

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 238

Introduced by Fischer, 43

Read first time January 10, 2007

Committee: Education

A BILL

1 FOR AN ACT relating to postsecondary education; to amend sections
2 13-916, 13-1612, 18-2115, 32-567, 32-607, 32-608, 32-811,
3 32-1203, 32-1301, 32-1302, 44-1615, 48-621, 48-622.03,
4 48-811.02, 49-506, 66-1062, 77-3443, 77-3445, 79-919,
5 79-922, 81-1118.02, 85-606.01, 85-917, 85-933, 85-949,
6 85-966, 85-9,167, 85-1404, 85-1418, 85-1504, 85-1541,
7 and 85-1542, Reissue Revised Statutes of Nebraska,
8 and sections 10-127, 10-142, 10-1103, 13-503, 13-518,
9 13-519, 13-2202, 72-2302, 72-2303, 72-2304, 72-2306,
10 77-1601.02, 77-3442, 79-902, 81-1201.21, 85-966.01,
11 85-9,181, 85-9,182, 85-1402, 85-1412, 85-1413, 85-1414,
12 85-1416, 85-1503, and 86-594, Revised Statutes Cumulative
13 Supplement, 2006; to create the Board of Trustees of the
14 Nebraska Community Colleges, advisory boards, and funds;

1 to provide for governance of the community colleges; to
2 change and eliminate provisions relating to Community
3 College Boards of Governors, community colleges, the
4 Coordinating Commission for Postsecondary Education, and
5 a fund; to harmonize provisions; to provide operative
6 dates; to repeal the original sections; and to outright
7 repeal sections 32-514, 85-312, 85-1501, 85-1501.01,
8 85-1505, 85-1506, 85-1507, 85-1508, 85-1509, 85-1510,
9 85-1511, 85-1512, 85-1515, 85-1516, 85-1518, 85-1519,
10 85-1520, 85-1521, 85-1523, 85-1524, 85-1525, 85-1526,
11 85-1527, 85-1528, 85-1529, 85-1530, 85-1531, 85-1532,
12 85-1533, 85-1534, 85-1535, 85-1536, 85-1537, 85-1538,
13 and 85-1539, Reissue Revised Statutes of Nebraska, and
14 sections 85-1502, 85-1514, 85-1517, 85-1522, 85-1534.01,
15 85-1536.01, and 85-1540, Revised Statutes Cumulative
16 Supplement, 2006.

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

1 Section 1. Section 10-127, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 10-127 The State Highway Commission, any county, city,
4 village, municipal county, school district, drainage district,
5 irrigation district, public power district, public power and
6 irrigation district, metropolitan utilities district, the Board of
7 Regents of the University of Nebraska, the Board of Trustees of the
8 Nebraska State Colleges, ~~community colleges,~~ the Board of Trustees
9 of the Nebraska Community Colleges, sanitary and improvement
10 districts, rural water districts, airport authorities, hospital
11 authorities, or any other municipal corporation or governmental
12 subdivision of the state which has the power to issue bonds or
13 other evidences of indebtedness may issue bonds or other evidences
14 of indebtedness of like date, tenor, amount, and maturity to
15 replace mutilated, destroyed, stolen, or lost bonds or other
16 evidences of indebtedness previously issued and having attached
17 thereto the same corresponding unmatured coupons, if any, as were
18 attached to the mutilated, destroyed, stolen, or lost bonds or
19 other evidences of indebtedness. Issuance of replacement bonds or
20 other evidences of indebtedness of like date, tenor, amount, and
21 maturity may be made (1) in exchange and in substitution for
22 such mutilated bond or other evidence of indebtedness and attached
23 unmatured coupons, if any, upon surrender of such mutilated bond
24 or other evidence of indebtedness and attached unmatured coupons,
25 if any, or (2) in lieu of and in substitution for the destroyed,

1 stolen, or lost bond or other evidence of indebtedness and attached
2 unmatured coupons. In the event such bond or other evidence of
3 indebtedness and attached unmatured coupons, if any, have been
4 destroyed, stolen, or lost, the holder thereof shall first file
5 with the issuer evidence satisfactory to it that such bond or
6 other evidence of indebtedness and attached unmatured coupons have
7 been destroyed, stolen, or lost and of such holder's ownership
8 thereof and shall in any event furnish the issuer with indemnity
9 satisfactory to it and shall comply with any statutory requirements
10 and with such other requirements as the issuer may require. A
11 charge, not exceeding the actual cost thereof, shall be imposed
12 upon such owner to reimburse the issuer for the expenses for
13 issuing each such new bond or evidence of indebtedness, which cost
14 shall be paid before the delivery of the new bond or evidence of
15 indebtedness. Instead of issuing a substituted bond or evidence of
16 indebtedness or instead of delivery of any coupon for a bond or
17 evidence of indebtedness, as the case may be, which has matured
18 or which is about to mature and instead of issuing a substituted
19 bond or other evidence of indebtedness for a bond or other evidence
20 of indebtedness which has been called for redemption, the issuer,
21 upon receiving evidence and being indemnified as provided in this
22 section, at its option may pay the bond or other evidence of
23 indebtedness or such coupon from any source lawfully available
24 therefor without the surrender thereof.

25 Sec. 2. Section 10-142, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 10-142 Any county, city, village, municipal county,
3 school district, drainage district, irrigation district,
4 metropolitan utilities district, rural water district, airport
5 authority, or hospital authority, the Board of Regents of the
6 University of Nebraska, the Board of Trustees of the Nebraska
7 State Colleges, ~~the governing board of any community college,~~
8 the Board of Trustees of the Nebraska Community Colleges, or any
9 other municipal or public corporation, governmental subdivision,
10 or body politic or corporate created under Nebraska law exercising
11 essential public functions of the state which has issued or shall
12 issue bonds for any purpose, and such bonds or any part of such
13 bonds remain unpaid and are a legal liability against such issuer
14 and are bearing interest, is hereby authorized to issue refunding
15 bonds with which to call and redeem all or any part of such
16 outstanding bonds at or before the maturity or the redemption date
17 of such bonds. Such issuer may include various series and issues
18 of the outstanding bonds in a single issue of refunding bonds and
19 issue refunding bonds to pay any redemption premium and interest to
20 accrue and become payable on the outstanding bonds being refunded.
21 The refunding bonds may be issued and delivered at any time prior
22 to the date of maturity or the redemption date of the bonds to be
23 refunded that the governing body of such issuer determines to be
24 in its best interests. The proceeds derived from the sale of the
25 refunding bonds issued pursuant to this section may be invested

1 in obligations of or guaranteed by the United States Government
2 pending the time the proceeds are required for the purposes for
3 which such refunding bonds were issued. To further secure the
4 refunding bonds, any such issuer may enter into a contract with any
5 bank or trust company within or without the state with respect to
6 the safekeeping and application of the proceeds of the refunding
7 bonds and the safekeeping and application of the earnings on the
8 investment. All bonds issued under the provisions of this section
9 shall be redeemable at such times and under such conditions as
10 the governing body of the issuer shall determine at the time of
11 issuance.

12 Any outstanding bonds or other evidences of indebtedness
13 issued by any such issuer for which sufficient funds or obligations
14 of or guaranteed by the United States Government have been pledged
15 and set aside in safekeeping to be applied for the complete payment
16 of such bonds or other evidence of indebtedness at maturity or
17 upon redemption prior to maturity, interest thereon, and redemption
18 premium, if any, shall not be considered as outstanding and unpaid.

19 Each new refunding bond so issued shall state on the bond
20 (1) the object of its issue, (2) this section or sections of the
21 law under which such issue was made, including a statement that the
22 issue is made in pursuance of such section or sections, and (3)
23 the date and principal amount of the bond or bonds for which the
24 refunding bonds are being issued.

25 Sec. 3. Section 10-1103, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 10-1103 For purposes of the Nebraska Governmental Unit
3 Security Interest Act:

4 (1) Authorizing statute means any statute which
5 authorizes the issuance of bonds;

6 (2) Bond means any bond, note, warrant, loan agreement,
7 lease, lease-purchase agreement, pledge agreement, or other
8 evidence of indebtedness for which a security interest is granted
9 or a pledge made upon revenue or other property, including any
10 limited tax revenue, to provide for payment or security;

11 (3) Governmental unit means the State of Nebraska, any
12 county, school district, city, village, public power district,
13 sanitary and improvement district, educational service unit,
14 ~~community college area~~, natural resources district, airport
15 authority, fire protection district, hospital authority, joint
16 entity created under the Interlocal Cooperation Act, joint public
17 agency, instrumentality, or any other district, authority, or
18 political subdivision of the State of Nebraska and governmental
19 units as defined in subdivision (a)(45) of section 9-102, Uniform
20 Commercial Code;

21 (4) Measure means any ordinance, resolution, or other
22 enactment authorizing the issuance of bonds or authorizing an
23 indenture with respect to bonds pursuant to an authorizing statute;
24 and

25 (5) Owner means any holder, registered owner, or

1 beneficial owner of a bond.

2 Sec. 4. Section 13-503, Revised Statutes Cumulative
3 Supplement, 2006, is amended to read:

4 13-503 For purposes of the Nebraska Budget Act, unless
5 the context otherwise requires:

6 (1) Governing body ~~shall mean~~ means the governing body
7 of any county agricultural society, elected county fair board,
8 joint airport authority formed under the Joint Airport Authorities
9 Act, city or county airport authority, bridge commission created
10 pursuant to section 39-868, cemetery district, city, village,
11 municipal county, ~~community college~~, community redevelopment
12 authority, county, drainage or levee district, educational
13 service unit, rural or suburban fire protection district,
14 historical society, hospital district, irrigation district,
15 learning community, natural resources district, nonprofit county
16 historical association or society for which a tax is levied under
17 subsection (1) of section 23-355.01, public building commission,
18 railroad transportation safety district, reclamation district,
19 road improvement district, rural water district, school district,
20 sanitary and improvement district, township, offstreet parking
21 district, transit authority, metropolitan utilities district, and
22 political subdivision with the authority to have a property tax
23 request, with the authority to levy a toll, or that receives state
24 aid;

25 (2) Levying board ~~shall mean~~ means any governing body

1 which has the power or duty to levy a tax;

2 (3) Fiscal year ~~shall mean~~ means the twelve-month period
3 used by each governing body in determining and carrying on its
4 financial and taxing affairs;

5 (4) Tax ~~shall mean~~ means any general or special tax
6 levied against persons, property, or business for public purposes
7 as provided by law but ~~shall~~ does not include any special
8 assessment;

9 (5) Auditor ~~shall mean~~ means the Auditor of Public
10 Accounts;

11 (6) Cash reserve ~~shall mean~~ means funds required for the
12 period before revenue would become available for expenditure but
13 ~~shall~~ does not include funds held in any special reserve fund;

14 (7) Public funds ~~shall mean~~ means all money, including
15 nontax money, used in the operation and functions of governing
16 bodies. For purposes of a county, city, or village which has a
17 lottery established under the Nebraska County and City Lottery
18 Act, only those net proceeds which are actually received by the
19 county, city, or village from a licensed lottery operator shall be
20 considered public funds, and public funds ~~shall~~ does not include
21 amounts awarded as prizes;

22 (8) Adopted budget statement ~~shall mean~~ means a proposed
23 budget statement which has been adopted or amended and adopted
24 as provided in section 13-506. Such term ~~shall include~~ includes
25 additions, if any, to an adopted budget statement made by a revised

1 budget which has been adopted as provided in section 13-511;

2 (9) Special reserve fund ~~shall mean~~ means any special
3 fund set aside by the governing body for a particular purpose and
4 not available for expenditure for any other purpose. Funds created
5 for (a) the retirement of bonded indebtedness, (b) the funding
6 of employee pension plans, (c) the purposes of the Political
7 Subdivisions Self-Funding Benefits Act, (d) the purposes of the
8 Local Option Municipal Economic Development Act, (e) voter-approved
9 sinking funds, (f) statutorily authorized sinking funds, or (g) the
10 distribution of property tax receipts by a learning community to
11 member school districts shall be considered special reserve funds;

12 (10) Biennial period ~~shall mean~~ means the two fiscal
13 years comprising a biennium commencing in odd-numbered years used
14 by a city in determining and carrying on its financial and taxing
15 affairs; and

16 (11) Biennial budget ~~shall mean~~ means a budget by a
17 city of the primary or metropolitan class that adopts a charter
18 provision providing for a biennial period to determine and carry on
19 the city's financial and taxing affairs.

20 Sec. 5. Section 13-518, Revised Statutes Cumulative
21 Supplement, 2006, is amended to read:

22 13-518 For purposes of sections 13-518 to 13-522:

23 (1) Allowable growth means ~~(a) for governmental units~~
24 ~~other than community colleges,~~ the percentage increase in taxable
25 valuation in excess of the base limitation established under

1 section 77-3446, if any, due to improvements to real property as
2 a result of new construction, additions to existing buildings,
3 any improvements to real property which increase the value of
4 such property, and any increase in valuation due to annexation
5 and any personal property valuation over the prior year; and (b)
6 ~~for community colleges, (i) for fiscal years prior to fiscal year~~
7 ~~2003-04 and after fiscal year 2004-05, the percentage increase in~~
8 ~~excess of the base limitation, if any, in full-time equivalent~~
9 ~~students from the second year to the first year preceding the~~
10 ~~year for which the budget is being determined, and (ii) for fiscal~~
11 ~~year 2003-04 and fiscal year 2004-05, the percentage increase in~~
12 ~~full-time equivalent students from the second year to the first~~
13 ~~year preceding the year for which the budget is being determined;~~

14 (2) Capital improvements means (a) acquisition of real
15 property or (b) acquisition, construction, or extension of any
16 improvements on real property;

17 (3) Governing body has the same meaning as in section
18 13-503;

19 (4) Governmental unit means every political subdivision
20 which has authority to levy a property tax or authority to
21 request levy authority under section 77-3443 except sanitary and
22 improvement districts which have been in existence for five years
23 or less and school districts;

24 (5) Qualified sinking fund means a fund or funds
25 maintained separately from the general fund to pay for acquisition

1 or replacement of tangible personal property with a useful life of
2 five years or more which is to be undertaken in the future but
3 is to be paid for in part or in total in advance using periodic
4 payments into the fund. The term includes sinking funds under
5 subdivision (13) of section 35-508 for firefighting and rescue
6 equipment or apparatus;

7 (6) Restricted funds means (a) property tax, excluding
8 any amounts refunded to taxpayers, (b) payments in lieu of property
9 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)
10 state aid, (f) transfers of surpluses from any user fee, permit
11 fee, or regulatory fee if the fee surplus is transferred to fund a
12 service or function not directly related to the fee and the costs
13 of the activity funded from the fee, (g) any funds excluded from
14 restricted funds for the prior year because they were budgeted for
15 capital improvements but which were not spent and are not expected
16 to be spent for capital improvements, (h) the tax provided in
17 sections 77-27,223 to 77-27,227 beginning in the second fiscal year
18 in which the county will receive a full year of receipts, and (i)
19 any excess tax collections returned to the county under section
20 77-1776; and

21 (7) State aid means:

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

24 (b) For municipalities, state aid to municipalities
25 paid pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190,

1 77-27,136, and 77-27,139.04 and insurance premium tax paid to
 2 municipalities;

3 (c) For counties, state aid to counties paid pursuant
 4 to sections 39-2501 to 39-2520, 47-119.01, 60-3,184 to 60-3,190,
 5 77-27,136, and 77-3618, insurance premium tax paid to counties,
 6 and reimbursements to counties from funds appropriated pursuant to
 7 section 29-3933;

8 ~~(d) For community colleges, state aid to community~~
 9 ~~colleges paid under sections 85-1536 to 85-1537;~~

10 ~~(e)~~ (d) For natural resources districts, state aid to
 11 natural resources districts paid pursuant to section 77-27,136;

12 ~~(f)~~ (e) For educational service units, state aid
 13 appropriated under section 79-1241; and

14 ~~(g)~~ (f) For local public health departments as defined in
 15 section 71-1626, state aid as distributed under section 71-1628.08.

16 Sec. 6. Section 13-519, Revised Statutes Cumulative
 17 Supplement, 2006, is amended to read:

18 13-519 ~~(1)(a) Subject to subdivision (1)(b) of this~~
 19 ~~section, for~~ (1) For all fiscal years beginning on or after July
 20 1, 1998, no governmental unit shall adopt a budget containing
 21 a total of budgeted restricted funds more than the last prior
 22 year's total of budgeted restricted funds plus allowable growth
 23 plus the basic allowable growth percentage of the base limitation
 24 established under section 77-3446. For the second fiscal year in
 25 which a county will receive a full year of receipts from the tax

1 imposed in sections 77-27,223 to 77-27,227, the prior year's total
2 of restricted funds shall be the prior year's total of restricted
3 funds plus the total receipts from the tax imposed in sections
4 77-27,223 to 77-27,227 in the prior year. If a governmental unit
5 transfers the financial responsibility of providing a service
6 financed in whole or in part with restricted funds to another
7 governmental unit or the state, the amount of restricted funds
8 associated with providing the service shall be subtracted from
9 the last prior year's total of budgeted restricted funds for the
10 previous provider and may be added to the last prior year's total
11 of restricted funds for the new provider. For governmental units
12 that have consolidated, the calculations made under this section
13 for consolidating units shall be made based on the combined total
14 of restricted funds, population, or full-time equivalent students
15 of each governmental unit.

16 ~~(b) For all fiscal years beginning on or after July 1,~~
17 ~~2005, the last prior year's total of budgeted restricted funds~~
18 ~~shall be increased for a community college area by adding to such~~
19 ~~area's fiscal year base-year revenue the amount of revenue to be~~
20 ~~collected under subdivision (2)(c) of section 85-1517 that is in~~
21 ~~excess of the amount budgeted under this subdivision in the prior~~
22 ~~fiscal year.~~

23 (2) A governmental unit may exceed the limit provided in
24 subdivisions ~~(1)(a)~~ and ~~(b)~~ subsection (1) of this section for a
25 fiscal year by up to an additional one percent upon the affirmative

1 vote of at least seventy-five percent of the governing body.

