundred dollars of taxable valuation  
4 of property subject to the levy.

5 (b) ~~Except as provided in subdivision (2)(d) of this~~  
6 ~~section, for fiscal year 2008-09 and For each fiscal year,~~  
7 ~~thereafter, (i)~~ learning communities may levy a maximum levy  
8 for the general fund budgets of member school districts equal to  
9 the local effort rate prescribed in section 79-1015.01 for such  
10 fiscal year. the ratio of the aggregate difference of one hundred  
11 ten percent of the formula needs as calculated pursuant to section  
12 79-1007.02 minus the amount of state aid certified pursuant to  
13 section 79-1022 and minus the other actual receipts included in  
14 local system formula resources pursuant to section 79-1018.01 for  
15 each member school district for such school fiscal year divided by  
16 each one hundred dollars of taxable property subject to the levy  
17 The proceeds from the levy pursuant to this subdivision shall be  
18 distributed pursuant to section 79-1073.

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



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

6 ~~(e)~~ (d) Excluded from the limitations in subdivisions  
7 ~~(a)~~ (2)(a) and ~~(b)~~ (2)(c) of this ~~subsection~~ section are amounts  
8 levied to pay for sums agreed to be paid by a school district to  
9 certificated employees in exchange for a voluntary termination of  
10 employment and amounts levied to pay for special building funds and  
11 sinking funds established for projects commenced prior to April 1,  
12 1996, for construction, expansion, or alteration of school district  
13 buildings. For purposes of this subsection, commenced means any  
14 action taken by the school board on the record which commits  
15 the board to expend district funds in planning, constructing, or  
16 carrying out the project.

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

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

19           ~~(f)~~ (g) For ~~fiscal year 2008-09~~ and each fiscal year,  
20 ~~thereafter~~, learning communities may levy a maximum levy of two  
21 cents on each one hundred dollars of taxable property subject to  
22 the levy for special building funds for member school districts.  
23 The proceeds from the levy pursuant to this subdivision shall be  
24 distributed pursuant to section 79-1073.01.

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

1 ~~thereafter~~, learning communities may levy a maximum levy of ~~one~~  
2 ~~cent~~ five cents on each one hundred dollars of taxable property  
3 subject to the levy for ~~the learning community budget~~ elementary  
4 learning center facilities and for up to fifty percent of the  
5 estimated cost for capital projects approved by the learning  
6 community coordinating council pursuant to section 43 of this act.

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

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

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

12 79-4,117 Sections 79-4,117 to ~~79-4,130~~ 79-4,129 shall be  
13 known and may be cited as the Learning Community Reorganization  
14 Act.

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

17 79-4,125 ~~Except as provided in section 79-4,130, if~~ If  
18 the state committee disapproves the plan pursuant to the Learning  
19 Community Reorganization Act, it shall be considered a disapproved  
20 plan and returned to the learning community coordinating council as  
21 a disapproved plan.

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

24 79-4,126 When a plan of reorganization or any part  
25 thereof has been approved by the state committee pursuant to the



1 Learning Community Reorganization Act, it shall be designated as  
2 the final approved plan and shall be returned to the learning  
3 community coordinating council to be submitted to the school  
4 boards of the affected school districts for approval or rejection  
5 by such school boards within forty-five days. ~~except that~~  
6 ~~reorganizations required pursuant to section 79-4,130 shall not~~  
7 ~~require the approval of any school board and approval shall not be~~  
8 ~~required by any school board for dissolutions required pursuant to~~  
9 ~~section 79-2108.~~

10           Sec. 8. Section 79-4,128, Revised Statutes Cumulative  
11 Supplement, 2006, is amended to read:

12           79-4,128 If the plan of reorganization is approved  
13 by the state committee and the school board of each affected  
14 school district, ~~if required,~~ pursuant to the Learning Community  
15 Reorganization Act, the county clerk shall proceed to cause the  
16 changes, realignment, and adjustment of districts to be carried out  
17 as provided in the plan. The county clerk shall classify the school  
18 districts according to the plan of reorganization. He or she shall  
19 also file certificates with the county assessor, county treasurer,  
20 and state committee showing the boundaries of the various districts  
21 under the approved plan of reorganization.

22           Sec. 9. Section 79-528, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24           79-528 (1)(a) On or before July 20 in all school  
25 districts, the superintendent or head administrator shall file

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

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

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

1 fourteen through eighteen years of age.

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

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

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

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

1 ~~through eighteen years of age belonging to~~ an end-of-the-school  
2 year annual statistical summary for the learning community based  
3 on the member school districts according to the school district  
4 reports filed with the commissioner.

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

16 (b) On or before November 1, school districts that are  
17 members of learning communities shall also provide the learning  
18 community coordinating council with a copy of the report submitted  
19 to the commissioner. On or before November 15, each learning  
20 community coordinating council shall submit to the commissioner,  
21 to be filed in his or her office, a report described as the  
22 annual financial report showing (i) the aggregate amount of money  
23 received from all sources during the year for all member school  
24 districts and the aggregate amount of money expended by member  
25 school districts during the year, (ii) the aggregate amount of

1 bonded indebtedness for all member school districts, (iii) such  
2 other aggregate information as shall be necessary to fulfill  
3 the requirements of the Tax Equity and Educational Opportunities  
4 Support Act and section 79-1114 for all member school districts,  
5 and (iv) such other aggregate information as the Commissioner of  
6 Education directs for all member school districts.

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

16           (b) On or before October 15 of each year, school  
17 districts that are members of learning communities shall also  
18 provide the learning community coordinating council with a copy of  
19 the report delivered to the department. On or before October 31  
20 of each year, each learning community coordinating council shall  
21 deliver to the department the fall learning community membership  
22 report, which report shall include the aggregate number of children  
23 from birth through twenty years of age enrolled in the member  
24 school districts on the last Friday in September of a given  
25 school year for all member school districts. The report shall

1 enumerate (i) the aggregate students by grade level for all member  
2 school districts, (ii) learning community levies and total assessed  
3 valuation for the current fiscal year, and (iii) such other  
4 information as the Commissioner of Education directs.

5 (c) When any school district or learning community  
6 fails to submit its fall membership report by November 1, the  
7 commissioner shall, after notice to the district and an opportunity  
8 to be heard, direct that any state aid granted pursuant to the  
9 Tax Equity and Educational Opportunities Support Act be withheld  
10 until such time as the report is received by the department. In  
11 addition, the commissioner shall direct the county treasurer to  
12 withhold all school money belonging to the school district or  
13 learning community until such time as the commissioner notifies the  
14 county treasurer of receipt of such report. The county treasurer  
15 shall withhold such money. For school districts that are members  
16 of learning communities, a determination of school money belonging  
17 to the district shall be based on the proportionate share of state  
18 aid and property tax receipts allocated to the school district  
19 by the learning community coordinating council, and the treasurer  
20 of the learning community coordinating council shall withhold any  
21 such school money in the possession of the learning community from  
22 the school district. If a school district that is a member of  
23 a learning community fails to provide a copy of the report to  
24 the learning community coordinating council on or before October  
25 15, the learning community coordinating council shall complete the

1 fall learning community membership report with information from the  
2 reports received from other member school districts.

3 Sec. 10. Section 79-611, Revised Statutes Cumulative  
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
5 amended to read:

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

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

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

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

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

1           ~~(2)~~ (2)(a) The school board of any school district that  
2 is a member of a learning community subject to the enrollment  
3 provisions of section 79-2110 shall provide free transportation  
4 for a student if ~~(a)~~ the student is a resident of any school  
5 district that is a member of such learning community, ~~(b)~~ the  
6 student is attending a school in the school district under the  
7 control of such school board, and ~~(c)~~ the student does not reside  
8 in the attendance area for such school. Transportation shall be  
9 provided from the school building providing education in at least  
10 kindergarten through grade three in the attendance area in which  
11 the student resides to the school building the student attends.  
12 (i) the student is transferring pursuant to the open enrollment  
13 provisions of section 79-2110, qualifies for free or reduced-price  
14 lunches, and lives more than one mile from the school to which  
15 he or she transfers, (ii) the student is transferring pursuant to  
16 such open enrollment provisions and the student is a student who  
17 contributes to the socioeconomic diversity of the school building  
18 the student attends, (iii) the student is attending a focus school  
19 or program and lives more than one mile from the school building  
20 housing the focus school or program, or (iv) the student is  
21 attending a magnet school or program and lives more than one mile  
22 from the magnet school or the school housing the magnet program.  
23           (b) For purposes of this subsection, a student who  
24 contributes to the socioeconomic diversity of the school building  
25 he or she attends means (i) a student who is not a student



1 qualifying for free or reduced-price lunches when, based upon  
2 official membership, the school building the student will attend  
3 has more students qualifying for free or reduced-price lunches than  
4 the average percentage of such students in all school buildings  
5 in the learning community or (ii) a student who is a student  
6 that qualifies for free or reduced-price lunches when, based  
7 upon official membership, the school building the student will  
8 attend has fewer students qualifying for free or reduced-price  
9 lunches than the average percentage of such students in all school  
10 buildings in the learning community. This subsection does not  
11 prohibit a school district that is a member of a learning community  
12 from providing ~~additional~~ transportation to any intradistrict  
13 student.