2 (3) A governmental unit may exceed the applicable
3 allowable growth percentage otherwise prescribed in this section
4 by an amount approved by a majority of legal voters voting on
5 the issue at a special election called for such purpose upon the
6 recommendation of the governing body or upon the receipt by the
7 county clerk or election commissioner of a petition requesting an
8 election signed by at least five percent of the legal voters of
9 the governmental unit. The recommendation of the governing body
10 or the petition of the legal voters shall include the amount
11 and percentage by which the governing body would increase its
12 budgeted restricted funds for the ensuing year over and above
13 the current year's budgeted restricted funds. The county clerk or
14 election commissioner shall call for a special election on the
15 issue within fifteen days after the receipt of such governing body
16 recommendation or legal voter petition. The election shall be held
17 pursuant to the Election Act, and all costs shall be paid by the
18 governing body. The issue may be approved on the same question as a
19 vote to exceed the levy limits provided in section 77-3444.

20 (4) In lieu of the election procedures in subsection (3)
21 of this section, any governmental unit may exceed the allowable
22 growth percentage otherwise prescribed in this section by an amount
23 approved by a majority of legal voters voting at a meeting of
24 the residents of the governmental unit, called after notice is
25 published in a newspaper of general circulation in the governmental

1 unit at least twenty days prior to the meeting. At least ten
2 percent of the registered voters residing in the governmental unit
3 shall constitute a quorum for purposes of taking action to exceed
4 the allowable growth percentage. If a majority of the registered
5 voters present at the meeting vote in favor of exceeding the
6 allowable growth percentage, a copy of the record of that action
7 shall be forwarded to the Auditor of Public Accounts along with
8 the budget documents. The issue to exceed the allowable growth
9 percentage may be approved at the same meeting as a vote to exceed
10 the limits or final levy allocation provided in section 77-3444.

11 Sec. 7. Section 13-916, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 13-916 The governing body of any political subdivision,
14 including any school district, or educational service unit, ~~or~~
15 ~~community college,~~ may purchase a policy of liability insurance
16 insuring against all or any part of the liability which might be
17 incurred under the Political Subdivisions Tort Claims Act and also
18 may purchase insurance covering those claims specifically excepted
19 from the coverage of the act by section 13-910. Any independent
20 or autonomous board or commission in the political subdivision
21 having authority to disburse funds for a particular purpose of
22 the subdivision without approval of the governing body also may
23 procure liability insurance within the field of its operation.
24 The procurement of insurance shall constitute a waiver of the
25 defense of governmental immunity as to those exceptions listed

1 in section 13-910 to the extent and only to the extent stated
2 in such policy. The existence or lack of insurance shall not be
3 material in the trial of any suit except to the extent necessary
4 to establish any such waiver. Whenever a claim or suit against a
5 political subdivision is covered by liability insurance or by group
6 self-insurance provided by a risk management pool, the provisions
7 of the insurance policy on defense and settlement or the provisions
8 of the agreement forming the risk management pool and related
9 documents providing for defense and settlement of claims covered
10 under such group self-insurance shall be applicable notwithstanding
11 any inconsistent provisions of the act.

12 Sec. 8. Section 13-1612, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 13-1612 Political subdivision shall include villages,
15 cities, counties, school districts, public power districts,
16 ~~community colleges,~~ natural resources districts, and all other
17 units of local government.

18 Sec. 9. Section 13-2202, Revised Statutes Cumulative
19 Supplement, 2006, is amended to read:

20 13-2202 For purposes of the Local Government
21 Miscellaneous Expenditure Act:

22 (1) Elected and appointed officials and employees ~~shall~~
23 ~~mean~~ means the elected and appointed officials and employees of any
24 local government;

25 (2) Governing body ~~shall mean,~~ means, in the case of

1 a city of any class, the council; in the case of a village,
2 cemetery district, community hospital for two or more adjoining
3 counties, county hospital, road improvement district, sanitary
4 drainage district, or sanitary and improvement district, the board
5 of trustees; in the case of a county, the county board; in
6 the case of a municipal county, the council; in the case of a
7 township, the town board; in the case of a school district, the
8 school board; in the case of a rural or suburban fire protection
9 district, reclamation district, natural resources district, or
10 hospital district, the board of directors; in the case of a health
11 district, the board of health; in the case of an educational
12 service unit, the board; ~~in the case of a community college, the~~
13 ~~Community College Board of Governors for the area the board serves,~~
14 in the case of an airport authority, the airport authority board;
15 in the case of a weed control authority, the board; and in the case
16 of a county agricultural society, the board of governors;

17 (3) Local government ~~shall mean~~ means cities of any
18 class, villages, cemetery districts, community hospitals for two
19 or more adjoining counties, county hospitals, road improvement
20 districts, counties, townships, sanitary drainage districts,
21 sanitary and improvement districts, school districts, rural
22 or suburban fire protection districts, reclamation districts,
23 natural resources districts, hospital districts, health districts,
24 educational service units, ~~community colleges,~~ airport authorities,
25 weed control authorities, and county agricultural societies;

1 (4) Public funds ~~shall mean~~ means such public funds as
2 defined in section 13-503 as are under the direct control of
3 governing bodies of local governments;

4 (5) Public meeting ~~shall mean~~ means all regular, special,
5 or called meetings, formal or informal, of any governing body for
6 the purposes of briefing, discussion of public business, formation
7 of tentative policy, or the taking of any action of the governing
8 body; and

9 (6) Volunteer ~~shall mean~~ means a person who is not an
10 elected or appointed official or an employee of a local government
11 and who, at the request or with the permission of the local
12 government, engages in activities related to the purposes or
13 functions of the local government or for its general benefit.

14 Sec. 10. Section 18-2115, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 18-2115 (1) The governing body of the city shall
17 hold a public hearing on any redevelopment plan or substantial
18 modification thereof recommended by the authority, after reasonable
19 public notice thereof by publication at least once a week for two
20 consecutive weeks in a legal newspaper of general circulation in
21 the community, the time of the hearing to be at least ten days from
22 the last publication. The notice shall describe the time, date,
23 place, and purpose of the hearing and shall specifically identify
24 the area to be redeveloped under the plan. All interested parties
25 shall be afforded at such public hearing a reasonable opportunity

1 to express their views respecting the proposed redevelopment plan.

2 (2) Except as provided in subsection (3) of this section,
3 the governing body of the city or such other division of the
4 city or person as the governing body shall designate shall, at
5 least ten days prior to the public hearing required by subsection
6 (1) of this section, mail notice of the hearing by first-class
7 United States mail, postage prepaid, or by certified mail to all
8 registered neighborhood associations whose area of representation
9 is located in whole or in part within a one-mile radius of the
10 area to be redeveloped and to the president or chairperson of the
11 governing body of each county, school district, ~~community college,~~
12 educational service unit, and natural resources district in which
13 the real property subject to such plan or major modification is
14 located and whose property tax receipts would be directly affected.
15 The notice shall set out the time, date, place, and purpose of the
16 hearing and shall include a map of sufficient size to show the area
17 to be redeveloped.

18 (3) If the planning board or planning commission of
19 the city will conduct a public hearing on the redevelopment
20 plan or substantial modification thereof, the governing body of
21 the city or such other division of the city or person as the
22 governing body shall designate shall, at least ten days prior
23 to the public hearing, mail notice of the hearing by first-class
24 United States mail, postage prepaid, or by certified mail to all
25 registered neighborhood associations whose area of representation

1 is located in whole or in part within a one-mile radius of the
2 area to be redeveloped and to the president or chairperson of the
3 governing body of each county, school district, ~~community college,~~
4 educational service unit, and natural resources district in which
5 the real property subject to such plan or major modification is
6 located and whose property tax receipts would be directly affected.
7 The notice shall set out the time, date, place, and purpose of the
8 hearing and shall include a map of sufficient size to show the area
9 to be redeveloped. If the registered neighborhood association has
10 been given notice of the public hearing to be held by the planning
11 board or planning commission in conformity with the provisions of
12 this subsection, the governing body or its designee shall not be
13 required to comply with the notice requirements of subsection (2)
14 of this section.

15 (4) Each neighborhood association desiring to receive
16 notice of any hearing as provided in this section shall register
17 with the city's planning department or, if there is no planning
18 department, with the city clerk. The registration shall include
19 a description of the area of representation of the association
20 and the name and address of the individual designated by the
21 association to receive the notice on its behalf. Registration of
22 the neighborhood association for the purposes of this section shall
23 be accomplished in accordance with such other rules and regulations
24 as may be adopted and promulgated by the city.

25 Sec. 11. Section 32-567, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 32-567 Vacancies in office shall be filled as follows:

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

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

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

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

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

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

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

18 ~~(8)~~ (7) In offices in educational service units,
19 according to section 79-1217;

20 ~~(9)~~ (8) In offices in hospital districts, according to
21 section 23-3534;

22 ~~(10)~~ (9) In offices in metropolitan utilities districts,
23 according to section 14-2104;

24 ~~(11)~~ (10) In membership on airport authority boards,
25 according to section 3-502, 3-611, or 3-703, as applicable;

1 ~~(12)~~ (11) In membership on the board of trustees of a
2 road improvement district, according to section 39-1607; and

3 ~~(13)~~ (12) In membership on the council of a municipal
4 county, by the council.

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

8 Sec. 12. Section 32-607, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 32-607 All candidate filing forms shall contain the
11 following statement: I hereby swear that I will abide by the laws
12 of the State of Nebraska regarding the results of the primary and
13 general elections, that I am a registered voter and qualified to be
14 elected, and that I will serve if elected. Candidate filing forms
15 shall be filed with the following filing officers:

16 (1) For candidates for national, state, or congressional
17 office, directors of public power and irrigation districts,
18 directors of reclamation districts, directors of natural resources
19 districts, members at large of the boards of educational service
20 units, ~~members of governing boards of community colleges,~~ delegates
21 to national conventions, and other offices filled by election held
22 in more than one county and judges desiring retention, in the
23 office of the Secretary of State;

24 (2) For officers elected within a county, in the office
25 of the election commissioner or county clerk. If the candidate is

1 not a resident of the county, he or she shall submit a certificate
2 of registration obtained under section 32-316 with the candidate
3 filing form;

4 (3) For representatives from the county in which they
5 reside on the boards of educational service units, in the office of
6 the election commissioner or county clerk;

7 (4) For officers in school districts which include land
8 in adjoining counties, in the office of the election commissioner
9 or county clerk of the county in which the greatest number of
10 registered voters entitled to vote for the officers reside. If the
11 candidate is not a resident of the county, he or she shall submit a
12 certificate of registration obtained under section 32-316 with the
13 candidate filing form; and

14 (5) For city or village officers, in the office of the
15 city or village clerk, except that in the case of joint elections,
16 the filing may be either in the office of the election commissioner
17 or county clerk or in the office of the city or village clerk with
18 deputized personnel. When the city or village clerk is deputized to
19 take filings, he or she shall return all filings to the office of
20 the election commissioner or county clerk by the end of the next
21 business day following the filing deadline.

22 Sec. 13. Section 32-608, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 32-608 (1) Except as provided in subsection (4) or (5) of
25 this section, a filing fee shall be paid by or on behalf of each

1 candidate prior to filing for office. For candidates who file in
2 the office of the Secretary of State as provided in subdivision (1)
3 of section 32-607, the filing fee shall be paid to the Secretary
4 of State who shall remit the fee to the State Treasurer for credit
5 to the Election Administration Fund. For candidates for any city or
6 village office, the filing fee shall be paid to the city or village
7 treasurer of the city or village in which the candidate resides.
8 For candidates who file in the office of the election commissioner
9 or county clerk, the filing fee shall be paid to the election
10 commissioner or county clerk in the county in which the office
11 is sought. The election commissioner or county clerk shall remit
12 the fee to the county treasurer. The fee shall be placed in the
13 general fund of the county, city, or village. No candidate filing
14 forms shall be filed until the proper payment or the proper receipt
15 showing the payment of such filing fee is presented to the filing
16 officer. On the day of the filing deadline, the city or village
17 treasurer's office shall remain open to receive filing fees until
18 the hour of the filing deadline.

19 (2) Except as provided in subsection (4) or (5) of this
20 section, the filing fees shall be as follows:

21 (a) For the office of United States Senator, state
22 officers, including members of the Legislature, Representatives in
23 Congress, county officers, and city or village officers, except the
24 mayor or council members of cities having a home rule charter, a
25 sum equal to one percent of the annual salary such candidate will

1 receive if he or she is elected and qualifies for the office for
2 which he or she files as a candidate;

3 (b) For directors of public power and irrigation
4 districts in districts receiving annual gross revenue of forty
5 million dollars or more, twenty-five dollars, and in districts
6 receiving annual gross revenue of less than forty million dollars,
7 ten dollars;

8 (c) For directors of reclamation districts, ten dollars;
9 and

10 (d) For Regents of the University of Nebraska, members
11 of the State Board of Education, and directors of metropolitan
12 utilities districts, twenty-five dollars.

13 (3) All declared write-in candidates shall pay the filing
14 fees that are required for the office at the time that they present
15 the write-in affidavit to the filing officer. Any undeclared
16 write-in candidate who is nominated or elected by write-in votes
17 shall pay the filing fee required for the office within ten days
18 after the canvass of votes by the county canvassing board and
19 shall file the receipt with the person issuing the certificate of
20 nomination or the certificate of election prior to the certificate
21 being issued.

22 (4) No filing fee shall be required for any candidate
23 filing for an office in which a per diem is paid rather than a
24 salary or for which there is a salary of less than five hundred
25 dollars per year. No filing fee shall be required for any candidate

1 for membership on a school board, on the board of an educational
2 service unit, ~~on the board of governors of a community college~~
3 ~~area~~, on the board of directors of a natural resources district, or
4 on the board of trustees of a sanitary and improvement district.

5 (5) No filing fee shall be required of any candidate
6 completing an affidavit requesting to file for elective office in
7 forma pauperis. A pauper shall mean a person whose income and other
8 resources for maintenance are found under assistance standards to
9 be insufficient for meeting the cost of his or her requirements and
10 whose reserve of cash or other available resources does not exceed
11 the maximum available resources that an eligible individual may
12 own. Available resources shall include every type of property or
13 interest in property that an individual owns and may convert into
14 cash except:

15 (a) Real property used as a home;

16 (b) Household goods of a moderate value used in the home;

17 and

18 (c) Assets to a maximum value of three thousand
19 dollars used by a recipient in a planned effort directed towards
20 self-support.

21 (6) If any candidate dies prior to an election, the
22 spouse of the candidate may file a claim for refund of the filing
23 fee with the proper governing body prior to the date of the
24 election. Upon approval of the claim by the proper governing body,
25 the filing fee shall be refunded.

1 Sec. 14. Section 32-811, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 32-811 (1) If the names of candidates properly filed
4 for nomination at the primary election for directors of natural
5 resources districts, directors of public power districts, directors
6 of reclamation districts, ~~members of the boards of governors of~~
7 ~~community college areas,~~ members of the boards of Class III school
8 districts which nominate candidates at a primary election, and
9 officers of cities of the first or second class and cities having
10 a city manager plan of government do not exceed two candidates
11 for each position to be filled, any such candidates shall be
12 declared nominated and their names shall not appear on any primary
13 election ballots. The official abstract of votes kept by the
14 county or state shall show the names of such candidates with the
15 statement Nominated Without Opposition. The election commissioner
16 or county clerk shall place the names of such automatically
17 nominated candidates on the general election ballot as provided in
18 section 32-814.

19 (2) Candidates shall not appear on the ballot in the
20 primary election for the board of directors in public power
21 districts receiving annual gross revenue of less than forty million
22 dollars, for county weed district boards, and for the board of
23 trustees in villages.

24 (3) If the number of candidates for delegates to a county
25 or national political party convention are the same in number or

1 less than the number of candidates to be elected, the names shall
2 not appear on the primary election ballot and those so filed shall
3 receive a certificate of election.

4 Sec. 15. Section 32-1203, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 32-1203 (1) Each city, village, school district, public
7 power district, sanitary and improvement district, metropolitan
8 utilities district, fire district, natural resources district,
9 ~~community college area,~~ educational service unit, hospital
10 district, reclamation district, and library board shall pay for
11 the costs of nominating and electing its officers as provided in
12 subsection (2), (3), or (4) of this section. If a special issue
13 is placed on the ballot at the time of the statewide primary
14 or general election by any political subdivision, the political
15 subdivision shall pay for the costs of the election as provided
16 in subsection (2), (3), or (4) of this section. The districts
17 listed in this subsection shall furnish to the Secretary of State
18 and election commissioner or county clerk any maps and additional
19 information which the election commissioner or county clerk may
20 require in the proper performance of their duties in the conduct of
21 elections and certification of results.

22 (2) The charge for each primary and general election
23 shall be determined by (a) ascertaining the total cost of all
24 chargeable costs as described in section 32-1202, (b) dividing the
25 total cost by the number of precincts participating in the election

1 to fix the cost per precinct, (c) prorating the cost per precinct
2 by the inked ballot inch in each precinct for each political
3 subdivision, and (d) totaling the cost for each precinct for each
4 political subdivision.

5 (3) In lieu of the charge determined pursuant to
6 subsection (2) of this section, the election commissioner or
7 county clerk may charge public power districts the fee for election
8 costs set by section 70-610.

9 (4) In lieu of the charge determined pursuant to
10 subsection (2) of this section, the election commissioner or
11 county clerk may bill school districts directly for the costs of an
12 election held under section 10-703.01.