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

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

25 (a) To the parent, custodial parent, or guardian

1 providing transportation for students from other families, one  
2 hundred percent of the amount prescribed in subsection (3) of  
3 this section for the transportation of students of such parent's,  
4 custodial parent's, or guardian's own family and an additional  
5 five percent for students of each other family not to exceed a  
6 maximum of one hundred twenty-five percent of the amount determined  
7 pursuant to subsection (3) of this section; and

8 (b) To the parent, custodial parent, or guardian not  
9 providing transportation for students of other families, two  
10 hundred eighty-five percent of the mileage rate provided in section  
11 81-1176 multiplied by each mile actually and necessarily traveled,  
12 on each day of attendance, from the residence of the student to  
13 the pick-up point at which students transfer to the vehicle of a  
14 parent, custodial parent, or guardian described in subdivision (a)  
15 of this subsection.

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

1 board of such public school district.

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

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

15 Sec. 11. Section 79-769, Revised Statutes Cumulative  
 16 Supplement, 2006, is amended to read:

17 79-769 (1) Any one or more member school district  
 18 districts of a learning community may establish a focus school  
 19 or program anywhere in the learning community with approval from  
 20 pursuant to the diversity plan developed by the learning community  
 21 coordinating council. A focus school or program shall be:

22 ~~(1) Centered around meeting specific learning goals that~~  
 23 ~~are an addition to the standard curriculum;~~

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

1           ~~(3) Designed to create an economically and culturally~~  
2 ~~diverse learning environment.~~

3           (2) Member school districts of a learning community may  
4 also establish magnet programs which may include magnet pathways  
5 across member school districts pursuant to the diversity plan  
6 developed by the learning community coordinating council.

7           (3) For purposes of this section:

8           (a) Focus program means a program that does not have  
9 an attendance area and is unique and designed differently than  
10 the standard curriculum which may be housed in an existing school  
11 building;

12           (b) Focus school means a school that does not have  
13 an attendance area and whose enrollment is designed so that the  
14 socioeconomic diversity of the students attending the focus school  
15 reflects as nearly as possible the socioeconomic diversity of the  
16 student body of the learning community;

17           (c) Magnet pathway means a location in which elementary,  
18 middle, and high school magnet schools are placed;

19           (d) Magnet program means a program which offers  
20 coordinated elementary, middle, and high school programs and  
21 services that are unique and that have specific learning goals in  
22 addition to the standard curriculum; and

23           (e) Magnet school means a school having a home attendance  
24 area but which reserves a portion of its capacity specifically for  
25 students from outside the attendance area who will contribute to

1 the socioeconomic diversity of the student body of such school.

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

4           79-1001 Sections 79-1001 to 79-1033 and sections 14, 23,  
5 24, and 25 of this act shall be known and may be cited as the Tax  
6 Equity and Educational Opportunities Support Act.

7           Sec. 13. Section 79-1003, Revised Statutes Cumulative  
8 Supplement, 2006, as affected by Referendum 2006, No. 422, is  
9 amended to read:

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

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

1 minus the transportation allowance, special receipts allowance,  
2 poverty allowance, limited English proficiency allowance, distance  
3 education and telecommunications allowance, elementary class size  
4 allowance, and focus school and program allowance;

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

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

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

24 (5) Average daily membership means the average daily  
25 membership for grades kindergarten through twelve attributable to

1 the local system, as provided in each district's annual statistical  
2 summary, and includes the proportionate share of students enrolled  
3 in a public school instructional program on less than a full-time  
4 basis;

5 (6) Base fiscal year means the first school fiscal year  
6 following the school fiscal year in which the reorganization or  
7 unification occurred;

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

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

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

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

25 (11) Converted contract option students means students

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

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

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

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

24 (15) Ensuing school fiscal year means the school fiscal  
25 year following the current school fiscal year;



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

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

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

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

25          (20) Free lunch and free milk student means a student

1 who qualified for free lunches or free milk from the most recent  
2 data available on November 1 of the school fiscal year immediately  
3 preceding the school fiscal year in which aid is to be paid;

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

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

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

20 (24) General fund operating expenditures means the total  
21 general fund expenditures minus categorical funds, tuition paid,  
22 transportation fees paid to other districts, adult education,  
23 summer school, community services, redemption of the principal  
24 portion of general fund debt service, retirement incentive plans,  
25 staff development assistance, and transfers from other funds into

1 the general fund for the second school fiscal year immediately  
2 preceding the school fiscal year in which aid is to be paid as  
3 reported on the annual financial report prior to December 1 of the  
4 school fiscal year immediately preceding the school fiscal year in  
5 which aid is to be paid;

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

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

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

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

19 (29) Local system means a Class VI district and the  
20 associated Class I districts or a Class II, III, IV, or V district  
21 and any affiliated Class I districts or portions of Class I  
22 districts and for school fiscal year 2008-09 and each school fiscal  
23 year thereafter, a learning community or a Class II, III, IV,  
24 or V district that is not a member of a learning community.  
25 The membership, expenditures, and resources of Class I districts

1 that are affiliated with multiple high school districts will be  
2 attributed to local systems based on the percent of the Class I  
3 valuation that is affiliated with each high school district;

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

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

23 (32) Most recently available complete data year means  
24 the most recent single school fiscal year for which the annual  
25 financial report, fall school district membership report, annual

1 statistical summary, Nebraska income tax liability by school  
2 district for the calendar year in which the majority of the school  
3 fiscal year falls, and adjusted valuation data are available;

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

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

22 (35) Qualified early childhood education fall membership  
23 means the product of membership on the last Friday in September  
24 2006 and each year thereafter of students who will be eligible  
25 to attend kindergarten the following school year and are enrolled

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

12 (36) Regular route transportation means the  
13 transportation of students on regularly scheduled daily routes to  
14 and from the attendance center;

15 (37) Reorganized district means any district involved  
16 in a consolidation and currently educating students following  
17 consolidation;

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

20 (39) Special education means specially designed  
21 kindergarten through grade twelve instruction pursuant to section  
22 79-1125, and includes special education transportation;

23 (40) Special grant funds means the budgeted receipts for  
24 grants, including, but not limited to, Title I funds, Title VI  
25 funds, funds from the Education Innovation Fund, reimbursements

1 for wards of the court, short-term borrowings including, but  
2 not limited to, registered warrants and tax anticipation notes,  
3 interfund loans, insurance settlements, and reimbursements to  
4 county government for previous overpayment. The state board shall  
5 approve a listing of grants that qualify as special grant funds;

6 (41) Special receipts allowance means the amount of  
7 special education, state ward, and accelerated or differentiated  
8 curriculum program receipts included in local system formula  
9 resources under subdivisions (7), (8), (16), and (17) of section  
10 79-1018.01 attributable to the school district;

11 (42) State aid means the amount of assistance paid to a  
12 district pursuant to the Tax Equity and Educational Opportunities  
13 Support Act;

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

15 (44) State support means all funds provided to districts  
16 by the State of Nebraska for the general fund support of elementary  
17 and secondary education;

18 (45) Temporary aid adjustment factor means (a) for school  
19 fiscal years before school fiscal year 2007-08, one and one-fourth  
20 percent of the sum of the local system's transportation allowance,  
21 the local system's special receipts allowance, and the product  
22 of the local system's adjusted formula students multiplied by  
23 the average formula cost per student in the local system's cost  
24 grouping and (b) for school fiscal year 2007-08, ~~and each school~~  
25 ~~fiscal year thereafter~~, one and one-fourth percent of the sum

1 of the local system's transportation allowance, special receipts  
2 allowance, and distance education and telecommunications allowance  
3 and the product of the local system's adjusted formula students  
4 multiplied by the average formula cost per student in the local  
5 system's cost grouping;

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

23 (47) Tuition receipts from converted contracts means  
24 tuition receipts received by a district from another district  
25 in the most recently available complete data year pursuant to a



1 converted contract prior to the expiration of the contract; and

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

5 Sec. 14. For purposes of this section and section  
6 79-1007.03, summer school student unit means one student enrolled  
7 in summer school in a school district, whether or not the student  
8 is in the membership of the school district, for (1) at least three  
9 hours but fewer than six hours per day and (2) at least twelve  
10 days but fewer than twenty-four days. Each school district shall  
11 receive a summer school student unit for each qualified time period  
12 for which a student is enrolled, up to six units per student per  
13 summer.

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

25 Sec. 15. Section 79-1007.02, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

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

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

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

1 attendance center and the next closest high school attendance  
2 center on paved roads;

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

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

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

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

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

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

1 groupings.