13 Sec. 16. Section 32-1301, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 32-1301 For purposes of sections 32-1301 to 32-1309,
16 filing clerk ~~shall mean~~ means the election commissioner or county
17 clerk for recall of elected officers of cities, villages, counties,
18 irrigation districts, natural resources districts, public power
19 districts, school districts, ~~community college areas,~~ educational
20 service units, hospital districts, and metropolitan utilities
21 districts.

22 Sec. 17. Section 32-1302, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 32-1302 (1) Except for trustees of sanitary and
25 improvement districts, any elected official of a political

1 subdivision and any elected member of the governing bodies of
2 cities, villages, counties, irrigation districts, natural resources
3 districts, public power districts, school districts, ~~community~~
4 ~~college areas~~, educational service units, hospital districts, and
5 metropolitan utilities districts may be removed from office by
6 recall pursuant to sections 32-1301 to 32-1309. A trustee of a
7 sanitary and improvement district may be removed from office by
8 recall pursuant to sections 31-786 to 31-793.

9 (2) If due to reapportionment the boundaries of the area
10 served by the official or body change, the recall procedure and
11 special election provisions of sections 32-1301 to 32-1309 shall
12 apply to the registered voters within the boundaries of the new
13 area.

14 (3) The recall procedure and special election provisions
15 of such sections shall apply to members of the governing bodies
16 listed in subsection (1) of this section, other than sanitary and
17 improvement districts, who are elected by precinct, district, or
18 subdistrict of the political subdivision. Only registered voters of
19 such member's precinct, district, or subdistrict may sign a recall
20 petition or vote at the recall election. The recall election shall
21 be held within the member's precinct, district, or subdistrict.
22 When an elected member is nominated by precinct, district, or
23 subdistrict in the primary election and elected at large in
24 the general election, the recall provisions shall apply to the
25 registered voters at the general election.

1 (4) The recall procedure and special election provisions
2 shall apply to the mayor and members of the city council
3 of municipalities with a home rule charter notwithstanding any
4 contrary provisions of the home rule charter.

5 Sec. 18. Section 44-1615, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 44-1615 Any political subdivision, ~~community college,~~
8 municipal corporation, or public body of the State of Nebraska,
9 except a state agency defined in section 81-8,239.01, may
10 establish, participate in, and administer plans for the benefit of
11 its employees or its employees and their dependents, which will
12 provide hospitalization, medical, surgical, sickness and accident,
13 and term life insurance coverage or any one or more of such
14 coverages. The plans shall be purchased from an insurer holding
15 a certificate of authority to transact the business of insurance
16 in this state except as provided in the Political Subdivisions
17 Self-Funding Benefits Act.

18 Sec. 19. Section 48-621, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 48-621 (1) The administrative fund shall consist of the
21 Employment Security Administration Fund and the Employment Security
22 Special Contingent Fund. Each fund shall be maintained as a
23 separate and distinct account in all respects, as follows:

24 (a) There is hereby created in the state treasury a
25 special fund to be known as the Employment Security Administration

1 Fund. All money credited to this fund is hereby appropriated and
2 made available to the Commissioner of Labor. All money in this
3 fund shall be expended solely for the purposes and in the amounts
4 found necessary as defined by the specific federal programs, state
5 statutes, and contract obligations for the proper and efficient
6 administration of all programs of the Department of Labor. The
7 fund shall consist of all money appropriated by this state and
8 all money received from the United States of America or any
9 agency thereof, including the Department of Labor and the Railroad
10 Retirement Board, or from any other source for such purpose.
11 Money received from any agency of the United States or any other
12 state as compensation for services or facilities supplied to
13 such agency, any amounts received pursuant to any surety bond or
14 insurance policy for losses sustained by the Employment Security
15 Administration Fund or by reason of damage to equipment or supplies
16 purchased from money in such fund, and any proceeds realized from
17 the sale or disposition of any equipment or supplies which may no
18 longer be necessary for the proper administration of such programs
19 shall also be credited to this fund. All money in this fund
20 shall be deposited, administered, and disbursed in the same manner
21 and under the same conditions and requirements as is provided by
22 law for other special funds in the state treasury. Any balances
23 in this fund, except balances of money therein appropriated from
24 the General Fund of this state, shall not lapse at any time but
25 shall be continuously available to the commissioner for expenditure

1 consistent with the Employment Security Law. Any money in the
2 Employment Security Administration Fund available for investment
3 shall be invested by the state investment officer pursuant to
4 the Nebraska Capital Expansion Act and the Nebraska State Funds
5 Investment Act; and

6 (b) There is hereby created in the state treasury a
7 special fund to be known as the Employment Security Special
8 Contingent Fund. Any money in the Employment Security Special
9 Contingent Fund available for investment shall be invested by
10 the state investment officer pursuant to the Nebraska Capital
11 Expansion Act and the Nebraska State Funds Investment Act. All
12 money collected under section 48-655 as interest on delinquent
13 contributions, less refunds, shall be credited to this fund from
14 the clearing account of the Unemployment Compensation Fund at the
15 end of each calendar quarter. Such money shall not be expended
16 or available for expenditure in any manner which would permit its
17 substitution for or a corresponding reduction in federal funds
18 which would in the absence of such money be available to finance
19 expenditures for the administration of the unemployment insurance
20 law, but nothing in this section shall prevent the money from being
21 used as a revolving fund to cover expenditures necessary and proper
22 under the law for which federal funds have been duly requested
23 but not yet received, subject to the charging of such expenditures
24 against such federal funds when received. The money in this fund
25 may be used by the Commissioner of Labor only as follows:

1 (i) To replace within a reasonable time any money
2 received by this state pursuant to section 302 of the federal
3 Social Security Act, as amended, and required to be paid under
4 section 48-622;

5 (ii) To meet special extraordinary and contingent
6 expenses which are deemed essential for good administration but
7 which are not provided in grants from the Secretary of Labor of the
8 United States and, for this purpose, no expenditures shall be made
9 from this fund except on written authorization by the Governor at
10 the request of the Commissioner of Labor; and

11 ~~(iii) To be transferred to the Nebraska Community College~~
12 ~~Aid Cash Fund; and~~

13 ~~(iv)~~ (iii) To be transferred to the Job Training Cash
14 Fund.

15 (2) (a) Money credited to the account of this state in
16 the Unemployment Trust Fund by the United States Secretary of the
17 Treasury pursuant to section 903 of the Social Security Act may
18 not be requisitioned from this state's account or used except for
19 the payment of benefits and for the payment of expenses incurred
20 for the administration of the Employment Security Law and public
21 employment offices. Such money may be requisitioned pursuant to
22 section 48-619 for the payment of benefits. Such money may also
23 be requisitioned and used for the payment of expenses incurred
24 for the administration of the Employment Security Law and public
25 employment offices but only pursuant to a specific appropriation

1 by the Legislature and only if the expenses are incurred and
2 the money is requisitioned after the date of enactment of an
3 appropriation law which specifies the purposes for which such
4 money is appropriated and the amounts appropriated therefor. Such
5 appropriation is subject to the following conditions:

6 (i) The period within which such money may be obligated
7 is limited to a period ending not more than two years after the
8 effective date of the appropriation law; and

9 (ii) The amount which may be obligated is limited to an
10 amount which does not exceed the amount by which the aggregate of
11 the amounts transferred to the account of this state pursuant to
12 section 903 of the Social Security Act exceeds the aggregate of the
13 amounts used by this state pursuant to the Employment Security Law
14 and charged against the amounts transferred to the account of this
15 state.

16 (b) For purposes of subdivision (2)(a)(ii) of this
17 section, the amounts obligated under an appropriation for the
18 administrative purposes described in such subdivision shall
19 be charged against transferred amounts at the exact time the
20 obligation is entered into.

21 (c) The appropriation, obligation, and expenditure or
22 other disposition of money appropriated under this subsection shall
23 be accounted for in accordance with standards established by the
24 United States Secretary of Labor.

25 (d) Money appropriated as provided in this subsection for

1 the payment of expenses of administration shall be requisitioned
2 as needed for the payment of obligations incurred under such
3 appropriation and, upon requisition, shall be credited to the
4 Employment Security Administration Fund from which such payments
5 shall be made. Money so credited shall, until expended, remain
6 a part of the Employment Security Administration Fund and, if it
7 will not be immediately expended, shall be returned promptly to the
8 account of this state in the Unemployment Trust Fund.

9 (e) Notwithstanding subdivision (2)(a) of this section,
10 money credited with respect to federal fiscal years 1999,
11 2000, and 2001 shall be used solely for the administration of
12 the unemployment compensation program and are not subject to
13 appropriation by the Legislature.

14 (3) There is hereby appropriated out of the funds made
15 available to this state in federal fiscal year 2002 under section
16 903(d) of the federal Social Security Act, as amended, the sum
17 of \$6,800,484, or so much thereof as may be necessary, to be
18 used, under the direction of the Department of Labor, for the
19 administration of the Employment Security Law and public employment
20 offices. The expenditure or other disposition of money appropriated
21 under this subsection shall be accounted for in accordance with
22 standards established by the United States Secretary of Labor.
23 Reed Act distributions appropriated pursuant to this subsection
24 may be amortized with federal grant funds provided pursuant to
25 Title III of the federal Social Security Act and the federal

1 Wagner-Peyser Act for the purpose of administering the state
2 unemployment compensation and employment service programs to the
3 extent allowed under such acts and the regulations adopted pursuant
4 thereto. Except as specifically provided in this subsection, all
5 provisions of subsection (2) of this section, except subdivision
6 (2)(a)(i) of this section, shall apply to this appropriation.
7 The commissioner shall submit an annual report to the Governor,
8 the Speaker of the Legislature, and the chairpersons of the
9 Appropriations Committee and the Business and Labor Committee
10 of the Legislature describing expenditures made pursuant to this
11 subsection.

12 Sec. 20. Section 48-622.03, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 48-622.03 (1) There is hereby created as of January
15 1, 1996, the Nebraska Worker Training Board consisting of seven
16 members appointed and serving for terms determined by the Governor
17 as follows:

18 (a) A member of the state advisory council created in
19 section 48-610 who is a representative of employers in Nebraska;

20 (b) A member of the council who is a representative of
21 employees in Nebraska;

22 (c) A member of the council who is a representative of
23 the public;

24 (d) The Commissioner of Labor or a designee;

25 (e) The Director of Economic Development or a designee;

1 (f) The Commissioner of Education or a designee; and

2 (g) ~~The chairperson of the governing board of the~~
3 ~~Nebraska Community College Association or a designee.~~ One member of
4 one of the advisory boards created under section 58 of this act.

5 (2) Beginning July 1, 1996, and annually thereafter,
6 the Governor shall appoint a chairperson for the board. The
7 chairperson shall be either the representative of the employers,
8 the representative of the employees, or the representative of the
9 public.

10 (3) Beginning July 1, 1996, and annually thereafter
11 the board shall prepare an annual program plan for the upcoming
12 fiscal year containing guidelines for the program financed by the
13 Nebraska Training and Support Trust Fund. The guidelines shall
14 include, but not be limited to, guidelines for certifying training
15 providers, criteria for evaluating requests for the use of money
16 under section 48-622.02, and guidelines for requiring employers to
17 provide matching funds.

18 (4) Beginning September 1, 1997, and annually thereafter,
19 the board shall provide a report to the Governor covering the
20 activities of the program financed by the Nebraska Training and
21 Support Trust Fund for the previous fiscal year. The report shall
22 contain an assessment of the effectiveness of the program and its
23 administration.

24 Sec. 21. Section 48-811.02, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 48-811.02 (1) This section ~~shall apply~~ applies only if
2 the employer is a school district, or an educational service unit,
3 ~~or a community college,~~ and this section ~~shall~~ does not apply if
4 the employer is the state or any other political subdivision of the
5 state.

6 (2) After a petition has been filed under section 48-811,
7 if the parties are eligible pursuant to subsection (1) of this
8 section and both parties agree, they may request the appointment of
9 a special master. The commission shall provide the parties with the
10 names of five individuals qualified to serve as the special master.
11 If the parties cannot agree on an individual, each party shall
12 alternately strike names. The remaining individual shall serve as
13 the special master. The special master shall have the authority to:

14 (a) Determine whether the issues are ready for
15 adjudication;

16 (b) Identify for resolution terms and conditions of
17 employment that are in dispute and which were negotiated in good
18 faith but upon which no agreement was reached;

19 (c) Accept stipulations;

20 (d) Schedule hearings;

21 (e) Prescribe rules of conduct for the hearings;

22 (f) Order additional mediation if necessary; and

23 (g) Take any other action which may aid in resolution of
24 the industrial dispute.

25 (3) The special master may consult with a party ex parte

1 only with the concurrence of all parties.

2 (4) The special master shall choose the most reasonable
3 final offer on each issue in dispute. In making such choice, he
4 or she shall consider factors relevant to collective bargaining
5 between public employers and public employees, including comparable
6 rates of pay and conditions of employment as described in section
7 48-818. The special master shall not apply strict rules of
8 evidence. Persons who are not attorneys may present cases to
9 the special master.

10 (5) Should either party to a special master proceeding be
11 dissatisfied with the special master's decision, such party shall
12 have the right to file an action with the commission seeking a
13 determination of terms and conditions of employment pursuant to
14 section 48-818. Such proceeding shall not constitute an appeal
15 of the special master's decision, but rather shall be heard by
16 the commission as an action brought pursuant to section 48-818.
17 The commission shall resolve, pursuant to the mandates of such
18 section, all of the issues identified by either party and which
19 were recognized by the special master as an industrial dispute.
20 Such action shall be filed within thirty days after the filing
21 with the commission of the decision of the special master or the
22 decision of the special master shall be deemed final and binding.

23 (6) For purposes of this section, issue means broad
24 subjects of negotiation which are presented to the special master
25 pursuant to this section. All aspects of wages are a single issue,

1 all aspects of insurance are a single issue, and all other subjects
2 of negotiations classified in broad categories are single issues.

3 Sec. 22. Section 49-506, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 49-506 After the Secretary of State has made the
6 distribution provided by section 49-503, he or she shall deliver
7 additional copies of the session laws and the journal of the
8 Legislature pursuant to this section in print or electronic format
9 as he or she determines, upon recommendation by the Clerk of the
10 Legislature and approval of the Executive Board of the Legislative
11 Council.

12 One copy of the session laws shall be delivered to
13 the Lieutenant Governor, the State Treasurer, the Auditor of
14 Public Accounts, the Reporter of the Supreme Court and Court of
15 Appeals, the State Court Administrator, the State Fire Marshal,
16 the Department of Administrative Services, the Department of
17 Aeronautics, the Department of Agriculture, the Department of
18 Banking and Finance, the State Department of Education, the
19 Department of Environmental Quality, the Department of Insurance,
20 the Department of Labor, the Department of Motor Vehicles, the
21 Department of Property Assessment and Taxation, the Department
22 of Revenue, the Department of Roads, the Department of Veterans'
23 Affairs, the Department of Natural Resources, the Military
24 Department, the Nebraska State Patrol, the Nebraska Commission
25 on Law Enforcement and Criminal Justice, each of the Nebraska

1 state colleges, each of the community colleges, the Game and
2 Parks Commission, the Nebraska Library Commission, the Nebraska
3 Liquor Control Commission, the Nebraska Accountability and
4 Disclosure Commission, the Public Service Commission, the State
5 Real Estate Commission, the Nebraska State Historical Society,
6 the Public Employees Retirement Board, the Risk Manager, the
7 Legislative Fiscal Analyst, the Public Counsel, the materiel
8 division of the Department of Administrative Services, the State
9 Records Administrator, the budget division of the Department
10 of Administrative Services, the Department of Health and Human
11 Services, the Department of Health and Human Services Regulation
12 and Licensure, the Department of Health and Human Services Finance
13 and Support, the Tax Equalization and Review Commission, the
14 inmate library at all state penal and correctional institutions,
15 the Commission on Public Advocacy, and the Library of Congress;
16 two copies to the Governor, the Secretary of State, the
17 Nebraska Workers' Compensation Court, the Commission of Industrial
18 Relations, and the Coordinating Commission for Postsecondary
19 Education; 7 ~~one~~ of which shall be for use by the community
20 ~~colleges~~; four copies to the Nebraska Publications Clearinghouse;
21 five copies to the Attorney General; nine copies to the Revisor of
22 Statutes; sixteen copies to the Supreme Court and the Legislative
23 Council; and thirty-five copies to the University of Nebraska
24 College of Law.

25 One copy of the journal of the Legislature shall be

1 delivered to the Governor, the Lieutenant Governor, the State
2 Treasurer, the Auditor of Public Accounts, the Reporter of the
3 Supreme Court and Court of Appeals, the State Court Administrator,
4 the Nebraska State Historical Society, the Legislative Fiscal
5 Analyst, the Tax Equalization and Review Commission, the Commission
6 on Public Advocacy, and the Library of Congress; two copies to
7 the Secretary of State, the Commission of Industrial Relations,
8 and the Nebraska Workers' Compensation Court; four copies to the
9 Nebraska Publications Clearinghouse; five copies to the Attorney
10 General and the Revisor of Statutes; eight copies to the Clerk
11 of the Legislature; thirteen copies to the Supreme Court and the
12 Legislative Council; and thirty-five copies to the University of
13 Nebraska College of Law. The remaining copies shall be delivered
14 to the State Librarian who shall use the same, so far as required
15 for exchange purposes, in building up the State Library and in the
16 manner specified in sections 49-507 to 49-509.