2           For purposes of subdivision (1) of this section, if a  
3 local system did not operate and offer instruction in grades nine  
4 through twelve within the boundaries of the local system during the  
5 school fiscal year immediately preceding the school fiscal year in  
6 which aid is to be paid, the local system shall not be considered  
7 to have a high school attendance center;

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

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

20 (b) The For school fiscal years prior to school fiscal  
21 year 2008-09, the cost growth factor for each cost grouping  
22 is equal to the sum of: (i) One; plus (ii) the product of  
23 two times the ratio of the difference between the formula  
24 students attributable to the cost grouping without weighting or  
25 adjustment pursuant to section 79-1007.01 and the sum of the

1 average daily membership plus tuitioned students attributable to  
2 the cost grouping for the most recently available complete data  
3 year divided by the sum of the average daily membership plus  
4 tuitioned students attributable to the cost grouping for the most  
5 recently available complete data year, except that the ratio shall  
6 not be less than zero; plus (iii) the basic allowable growth  
7 rate pursuant to section 79-1025 for the school fiscal year in  
8 which the aid is to be distributed; plus (iv) the basic allowable  
9 growth rate pursuant to section 79-1025 for the school fiscal year  
10 immediately preceding the school fiscal year in which the aid is  
11 to be distributed; plus (v) one-half of any additional growth rate  
12 allowed by special action of school boards for the school fiscal  
13 year in which the aid is to be distributed as determined for the  
14 school fiscal year immediately preceding the school fiscal year  
15 when aid is to be distributed; plus (vi) one-half of any additional  
16 growth rate allowed by special action of the school boards for  
17 the school fiscal year immediately preceding the school fiscal year  
18 when the aid is to be distributed;

19 (3) For school fiscal years 2002-03 through 2006-07, each  
20 local system's formula need shall be calculated by subtracting  
21 the temporary aid adjustment factor from the sum of the local  
22 system's transportation allowance, the local system's special  
23 receipts allowance, and the product of the local system's adjusted  
24 formula students multiplied by the average formula cost per student  
25 in the local system's cost grouping. The calculation of total

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

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

14 (5) For school fiscal year 2008-09 and each school  
15 fiscal year thereafter, each school district's formula need  
16 shall equal the greater of (a) the difference of the sum of  
17 the school district's transportation allowance, elementary class  
18 size allowance, focus school and program allowance, limited  
19 English proficiency allowance, poverty allowance, special receipts  
20 allowance, and distance education and telecommunications allowance  
21 plus the product of the school district's adjusted formula students  
22 multiplied by the average formula cost per student in the school  
23 district's local system cost grouping minus the sum of the limited  
24 English proficiency allowance correction and poverty allowance  
25 correction or (b) if the school district's general fund levy was

1 at or above ~~ninety-nine cents per one hundred dollars of valuation~~  
2 ~~for the previous year,~~ ninety-five percent of the school district's  
3 maximum levy pursuant to section 77-3442, the school district's  
4 prior year formula need multiplied by one hundred percent. The  
5 calculation of total adjusted formula students for purposes of this  
6 subdivision shall take into account the requirements of subdivision  
7 (2) of section 79-1007.03.

8           Sec. 16. Section 79-1007.03, Revised Statutes Cumulative  
9 Supplement, 2006, is amended to read:

10           79-1007.03 For state aid calculated for school fiscal  
11 year 2008-09 and each school fiscal year thereafter:

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

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

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

19           (ii) The weighting factor for kindergarten is  
20 five-tenths;

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

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

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



1 is one and four-tenths;

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

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

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

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

20 (iii) The summer school factor shall equal 0.025 times  
21 the number of summer school student units as defined in section 14  
22 of this act; and

23 (2) The total adjusted formula students for each  
24 school district shall equal the weighted formula students plus  
25 the demographic factors, except that (a) for school districts

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

15           Sec. 17. Section 79-1007.04, Revised Statutes Cumulative  
16 Supplement, 2006, is amended to read:

17           79-1007.04 For school fiscal year 2008-09 and each  
18 school fiscal year thereafter, the department shall determine  
19 the elementary class size allowance for each school district. The  
20 allowance shall equal the statewide average general fund operating  
21 expenditures per formula student multiplied by 0.20 then multiplied  
22 by the number of students in the school district in kindergarten  
23 through grade ~~five~~ eight who qualify for free or reduced-price  
24 lunches and who spend at least fifty percent of the school day in  
25 a classroom with a minimum of ten students and a maximum of twenty

1 students as reported on the fall membership report from the school  
2 fiscal year immediately preceding the school fiscal year in which  
3 the aid is to be paid for state aid certified pursuant to section  
4 79-1022 and as reported on the annual ~~financial~~ statistical summary  
5 report from the school fiscal year immediately preceding the school  
6 fiscal year in which the aid was paid for the final calculation of  
7 state aid pursuant to section 79-1065.

8           Sec. 18. Section 79-1007.05, Revised Statutes Cumulative  
9 Supplement, 2006, is amended to read:

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

24           Sec. 19. Section 79-1007.06, Revised Statutes Cumulative  
25 Supplement, 2006, is amended to read:

1           79-1007.06 (1) For school fiscal year 2008-09 and each  
2 school fiscal year thereafter, the department shall determine  
3 the poverty allowance for each school district that meets the  
4 requirements of this section and has not been disqualified pursuant  
5 to section 79-1007.07. The Each school district ~~may~~ shall designate  
6 a maximum poverty allowance on a form prescribed by the department  
7 on or before November 1 of the school fiscal year immediately  
8 preceding the school fiscal year for which aid is being calculated.  
9 ~~on a form prescribed by the department.~~ The school district may  
10 decline to participate in the poverty allowance by providing the  
11 department with a maximum poverty allowance of zero dollars on  
12 such form on or before November 1 of the school fiscal year  
13 immediately preceding the school fiscal year for which aid is being  
14 calculated. Each school district designating a maximum poverty  
15 allowance greater than zero dollars shall submit a poverty plan  
16 pursuant to section 23 of this act. ~~on such form.~~

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

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

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

25           (i) The statewide average general fund operating

1 expenditures per formula student multiplied by 0.05 then multiplied  
2 by the poverty students comprising more than five percent and  
3 not more than ten percent of the formula students in the school  
4 district; plus

5 (ii) The statewide average general fund operating  
6 expenditures per formula student multiplied by 0.10 then multiplied  
7 by the poverty students comprising more than ten percent and not  
8 more than fifteen percent of the formula students in the school  
9 district; plus

10 (iii) The statewide average general fund operating  
11 expenditures per formula student multiplied by 0.15 then multiplied  
12 by the poverty students comprising more than fifteen percent and  
13 not more than twenty percent of the formula students in the school  
14 district; plus

15 (iv) The statewide average general fund operating  
16 expenditures per formula student multiplied by 0.20 then multiplied  
17 by the poverty students comprising more than twenty percent and not  
18 more than twenty-five percent of the formula students in the school  
19 district; plus

20 (v) The statewide average general fund operating  
21 expenditures per formula student multiplied by 0.25 then multiplied  
22 by the poverty students comprising more than twenty-five percent  
23 and not more than thirty percent of the formula students in the  
24 school district; plus

25 (vi) The statewide average general fund operating

1 expenditures per formula student multiplied by 0.30 then multiplied  
2 by the poverty students comprising more than thirty percent of the  
3 formula students in the school district.

4 Sec. 20. Section 79-1007.07, Revised Statutes Cumulative  
5 Supplement, 2006, is amended to read:

6 79-1007.07 (1) (a) For school fiscal year 2007-08, the  
7 annual financial report required pursuant to section 79-528 shall  
8 include:

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

11 (ii) The expenditures and sources of funding for each  
12 program related to poverty with a narrative description of the  
13 program and the method used to allocate money to the program and  
14 within the program.

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

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

1 pursuant to section 79-528 shall include:

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

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

7 (iii) The expenditures and sources of funding for each  
8 program related to poverty with a narrative description of the  
9 program, and the method used to allocate money to the program and  
10 within the program, and the program's relationship to the poverty  
11 plan submitted pursuant to section 23 of this act for such school  
12 fiscal year; and -

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

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

18 (3) For school fiscal year 2009-10 and each school  
19 fiscal year thereafter, the department shall determine the poverty  
20 allowance expenditures using the reported expenditures on the  
21 annual financial report for the most recently available complete  
22 data year that would include in the poverty allowance expenditures  
23 only those expenditures that were used to specifically address  
24 issues related to the education of students living in poverty,  
25 that do not replace expenditures that would have occurred if the

1 students involved in the program did not live in poverty, and that  
2 are not paid for with federal funds. The department shall establish  
3 a procedure to allow school districts to receive preapproval  
4 for categories of expenditures that could be included in poverty  
5 allowance expenditures.

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

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



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

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

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

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

19 Sec. 21. Section 79-1007.08, Revised Statutes Cumulative  
20 Supplement, 2006, is amended to read:

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

1 district ~~may~~ shall designate a maximum limited English proficiency  
2 allowance on or before November 1 of the school fiscal year  
3 immediately preceding the school fiscal year for which aid  
4 is being calculated. ~~on a form prescribed by the department.~~  
5 The school district may decline to participate in the limited  
6 English proficiency allowance by providing the department with a  
7 maximum limited English proficiency allowance of zero dollars on  
8 such form on or before November 1 of the school fiscal year  
9 immediately preceding the school fiscal year for which aid is being  
10 calculated. Each school district designating a maximum limited  
11 English proficiency allowance greater than zero dollars shall  
12 submit a limited English proficiency plan pursuant to section 24 of  
13 this act. ~~on such form.~~

14 (2) The limited English proficiency allowance for each  
15 school district that has not been disqualified pursuant to section  
16 79-1007.09 shall equal the lesser of:

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

21 (b) The statewide average general fund operating  
22 expenditures per formula student multiplied by 0.25 then multiplied  
23 by:

24 (i) The number of students in the school district who are  
25 limited English proficient as defined under 20 U.S.C. 7801, as such

1 section existed on January 1, 2006, if such number is greater than  
2 or equal to twelve;

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

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

11 Sec. 22. Section 79-1007.09, Revised Statutes Cumulative  
12 Supplement, 2006, is amended to read:

13 79-1007.09 (1)(a) For school fiscal year 2007-08, the  
14 annual financial report required pursuant to section 79-528 shall  
15 include:

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

19 (ii) The expenditures and sources of funding for each  
20 program related to limited English proficiency with a narrative  
21 description of the program and the method used to allocate money to  
22 the program and within the program.

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

1 also determine for each school district an amount that shall  
2 be deemed the limited English proficiency allowance for purposes  
3 of this section. Such amount shall equal the adjustments to the  
4 weighted formula students pursuant to subdivision (1)(c)(ii) of  
5 section 79-1007.01 multiplied by the average formula cost per  
6 student in the school district's cost grouping.

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

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

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

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

22 -

23 (iv) An explanation of how any required elements of the  
24 limited English proficiency plan for such school fiscal year were  
25 met.

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

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

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

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

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

21 ~~(5)~~ (6) The department may request additional information  
22 from any school district to assist with calculations and  
23 determinations pursuant to this section. If the school district  
24 does not provide information upon the request of the department  
25 pursuant to this section, the school district shall be disqualified

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

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

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

12 Sec. 23. (1) On or before November 1 of each year, each  
13 school district designating a maximum poverty allowance greater  
14 than zero dollars shall submit a poverty plan for the next school  
15 fiscal year to the department and to the learning community  
16 coordinating council of any learning community of which the school  
17 district is a member. On or before the immediately following  
18 December 1, the department shall approve or disapprove such plan  
19 for school districts that are not members of a learning community  
20 based on the inclusion of the elements required pursuant to this  
21 section. On or before the immediately following December 1, the  
22 learning community coordinating council and, as to the applicable  
23 portions thereof, each achievement subcouncil, shall approve or  
24 disapprove such plan for school districts that are members of  
25 such learning community based on the inclusion of such elements.

1 On or before the immediately following December 5, each learning  
2 community coordinating council shall certify to the department the  
3 approval or disapproval of the poverty plan for each member school  
4 district.

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

9 (a) Attendance, including absence followup and  
10 transportation for students qualifying for free or reduced-price  
11 lunches who reside more than one-half mile from the attendance  
12 center;

13 (b) Student mobility, including transportation to allow a  
14 student to continue attendance at the same school if the student  
15 moves to another attendance area within the same school district or  
16 within the same learning community;

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

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

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

25 (f) Scheduled teaching time on a weekly basis that will



1 be free from interruptions;

2 (g) Access to early childhood education programs for  
3 children in poverty;

4 (h) Student access to social workers;

5 (i) Access to summer school, extended-school-day  
6 programs, or extended-school-year programs;

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

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

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

13 (m) An evaluation to determine the effectiveness of the  
14 elements of the poverty plan.

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

18 Sec. 24. (1) On or before November 1 of each year, each  
19 school district designating a maximum limited English proficiency  
20 allowance greater than zero dollars shall submit a limited English  
21 proficiency plan for the next school fiscal year to the department.

22 On or before the immediately following December 1, the department  
23 shall approve or disapprove such plans for school districts that  
24 are not members of a learning community, based on the inclusion of  
25 the elements required pursuant to this section. On or before

1 the immediately following December 1, the learning community  
2 coordinating council, and, as to the applicable portions thereof,  
3 each achievement subcouncil, shall approve or disapprove such plan  
4 for school districts that are members of such learning community,  
5 based on the inclusion of such elements.

6 (2) In order to be approved pursuant to this section,  
7 a limited English proficiency plan must include an explanation of  
8 how the school district will address the following issues for such  
9 school fiscal year:

10 (a) Identification of students with limited English  
11 proficiency;

12 (b) Instructional approaches;

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

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

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

20 Sec. 25. (1) For the first five complete school fiscal  
21 years for a learning community, the department shall calculate  
22 two preliminary state aid amounts pursuant to the Tax Equity and  
23 Educational Opportunities Support Act for school districts which  
24 are members of such learning community, with one amount based on  
25 separate local systems and the other amount based on the learning

1 community as a whole. For the preliminary amount based on separate  
2 local systems, the department shall calculate the aid for each  
3 member school district as if the school district were its own  
4 local system, except that in the second through fifth fiscal  
5 years, the minimum levy adjustment, if any, shall be based on  
6 the general fund common levy for the learning community for the  
7 fiscal year during which aid is certified. For the preliminary  
8 amount based on the learning community as a whole, formula need  
9 shall be calculated separately for each member school district then  
10 added together to calculate local system formula need, local system  
11 formula resources shall include the formula resources for all  
12 member school districts, and equalization aid shall be calculated  
13 based on the local system formula need and the local system formula  
14 resources. The local system aid based on such calculation shall be  
15 divided among the member school districts proportionally based on  
16 the formula need calculated for each member school district in the  
17 learning community to calculate the preliminary amount based on the  
18 learning community as a whole.

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

24 (3) For the second school fiscal year, for each school  
25 district that is a member of such learning community, the state

1 aid certified and distributed to such district shall equal the  
2 sum of seventy-five percent of the preliminary amount for such  
3 district based on separate local systems plus twenty-five percent  
4 of the preliminary amount for such district based on the learning  
5 community as a whole.

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

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

19 (6) For the fifth school fiscal year, for each school  
20 district that is a member of such learning community, the state aid  
21 certified and distributed to such district shall equal one hundred  
22 percent of the preliminary amount for such district based on the  
23 learning community as a whole.

24 Sec. 26. Section 79-1008.02, Revised Statutes Cumulative  
25 Supplement, 2006, is amended to read:

1                   79-1008.02 A minimum levy adjustment shall be calculated  
2 and applied to any local system that has a general fund common  
3 levy ~~in the calendar year in~~ for the fiscal year during which  
4 aid is certified that is less than ~~ninety percent of~~ the maximum  
5 levy, for such fiscal year for such local system, allowed pursuant  
6 to subdivision (2)(a) or (b) of section 77-3442 without a vote  
7 pursuant to section 77-3444 less two cents for learning communities  
8 and less ten cents for all other local systems. To calculate the  
9 minimum levy adjustment, the department shall subtract the local  
10 system general fund common levy ~~in the calendar year when aid is~~  
11 ~~certified from ninety percent of~~ for such fiscal year for such  
12 local system from the maximum levy allowed pursuant to subdivision  
13 (2)(a) or (b) of section 77-3442 without a vote pursuant to section  
14 77-3444 less two cents for learning communities and less ten cents  
15 for all other local systems and multiply the result by the local  
16 system's adjusted valuation divided by one hundred. The minimum  
17 levy adjustment shall be added to the formula resources of the  
18 local system for the determination of equalization aid pursuant  
19 to section 79-1008.01. If the minimum levy adjustment is greater  
20 than or equal to the allocated income tax funds calculated pursuant  
21 to section 79-1005.01 or 79-1005.02, the local system shall not  
22 receive allocated income tax funds. If the minimum levy adjustment  
23 is less than the allocated income tax funds calculated pursuant to  
24 section 79-1005.01 or 79-1005.02, the local system shall receive  
25 allocated income tax funds in the amount of the difference between

1 the allocated income tax funds calculated pursuant to section  
2 79-1005.01 or 79-1005.02 and the minimum levy adjustment. This  
3 section does not apply to the calculation of aid for a local system  
4 containing a learning community for the first school fiscal year  
5 for which aid is calculated for such local system.

6 Sec. 27. Section 79-1015.01, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 79-1015.01 (1) Local system formula resources shall  
9 include local effort rate yield which shall be computed as  
10 prescribed in this section.

11 (2) For state aid certified pursuant to section 79-1022,  
12 the local effort rate shall be the maximum levy, for the school  
13 fiscal year for which aid is being certified, authorized pursuant  
14 to subdivision (2)(a) or (c) of section 77-3442 less ten cents.  
15 For the final calculation of state aid pursuant to section 79-1065,  
16 the local effort rate shall be the rate which, when multiplied  
17 by the total adjusted valuation of all taxable property in local  
18 systems receiving equalization aid pursuant to the Tax Equity and  
19 Educational Opportunities Support Act, will produce the amount  
20 needed to support the total formula need of such local systems  
21 when added to state aid appropriated by the Legislature and other  
22 actual receipts of local systems described in section 79-1018.01.  
23 The local effort rate yield shall be determined by multiplying each  
24 local system's total adjusted valuation by the local effort rate.