17 Sec. 23. Section 66-1062, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 66-1062 For purposes of sections 66-1062 to 66-1066:

20 (1) Energy conservation measure means a training,
21 service, or operations program or facility alteration designed to
22 reduce energy consumption. Energy conservation measure includes:

23 (a) Repair or renovation of heating, ventilation, and air
24 conditioning systems;

25 (b) Installation or repair of automated or computerized

1 energy control systems;

2 (c) Replacement or modification of lighting fixtures;

3 (d) Insulation of a building structure or systems within
4 that structure;

5 (e) Installation of energy recovery systems;

6 (f) Installation of cogeneration systems that produce
7 steam or forms of energy such as heat, as well as electricity, for
8 use primarily within a building or complex of buildings;

9 (g) Replacement, weatherstripping, caulking, or other
10 insulation of windows or doors; or

11 (h) Any other measure designed to reduce energy
12 consumption;

13 (2) Energy financing contract means an agreement between
14 an energy service company and a governmental unit for the
15 implementation of one or more energy conservation measures in
16 an existing facility in exchange for a portion of the energy
17 cost savings produced. Energy financing contract includes, but is
18 not limited to, a performance contract, shared-savings contract,
19 guaranteed contract, and lease-purchase contract;

20 (3) Energy service company means a person or business
21 experienced in the implementation and installation of energy
22 conservation measures; and

23 (4) Governmental unit means a school district, ~~community~~
24 ~~college area~~, village, city, county, or department or agency of the
25 State of Nebraska.

1 Sec. 24. Section 72-2302, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 72-2302 It is the purpose of the Public Facilities
4 Construction and Finance Act to allow local governmental units
5 which cooperate with other governmental units to issue bonds
6 to finance joint projects which may be serviced by property
7 taxes, regardless of the restrictions on the issuance of debt
8 contained in other statutory provisions, home rule charters, or the
9 limitations in section 77-3442, for the acquisition, construction,
10 financing, operation, and ownership of (1) public buildings and
11 related improvements to real estate, recreational facilities and
12 related improvements, flood control and storm water drainage, and
13 street and road construction and improvements and (2) information
14 technology for libraries operated by counties, municipalities,
15 school districts, and educational service units. ~~7 and community~~
16 ~~colleges.~~

17 Sec. 25. Section 72-2303, Revised Statutes Cumulative
18 Supplement, 2006, is amended to read:

19 72-2303 For purposes of the Public Facilities
20 Construction and Finance Act:

21 (1) Bond measure means a resolution or ordinance which
22 authorizes bonds to be issued and sold in accordance with the act
23 and which sets the terms of such bonds;

24 (2) Joint project means a project financed and operated
25 by at least two or more qualified public agencies cooperating

1 as a joint entity or joint public agency for (a) any public
2 building or buildings and related improvements to real estate,
3 including parking facilities, any recreational facilities and
4 related improvements to real estate, any flood control and
5 storm water drainage, and any street and road construction and
6 improvements and related fixtures and (b) any item of hardware
7 or software used in providing for the delivery of information,
8 including the purchasing of upgrades or related improvements to
9 information technology for the operation of libraries operated by
10 counties, municipalities, school districts, and educational service
11 units; and ~~and community colleges; and~~

12 (3) Qualified public agency means any city, village,
13 municipal county, ~~community college~~, county, educational service
14 unit, rural or suburban fire protection district, hospital
15 district, school district, and sanitary and improvement district.

16 Sec. 26. Section 72-2304, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 72-2304 (1) In addition to any other borrowing powers
19 provided for by law, a qualified public agency shall have the
20 power to issue its negotiable bonds to any joint entity as defined
21 in section 13-803 or to any joint public agency as defined in
22 section 13-2503 in connection with any joint project which is to be
23 owned, operated, or financed by the joint entity or joint public
24 agency for the benefit of the qualified public agency. The bonds
25 may be issued only if the second largest participant in the joint

1 project has a financial contribution in the joint project of at
2 least twenty-five percent of the debt service. Such bonds may be
3 issued after the qualified public agency has conducted a public
4 hearing on the issuance of bonds. Notice of such public hearing
5 shall be given by publication in a newspaper of general circulation
6 within the territory of the qualified public agency by at least
7 one publication occurring not less than ten days prior to the
8 time of hearing. After the public hearing, the governing body of
9 the qualified public agency may proceed to adopt a bond measure
10 authorizing bonds.

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

17 (a) The name of the qualified public agency;

18 (b) The purpose of the issue;

19 (c) The principal amount of the issue;

20 (d) The amount of annual debt service payment anticipated
21 for the bonds, which may be stated as an approximation or estimate,
22 and the anticipated duration for such debt service payments; and

23 (e) The time and place where a copy of the form of the
24 bond measure may be examined for a period of at least thirty days.

25 (3) No election shall be required prior to the issuance

1 of bonds under the Public Facilities Construction and Finance Act
2 unless, within sixty days after the first publication of the notice
3 of intention to issue bonds, a remonstrance petition against the
4 issuance of bonds is filed with the clerk or secretary of the
5 qualified public agency. Such remonstrance petition shall be signed
6 by registered voters of the qualified public agency equal in number
7 to at least five percent of the number of registered voters of the
8 qualified public agency at the time the remonstrance petition is
9 filed or at least the number of signatures listed in subsection
10 (5) of this section for the applicable qualified public agency,
11 whichever is less. If a remonstrance petition with the necessary
12 number of qualified signatures is timely filed, the question shall
13 be submitted to the voters of the qualified public agency at a
14 general election or a special election called for the purpose of
15 approving the bonds proposed to be issued. Any joint project for
16 which bonds are issued in accordance with the procedures of the act
17 shall not require any other approval or proceeding by the governing
18 body or the voters of the qualified public agency.

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

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

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

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

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

20 Sec. 27. Section 72-2306, Revised Statutes Cumulative
 21 Supplement, 2006, is amended to read:

22 72-2306 For joint projects described in subdivision
 23 (2)(b) of section 72-2303, the principal amount of bonds which
 24 may be issued by a qualified public agency under the Public
 25 Facilities Construction and Finance Act shall not exceed two
 26 hundred fifty thousand dollars for cities of the metropolitan and

1 primary classes, one hundred thousand dollars for counties, cities
2 of the first class, school districts, and educational service
3 units, ~~and community colleges,~~ and fifty thousand dollars for
4 cities of the second class and villages, as to the total principal
5 amount of such bonds which may be outstanding at any time, and
6 the annual amounts due by reason of such bonds from each qualified
7 public agency shall not exceed five percent of the restricted
8 funds of the obligated qualified public agency in the year prior
9 to issuance. The principal amount of bonds of a qualified public
10 agency in the aggregate issued for any one such joint project shall
11 not exceed two hundred and fifty thousand dollars for cities of the
12 metropolitan and primary classes and one hundred thousand dollars
13 for counties, cities of the first class, cities of the second
14 class, villages, school districts, and educational service units. ~~7~~
15 ~~and community colleges.~~

16 Sec. 28. Section 77-1601.02, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 77-1601.02 (1) The property tax request for the prior
19 year shall be the property tax request for the current year for
20 purposes of the levy set by the county board of equalization
21 in section 77-1601 unless the governing body of the county,
22 municipality, school district, learning community, sanitary and
23 improvement district, natural resources district, or educational
24 service unit, ~~or community college~~ passes by a majority vote a
25 resolution or ordinance setting the tax request at a different

1 amount. Such resolution or ordinance shall only be passed after
2 a special public hearing called for such purpose is held and
3 after notice is published in a newspaper of general circulation
4 in the area of the political subdivision at least five days prior
5 to the hearing. The hearing notice shall contain the following
6 information: The dollar amount of the prior year's tax request and
7 the property tax rate that was necessary to fund that tax request;
8 the property tax rate that would be necessary to fund last year's
9 tax request if applied to the current year's valuation; and the
10 proposed dollar amount of the tax request for the current year
11 and the property tax rate that will be necessary to fund that tax
12 request. Any resolution setting a tax request under this section
13 shall be certified and forwarded to the county clerk on or before
14 October 13 of the year for which the tax request is to apply.

15 (2) Any levy which is not in compliance with this section
16 and section 77-1601 shall be construed as an unauthorized levy
17 under section 77-1606.

18 Sec. 29. 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) of this
25 section, school districts and multiple-district school systems,

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

5 (b) Except as provided in subdivision (2)(d) of this
6 section, for fiscal year 2008-09 and each fiscal year thereafter,
7 (i) learning communities may levy a maximum levy for the general
8 fund budgets of member school districts equal to the ratio of the
9 aggregate difference of one hundred ten percent of the formula
10 needs as calculated pursuant to section 79-1007.02 minus the amount
11 of state aid certified pursuant to section 79-1022 and minus the
12 other actual receipts included in local system formula resources
13 pursuant to section 79-1018.01 for each member school district for
14 such school fiscal year divided by each one hundred dollars of
15 taxable property subject to the levy, except that such levy shall
16 not exceed one dollar and two cents on each one hundred dollars
17 of taxable property subject to the levy, and (ii) school districts
18 that are members of learning communities may levy a maximum levy
19 of the difference of one dollar and two cents on each one hundred
20 dollars of taxable property subject to the levy minus the learning
21 community levy pursuant to this subdivision for purposes of such
22 school district's general fund budget and special building funds.

23 (c) Excluded from the limitations in subdivisions (a) and
24 (b) of this subsection are amounts levied to pay for sums agreed to
25 be paid by a school district to certificated employees in exchange

1 for a voluntary termination of employment and amounts levied
2 to pay for special building funds and sinking funds established
3 for projects commenced prior to April 1, 1996, for construction,
4 expansion, or alteration of school district buildings. For purposes
5 of this subsection, commenced means any action taken by the school
6 board on the record which commits the board to expend district
7 funds in planning, constructing, or carrying out the project.

8 (d) Federal aid school districts may exceed the maximum
9 levy prescribed by subdivision (2)(a) or (b) of this section
10 only to the extent necessary to qualify to receive federal aid
11 pursuant to Title VIII of Public Law 103-382, as such title existed
12 on September 1, 2001. For purposes of this subdivision, federal
13 aid school district means any school district which receives ten
14 percent or more of the revenue for its general fund budget from
15 federal government sources pursuant to Title VIII of Public Law
16 103-382, as such title existed on September 1, 2001.

17 (e) For school fiscal year 2002-03 through school fiscal
18 year 2007-08, school districts and multiple-district school systems
19 may, upon a three-fourths majority vote of the school board of
20 the school district, the board of the unified system, or the
21 school board of the high school district of the multiple-district
22 school system that is not a unified system, exceed the maximum
23 levy prescribed by subdivision (2)(a) of this section in an amount
24 equal to the net difference between the amount of state aid that
25 would have been provided under the Tax Equity and Educational

1 Opportunities Support Act without the temporary aid adjustment
2 factor as defined in section 79-1003 for the ensuing school fiscal
3 year for the school district or multiple-district school system
4 and the amount provided with the temporary aid adjustment factor.
5 The State Department of Education shall certify to the school
6 districts and multiple-district school systems the amount by which
7 the maximum levy may be exceeded for the next school fiscal year
8 pursuant to this subdivision (e) of this subsection on or before
9 February 15 for school fiscal years 2004-05 through 2007-08.

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

14 (g) For fiscal year 2008-09 and each fiscal year
15 thereafter, learning communities may levy a maximum levy of one
16 cent on each one hundred dollars of taxable property subject to the
17 levy for the learning community budget and for projects approved by
18 the learning community coordinating council.

19 (3) ~~Community~~ For fiscal years through FY2008-09,
20 community colleges may levy a maximum levy on each one hundred
21 dollars of taxable property subject to the levy of seven cents,
22 plus amounts allowed under subsection (7) of section 85-1536.01,
23 except that any community college whose valuation per reported
24 aid equivalent student, as defined in section 85-1503 as such
25 section existed before the operative date of this section, was

1 less than eighty-two percent of the average valuation per statewide
2 reimbursable reported aid equivalent total, as defined in section
3 85-1503 as such section existed before the operative date of this
4 section, for all community colleges for fiscal year 1997-98 may
5 levy up to an additional one-half cent for each of fiscal years
6 2005-06 and 2006-07 upon a three-fourths majority vote of the
7 board.

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

1 funds budgeted to administer and implement ground water management
2 activities and integrated management activities under the Nebraska
3 Ground Water Management and Protection Act exceed their restricted
4 funds budgeted to administer and implement ground water management
5 activities and integrated management activities for FY2005-06, not
6 to exceed three cents on each one hundred dollars of taxable
7 valuation on all of the taxable property within the district for
8 fiscal year 2006-07 and not to exceed two cents on each one
9 hundred dollars of taxable valuation annually on all of the taxable
10 property within the district for fiscal years 2007-08 and 2008-09.

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

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

1 section 80-202.

2 (b) Incorporated cities and villages which are within the
3 boundaries of a municipal county may levy a maximum levy of ninety
4 cents per one hundred dollars of taxable valuation of property
5 subject to the levy. The maximum levy shall include amounts paid
6 to a municipal county for county services, amounts levied to pay
7 for sums to support a library pursuant to section 51-201, a museum
8 pursuant to section 51-501, a visiting community nurse, home health
9 nurse, or home health agency pursuant to section 71-1637, or a
10 statue, memorial, or monument pursuant to section 80-202.

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

21 (8) Counties may levy or authorize a maximum levy of
22 fifty cents per one hundred dollars of taxable valuation of
23 property subject to the levy, except that five cents per one
24 hundred dollars of taxable valuation of property subject to the
25 levy may only be levied to provide financing for the county's

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

23 (9) Municipal counties may levy or authorize a maximum
24 levy of one dollar per one hundred dollars of taxable valuation
25 of property subject to the levy. The municipal county may allocate

1 levy authority to any political subdivision or entity subject to
2 allocation under section 77-3443.

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

15 (11) The limitations on tax levies provided in this
16 section are to include all other general or special levies
17 provided by law. Notwithstanding other provisions of law, the
18 only exceptions to the limits in this section are those provided by
19 or authorized by sections 77-3442 to 77-3444.

20 (12) Tax levies in excess of the limitations in this
21 section shall be considered unauthorized levies under section
22 77-1606 unless approved under section 77-3444.

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

1 Sec. 30. Section 77-3443, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3443 (1) All political subdivisions, other than (a)
4 school districts, ~~community colleges~~, natural resources districts,
5 educational service units, cities, villages, counties, municipal
6 counties, and sanitary and improvement districts and (b) political
7 subdivisions subject to municipal allocation under subsection (2)
8 of this section, may levy taxes as authorized by law which are
9 authorized by the county board of the county or the council of a
10 municipal county in which the greatest portion of the valuation is
11 located, which are counted in the county or municipal county levy
12 limit provided in section 77-3442, and which do not collectively
13 total more than fifteen cents per one hundred dollars of taxable
14 valuation on any parcel or item of taxable property for all
15 governments for which allocations are made by the municipality,
16 county, or municipal county, except that such limitation shall
17 not apply to property tax levies for preexisting lease-purchase
18 contracts approved prior to July 1, 1998, for bonded indebtedness
19 approved according to law and secured by a levy on property, and
20 for payments by a public airport to retire interest-free loans from
21 the Department of Aeronautics in lieu of bonded indebtedness at
22 a lower cost to the public airport. The county board or council
23 shall review and approve or disapprove the levy request of all
24 political subdivisions subject to this subsection. The county board
25 or council may approve all or a portion of the levy request

1 and may approve a levy request that would allow the requesting
2 political subdivision to levy a tax at a levy greater than that
3 permitted by law. The county board of a county or the council
4 of a municipal county which contains a transit authority created
5 pursuant to section 14-1803 shall allocate no less than three
6 cents per one hundred dollars of taxable property within the city
7 or municipal county subject to the levy to the transit authority
8 if requested by such authority. For any political subdivision
9 subject to this subsection that receives taxes from more than one
10 county or municipal county, the levy shall be allocated only by
11 the county or municipal county in which the greatest portion of
12 the valuation is located. The county board of equalization shall
13 certify all levies by October 15 to insure that the taxes levied
14 by political subdivisions subject to this subsection do not exceed
15 the allowable limit for any parcel or item of taxable property. The
16 levy allocated by the county or municipal county may be exceeded as
17 provided in section 77-3444.

18 (2) All city airport authorities established under
19 the Cities Airport Authorities Act, community redevelopment
20 authorities established under the Community Development Law,
21 transit authorities established under the Transit Authority Law,
22 and offstreet parking districts established under the Offstreet
23 Parking District Act may be allocated property taxes as authorized
24 by law which are authorized by the city, village, or municipal
25 county and are counted in the city or village levy limit or

1 municipal county levy limit provided by section 77-3442, except
2 that such limitation shall not apply to property tax levies for
3 preexisting lease-purchase contracts approved prior to July 1,
4 1998, for bonded indebtedness approved according to law and secured
5 by a levy on property, and for payments by a public airport to
6 retire interest-free loans from the Department of Aeronautics in
7 lieu of bonded indebtedness at a lower cost to the public airport.
8 For offstreet parking districts established under the Offstreet
9 Parking District Act, the tax shall be counted in the allocation by
10 the city proportionately, by dividing the total taxable valuation
11 of the taxable property within the district by the total taxable
12 valuation of the taxable property within the city multiplied by
13 the levy of the district. The city council of a city which has
14 created a transit authority pursuant to section 14-1803 or the
15 council of a municipal county which contains a transit authority
16 shall allocate no less than three cents per one hundred dollars
17 of taxable property subject to the levy to the transit authority
18 if requested by such authority. The city council, village board,
19 or council shall review and approve or disapprove the levy request
20 of the political subdivisions subject to this subsection. The city
21 council, village board, or council may approve all or a portion of
22 the levy request and may approve a levy request that would allow
23 a levy greater than that permitted by law. The levy allocated by
24 the municipality or municipal county may be exceeded as provided
25 in section 77-3444.

1 (3) On or before August 1, all political subdivisions
2 subject to county, municipal, or municipal county levy authority
3 under this section shall submit a preliminary request for levy
4 allocation to the county board, city council, village board, or
5 council that is responsible for levying such taxes. The preliminary
6 request of the political subdivision shall be in the form of a
7 resolution adopted by a majority vote of members present of the
8 political subdivision's governing body. The failure of a political
9 subdivision to make a preliminary request shall preclude such
10 political subdivision from using procedures set forth in section
11 77-3444 to exceed the final levy allocation as determined in
12 subsection (4) of this section.

13 (4) Each county board, city council, village board, or
14 council shall (a) adopt a resolution by a majority vote of members
15 present which determines a final allocation of levy authority
16 to its political subdivisions and (b) forward a copy of such
17 resolution to the chairperson of the governing body of each of its
18 political subdivisions. No final levy allocation shall be changed
19 after September 1 except by agreement between both the county
20 board, city council, village board, or council which determined the
21 amount of the final levy allocation and the governing body of the
22 political subdivision whose final levy allocation is at issue.

23 Sec. 31. Section 77-3445, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 77-3445 A council on public improvements and services

1 may be created within each county or for adjoining counties by
2 resolutions of county boards or by joint resolutions passed by at
3 least three different types of political subdivisions located in
4 the county which are authorized to levy property taxes or which may
5 benefit from property taxes affected by the levy limits imposed by
6 sections 77-3442 to 77-3444. Such councils shall include, but are
7 not limited to, one elected official from each school board, county
8 board, incorporated city or village, natural resources district,
9 ~~community college~~, educational service unit, hospital district,
10 airport authority, fire protection district, and township taxing
11 property within the county or counties. The elected governing body
12 of each political subdivision which has the legal authority to
13 request property tax funding or a levy set by the county board
14 within a county may by resolution of the governing body appoint one
15 elected official from the governing board to the council on public
16 improvements and services.

17 Councils on public improvements and services may meet,
18 beginning in 1996, as often as necessary prior to the adoption of
19 budgets and property tax requests affected by the levy limits
20 described in sections 77-3442 to 77-3444. The council shall
21 jointly examine the budgets and property tax requests of each
22 governmental agency or quasi-governmental agency with statutory
23 authority to request a share of the property tax. The county clerk
24 or designated county official of each county shall attend such
25 meetings and keep a public record of the proceedings. Each council

1 on public improvements and services which is created by resolution
2 as provided in this section shall hold at least one public meeting
3 prior to the adoption of public budgets affected by the levy
4 limits imposed by sections 77-3442 to 77-3444. Such council may
5 continue to meet to discuss issues of public service provision in
6 an effective and coordinated manner, the impacts of levy limits,
7 state and federal law, program, or aid changes, and the joint
8 provision or use of capital facilities and equipment.

9 Sec. 32. Section 79-902, Revised Statutes Cumulative
10 Supplement, 2006, is amended to read:

11 79-902 For purposes of the School Employees Retirement
12 Act, unless the context otherwise requires:

13 (1) Accumulated contributions means the sum of all
14 amounts deducted from the compensation of a member and credited
15 to his or her individual account in the School Retirement
16 Fund together with regular interest thereon, compounded monthly,
17 quarterly, semiannually, or annually;

18 (2) Beneficiary means any person in receipt of a school
19 retirement allowance or other benefit provided by the act;

20 (3) Member means any person who has an account in the
21 School Retirement Fund;

22 (4) County school official means (a) until July 1, 2000,
23 the county superintendent or district superintendent and any person
24 serving in his or her office who is required by law to have
25 a teacher's certificate and (b) on or after July 1, 2000, the

1 county superintendent, county school administrator, or district
2 superintendent and any person serving in his or her office who is
3 required by law to have a teacher's certificate;

4 (5) Creditable service means prior service for which
5 credit is granted under sections 79-926 to 79-929, service credit
6 purchased under sections 79-933.03 to 79-933.06 and 79-933.08,
7 and all service rendered while a contributing member of the
8 retirement system. Creditable service includes working days, sick
9 days, vacation days, holidays, and any other leave days for which
10 the employee is paid regular wages as part of the employee's
11 agreement with the employer. Creditable service does not include
12 lump-sum payments to the employee upon termination or retirement
13 in lieu of accrued benefits for such days, eligibility and vesting
14 credit, nor service years for which member contributions are
15 withdrawn and not repaid. Creditable service also does not include
16 service rendered by a member for which the retirement board
17 determines that the member was paid less in compensation than the
18 minimum wage as provided in the Wage and Hour Act or service which
19 the board determines was rendered with the intent to defraud the
20 retirement system;

21 (6) Disability retirement allowance means the annuity
22 paid to a person upon retirement for disability under section
23 79-952;

24 (7) Employer means the State of Nebraska or any
25 subdivision thereof or agency of the state or subdivision

1 authorized by law to hire school employees or to pay their
2 compensation;

3 (8) Fiscal year means any year beginning July 1 and
4 ending June 30 next following;

5 (9) Regular interest means interest fixed at a rate equal
6 to the daily treasury yield curve for one-year treasury securities,
7 as published by the Secretary of the Treasury of the United States,
8 that applies on July 1 of each year, which may be credited monthly,
9 quarterly, semiannually, or annually as the board may direct;

10 (10) School employee means a contributing member who
11 earns service credit pursuant to section 79-927. For purposes of
12 this section, contributing member means the following persons who
13 receive compensation from a public school: (a) Regular employees;
14 (b) regular employees having retired pursuant to the School
15 Employees Retirement Act who subsequently provide compensated
16 service on a regular basis in any capacity; and (c) regular
17 employees hired by a public school on an ongoing basis to assume
18 the duties of other regular employees who are temporarily absent.
19 Substitute employees shall not be considered school employees;

20 (11) Prior service means service rendered as a school
21 employee in the public schools of the State of Nebraska prior to
22 July 1, 1945;

23 (12) Public school means any and all schools offering
24 instruction in elementary or high school grades, as defined in
25 section 79-101, which schools are supported by public funds and are

1 wholly under the control and management of the State of Nebraska
2 or any subdivision thereof, including (a) schools or other entities
3 established, maintained, and controlled by the school boards of
4 local school districts, except Class V school districts, (b) any
5 educational service unit, and (c) any other educational institution
6 wholly supported by public funds, except schools under the control
7 and management of the Board of Trustees of the Nebraska State
8 Colleges, the Board of Regents of the University of Nebraska, or
9 the Board of Trustees of the Nebraska Community Colleges; ~~community~~
10 ~~college boards of governors for any community college areas;~~

11 (13) Retirement means qualifying for and accepting a
12 school or disability retirement allowance granted under the School
13 Employees Retirement Act;

14 (14) Retirement board or board means the Public Employees
15 Retirement Board;

16 (15) Retirement system means the School Retirement System
17 of the State of Nebraska;

18 (16) Required deposit means the deduction from a member's
19 compensation as provided for in section 79-958 which shall be
20 deposited in the School Retirement Fund;

21 (17) School year means one fiscal year which includes
22 not less than one thousand instructional hours or, in the case of
23 service in the State of Nebraska prior to July 1, 1945, not less
24 than seventy-five percent of the then legal school year;

25 (18) Service means employment as a school employee and

1 shall not be deemed interrupted by (a) termination at the end of
2 the school year of the contract of employment of an employee in a
3 public school if the employee enters into a contract of employment
4 in any public school, except a school in a Class V school district,
5 for the following school year, (b) temporary or seasonal suspension
6 of service that does not terminate the employee's employment,
7 (c) leave of absence authorized by the employer for a period
8 not exceeding twelve months, (d) leave of absence because of
9 disability, or (e) military service when properly authorized by
10 the retirement board. Service does not include any period of
11 disability for which disability retirement benefits are received
12 under sections 79-951 to 79-953;

13 (19) School retirement allowance means the total of the
14 savings annuity and the service annuity or formula annuity paid a
15 person who has retired under sections 79-931 to 79-935. The monthly
16 payments shall be payable at the end of each calendar month during
17 the life of a retired member. The first payment shall include all
18 amounts accrued since the effective date of the award of annuity.
19 The last payment shall be at the end of the calendar month in which
20 such member dies or in accordance with the payment option chosen by
21 the member;

22 (20) Service annuity means payments for life, made in
23 equal monthly installments, derived from appropriations made by the
24 State of Nebraska to the retirement system;

25 (21) State deposit means the deposit by the state in the

1 retirement system on behalf of any member;

2 (22) State school official means the Commissioner of
3 Education and his or her professional staff;

4 (23) Savings annuity means payments for life, made in
5 equal monthly payments, derived from the accumulated contributions
6 of a member;

7 (24) Emeritus member means a person (a) who has entered
8 retirement under the provisions of the act, including those persons
9 who have retired since July 1, 1945, under any other regularly
10 established retirement or pension system as contemplated by section
11 79-916, (b) who has thereafter been reemployed in any capacity by
12 a public school, a Class V school district, or a school under the
13 control and management of the Board of Trustees of the Nebraska
14 State Colleges, the Board of Regents of the University of Nebraska,
15 or a ~~community college board of governors~~ the Board of Trustees
16 of the Nebraska Community Colleges or has become a state school
17 official or county school official subsequent to such retirement,
18 and (c) who has applied to the board for emeritus membership in the
19 retirement system. The school district or agency shall certify to
20 the retirement board on forms prescribed by the retirement board
21 that the annuitant was reemployed, rendered a service, and was paid
22 by the district or agency for such services;

23 (25) Actuarial equivalent means the equality in value of
24 the aggregate amounts expected to be received under different forms
25 of payment. The determinations shall be based on the 1994 Group

1 Annuity Mortality Table reflecting sex-distinct factors blended
2 using twenty-five percent of the male table and seventy-five
3 percent of the female table. An interest rate of eight percent
4 per annum shall be reflected in making these determinations except
5 when a lump-sum settlement is made to an estate. If the lump-sum
6 settlement is made to an estate, the interest rate will be
7 determined by the Moody's Triple A Bond Index as of the prior June
8 30, rounded to the next lower quarter percent;

9 (26) Retirement date means (a) if the member has
10 terminated employment, the first day of the month following the
11 date upon which a member's request for retirement is received on
12 a retirement application provided by the retirement system or (b)
13 if the member has filed an application but has not yet terminated
14 employment, the first day of the month following the date on which
15 the member terminates employment. An application may be filed no
16 more than ninety days prior to the effective date of the member's
17 initial benefit;

18 (27) Disability retirement date means the first day of
19 the month following the date upon which a member's request for
20 disability retirement is received on a retirement application
21 provided by the retirement system if the member has terminated
22 employment in the school system and has complied with sections
23 79-951 to 79-954 as such sections refer to disability retirement;

24 (28) Retirement application means the form approved by
25 the retirement system for acceptance of a member's request for

1 either regular or disability retirement;

2 (29) Eligibility and vesting credit means credit for
3 years, or a fraction of a year, of participation in a Nebraska
4 government plan for purposes of determining eligibility for
5 benefits under the School Employees Retirement Act. Such credit
6 shall not be included as years of creditable service in the benefit
7 calculation;

8 (30) (a) Final average compensation means the sum of the
9 member's total compensation during the three twelve-month periods
10 of service as a school employee in which such compensation was the
11 greatest divided by thirty-six.

12 (b) If a member has such compensation for less than
13 thirty-six months, his or her final average compensation shall be
14 determined by dividing his or her total compensation in all months
15 by the total number of months of his or her creditable service
16 therefor.

17 (c) Payments under the Retirement Incentive Plan pursuant
18 to section 79-855 and Staff Development Assistance pursuant to
19 section 79-856 shall not be included in the determination of final
20 average compensation;

21 (31) Plan year means the twelve-month period beginning on
22 July 1 and ending on June 30 of the following year;

23 (32) Current benefit means (a) until July 1, 2000, the
24 initial benefit increased by all adjustments made pursuant to
25 section 79-947.02 and (b) on or after July 1, 2000, the initial

1 benefit increased by all adjustments made pursuant to the School
2 Employees Retirement Act;

3 (33) Initial benefit means the retirement benefit
4 calculated at the time of retirement;

5 (34) Surviving spouse means (a) the spouse married to
6 the member on the date of the member's death or (b) the spouse
7 or former spouse of the member if survivorship rights are provided
8 under a qualified domestic relations order filed with the board
9 pursuant to the Spousal Pension Rights Act. The spouse or former
10 spouse shall supersede the spouse married to the member on the
11 date of the member's death as provided under a qualified domestic
12 relations order. If the benefits payable to the spouse or former
13 spouse under a qualified domestic relations order are less than
14 the value of benefits entitled to the surviving spouse, the spouse
15 married to the member on the date of the member's death shall be
16 the surviving spouse for the balance of the benefits;

17 (35)(a) Compensation means gross wages or salaries
18 payable to the member for personal services performed during the
19 plan year and includes (i) overtime pay, (ii) member retirement
20 contributions, (iii) retroactive salary payments paid pursuant to
21 court order, arbitration, or litigation and grievance settlements,
22 and (iv) amounts contributed by the member to plans under sections
23 125, 403(b), and 457 of the Internal Revenue Code as defined in
24 section 49-801.01 or any other section of the code which defers or
25 excludes such amounts from income.

1 (b) Compensation does not include (i) fraudulently
2 obtained amounts as determined by the retirement board, (ii)
3 amounts for unused sick leave or unused vacation leave converted
4 to cash payments, (iii) insurance premiums converted into cash
5 payments, (iv) reimbursement for expenses incurred, (v) fringe
6 benefits, (vi) bonuses for services not actually rendered,
7 including, but not limited to, early retirement inducements, cash
8 awards, and severance pay, or (vii) beginning on September 4, 2005,
9 employer contributions made for the purposes of separation payments
10 made at retirement and early retirement inducements as provided for
11 in section 79-514.

12 (c) Compensation in excess of the limitations set forth
13 in section 401(a)(17) of the Internal Revenue Code as defined
14 in section 49-801.01 shall be disregarded. For an employee who
15 was a member of the retirement system before the first plan year
16 beginning after December 31, 1995, the limitation on compensation
17 shall not be less than the amount which was allowed to be taken
18 into account under the retirement system as in effect on July 1,
19 1993.

20 (d)(i) In the determination of compensation for members
21 on or after July 1, 2002, through June 30, 2005, that part of
22 a member's compensation for the fiscal year which exceeds the
23 member's compensation with the same employer for the preceding
24 fiscal year by more than ten percent shall be excluded unless
25 (A) the member experienced a substantial change in employment

1 position or (B) the excess compensation occurred as the result
2 of a collective-bargaining agreement between the employer and
3 a recognized collective-bargaining unit or category of school
4 employee.

5 (ii) For purposes of this subdivision:

6 (A) Category of school employee means either all
7 employees of the employer who are administrators or certificated
8 teachers, or all employees of the employer who are not
9 administrators or certificated teachers, or both; and

10 (B) Recognized collective-bargaining unit means a group
11 of employees similarly situated with a similar community of
12 interest appropriate for bargaining recognized as such by a school
13 board.

14 (e)(i) In the determination of compensation for members
15 on or after July 1, 2005, that part of a member's compensation
16 for the plan year which exceeds the member's compensation with
17 the same employer for the preceding plan year by more than seven
18 percent of the compensation base during the sixty months preceding
19 the member's retirement shall be excluded unless (A) the member
20 experienced a substantial change in employment position, (B) as
21 verified by the school board, the excess compensation above seven
22 percent occurred as the result of a collective-bargaining agreement
23 between the employer and a recognized collective-bargaining unit
24 or category of school employee, and the percentage increase
25 in compensation above seven percent shall not be excluded for

1 employees outside of a collective-bargaining unit or within the
2 same category of school employee, or (C) the excess compensation
3 occurred as the result of a districtwide permanent benefit change
4 made by the employer for a category of school employee in
5 accordance with subdivision (35)(a)(iv) of this section.

6 (ii) For purposes of this subdivision:

7 (A) Category of school employee means either all
8 employees of the employer who are administrators or certificated
9 teachers, or all employees of the employer who are not
10 administrators or certificated teachers, or both;

11 (B) Compensation base means (I) for current members
12 employed with the same employer, the member's compensation for the
13 plan year ending June 30, 2005, or (II) for members newly hired or
14 hired by a separate employer on or after July 1, 2005, the member's
15 compensation for the first full plan year following the member's
16 date of hiring. Thereafter, the member's compensation base shall
17 be increased each plan year by the lesser of seven percent of the
18 member's preceding plan year's compensation base or the member's
19 actual annual compensation increase during the preceding plan year;
20 and

21 (C) Recognized collective-bargaining unit means a group
22 of employees similarly situated with a similar community of
23 interest appropriate for bargaining recognized as such by a school
24 board;

25 (36) Termination of employment occurs on the date on

1 which the member experiences a bona fide separation from service of
2 employment with the member's current employer, the date of which
3 separation is determined by the employer. The employer shall notify
4 the board of the date on which such a termination has occurred.
5 Termination of employment does not include ceasing employment if
6 the member subsequently provides service on a regular basis in
7 any capacity for any school district other than a Class V school
8 district within one hundred eighty calendar days after ceasing
9 employment or if the board determines that a purported termination
10 was not a bona fide separation from service with the employer;

11 (37) Disability means an inability to engage in a
12 substantially gainful activity by reason of any medically
13 determinable physical or mental impairment which can be expected to
14 result in death or be of a long and indefinite duration;

15 (38) Substitute employee means a person hired by a public
16 school as a temporary employee on an intermittent basis to assume
17 the duties of regular employees due to the temporary absence of the
18 regular employees. Substitute employee does not mean a person hired
19 as a regular employee on an ongoing basis to assume the duties of
20 other regular employees who are temporarily absent;

21 (39) Participation means qualifying for and making
22 required deposits to the retirement system during the course of a
23 plan year;

24 (40) Regular employee means an employee hired by a public
25 school or under contract in a regular full-time or part-time

1 position who works a full-time or part-time schedule on an ongoing
2 basis for fifteen or more hours per week; and

3 (41) Temporary employee means an employee hired by a
4 public school who is not a regular employee.