25 Sec. 28. Section 79-1022, Revised Statutes Cumulative

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

3           79-1022 (1) On or before ~~June 15, 2003,~~ and ~~on or~~  
4 ~~before~~ February 1 ~~for~~ of each year, thereafter, the department  
5 shall determine the amounts to be distributed to each local system  
6 and each district pursuant to the Tax Equity and Educational  
7 Opportunities Support Act and shall certify the amounts to  
8 the Director of Administrative Services, the Auditor of Public  
9 Accounts, each learning community, and each district. The amount  
10 to be distributed to each district that is not a member of a  
11 learning community from the amount certified for a local system  
12 shall be proportional based on the weighted formula students  
13 attributed to each district in the local system. The For the first  
14 five complete school fiscal years for a learning community, the  
15 amount to be distributed to each district that is a member of  
16 such learning community shall be determined pursuant to section  
17 25 of this act. For each school fiscal year thereafter, the  
18 amount to be distributed to each district that is a member of  
19 a learning community from the amount certified for the local  
20 system shall be proportional based on the formula needs calculated  
21 for each district in the local system. On or before ~~June 15,~~  
22 ~~2003,~~ and ~~on or~~ before February 1 ~~for~~ of each year, thereafter,  
23 the department shall report the necessary funding level to the  
24 Governor, the Appropriations Committee of the Legislature, and  
25 the Education Committee of the Legislature. Certified state aid

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

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

16 Sec. 29. Section 79-1073, Revised Statutes Cumulative  
17 Supplement, 2006, is amended to read:

18 79-1073 On or before October 1 for each year, each  
19 learning community coordinating council shall determine the  
20 expected amounts to be distributed to each member school district  
21 from general fund property tax receipts pursuant to subdivision  
22 (2)(b) of section 77-3442 and shall certify such amounts to each  
23 member school district and the State Department of Education.  
24 Such property tax receipts shall be divided among member school  
25 districts proportionally based on the difference of one hundred ~~ten~~



1 percent of the school district's formula need calculated pursuant  
2 to section 79-1007.02 minus the sum of the state aid certified  
3 pursuant to section 79-1022 and the other actual receipts included  
4 in local system formula resources pursuant to section 79-1018.01  
5 for the school fiscal year for which the distribution is being  
6 made, except that no school district shall receive property tax  
7 receipts in excess of the lesser of such difference or the school  
8 district's property tax request submitted to the learning community  
9 coordinating council.

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

15           Sec. 30. Section 79-1073.01, Revised Statutes Cumulative  
16 Supplement, 2006, is amended to read:

17           79-1073.01 Amounts levied by learning communities for  
18 special building funds for member school districts pursuant to  
19 subdivision ~~(2)(f)~~ (2)(g) of section 77-3442 shall be distributed  
20 to all member school districts proportionally based on the formula  
21 students used in the most recent certification of state aid  
22 pursuant to section 79-1022.

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

25           Sec. 31. Section 79-10,120, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

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

24           Sec. 32. Section 79-10,126.01, Revised Statutes  
25 Cumulative Supplement, 2006, is amended to read:

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

23                   Sec. 33. Section 79-11,150, Revised Statutes Cumulative  
24 Supplement, 2006, is amended to read:

25                   79-11,150 The Commissioner of Education shall appoint

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

19           Sec. 34. Section 79-1204, Revised Statutes Cumulative  
20 Supplement, 2006, is amended to read:

21           79-1204 (1) The role and mission of the educational  
22 service units is to serve as educational service providers in the  
23 state's system of elementary and secondary education.

24           (2) Educational service units shall:

25           (a) Act primarily as service agencies in providing core

1 services and services identified and requested by member school  
2 districts;

3 (b) Provide for economy, efficiency, and  
4 cost-effectiveness in the cooperative delivery of educational  
5 services;

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

8 (d) Act in a cooperative and supportive role with the  
9 State Department of Education and school districts in development  
10 and implementation of long-range plans, strategies, and goals for  
11 the enhancement of educational opportunities in elementary and  
12 secondary education; and

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

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

23 (a) Core services shall be within the following service  
24 areas in order of priority: (i) Staff development which shall  
25 include access to staff development related to improving the

1 achievement of students in poverty and students with diverse  
2 backgrounds; (ii) technology, including distance education  
3 services; and (iii) instructional materials services;

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

8 (c) Core services shall provide schools with access to  
9 services that:

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

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

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

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

19 (d) Core services shall be designed so that the  
20 effectiveness and efficiency of the service can be evaluated on a  
21 statewide basis; and

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

25 (4) Educational service units shall meet minimum

1 accreditation standards set by the State Board of Education that  
2 will:

3 (a) Provide for accountability to taxpayers;

4 (b) Assure that educational service units are assisting  
5 and cooperating with school districts to provide for equitable and  
6 adequate educational opportunities statewide; and

7 (c) Assure a level of quality in educational programs and  
8 services provided to school districts by the educational service  
9 units.

10 (5) Educational service units may contract to provide  
11 services to:

12 (a) Nonmember public school districts;

13 (b) Nonpublic school systems;

14 (c) Other educational service units; and

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

17 (6) Educational service units shall not regulate school  
18 districts unless specifically provided pursuant to another section  
19 of law.

20 Sec. 35. Section 79-2101, Revised Statutes Cumulative  
21 Supplement, 2006, is amended to read:

22 79-2101 Learning community means a political subdivision  
23 which shares the territory of member school districts and is  
24 governed by a learning community coordinating council. The fiscal  
25 year for a learning community shall be the same as for member

1 school districts. A learning community shall not have the authority  
2 to levy property taxes for the first fiscal year of its existence  
3 and shall not have the authority to levy property taxes prior to  
4 school fiscal year 2008-09.

5 Sec. 36. Section 79-2102, Revised Statutes Cumulative  
6 Supplement, 2006, is amended to read:

7 79-2102 ~~(1)~~ On or before ~~August 1, 2006,~~ September 15,  
8 2007, and on or before August 1 of each odd-numbered year following  
9 the official designation of any new city of the metropolitan  
10 class or any valid request to form a new learning community, the  
11 ~~Secretary of State~~ Commissioner of Education shall certify the  
12 establishment of a new learning community with ~~an~~ the effective  
13 date of ~~September 1 of the year of~~ the first Thursday after the  
14 first Tuesday in January of the next odd-numbered year following  
15 such certification to the county clerks, election commissioners,  
16 and county assessors of the counties with territory in the new  
17 learning community, to the Property Tax Administrator, to the  
18 State Department of Education, and to the school boards of  
19 the member school districts of the new learning community. A  
20 learning community shall be established for each city of the  
21 metropolitan class and shall include all school districts for which  
22 the principal office of the school district is located in the  
23 county where the city of the metropolitan class is located and  
24 all school districts for which the principal office of the school  
25 district is located in a county that has a contiguous border



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

16 ~~(2) On or before September 1 following the certification~~  
17 ~~of the establishment of a new learning community, the school~~  
18 ~~board of each member school district shall appoint a member of~~  
19 ~~such school board to serve on the learning community coordinating~~  
20 ~~council and shall notify the Secretary of State of the appointment.~~  
21 ~~The Secretary of State or his or her designee shall convene a~~  
22 ~~meeting of the new council during the month of September and~~  
23 ~~each month thereafter through the following June. At the September~~  
24 ~~meeting, the council shall elect officers and shall begin taking~~  
25 ~~the necessary steps to begin operating as a learning community.~~

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

9           Sec. 37. The election commissioners of the applicable  
10 counties, pursuant to certification of the establishment of a  
11 learning community pursuant to section 79-2102, shall divide  
12 the territory of the new learning community into six numbered  
13 districts for the purpose of electing members to the learning  
14 community coordinating council in compliance with section 32-553.  
15 Such districts shall be compact and contiguous and substantially  
16 equal in population. The newly established election districts shall  
17 be certified to the Secretary of State on or before November 1  
18 immediately following such certification. The newly established  
19 election districts shall apply beginning with the election of  
20 the first council members for such learning community. Following  
21 the drawing of initial election districts pursuant to this  
22 section, additional redistricting thereafter shall be undertaken  
23 by the learning community coordinating council according to section  
24 32-553.

25           Sec. 38. The Commissioner of Education or his or

1 her designee shall convene a meeting of the newly elected  
2 learning community coordinating council during the month of January  
3 following the election. At such meeting, the council shall elect  
4 officers and shall begin taking the necessary steps to begin  
5 operating as a learning community. The commissioner or his or her  
6 designee shall schedule and host such meeting and shall serve as a  
7 facilitator at such meeting.