5 Sec. 33. Section 79-919, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-919 Any person who is employed by the Board of
8 Trustees of the Nebraska State Colleges, the Board of Trustees of
9 the Nebraska Community Colleges, or the Board of Regents of the
10 University of Nebraska, ~~or a community college board of governors~~
11 shall not come under the provisions of the School Employees
12 Retirement Act.

13 Sec. 34. Section 79-922, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-922 (1) Commencing on September 13, 1997, a
16 beneficiary retired under the School Employees Retirement Act who
17 returns to employment as a school employee, except for members
18 retired under sections 79-951 to 79-954, shall continue receiving
19 retirement benefits and shall be treated for all purposes of the
20 act as a new school employee. A new member account shall be created
21 for such school employee, and the member shall make contributions
22 to such new account and shall receive service credit only for
23 future service commencing from the date of reemployment.

24 (2) A person receiving a retirement benefit may accept
25 employment in a postsecondary school under the control and

1 management of the Board of Trustees of the Nebraska State
2 Colleges, the Board of Regents of the University of Nebraska,
3 a ~~community college board of governors for any community college~~
4 ~~area established by section 85-1504,~~ the Board of Trustees of the
5 Nebraska Community Colleges, or any other state agency without
6 having to waive retirement payments, without having to notify the
7 retirement board, and without being subject to any withholding of
8 future retirement payments relating to any retirement system which
9 is provided for a public school.

10 Sec. 35. Section 81-1118.02, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 81-1118.02 (1) Each executive, department, commission,
13 or other state agency, including the Supreme Court, the Board
14 of Regents of the University of Nebraska, the State Board of
15 Trustees of the Nebraska Community Colleges, and the Board of
16 Trustees of the Nebraska State Colleges, shall annually make or
17 cause to be made an inventory of all property, including furniture
18 and equipment, belonging to the State of Nebraska and in the
19 possession, custody, or control of any executive, department,
20 commission, or other state agency. The inventory shall include
21 property in the possession, custody, or control of each executive,
22 department, commission, or other state agency as of June 30 and
23 shall be completed and filed with the materiel administrator by
24 August 31 of each year.

25 (2) If any of the property of the state, referred

1 to in subsection (1) of this section, is lost, destroyed, or
2 unaccounted for by the negligence or carelessness of the executive,
3 department, commission, or other state agency, the administrator
4 shall, with the advice of the Attorney General, take the proper
5 steps to recover such state property or the reasonable value
6 thereof from the executive, department, commission, or other state
7 agency charged with the same and from the person bonding such
8 executive, department, commission, or other state agency, if any.

9 (3) Each such executive, department, commission, or other
10 state agency shall indelibly tag, mark, or stamp all such property
11 belonging to the State of Nebraska, with the following: Property
12 of the State of Nebraska. In the inventory required by subsection
13 (1) of this section, each such executive, department, commission,
14 or other state agency shall state positively that each item of such
15 property has been so tagged, marked, or stamped.

16 Sec. 36. Section 81-1201.21, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 81-1201.21 There is hereby created the Job Training Cash
19 Fund. The fund shall be under the direction of the Department of
20 Economic Development. Money may be transferred to the fund pursuant
21 to subdivision ~~(1)(b)(iv)~~ (1)(b)(iii) of section 48-621 and from
22 the Cash Reserve Fund at the direction of the Legislature. The
23 department shall establish a subaccount for all money transferred
24 from the Cash Reserve Fund to the Job Training Cash Fund on
25 or after July 1, 2005. Any unexpended and unobligated balance

1 remaining within such subaccount on July 1, 2007, shall be
2 transferred by the State Treasurer to the Cash Reserve Fund no
3 later than July 10, 2007. Any obligated amount not transferred from
4 the subaccount that remains unexpended on July 1, 2008, shall be
5 transferred by the State Treasurer to the Cash Reserve Fund no
6 later than July 10, 2008.

7 The department shall use the fund to provide
8 reimbursements for job training activities, including employee
9 assessment, preemployment training, on-the-job training, training
10 equipment costs, and other reasonable costs related to helping
11 industry and business locate or expand in Nebraska, or to provide
12 upgrade skills training of the existing labor force necessary to
13 adapt to new technology or the introduction of new product lines.

14 Any money in the fund available for investment shall be
15 invested by the state investment officer pursuant to the Nebraska
16 Capital Expansion Act and the Nebraska State Funds Investment Act.

17 Sec. 37. The Board of Trustees of the Nebraska Community
18 Colleges shall consist of seven members. One member shall be
19 appointed from each community college area described in section
20 54 of this act, and one member shall be appointed at large.
21 Members shall be appointed by the Governor, with the approval of a
22 majority of the members elected to the Legislature. Members shall
23 be appointed for staggered terms of six years each as the Governor
24 determines. The Commissioner of Education shall be a member ex
25 officio.

1 The board is responsible for the general governance of
2 all community colleges.

3 The duties and powers of the board shall be prescribed
4 by law, and the members shall receive no compensation for the
5 performance of their duties but may be reimbursed their actual
6 expenses incurred in the performance of their duties, except that
7 members are not entitled to reimbursement for mileage or other
8 traveling expenses as part of their actual expenses except on the
9 basis provided for in sections 81-1174 to 81-1177.

10 Sec. 38. Section 85-1503, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 ~~85-1503~~ For purposes of sections ~~85-1501 to 85-1540~~, 37
13 to 63 of this act, unless the context otherwise requires:

14 (1) Community college ~~shall mean~~ means an educational
15 institution operating and offering programs of two academic years
16 or less pursuant to such sections;

17 (2) Community college area ~~shall mean~~ means an area
18 established by section ~~85-1504~~, 54 of this act;

19 (3) Board ~~shall mean~~ means the Board of Trustees of the
20 Nebraska Community Colleges; ~~Community College Board of Governors~~
21 ~~for each community college area~~;

22 ~~(4) Full-time equivalent student shall mean, in the~~
23 ~~aggregate, the equivalent of a registered student who in a~~
24 ~~twelve-month period is enrolled in (a) thirty semester credit~~
25 ~~hours or forty-five quarter credit hours of classroom, laboratory,~~

1 clinical, practicum, or independent study course work or
2 cooperative work experience or (b) nine hundred contact hours of
3 classroom or laboratory course work for which credit hours are not
4 offered or awarded. Avocational and recreational community service
5 programs or courses shall not be included in determining full-time
6 equivalent students or student enrollment;

7 (5) Contact hour shall mean an educational activity
8 consisting of sixty minutes minus break time and required time to
9 change classes;

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

1 contact hours per term of enrollment. An institution may include
2 in a credit hour more classroom, laboratory, clinical, practicum,
3 or cooperative work experience hours than the minimum required in
4 this subdivision. The institution shall publish in its catalog, or
5 otherwise make known to the student in writing prior to the student
6 enrolling or paying tuition for any courses, the number of credit
7 or contact hours offered in each such course. Such published credit
8 or contact hour offerings shall be used to determine whether a
9 student is a full-time equivalent student pursuant to subdivision
10 (4) of this section;

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

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

21 (9) Clinical hour shall mean a minimum of fifty minutes
22 of educational activity on campus or off campus during which the
23 student is assigned practical experience under constant supervision
24 at a health-related agency, receives individual instruction in the
25 performance of a particular function, and is observed and critiqued

1 in the repeat performance of such function. Adjunct professional
2 personnel, who may or may not be paid by the college, may be used
3 for the directed supervision of students and for the delivery of
4 part of the didactic phase of the experience;

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

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

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

1 ~~(13) Full-time equivalent student enrollment total shall~~
2 ~~mean the total of full-time equivalent students enrolled in a~~
3 ~~community college in any fiscal year;~~

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

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

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

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

1 ~~(18) Class 2 course shall mean an applied technology~~
2 ~~or occupational course offering which requires the use of~~
3 ~~specialized equipment, facilities, or instructional methods not~~
4 ~~easily adaptable for use in a general academic transfer program~~
5 ~~classroom or laboratory;~~

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

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

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

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

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

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

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

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

25 ~~(23) Special instructional term shall mean any term which~~

1 is less than fifteen weeks for community colleges using semesters
2 or ten weeks for community colleges using quarters;

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

6 ~~(25)~~ (4) Tribally controlled community college shall mean
7 means an educational institution operating and offering programs
8 pursuant to the Tribally Controlled Community College Assistance
9 Act, 25 U.S.C. 1801; and

10 ~~(26)~~ (5) Tribally controlled community college state aid
11 amount shall mean means the quotient of the amount of state aid
12 to be distributed pursuant to sections 85-1536 and 85-1537 for
13 the current fiscal year to a community college area in which a to
14 tribally controlled community colleges. college is located divided
15 by the average of the reimbursable educational unit totals for
16 such community college area for the immediately preceding three
17 fiscal years, with such quotient then multiplied by the average
18 reimbursable educational units derived pursuant to subdivision
19 ~~(19)-(d)~~ of this section for the immediately preceding three fiscal
20 years.

21 Sec. 39. The members of the board shall annually elect
22 a president and vice president from among their own number. The
23 board shall constitute a body corporate to be known as the Board
24 of Trustees of the Nebraska Community Colleges, and as such may sue
25 and be sued and may make and use a common seal and alter the same

1 at its pleasure. The board shall also select a secretary. The State
2 Treasurer shall be treasurer of the board by virtue of his or her
3 office. A complete and comprehensive annual audit shall be made of
4 the books, accounts, funds, records, and affairs of the board and
5 each of the community colleges.

6 Sec. 40. The secretary of the board shall keep an exact
7 and detailed account of the doings of the board, and on January 1
8 of each year he or she shall transmit to the Governor a report of
9 all expenditures made during the preceding year.

10 Sec. 41. The board:

11 (1) Shall appoint a president and such other persons as
12 may be required for each community college governed by the board;

13 (2) Shall fix the compensation and prescribe the duties
14 of the persons appointed pursuant to subdivision (1) of this
15 section;

16 (3) May remove all persons appointed pursuant to such
17 subdivision, but the affirmative votes of four members of the board
18 shall be necessary to remove a president or an assistant during the
19 time for which such persons were appointed;

20 (4) Shall provide for holding of classes at various
21 localities throughout the state, avoiding unnecessary duplication
22 of courses offered by other educational institutions in such
23 localities;

24 (5) May acquire real and personal property and dispose of
25 the same whenever any of the community colleges will be benefited,

1 but no grounds upon which any buildings of any of the community
2 colleges are located shall be disposed of without the consent of
3 the Legislature;

4 (6) Shall pay expenses for recruitment of academic,
5 administrative, professional, and managerial personnel;

6 (7) Shall provide benefits for all present and future
7 employees, including group life insurance, group hospital-medical
8 insurance, and group long-term disability income insurance;

9 (8) Shall institute a continuing program of preventive
10 maintenance and a program of deferred maintenance consistent with
11 the Deferred Building Renewal Act;

12 (9) Shall consult with the Nebraska Arts Council and
13 acquire works of art for the original construction of any public
14 building under its supervision consistent with sections 82-317 to
15 82-329 and 85-106 to 85-106.03 and sections 37 to 63 of this act;

16 (10) May enter into agreements for services, facilities,
17 or equipment and for the presentation of courses for students when
18 such agreements are deemed to be in the best interests of the
19 education of the students involved;

20 (11) Shall transfer tribally controlled community college
21 state aid to tribally controlled community colleges;

22 (12) Shall receive and disburse federal funds made
23 available for the assistance of community colleges, for providing
24 physical facilities, maintenance, or operation of community
25 colleges, or for any educational purposes according to the acts of

1 Congress making such funds available;

2 (13) Shall establish rents, charges, rates, and fees for
3 the use of such facilities and to receive and collect all revenue,
4 rents, fees, income, profits, and charges of whatever nature and
5 however derived from such facilities; and

6 (14) Shall exercise any other powers, duties, and
7 responsibilities necessary to carry out sections 37 to 63 of this
8 act.

9 Sec. 42. The board each year shall hold a regular meeting
10 at or near the close of each semester and such special meetings as
11 may be found necessary.

12 Sec. 43. The president of each community college shall be
13 the chief executive officer of the college and shall be responsible
14 to the board for the control and management of the college. All
15 teachers and other subordinates in each community college shall
16 be under the direction of the president, subject to the general
17 regulations of the board.

18 Sec. 44. The president of each community college shall
19 receive and collect the fees for matriculation, board, and room
20 and such other fees as may be payable at the community college and
21 shall disburse the same under direction of the board and according
22 to law.

23 Sec. 45. The role and mission of community colleges is
24 as provided in sections 85-959 to 85-966. The board may prescribe
25 for the community colleges courses of instruction that will carry

1 out the role and mission provided in such sections. The board shall
2 appoint an Associate Director for Technical Education to carry out
3 the duties assigned by the board with respect to coordinating and
4 enhancing technical education within the community colleges under
5 sections 37 to 63 of this act.

6 Sec. 46. The board may, upon completion of an appropriate
7 course of study prescribed by the board at a community college and
8 on the recommendation of faculty, confer an associate degree, a
9 certificate, or a diploma.

10 Sec. 47. The board shall make such rules and regulations
11 for the admission of students to the community colleges as may
12 seem to be best in the interests of the community colleges and
13 not inconsistent with the purposes for which they have been
14 established.

15 Sec. 48. The board shall adopt and promulgate all
16 necessary rules and regulations for the careful preservation of
17 the buildings, furniture, apparatus, grounds, timber, shrubbery,
18 and other property belonging to the community colleges.

19 Sec. 49. The board may make such contract for the sale or
20 lease of the whole or part of any water, light, or heat plant at
21 any community college and the purchase of water, heat, and light,
22 with any city, village, or corporation at or near which is located
23 any community college, as in the judgment of the board is in the
24 best interests of such community college.

25 Sec. 50. All funds appropriated for the use and benefit

1 of the community colleges, together with the income arising from
2 the lease and sale of endowment lands belonging to such colleges,
3 shall be under the direction and control of the board, subject
4 to this section, except that each community college may retain
5 in its possession a sum not to exceed three hundred thousand
6 dollars out of which to make settlement and equitable adjustments
7 with students entitled to such adjustments, to make payments for
8 day-to-day operations calling for immediate payment, and to provide
9 for contingencies. The State Treasurer shall pay out of the proper
10 funds all warrants for money to be expended under sections 37 to
11 63 of this act, such warrants to be drawn by the Director of
12 Administrative Services on certificates by the presidents of the
13 community colleges. All requests for payment or reimbursement for
14 mileage or other traveling expenses shall be audited and allowed
15 on the basis of the provisions set forth in sections 81-1174 to
16 81-1177. No expenditure for traveling expenses to other states
17 shall be authorized by the board for any community college employee
18 unless approval for such trip is first granted by the president of
19 such community college or his or her designee. The request shall be
20 submitted to the president of such community college or his or her
21 designee and approved in writing by him or her.

22 Sec. 51. The board may receive, on behalf of any
23 community college and upon such terms and conditions as may
24 be imposed, such gifts and endowments as the board may decide
25 to accept. The board shall be trustees of any such gifts and

1 endowments.

2 Sec. 52. All money received for the use of rooms in the
3 dormitories of any community college shall be expended by the board
4 in repairs of such dormitory and the furniture of the dormitory,
5 whenever such repairs are needed.

6 Sec. 53. The board has the power and authority to acquire
7 by condemnation lands necessary for the community colleges. The
8 procedure to condemn such property shall be exercised in the manner
9 set forth in Chapter 76, article 7.

10 Sec. 54. Section 85-1504, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 ~~85-1504~~ The state is hereby divided into six community
13 college areas are as follows:

14 (1) The Western Community College Area shall consist of
15 the following counties: Sioux, Dawes, Sheridan, Box Butte, Scotts
16 Bluff, Banner, Kimball, Morrill, Cheyenne, Garden, Deuel, and Grant
17 and the voting districts of Merriam, Russell, King, Mother Lake,
18 Cody, Barley, Gillaspie, Lackey, and Calf Creek in Cherry County as
19 such voting districts existed on July 1, 1975;

20 (2) The Mid-Plains Community College Area shall consist
21 of the following counties: Cherry except as provided in subdivision

22 (1) of this section, Hooker, Thomas, Blaine, Loup, Arthur,
23 McPherson, Logan, Custer, Keith, Lincoln, Perkins, Chase, Hayes,
24 Frontier, Dundy, Hitchcock, and Red Willow;

25 (3) The Northeast Community College Area shall consist

1 of the following counties: Keya Paha, Brown, Rock, Boyd, Holt,
 2 Garfield, Wheeler, Knox, Cedar, Antelope, Pierce, Madison, Wayne,
 3 Stanton, Dixon, Dakota, Thurston, Burt, and Cuming and the
 4 precincts of North Oakland, South Oakland, Ashland, North Branch,
 5 Shell Creek, and Midland in Boone County as such precincts existed
 6 on July 1, 1975;

7 (4) The Central Community College Area shall consist of
 8 the following counties: Valley, Greeley, Platte, Colfax, Sherman,
 9 Howard, Nance, Merrick, Polk, Butler, Dawson, Buffalo, Hall,
 10 Hamilton, Gosper, Phelps, Kearney, Adams, Clay, Furnas, Harlan,
 11 Franklin, Webster, and Nuckolls and all of Boone County except as
 12 provided in subdivision (3) of this section;

13 (5) The Southeast Community College Area shall consist of
 14 the following counties: Saunders, Cass, York, Seward, Lancaster,
 15 Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha,
 16 Pawnee, and Richardson; and

17 (6) The Metropolitan Community College Area shall consist
 18 of the following counties: Dodge, Washington, Douglas, and Sarpy.

19 Sec. 55. Section 85-1541, Reissue Revised Statutes of
 20 Nebraska, is amended to read:

21 ~~85-1541~~ For purposes of section ~~85-1542~~, 56 of this act,
 22 volunteer ~~shall mean~~ means a person who is not an elected ~~or~~
 23 ~~appointed~~ official or employee of a community college area who, at
 24 the request or with the permission of the board, ~~of governors of~~
 25 ~~the community college area~~, engages in activities related to the

1 purposes and functions of ~~the~~ a community college area or for its
2 general benefit.