8           Sec. 39. Section 79-2103, Revised Statutes Cumulative  
9 Supplement, 2006, is amended to read:

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

1 learning communities that will be established during such fiscal  
2 year plus two times the number of formula students in all other  
3 learning communities for the calculation of state aid for member  
4 school districts for such school fiscal year multiplied by the  
5 number of such formula students in the learning community for  
6 learning communities that will be established in such school fiscal  
7 year or two times the number of such formula students for all  
8 other learning communities. It is the intent of the Legislature  
9 to appropriate for each fiscal year up to an amount equal to  
10 five hundred thousand dollars for each learning community to be  
11 established in such fiscal year plus one million dollars for each  
12 learning community that will be in the first full fiscal year  
13 for such learning community in such fiscal year plus the amount  
14 appropriated in the prior year for all other learning communities  
15 increased by the basic allowable growth rate described in section  
16 79-1025.

17           Sec. 40. Section 79-2104, Revised Statutes Cumulative  
18 Supplement, 2006, is amended to read:

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

21           (1) Levy and distribute a common levy for the general  
22 funds of member school districts pursuant to sections 77-3442 and  
23 79-1073;

24           (2) Levy and distribute a common levy for the special  
25 building funds of member school districts pursuant to sections

1 77-3442 and 79-1073.01;

2 (3) ~~Levy for the budget of the learning community and for~~  
3 capital projects approved by the learning community coordinating  
4 council pursuant to section 77-3442 and section 43 of this act;

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

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

12 ~~(6) (5) Approve focus schools and programs to be operated~~  
13 ~~by member school districts;~~

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

16 (6) Adopt, approve, and implement an integration and  
17 diversity plan which shall include open enrollment and may include  
18 focus schools, focus programs, and magnet pathways pursuant to  
19 section 79-2110;

20 (7) Administer the open enrollment provisions in section  
21 79-2110 for the learning community as part of a diversity plan  
22 developed by the council to provide educational opportunities which  
23 will result in increased diversity in schools across the learning  
24 community;

25 (8) Annually conduct school fairs to provide students and

1 parents the opportunity to explore the educational opportunities  
2 available at each school in the learning community and develop  
3 other methods for encouraging access to such information and  
4 promotional materials;

5 ~~(8)~~ (9) Develop reorganization plans for submission  
6 pursuant to the Learning Community Reorganization Act; and

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

10 (10) Establish and administer elementary learning centers  
11 through achievement subcouncils pursuant to sections 44 to 46 of  
12 this act;

13 (11) Administer the learning community funds distributed  
14 to the learning community pursuant to section 43 of this act;

15 (12) Approve or disapprove poverty plans and limited  
16 English proficiency plans for member school districts;

17 (13) Establish a procedure for receiving community input  
18 and complaints regarding the learning community; and

19 (14) Establish a procedure to assist parents, citizens,  
20 and member school districts in accessing an approved center  
21 pursuant to the Dispute Resolution Act to resolve disputes  
22 involving member school districts or the learning community. Such  
23 procedure shall include payment by the learning community for such  
24 mediation services.

25 Sec. 41. Section 79-2107, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2           79-2107 The boundaries of all school districts for which  
3 the principal office of the school district is located in a county  
4 where a city of the metropolitan class is located ~~on July 14,~~  
5 ~~2006,~~ and all school districts for which the principal office of  
6 the school district is located in a county that has a contiguous  
7 border of at least five miles in the aggregate with such city of  
8 the metropolitan class ~~on July 14, 2006,~~ shall remain as depicted  
9 ~~on March 1, 2006,~~ on the map kept by the county clerk pursuant to  
10 section 79-490 as of March 1, 2006, for cities of the metropolitan  
11 class designated as such prior to January 2008 or as of March 1  
12 immediately preceding the designation as a city of the metropolitan  
13 class for cities designated as such on or after January 1, 2008,  
14 until a learning community has been ~~formed~~ established for such  
15 city of the metropolitan class.

16           Sec. 42. Section 79-2110, Revised Statutes Cumulative  
17 Supplement, 2006, is amended to read:

18           79-2110 ~~(1) For school year 2008-09~~ (1)(a) Each learning  
19 community coordinating council, together with its member school  
20 districts, shall develop and administer a diversity plan which may  
21 be revised from time to time. Each diversity plan shall provide for  
22 open enrollment in all school buildings in the learning community,  
23 subject to specific limitations necessary to bring about diverse  
24 enrollments in each school building in the learning community. Such  
25 limitations shall include giving preference at each school building

1 to students that contribute to the socioeconomic diversity of  
2 enrollment, as defined in section 79-611, at each building and may  
3 include establishing zone limitations in which students may access  
4 several schools other than their home attendance area school.  
5 Notwithstanding the limitations necessary to bring about diversity,  
6 open enrollment shall include providing access to students who do  
7 not contribute to the socioeconomic diversity of a school building,  
8 if, subsequent to the regular enrollment process that is subject to  
9 limitations necessary to bring about diverse enrollments, capacity  
10 remains in a school building. In such a case, a student who applies  
11 to attend such school building shall be permitted to enroll at  
12 such building unless the student has otherwise been disqualified  
13 from the school building pursuant to the school district's code of  
14 conduct or related school discipline rules.

15 (b) To facilitate the open enrollment provisions of  
16 this subsection, and each school year thereafter, each member  
17 school district in a learning community shall establish a maximum  
18 capacity for each school building under such district's control  
19 pursuant to procedures and criteria established by the learning  
20 community coordinating council. Each member school district shall  
21 also establish attendance areas for each school building under  
22 the district's control, except that the school board shall not  
23 establish attendance areas for focus schools. ~~school buildings~~  
24 with ~~focus schools or programs.~~ The attendance areas shall be  
25 established such that all of the territory of the school district



1 is within an attendance area for each grade,  ~~but no territory of~~  
 2  ~~the school district is within more than one attendance area for a~~  
 3  ~~grade. Students residing in a school district an attendance area~~  
 4 shall be allowed to attend a such school building  ~~for the grades~~  
 5  ~~offered, in such school district.~~

6 ~~(2) On or before March 1, 2008, and March 1 of each~~  
 7  ~~year thereafter, the school board shall certify to the learning~~  
 8  ~~community coordinating council the number of students that will~~  
 9  ~~be accepted into each school building from outside of the school~~  
 10  ~~building's attendance area for the next school year based on the~~  
 11  ~~established capacity and the estimated number of students who~~  
 12  ~~will attend the school building from the attendance area or as~~  
 13  ~~continuing students.~~

14 ~~(3)(a) (2)(a)~~ (2)(a) On or before March 15, 2008, and March  
 15 15 of each year,  ~~thereafter,~~ a parent or guardian of a student  
 16 residing in a member school district in a learning community may  
 17  ~~apply to the learning community coordinating council~~ submit an  
 18 application to any school district in the learning community on  
 19 behalf of a student who is applying to attend a school building  
 20  ~~for the following school year a school building in the learning~~  
 21  ~~community that is not in an attendance area where the student~~  
 22 applicant resides or a focus school, focus program, or magnet  
 23 school as such terms are defined in section 79-769. On or before  
 24  ~~April 1, 2008, and April 1 of each year, thereafter,~~ the learning  
 25  ~~community coordinating council~~ school district shall accept or

1 reject such applications based on the capacity of the school  
2 building, the eligibility of the applicant for the school building  
3 or program, the number of such students the school district is  
4 willing to accept applicants that will be accepted for a given  
5 school building, and whether or not the applicant contributes to  
6 the socioeconomic diversity of the school or program to which he  
7 or she has applied and for which he or she is eligible. The school  
8 district and shall notify the applicant such parent or guardian in  
9 writing of the acceptance or rejection. Such parent or guardian may  
10 provide information on the application regarding the applicant's  
11 potential qualification for free or reduced-price lunches. Any such  
12 information provided shall be subject to verification and shall  
13 only be used for the purposes of this section. Nothing in this  
14 section requires a parent or guardian to provide such information.  
15 Determinations about an applicant's qualification for free or  
16 reduced-price lunches for purposes of this section shall be based  
17 on any verified information provided on the application. If no  
18 such information is provided the student shall be presumed not to  
19 qualify for free or reduced-price lunches for the purposes of this  
20 section. A student may not apply to attend a school building in  
21 the learning community for any grades that are offered by another  
22 school building for which the student had previously applied and  
23 been accepted pursuant to this section, absent a hardship exception  
24 as established by the individual school district. On or before  
25 September 1 of each year, each school district shall provide

1 to the learning community coordinating council a complete and  
2 accurate report of all applications received, including the number  
3 of students who applied at each grade level at each building, the  
4 number of students accepted at each grade level at each building,  
5 the number of such students that contributed to the socioeconomic  
6 diversity that applied and were accepted, the number of applicants  
7 denied and the rationales for denial, and other such information as  
8 requested by the learning community coordinating council.

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

1 ~~reduced-price lunch have been selected.~~

2           (b) Each diversity plan may also include establishment of  
3 one or more focus schools or focus programs and the involvement of  
4 every member school district in one or more magnet pathways across  
5 member school districts. Enrollment in each focus school or focus  
6 program shall be designed to reflect the socioeconomic diversity  
7 of the learning community as a whole. School district selection of  
8 students for focus schools or focus programs shall be on a random  
9 basis from two pools of applicants, those who qualify for free  
10 and reduced-price lunches and those who do not qualify for free  
11 and reduced-price lunches. The percentage of students selected for  
12 focus schools from the pool of applicants who qualify for free  
13 and reduced-price lunches shall be as nearly equal as possible  
14 to the percentage of the student body of the learning community  
15 who qualify for free and reduced-price lunches. The percentage of  
16 students selected for focus schools from the pool of applicants  
17 who do not qualify for free and reduced-price lunches shall be  
18 as nearly equal as possible to the percentage of the student  
19 body of the learning community who do not qualify for free and  
20 reduced-price lunches. If more capacity exists in a focus school  
21 or program than the number of applicants for such focus school  
22 or program that contribute to the socioeconomic diversity of the  
23 focus school or program, the school district shall randomly select  
24 applicants for approval up to the number of applicants that will be  
25 accepted for such building.

1           (c) The goal of the diversity plan shall be to annually  
2 increase the socioeconomic diversity of enrollment at each grade  
3 level in each school building within the learning community until  
4 such enrollment reflects the average socioeconomic diversity of the  
5 entire enrollment of the learning community. The learning community  
6 shall annually publish statistics on changes in diversity at each  
7 grade level in each school building within the learning community.

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

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

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

15 ~~(4)~~ (3) On or before February 15 of each year, a parent  
16 or guardian of a student who is currently attending a school  
17 building outside of the attendance area where the student resides  
18 and who will complete the grades offered at such school building  
19 prior to the following school year shall provide notice, on a form  
20 provided by the school district, to the school board of the school  
21 district containing such school building if such student will  
22 attend another school building within such district as a continuing  
23 student and which school building such student would prefer to  
24 attend. On or before March 1, such school board shall provide a  
25 notice to such parent or guardian stating which school building

1 or buildings the student ~~will~~ shall be allowed to attend in such  
2 school district as a continuing student for the following school  
3 year. If the student resides within the school district, the notice  
4 shall include the school building offering the grade the student  
5 will be entering for the following school year in the attendance  
6 area where the student resides. This subsection shall not apply to  
7 focus schools or programs.

8 (4) A student who will complete the grades offered at a  
9 magnet school shall be allowed to attend the magnet school offering  
10 the next grade level as part of the magnet pathway as a continuing  
11 student.

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

21 (6) A parent or guardian of a student who wishes to  
22 change school buildings for emergency or hardship reasons may apply  
23 directly to a school board within the learning community at any  
24 time for the student to attend a school building outside of the  
25 attendance area where the student resides. Such application shall

1 state the emergency or hardship and shall be kept confidential by  
2 the school board. Such school board shall accept or reject such  
3 application within fifteen days after receiving the application.  
4 Applications shall only be accepted if an emergency or hardship  
5 was presented which justifies an exemption from the procedures  
6 in subsection (3) of this section based on the judgment of such  
7 school board, and such acceptance shall not exceed the number of  
8 applications that will be accepted for the school year pursuant to  
9 subsection (2) of this section for such building.  ~~based on the~~  
10 judgment of such school board, except that the board may not exceed  
11 the established capacity.

12 (7) For purposes of this section, a student is deemed to  
13 reside in any attendance area where such student or at least one of  
14 his or her parents or guardians resides.

15 Sec. 43. (1) A learning community may levy a maximum  
16 levy pursuant to subdivision (2)(h) of section 77-3442 for the  
17 purchase, construction, or remodeling of elementary learning center  
18 facilities and up to fifty percent of the estimated costs for  
19 capital projects approved pursuant to this section. The proceeds  
20 from such levy shall be used for elementary learning center  
21 facilities and for one-time reductions of the bonded indebtedness  
22 required for approved projects up to fifty percent of the estimated  
23 cost of the approved project. The funds used for reductions of  
24 bonded indebtedness shall be transferred to the school district  
25 for which the project was approved and shall be deposited in such



1 school district's special building fund for use on such project.

2 (2) The learning community may approve pursuant to this  
3 section funding for capital projects which will include the  
4 purchase, construction, or remodeling of facilities for (a) a focus  
5 school or program designed to meet the requirements of section  
6 79-769 or (b) a school or program that will otherwise specifically  
7 attract a more economically and culturally diverse student body  
8 than would otherwise attend a school or program in a facility at  
9 that location. Such approval shall include an estimated cost for  
10 the project and shall state the amount that will be provided by the  
11 learning community for such project.

12 (3) If, within the ten years following receipt of the  
13 funding for a capital project pursuant to this section, a school  
14 district receiving such funding uses the facility purchased,  
15 constructed, or remodeled with such funding for purposes other  
16 than those stated to qualify for the funds, the school district  
17 shall repay such funds to the learning community with interest at  
18 the rate prescribed in section 45-104.02 accruing from the date  
19 the funds were transferred to the school district's building fund  
20 as of the last date the facility was used for such purpose as  
21 determined by the learning community coordinating council or the  
22 date that the learning community coordinating council determines  
23 that the facility will not be used for such purpose or that  
24 such facility will not be purchased, constructed, or remodeled  
25 for such purpose. Interest shall continue to accrue on outstanding

1 balances until the repayment has been completed. The remaining  
2 terms of repayment shall be determined by the learning community  
3 coordinating council. The learning community coordinating council  
4 may waive such repayment if the facility is used for a different  
5 (a) focus school or program or (b) school or program that will  
6 specifically attract a more economically and culturally diverse  
7 student body than would attend a school or program in a facility at  
8 that location for a period of time that will result in the use of  
9 the facility for qualifying purposes for a total of at least ten  
10 years.

11           Sec. 44. (1) Elementary learning centers shall serve as  
12 visionary resource centers for enhancing the academic success  
13 of elementary students, particularly those students who face  
14 challenges in the educational environment due to factors such  
15 as poverty, limited English skills, and mobility. Each learning  
16 community coordinating council shall provide for a system of  
17 elementary learning centers to be administered by an elementary  
18 learning center executive director.

19           (2) The elementary learning center executive director  
20 shall be appointed by the learning community coordinating council.  
21 The executive director shall be a person well equipped to work  
22 with populations in poverty and to analyze effective methods for  
23 assisting and encouraging such populations to access the programs  
24 offered by elementary learning centers. The elementary learning  
25 center executive director shall serve for a term of six years,

1 unless removed by a vote of two-thirds of the members of the  
2 learning community coordinating council upon their determination  
3 that he or she has become incapacitated or has been guilty of  
4 neglect of duty or misconduct. If the position of elementary  
5 learning center executive director becomes vacant for any cause, a  
6 temporary elementary learning center executive director may serve  
7 for up to one year until an elementary learning center executive  
8 director has been appointed for a full term. The elementary  
9 learning center executive director shall receive such salary as is  
10 set by the learning community coordinating council.

11 (3) The elementary learning center executive director may  
12 select, appoint, and compensate as he or she sees fit, within the  
13 amount provided by the learning community coordinating council,  
14 such noncertificated assistants and noncertificated employees as  
15 he or she deems necessary to discharge the responsibilities under  
16 sections 44 to 46 of this act. Such assistants and employees  
17 shall be subject to the control and supervision of the elementary  
18 learning center executive director.

19 Sec. 45. (1) On or before July 1 immediately following  
20 the establishment of a new learning community, the learning  
21 community coordinating council shall establish at least one  
22 elementary learning center for each twenty-five elementary schools  
23 in which at least thirty-five percent of the students attending the  
24 school who reside in the attendance area of such school qualify  
25 for free or reduced-price lunches.

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

18           (3) Each elementary learning center shall have at least  
19 one elementary learning center facility that is located in an  
20 area with a high concentration of poverty within the region.  
21 Such facility may be owned or leased by the learning community,  
22 or the use of the facility may be donated to the learning  
23 community. Programs offered by the elementary learning center may  
24 be offered in such facility or in other facilities located within  
25 the elementary learning center.

1           Sec. 46. (1) Programs offered by an elementary learning  
2 center may be accessed by any elementary-age child who resides  
3 in the learning community or any family with an elementary-age  
4 child who resides in the learning community. Services to be  
5 provided by the elementary learning center shall comply with all  
6 applicable state regulations for such services, including, but not  
7 limited to, regulations requiring certification of teachers, safety  
8 provisions, and compliance with state standards. Such programs  
9 shall be designed to enhance the academic success of elementary  
10 students and may include, but are not limited to:

11           (a) Summer school, extended-school-day programs, and  
12 extended-school-year programs which may be coordinated with  
13 programs offered in the schools;

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

17           (c) Computer labs;

18           (d) Tutors for elementary students;

19           (e) Mentors for elementary students;

20           (f) Services for transient students;

21           (g) Attendance advocates to assist in resolving issues  
22 that contribute to truancy;

23           (h) Transportation for truant students;

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

25           (j) Health services;

1           (k) Mental health services;

2           (l) Child care for children of parents working on their  
3 own literacy skills or working with their children on academic  
4 skills at the center;

5           (m) Nutritional services for families working on skills  
6 at the center;

7           (n) Transportation for participating families;

8           (o) Distribution of clothing and school supplies;

9           (p) Information on other resources to assist  
10 participating families; and

11           (q) Interpreter services for educational needs.