3 Sec. 56. Section 85-1542, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 ~~85-1542~~ The board ~~of~~ governors of any community college
6 ~~area~~ may authorize the issuance of a pass to any elected ~~or~~
7 ~~appointed~~ official, employee, retired employee, or volunteer of ~~the~~
8 a community college, any area, member of a senior citizens group,
9 or any city official authorizing the admittance of the recipient of
10 the pass and his or her spouse to recognized college activities of
11 the community college without the need for the payment of any fee
12 or charge. Such pass may be issued at no cost to the recipient or
13 at such cost as may be designated by the board of governors.

14 Sec. 57. Community colleges shall be funded in the same
15 manner as the public postsecondary educational institutions under
16 the governance of the Board of Trustees of the Nebraska State
17 Colleges. The Board of Trustees of the Nebraska Community Colleges
18 shall adopt and promulgate rules and regulations relating to
19 submission of budget requests for, funding of, and distribution of
20 appropriations to community colleges.

21 Sec. 58. Each community college area shall have a local
22 advisory board. Members of the initial local advisory board for
23 each area shall be the members serving on the Community College
24 Board of Governors of such area on July 1, 2009. At the expiration
25 of each member's elective term as a member of the Community College

1 Board of Governors, his or her seat on the local advisory board
2 shall be filled by appointment as provided in this section. Three
3 members of the local advisory board shall be appointed by the Board
4 of Trustees of the Nebraska Community Colleges, two members shall
5 be appointed by representatives of the community college campuses
6 of the community college area, and two members shall be appointed
7 by the remaining members of the local advisory board. Except for
8 the members of the initial local advisory board, members shall
9 serve for terms of six years each and may be reappointed. Members
10 of the initial local advisory board are eligible for reappointment.
11 Members of the local advisory board shall receive no compensation
12 but shall be reimbursed for their actual and necessary expenses
13 incurred in performance of their duties as such as provided in
14 sections 81-1174 to 81-1177.

15 Sec. 59. A community college may institute one or more
16 pilot programs if the local advisory board established under
17 section 58 of this act finds that each pilot program is responsive
18 to unique local needs within the priorities established by section
19 85-962. A pilot program need not be approved by the Board of
20 Trustees of the Nebraska Community Colleges but is subject to
21 the waiver process established by the Coordinating Commission for
22 Postsecondary Education pursuant to subdivision (2)(a) of section
23 85-1414.

24 Sec. 60. (1) On July 1, 2009, all property rights,
25 titles, assets, contracts, obligations, and choses in action of any

1 kind existing as of such date which are owned, held, or controlled
2 by a Community College Board of Governors for the benefit of a
3 community college area shall be transferred to, assumed by, and
4 carried out by the Board of Trustees of the Nebraska Community
5 Colleges.

6 (2) Title to (a) facilities on any community college
7 campus and all or any portion of the revenue derived from such
8 facilities which have been pledged to the payment of the principal
9 of and interest on revenue bonds issued by a Community College
10 Board of Governors or (b) facilities on any such campus which
11 have been constructed, repaired, or renovated with the proceeds of
12 revenue bonds payable from student fees shall vest in the Board of
13 Trustees of the Nebraska Community Colleges.

14 (3) Obligations of the Community College Boards of
15 Governors incurred before July 1, 2009, shall on such date be
16 paid pursuant to appropriation by the Legislature as provided in
17 section 61 of this act.

18 (4) Before July 1, 2009, the Community College Boards
19 of Governors and the Board of Trustees of the Nebraska Community
20 Colleges shall enter into such agreements as they deem necessary
21 and appropriate to carry out this section relating to the
22 conveyance and transfer of the property and rights provided under
23 this section and to make appropriate provisions with respect to
24 existing debt obligations, including revenue bonds. The boards of
25 governors, acting as a corporation for the revenue bond programs

1 for the community college areas, and their officers and staff
2 shall be reimbursed for any expenses incurred in carrying out this
3 subsection.

4 Sec. 61. It is the intent of the Legislature that the One
5 Hundred First Legislature of Nebraska appropriate funds to fully
6 pay the obligations referred to in subsection (3) of section 60 of
7 this act.

8 Sec. 62. (1) On July 1, 2009, all employees of the
9 community college areas shall be transferred to the Board of
10 Trustees of the Nebraska Community Colleges. The transferred
11 employees shall retain all benefits and the status of employment
12 accrued through such date, including retirement benefits not
13 vested.

14 (2) On and after such date, the transferred employees,
15 except academic, faculty, and teaching employees who are included
16 in a collective-bargaining unit and represented by a certified
17 collective-bargaining agent, shall cease participation in the
18 employee benefit programs of a community college area.

19 (3) On and after such date, the Board of Trustees
20 of the Nebraska Community Colleges shall have authority to
21 enter into a collective-bargaining agreement with any certified
22 collective-bargaining agent for academic, faculty, and teaching
23 employees of the community colleges who are represented by a
24 certified collective-bargaining agent covering any period beginning
25 on or after such date. The board shall bargain and negotiate

1 in good faith with any such bargaining agent pursuant to the
2 State Employees Collective Bargaining Act. On and after such date,
3 all academic, faculty, and teaching employees of the community
4 college area shall cease participation in the retirement program
5 of a community college area and shall begin participation in the
6 retirement program applicable to academic, faculty, and teaching
7 employees of institutions governed by the Board of Trustees of the
8 Nebraska State Colleges.

9 Sec. 63. (1) The Community College Operations Fund is
10 created. The fund shall consist of all fees and other money
11 collected from students at community colleges, all receipts from
12 all community college activities collected in connection with the
13 operation of the community colleges, and the money and funds
14 received at the time the community colleges came under the
15 governance of the Board of Trustees of the Nebraska Community
16 Colleges. A record shall be kept separating the money and funds
17 into appropriate and convenient accounts. Any money remaining in
18 the Nebraska Community College Aid Cash Fund on the operative
19 date of this section shall on such date be transferred to the
20 Community College Operations Fund. All money and funds accruing
21 to the Community College Operations Fund when appropriated by the
22 Legislature shall be used for the maintenance and operation of the
23 community colleges. No warrant shall be issued against the fund
24 unless there is money sufficient to pay the warrant. Any money in
25 the fund available for investment shall be invested by the state

1 investment officer pursuant to the Nebraska Capital Expansion Act
2 and the Nebraska State Funds Investment Act.

3 (2) The Community College Trust Fund is created. The
4 fund shall consist of all property, real or personal, acquired
5 as of July 1, 2009, or at any time after such date by or for a
6 community college by donation or bequest. Such property shall be
7 held and applied in the manner provided by and according to the
8 provisions of the person or entity making such donation or bequest.
9 All future donations or bequests to a community college shall
10 be a part of the fund. The holdings and management shall be in
11 strict accordance with all terms of the donation or bequest, except
12 that in the absence of any investment instructions, the funds may
13 be invested in such investments as are authorized for trustees,
14 guardians, personal representatives, or administrators under the
15 laws of Nebraska.

16 Sec. 64. Section 85-606.01, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 85-606.01 The Board of Trustees of the Nebraska State
19 Colleges, ~~any community college area board,~~ the Board of Trustees
20 of the Nebraska Community Colleges, and the Board of Regents of
21 the University of Nebraska shall have the authority to purchase
22 retirement annuity contracts for any or all of their employees
23 at the direction of the state investment officer pursuant to
24 the Nebraska Capital Expansion Act and the Nebraska State Funds
25 Investment Act and may enter into contracts with their employees

1 providing for the purchase of such retirement annuity contracts
2 under the provisions of the Internal Revenue Code. Such employment
3 contracts may provide that the amounts contributed by the employer
4 for such annuity contracts shall be the result of an agreement
5 of the employee to take a reduction in salary or to forego an
6 increase in salary, but only to the extent such amounts are earned
7 by the employee after the agreement becomes effective. Such an
8 agreement must be legally binding and irrevocable with respect to
9 amounts earned while the agreement is in effect. The right of
10 an employee to such an annuity contract is nonforfeitable, except
11 for failure to pay future premiums. Such an annuity contract is
12 nontransferable.

13 Sec. 65. Section 85-917, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 85-917 The Legislature hereby declares that it is the
16 intent and purpose of sections 79-741, 79-744, 85-194, ~~85-308,~~
17 85-606.01, 85-917 to 85-966, and ~~85-1511~~ sections 41 and 45 of
18 this act to provide statements of role and mission for the state's
19 systems and institutions of postsecondary education which will:

20 (1) Provide for a coordinated state system of
21 postsecondary education;

22 (2) Provide for the maintenance and development of
23 quality postsecondary educational programs and services for all
24 citizens in all regions of the state;

25 (3) Insure student and community access to comprehensive

1 educational programs;

2 (4) Limit unnecessary program and facility duplication
3 through a coordinated planning and review process;

4 (5) Encourage statewide long-term academic and fiscal
5 planning for postsecondary education in the state;

6 (6) Establish a legislative review process to insure
7 that (a) role and mission statements are updated as necessary and
8 (b) postsecondary institutions are complying with role and mission
9 assignments and are serving a valuable purpose to the state within
10 their current role and mission assignments; and

11 (7) Provide a mechanism for (a) implementing an extensive
12 change in the scope, role, and mission of a campus, (b) closing a
13 campus, (c) merging campuses, and (d) changing a campus to serve a
14 completely different public purpose.

15 Sec. 66. Section 85-933, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 85-933 No funds generated or received from a General Fund
18 appropriation, state aid assistance program, or receipts from a
19 tax levy authorized by statute shall be expended in support of
20 programs or activities which are in conflict with the role and
21 mission assignments applicable to the University of Nebraska, state
22 colleges, or community colleges under sections 79-741, 79-744,
23 85-194, ~~85-308~~, 85-606.01, and 85-917 to 85-966, and sections 41
24 and 45 of this act. ~~85-1511.~~

25 Sec. 67. Section 85-949, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 85-949 The role and mission assignments enumerated in
3 sections 85-950 to 85-958 shall apply to the state college system
4 and its institutions. Such assignments shall prohibit, limit, or
5 restrict only those programs or services provided for under such
6 sections. The Board of Trustees of the Nebraska State Colleges
7 shall adopt and promulgate policies and procedures necessary to
8 assure compliance with sections 79-741, 79-744, 85-194, 85-304,
9 85-308, 85-606.01, and 85-917 to 85-966.~~7~~ and ~~85-1511.~~

10 Sec. 68. Section 85-966, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 85-966 The Legislature acknowledges the provisions of
13 Article VII, sections 10, 13, and 14, of the Constitution of
14 Nebraska. The provisions of sections 85-917 to 85-966.01 reflect
15 the philosophy of the State of Nebraska and shall be acknowledged
16 as such and implemented by the Board of Regents of the University
17 of Nebraska, the Board of Trustees of the Nebraska State Colleges,
18 ~~the board of governors of each community college area,~~ the Board of
19 Trustees of the Nebraska Community Colleges, and the Coordinating
20 Commission for Postsecondary Education.

21 Sec. 69. Section 85-966.01, Revised Statutes Cumulative
22 Supplement, 2006, is amended to read:

23 85-966.01 ~~After~~ Except as provided in section 59 of this
24 act, after January 1, 1995, the Legislature shall not change the
25 role and mission provisions in this section and sections 85-917 to

1 85-966 unless and until a proposal for such change has first been
2 reviewed by the Coordinating Commission for Postsecondary Education
3 and its recommendations on such proposal have been given to the
4 Legislature pursuant to subdivision (2) of section 85-1412, section
5 85-1414, or otherwise.

6 Sec. 70. Section 85-9,167, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 85-9,167 For purposes of the Nebraska Equal Opportunity
9 in Postsecondary Education Act:

10 (1) Educational institution means the University of
11 Nebraska, the state colleges, and the community colleges; and

12 (2) Governing board means the Board of Regents of the
13 University of Nebraska, the Board of Trustees of the Nebraska State
14 Colleges, and ~~the community college boards of governors.~~ the Board
15 of Trustees of the Nebraska Community Colleges.

16 Sec. 71. Section 85-9,181, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 85-9,181 (1) Funds appropriated for the Minority
19 Scholarship Program Act for the benefit of students at the
20 University of Nebraska and students attending any community
21 colleges who are enrolled in an associate degree program with the
22 intention of transferring to the University of Nebraska shall be
23 used, administered, and invested in such manner as the Board of
24 Regents of the University of Nebraska, in consultation with the
25 ~~boards of governors of each participating community college,~~ Board

1 of Trustees of the Nebraska Community Colleges, shall determine.

2 (2) Funds appropriated for the Minority Scholarship
3 Program Act for the benefit of students at the state colleges
4 and students attending any community colleges who are enrolled in
5 an associate degree program with the intention of transferring to
6 a state college shall be used, administered, and invested in such
7 manner as the Board of Trustees of the Nebraska State Colleges,
8 in consultation with ~~the boards of governors of each participating~~
9 ~~community college,~~ the Board of Trustees of the Nebraska Community
10 Colleges shall determine.

11 Sec. 72. Section 85-9,182, Revised Statutes Cumulative
12 Supplement, 2006, is amended to read:

13 85-9,182 Awards of scholarships under the Minority
14 Scholarship Program Act shall be determined by a committee
15 selected by the Board of Regents of the University of Nebraska,
16 the Board of Trustees of the Nebraska State Colleges, and ~~the~~
17 ~~community college boards of governors.~~ the Board of Trustees of the
18 Nebraska Community Colleges. The committee shall include members of
19 underrepresented minority groups and private donors to the endowed
20 scholarship funds. Awards shall be consistent with the intent
21 stated in the act.

22 Sec. 73. Section 85-1402, Revised Statutes Cumulative
23 Supplement, 2006, is amended to read:

24 85-1402 For purposes of the Coordinating Commission for
25 Postsecondary Education Act:

1 (1) (a) Capital construction project ~~shall mean~~ means a
2 project which utilizes tax funds designated by the Legislature
3 and shall be: Any proposed new capital structure; any proposed
4 addition to, renovation of, or remodeling of a capital structure;
5 any proposed acquisition of a capital structure by gift, purchase,
6 lease-purchase, or other means of construction or acquisition that
7 (i) will be directly financed in whole or in part with tax funds
8 designated by the Legislature totaling at least the minimum capital
9 expenditure for purposes of this subdivision or (ii) is likely,
10 as determined by the institution, to result in an incremental
11 increase in appropriation or expenditure of tax funds designated
12 by the Legislature of at least the minimum capital expenditure for
13 the facility's operations and maintenance costs in any one fiscal
14 year within a period of ten years from the date of substantial
15 completion or acquisition of the project. No tax funds designated
16 by the Legislature shall be appropriated or expended for any
17 incremental increase of more than the minimum capital expenditure
18 for the costs of the operations and utilities of any facility
19 which is not included in the definition of capital construction
20 project and thus is not subject to commission approval pursuant
21 to the Coordinating Commission for Postsecondary Education Act. No
22 institution shall include a request for funding such an increase in
23 its budget request for tax funds designated by the Legislature, and
24 no ~~nor shall any~~ institution shall utilize any such funds for such
25 an increase. The Governor shall not include in his or her budget

1 recommendations, and the Legislature shall not appropriate, such
2 funds for such increase.

3 (b) For purposes of this subdivision:

4 (i) Directly financed ~~shall mean~~ means funded by:

5 (A) Appropriation of tax funds designated by the
6 Legislature for the specific capital construction project; or

7 ~~(B) Property tax levies used to establish a capital
8 improvement and bond sinking fund pursuant to section 85-1515; or~~

9 ~~(C) (B)~~ (B) That portion of tax funds designated by the
10 Legislature and appropriated by the Legislature for the general
11 operation of the public institution and utilized to fund the
12 capital project;

13 (ii) Incremental increase ~~shall mean~~ means an increase
14 in appropriation or expenditure of tax funds designated by the
15 Legislature of at least the minimum capital expenditure for a
16 facility's operations and maintenance costs, beyond any increase
17 due to inflation, to pay for a capital structure's operations
18 and maintenance costs that are a direct result of a capital
19 construction project; and

20 (iii) Minimum capital expenditure ~~shall mean+~~ means:

21 (A) For purposes of subdivision (a)(i) of this
22 subdivision, a base amount of five hundred thousand dollars; and

23 (B) For the facility's operations and maintenance costs
24 pursuant to subdivision (a)(ii) of this subdivision, a base amount
25 of seventy-five thousand dollars for any one fiscal year.