12           (2) Each elementary learning center shall report the  
13 participation of elementary students in academic programs offered  
14 by or in collaboration with the center to the elementary schools  
15 attended by such students.

16           Sec. 47. (1) Learning community funds distributed  
17 pursuant to section 79-2103 may be used by the learning community  
18 coordinating council receiving the funds for:

19           (a) The administration and operation of the learning  
20 community;

21           (b) The administration, operations, and programs of  
22 elementary learning centers pursuant to sections 44 to 46 of  
23 this act;

24           (c) Supplements for extended hours to teachers in  
25 elementary schools in which at least thirty-five percent of the

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

3 (d) Transportation for parents to school functions  
4 of students in elementary schools who qualify for free or  
5 reduced-price lunches; and

6 (e) Pilot projects related to enhancing the academic  
7 achievement of elementary students, particularly students who face  
8 challenges in the educational environment due to factors such as  
9 poverty, limited English skills, and mobility.

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

17 (3) A learning community coordinating council shall  
18 provide for financial audits and evaluations of effectiveness  
19 of elementary learning centers and pilot projects receiving funds  
20 pursuant to this section. A learning community coordinating council  
21 shall serve as the recipient of private funds donated to support  
22 any elementary learning center or pilot project receiving funds  
23 pursuant to this section from such learning community coordinating  
24 council and shall assure that the use of such private funds is  
25 included in the financial audits required pursuant to this section.

1           Sec. 48. Terms and conditions of employment of school  
2 employees providing services for an elementary learning center  
3 shall be established by the negotiated agreement of the learning  
4 community employing such school employees to provide services. For  
5 certificated employees as defined in subdivision (1) of section  
6 79-824, the learning community shall be deemed to be an employer  
7 as defined in subdivision (4) of section 48-801. Compensation paid  
8 to school employees for services provided to a learning community  
9 shall be subject to the School Employees Retirement Act unless  
10 such employee is employed by a Class V school district, in which  
11 case compensation paid such school employee shall be subject to the  
12 Class V School Employees Retirement Act.

13           Sec. 49. Each learning community shall be governed by  
14 a learning community coordinating council consisting of eighteen  
15 members, with twelve members elected on a nonpartisan ballot from  
16 six numbered election districts and with six members appointed  
17 from such election districts pursuant to this section. Each voter  
18 shall be allowed to cast votes for one candidate to represent the  
19 election district in which the voter resides. The two candidates  
20 receiving the most votes shall be elected. A candidate shall reside  
21 in the election district for which he or she is a candidate. No  
22 primary election for the office of learning community coordinating  
23 council shall be held.

24           The initial elected members shall be elected at the  
25 statewide general election immediately following the certification



1 of the establishment of the learning community, and subsequent  
2 members shall be elected at subsequent statewide general elections.  
3 Except as provided in this section, such elections shall be  
4 conducted pursuant to the Election Act.

5 Vacancies in office for elected members shall occur as  
6 set forth in section 32-560. Whenever any such vacancy occurs,  
7 the remaining elected members of such council shall appoint an  
8 individual residing within the geographical boundaries of the  
9 election district for the balance of the unexpired term.

10 Members elected to represent odd-numbered districts in  
11 the first election for the learning community coordinating council  
12 shall be elected for two-year terms. Members elected to represent  
13 even-numbered districts in the first election for the learning  
14 community coordinating council shall be elected for four-year  
15 terms. Members elected in subsequent elections shall be elected  
16 for four-year terms and until their successors are elected and  
17 qualified.

18 The appointed members shall be appointed in November  
19 of each even-numbered year after the general election. Appointed  
20 members shall be school board members of school districts in the  
21 learning community either elected to take office the following  
22 January or continuing their current term of office for the  
23 following two years. For learning communities to be established  
24 the following January pursuant to orders issued pursuant to section  
25 79-2102, the Secretary of State shall hold a meeting of the school

1 board members of the school districts in such learning community to  
2 appoint one member from such school boards to represent each of the  
3 election districts on the coordinating council of such learning  
4 community. For subsequent appointments, the current appointed  
5 members of the coordinating council shall hold a meeting of  
6 the school board members of such school districts to appoint one  
7 member from such school boards to represent each of the election  
8 districts on the coordinating council of the learning community.  
9 The appointed members shall be selected by the school board members  
10 of the school districts in the learning community who reside in the  
11 election district to be represented pursuant to a secret ballot,  
12 shall reside in the election district to be represented, and shall  
13 be appointed for two-year terms and until their successors are  
14 appointed and qualified.

15 Vacancies in office for appointed members shall occur  
16 upon the resignation, death, or disqualification from office of  
17 an appointed member. Disqualification from office shall include  
18 ceasing membership on the school board for which membership  
19 qualified the member for the appointment to the learning community  
20 coordinating council or ceasing to reside in the election district  
21 represented by such member of the learning community coordinating  
22 council. Whenever such vacancy occurs, the remaining appointed  
23 members shall hold a meeting of the school board members of the  
24 school districts in such learning community to appoint a member  
25 from such school boards who lives in the election district to be

1 represented to serve for the balance of the unexpired term.

2 Members of a learning community coordinating council  
3 shall take office on the first Thursday after the first Tuesday  
4 in January following their election. Each member shall be paid  
5 a per diem in an amount determined by such council up to two  
6 hundred dollars per day for official meetings of the council and  
7 the achievement subcouncil for which he or she is a member, up to  
8 a maximum of twelve thousand dollars per fiscal year, and shall  
9 be eligible for reimbursement of reasonable expenses related to  
10 service on the learning community coordinating council as provided  
11 in sections 81-1174 to 81-1177.

12 Sec. 50. Each learning community coordinating council  
13 shall designate the three members representing each election  
14 district as the achievement subcouncil for such election district.  
15 Each achievement subcouncil shall meet as necessary but shall meet  
16 and conduct a public hearing within its election district at least  
17 once each school year. Each achievement subcouncil shall:

18 (1) Develop a diversity plan recommendation for the  
19 territory in its election district that will provide educational  
20 opportunities which will result in increased diversity in schools  
21 in the election district;

22 (2) Administer elementary learning centers in cooperation  
23 with the elementary learning center executive director;

24 (3) Review and approve or disapprove of the poverty plans  
25 and limited English proficiency plans for the schools located in

1 its election district;

2 (4) Receive community input and complaints regarding  
3 the learning community and academic achievement in the election  
4 district; and

5 (5) Hold public hearings at its discretion in its  
6 election district in response to issues raised by residents of  
7 the election district regarding the learning community, a member  
8 school district, and academic achievement in the election district.

9 Sec. 51. Each learning community, together with its  
10 member school districts, shall develop a diversity plan to provide  
11 educational opportunities in each election district designed to  
12 attract students from diverse backgrounds, which plan may be  
13 revised from time to time. Each diversity plan for a learning  
14 community shall include specific provisions relating to each  
15 election district with such learning community. The specific  
16 provisions relating to each election district shall be approved  
17 by both the achievement subcouncil for such district and by the  
18 learning community coordinating council. The learning community  
19 coordinating council shall report to the Education Committee of  
20 the Legislature on or before December 1 of each even-numbered  
21 year on diversity in the school or learning community and academic  
22 achievement for different demographic groups.

23 Sec. 52. If any section in this act or any part of any  
24 section is declared invalid or unconstitutional, the declaration  
25 shall not affect the validity or constitutionality of the remaining

1 portions.

2           Sec. 53. Original sections 32-567, 32-604, 32-606,  
3 and 79-1015.01, Reissue Revised Statutes of Nebraska, sections  
4 77-3442, 79-4,117, 79-4,125, 79-4,126, 79-4,128, 79-528,  
5 79-769, 79-1001, 79-1007.02, 79-1007.03, 79-1007.04, 79-1007.05,  
6 79-1007.06, 79-1007.07, 79-1007.08, 79-1007.09, 79-1008.02,  
7 79-1073, 79-1073.01, 79-10,120, 79-10,126.01, 79-11,150, 79-1204,  
8 79-2101, 79-2102, 79-2103, 79-2104, 79-2107, and 79-2110, Revised  
9 Statutes Cumulative Supplement, 2006, and sections 79-611, 79-1003,  
10 and 79-1022, Revised Statutes Cumulative Supplement, 2006, as  
11 affected by Referendum 2006, No. 422, are repealed.

12           Sec. 54. The following sections are outright repealed:  
13 Sections 79-4,130, 79-2105, 79-2106, 79-2108, and 79-2109, Revised  
14 Statutes Cumulative Supplement, 2006.