1 Both base amounts shall be subject to any inflationary
2 or market adjustments made by the commission pursuant to this
3 subdivision. The commission shall adjust the base amounts on a
4 biennial basis beginning January 1, 2008. The adjustments shall be
5 based on percentage changes in a construction cost index and any
6 other published index relevant to operations and utilities costs,
7 both as selected by the commission in cooperation with the public
8 institutions. The index or indices shall reflect inflationary or
9 market trends for the applicable operations and maintenance or
10 construction costs;

11 (2) Commission ~~shall mean~~ means the Coordinating
12 Commission for Postsecondary Education;

13 (3) Coordination ~~shall mean+~~ means:

14 (a) Authority to adopt, and revise as needed, a
15 comprehensive statewide plan for postsecondary education which
16 shall include (i) definitions of the role and mission of each
17 public postsecondary educational institution within any general
18 assignments of role and mission as may be prescribed by the
19 Legislature and (ii) plans for facilities which utilize tax funds
20 designated by the Legislature;

21 (b) Authority to review, monitor, and approve or
22 disapprove each public postsecondary educational institution's
23 programs and capital construction projects which utilize tax funds
24 designated by the Legislature in order to provide compliance and
25 consistency with the comprehensive plan and to prevent unnecessary

1 duplication; and

2 (c) Authority to review and modify, if needed to promote
3 compliance and consistency with the comprehensive statewide plan
4 and prevent unnecessary duplication, the budget requests of the
5 governing boards or any other governing board for any other public
6 postsecondary educational institution which may be established by
7 the Legislature;

8 (4) Education center ~~shall mean~~ means an off-campus
9 branch of a public institution or cooperative of either public
10 or public and private postsecondary educational institutions which
11 offers instructional programs to students;

12 (5) Governing board ~~shall mean~~ means the Board of Regents
13 of the University of Nebraska, ~~or~~ or the Board of Trustees of the
14 Nebraska State Colleges; ~~or~~ or the board of governors for each
15 community college area;

16 (6) Pilot program means specific short-term job training
17 programs or specific short-term public service programs as defined
18 by the commission pursuant to subdivision (2)(a) of section
19 85-1414;

20 (7) Program ~~shall mean~~ means any program of instruction
21 which leads directly to a degree, diploma, or certificate and, for
22 purposes of section 85-1414, ~~shall include~~ includes public service
23 programs and all off-campus instructional programs, whether or not
24 such programs lead directly to a degree, diploma, or certificate.
25 Program ~~shall also include~~ also includes the establishment of

1 any new college, school, major division, education center, or
 2 institute but shall not include reasonable and moderate extensions
 3 of existing curricula which have a direct relationship to existing
 4 programs. Program does not include a pilot program;

5 ~~(7)~~ (8) Public institution ~~shall mean~~ means each campus
 6 of a public postsecondary educational institution which is or may
 7 be established by the Legislature, which is under the direction of
 8 a governing board, and which is administered as a separate unit by
 9 the board; and

10 ~~(8)~~ (9) Tax funds designated by the Legislature ~~shall~~
 11 ~~mean~~ means all state tax revenue, and all property tax revenue.

12 Sec. 74. Section 85-1404, Reissue Revised Statutes of
 13 Nebraska, is amended to read:

14 85-1404 The purposes of the Coordinating Commission for
 15 Postsecondary Education established by Article VII, section 14,
 16 of the Constitution of Nebraska and section 85-1403 ~~shall be~~ are
 17 to (1) develop an ongoing comprehensive statewide plan for the
 18 operation of an educationally and economically sound, vigorous,
 19 progressive, and coordinated system of postsecondary education, (2)
 20 identify and enact policies to meet the educational, research,
 21 and public service needs of the state, and (3) effect the best
 22 use of available resources through the elimination of unnecessary
 23 duplication of programs and facilities among Nebraska's public
 24 institutions.

25 In carrying out its powers and duties, the commission

1 shall consider the need for diversity of public institutions and
2 the need for addressing regional and local needs but shall above
3 all reflect a commitment to a perspective in decisionmaking and
4 planning for postsecondary education which will best serve the
5 state as a whole consistent with the role and mission assignment of
6 each public institution.

7 The commission shall work with the public institutions
8 to encourage and sustain their aspirations consistent with the
9 comprehensive statewide plan and in a manner designed to achieve a
10 vision of statewide postsecondary education. The commission shall
11 not be an advocate for any one public institution but shall strive
12 for a balance and responsiveness among all public institutions.

13 Sec. 75. Section 85-1412, Revised Statutes Cumulative
14 Supplement, 2006, is amended to read:

15 85-1412 The commission shall have the following
16 additional powers and duties:

17 (1) Conduct surveys and studies as may be necessary to
18 undertake the coordination function of the commission pursuant
19 to section 85-1403 and request information from governing
20 boards and appropriate administrators of public institutions and
21 other governmental agencies for research projects. All public
22 institutions and governmental agencies receiving state funds
23 shall comply with reasonable requests for information under this
24 subdivision. Public institutions may comply with such requests
25 pursuant to section 85-1417;

1 (2) Recommend to the Legislature and the Governor
2 legislation it deems necessary or appropriate to improve
3 postsecondary education in Nebraska and any other legislation it
4 deems appropriate to change the role and mission provisions in
5 sections 85-917 to 85-966.01 and section 41 of this act;

6 (3) Establish any advisory committees as may be necessary
7 to undertake the coordination function of the commission pursuant
8 to section 85-1403 or to solicit input from affected parties
9 such as students, faculty, governing boards, administrators
10 of the public institutions, administrators of the private
11 nonprofit institutions of postsecondary education and proprietary
12 institutions in the state, and community and business leaders
13 regarding the coordination function of the commission;

14 (4) Participate in or designate an employee or employees
15 to participate in any committee which may be created to prepare
16 a coordinated plan for the delivery of educational programs and
17 services in Nebraska through the telecommunications system;

18 (5) Seek a close liaison with the State Board of
19 Education and the State Department of Education in recognition
20 of the need for close coordination of activities between elementary
21 and secondary education and postsecondary education;

22 (6) Administer the Integrated Postsecondary Education
23 Data System or other information system or systems to provide the
24 commission with timely, comprehensive, and meaningful information
25 pertinent to the exercise of its duties. The information system

1 shall be designed to provide comparable data on each public
2 institution. The commission shall also administer the uniform
3 information system prescribed in sections 85-1421 to 85-1427 known
4 as the Nebraska Educational Data System. Public institutions shall
5 supply the appropriate data for the information system or systems
6 required by the commission;

7 (7) Administer the Community Scholarship Foundation
8 Program Act and the Nebraska Scholarship Act;

9 (8) Accept and administer loans, grants, and programs
10 from the federal or state government and from other sources, public
11 and private, for carrying out any of its functions, including
12 the administration of privately endowed scholarship programs. Such
13 loans and grants shall not be expended for any other purposes than
14 those for which the loans and grants were provided. The commission
15 shall determine eligibility for such loans, grants, and programs,
16 and such loans and grants shall not be expended unless approved by
17 the Governor;

18 (9) Consistent with section 85-1620, approve, in a
19 timely manner, new baccalaureate degree programs to be offered
20 at private postsecondary career schools as defined in section
21 85-1603. The commission may charge a reasonable fee based on
22 its administrative costs for authorizations pursuant to this
23 subdivision and section 85-1620. The commission shall report such
24 action to the Commissioner of Education;

25 (10) Pursuant to sections 85-1101 to 85-1104, authorize

1 out-of-state institutions of higher or postsecondary education to
2 offer courses or degree programs in this state;

3 (11) Pursuant to sections 85-1105 to 85-1111, approve
4 or disapprove petitions to establish new private colleges in this
5 state;

6 (12) On or before December 1, 2000, and on or before
7 December 1 every two years thereafter, submit to the Legislature
8 and the Governor a report of its objectives and activities and
9 any new private colleges in Nebraska and the implementation of any
10 recommendations of the commission for the preceding two calendar
11 years;

12 (13) Provide staff support for interstate compacts on
13 postsecondary education; and

14 (14) Request inclusion of the commission in any existing
15 grant review process and information system.

16 Sec. 76. Section 85-1413, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 85-1413 (1) Pursuant to the authority granted in
19 Article VII, section 14, of the Constitution of Nebraska and
20 the Coordinating Commission for Postsecondary Education Act, the
21 commission shall establish and revise as needed a comprehensive
22 statewide plan for postsecondary education which shall include (a)
23 definitions of the role and mission of each public postsecondary
24 educational institution within any general assignments of role and
25 mission as prescribed in sections 85-917 to 85-966 and section 41

1 of this act and (b) a plan for facilities which utilize tax funds
2 designated by the Legislature.

3 (2) Beginning on September 1, 1999, the commission shall
4 work in consultation with the governing boards in revising the
5 existing comprehensive statewide plan to reflect the role and
6 mission of public postsecondary educational institutions and to
7 articulate statewide goals. The process of reviewing and revising
8 the plan shall be completed by January 1, 2001, if practicable.

9 (3) The planning process of the commission (a) shall
10 be policy-based and ongoing in order to achieve, within the
11 coordination function of the commission pursuant to section
12 85-1403, the best possible use of available state resources for
13 high quality and accessible postsecondary educational services
14 and (b) shall take into consideration (i) the needs of the state
15 as described in subsection (4) of this section, (ii) general
16 assignments of role and mission for each public institution in
17 sections 85-917 to 85-966 and section 41 of this act, and (iii)
18 plans for facilities which utilize tax funds designated by the
19 Legislature.

20 (4) In establishing the plan, the commission shall assess
21 the postsecondary educational needs of the state in the following
22 areas:

- 23 (a) The basic and continuing needs of various age groups;
24 (b) Business and industrial needs for a skilled work
25 force;

- 1 (c) Demographic, social, and economic trends;
- 2 (d) The needs of the ethnic populations;
- 3 (e) College attendance, retention, and dropout rates;
- 4 (f) The needs of recent high school graduates and
5 place-bound adults;
- 6 (g) The needs of residents of all geographic regions; and
- 7 (h) Any other areas the commission may designate.
- 8 (5) The plan shall provide a structure or process which
9 encourages and facilitates harmonious and cooperative relationships
10 between public and private postsecondary educational institutions
11 and shall recognize the role and relationship of elementary
12 and secondary education and private postsecondary educational
13 institutions in the state to postsecondary education.
- 14 (6) The commission shall incorporate into the plan
15 provisions and policies to guide decisionmaking by the commission
16 pursuant to this section and sections 85-1414 and 85-1415. The
17 provisions and policies shall address issues which include, but are
18 not limited to:
- 19 (a) The facilitation of statewide transfer-of-credit
20 guidelines to be considered by institutional governing boards.
21 The statewide transfer-of-credit guidelines shall be designed to
22 facilitate the transfer of students among public institutions.
23 The statewide transfer-of-credit guidelines shall not require nor
24 encourage the standardization of course content and shall not
25 prescribe course content or credit value assigned by any public

1 institution to the courses;

2 (b) Recommended guidelines for admissions which recognize
3 selective and differentiated admission standards at public
4 institutions and which are consistent with the role and mission
5 of each public institution. It is the intent of the Legislature
6 that changes in admission standards be implemented in conjunction
7 with the role and mission statements established pursuant to this
8 section and sections 85-917 to 85-966 and section 41 of this
9 act and the adoption of statewide transfer-of-credit and remedial
10 program policies to assure that access to postsecondary education
11 is not limited;

12 (c) Recommended enrollment guidelines consistent with
13 the role and mission of each public institution and specific
14 recommendations designed to increase diversity through more
15 effective enrollment and retention at public institutions;

16 (d) Recommended guidelines for rational and equitable
17 statewide tuition rates and fees for public institutions. The
18 commission shall identify public policy issues relating to tuition
19 and fees of the public postsecondary educational institutions in
20 the state. The recommended guidelines shall take into account
21 the role and mission of each public institution and the need to
22 maximize access to public postsecondary education regardless of a
23 student's financial circumstance;

24 (e) In conjunction with and consistent with its
25 recommended guidelines on admission standards, recommended

1 guidelines which place the primary emphasis at the community
2 college level for postsecondary education remedial programs and
3 reduce the role of the University of Nebraska in offering remedial
4 programs. The commission shall collaborate with the Commissioner of
5 Education to develop recommendations for secondary schools designed
6 to reduce the need for remedial or developmental programs at the
7 postsecondary level;

8 (f) In consultation with the governing boards or
9 their designated representatives, designation of geographic and
10 programmatic service areas for each public institution consistent
11 with role and mission assignments. Except as permitted by the
12 commission pursuant to section 85-1414 and except for pilot
13 programs, ~~after July 1, 1992,~~ no public institution shall
14 provide programs at any site outside its assigned geographic
15 and programmatic service area unless permitted under rules and
16 regulations adopted and promulgated by the commission;

17 (g) After consultation with the governing boards and
18 experts from outside the State of Nebraska, the establishment of a
19 peer group or groups for each public institution for purposes of
20 budget review. In fulfilling this charge, the commission may accept
21 a peer group determined by a governing board in consultation with
22 out-of-state experts;

23 (h) Effective use of information technologies and
24 telecommunications to aid in the delivery of instruction at the
25 postsecondary level. In cooperation with the Nebraska Educational

1 Telecommunications Commission, other state agencies, and, when
2 appropriate, representatives of elementary and secondary public
3 education, the commission may assist in the development of
4 instructional delivery systems employing information technologies
5 and telecommunications. The commission, with the involvement
6 of faculties, public institutions and private postsecondary
7 educational institutions, and the information technology and
8 telecommunications community, shall establish policies to ensure
9 that the objectives of quality and efficiency are met in the
10 delivery of information technology and telecommunications-aided
11 instruction;

12 (i) Workforce development. The commission shall explore
13 methods to improve the competitive quality of the work force and
14 shall encourage enhanced communications and partnerships between
15 public institutions and business and industry;

16 (j) Public service activities. The public institutions
17 shall develop and provide to the commission a comprehensive
18 inventory of public service programs and activities of public
19 institutions; and

20 (k) Financial aid strategy. The commission shall develop
21 a state strategy for state-supported student financial aid programs
22 with the goal of assuring access to and choice in postsecondary
23 education in Nebraska for Nebraska residents within the limits of
24 available state resources.

25 (7) The commission shall develop a unified statewide

1 facilities plan in consultation with the governing boards or their
2 designated representatives and update the plan periodically.

3 (8) Prior to March 15 of the year following the
4 year of adoption of the revised comprehensive statewide plan
5 for postsecondary education required by subsection (2) of this
6 section and prior to March 15 of the year following a year
7 in which any revision is made to the comprehensive statewide
8 plan, the Education Committee of the Legislature shall review the
9 comprehensive statewide plan and revisions thereto at a public
10 hearing and report its findings to the Legislature.

11 Sec. 77. Section 85-1414, Revised Statutes Cumulative
12 Supplement, 2006, is amended to read:

13 85-1414 (1) Pursuant to the authority granted in
14 Article VII, section 14, of the Constitution of Nebraska and
15 the Coordinating Commission for Postsecondary Education Act, the
16 commission shall establish an ongoing process to review, monitor,
17 and approve or disapprove the new and existing programs of public
18 institutions, except for pilot programs as provided in section
19 59 of this act, and proposed capital construction projects which
20 utilize tax funds designated by the Legislature in order to
21 provide compliance and consistency with the comprehensive statewide
22 plan and to prevent unnecessary duplication. When complying
23 with requests for information during the review, monitoring,
24 and approval process, public institutions may comply pursuant to
25 section 85-1417.

1 (2) (a) Governing boards shall submit to the commission
2 all proposals for any new program after the governing board has
3 approved the program, except for a pilot program, and prior to
4 implementation of the program. Except for programs submitted for
5 conditional approval by the commission pursuant to subdivision (b)
6 of this subsection, the commission shall have ninety days from
7 the date the program was submitted to take action to approve or
8 disapprove a program or it shall stand approved. The commission
9 shall establish a waiver process for specific, short-term job
10 training programs and short-term public service programs as defined
11 by the commission. New programs submitted for review may be
12 approved or disapproved in whole or in part and with or without
13 recommended modifications based on criteria established pursuant to
14 subsection (7) of this section.

15 (b) After approval of the program by the governing board,
16 the governing board may submit a proposal for a program which
17 is not authorized by the role and mission provisions of sections
18 85-917 to 85-966 and section 41 of this act to the commission
19 for conditional approval. Within one hundred twenty days from
20 its receipt of the proposal, the commission shall report to the
21 Legislature its recommendation in support for or opposition to
22 the amendments to the role and mission statutes that would be
23 necessary for the commission to approve the program and for the
24 institution to offer the program. The time period for submission of
25 the report may be extended for up to an additional ninety days by

1 resolution of the commission which shall show good cause why the
2 extent of review required for this particular proposal necessitates
3 an extension of time to complete the review. Such extension shall
4 be filed with the chairperson of the Education Committee of the
5 Legislature prior to the expiration of the initial one hundred
6 twenty days. The report shall contain supporting rationale for the
7 commission's position, such additional comments as the commission
8 deems appropriate and, in the event the commission supports the
9 amendments to the role and mission statutes, the commission's
10 specific recommendation as to the form of such amendments. If
11 the report indicates support for the necessary amendments to
12 the role and mission statutes, the report shall also constitute
13 the commission's conditional approval of the program, unless the
14 report specifically indicates disapproval of the program. If the
15 necessary amendments to the role and mission statutes supported by
16 the commission in its report to the Legislature are subsequently
17 enacted by the Legislature, the program shall stand approved.
18 Nothing in this section for conditional approval shall be construed
19 to affect the commission's future consideration of such proposal or
20 approval or disapproval of any programs affected by the proposal.
21 Conditional approval is not required for any pilot program.

22 (3) Following approval of a new program, such program
23 shall be added to the schedule of existing programs to be reviewed
24 by the commission. Following consultation with the governing
25 board, new programs approved by the commission may also be

1 required to meet, within a reasonable time as stipulated by
2 the commission, minimum performance standards established by the
3 commission pursuant to its rules and regulations. If a program
4 fails to meet minimum performance standards, the commission shall
5 review the program and may continue or withdraw its approval for
6 the program.

7 (4) Existing programs shall be reviewed by the commission
8 pursuant to a program review process established by the commission
9 in consultation with the governing boards or their designated
10 representatives which, to the extent possible while still
11 allowing for timely review by the commission, shall coincide with
12 institutional review and accreditation cycles. Pilot programs shall
13 be reviewed as provided in section 59 of this act. In reviewing
14 existing programs, the commission may make use of nonconfidential
15 information and conclusions provided by accreditation processes
16 supplied to the commission by the institutions. All programs in
17 existence prior to January 1, 1992, shall be considered approved
18 until the approval is confirmed or withdrawn by the commission
19 pursuant to the program review process conducted by the commission.

20 (5) Existing programs, including pilot programs reviewed
21 under section 59 of this act, which do not meet criteria
22 established by the commission pursuant to subsection (7) of
23 this section shall be targeted for indepth review by the public
24 institutions and their governing boards. In performing such indepth
25 review, institutions may make use of information and conclusions

1 provided by accreditation and other established and ongoing
2 academic review processes rather than providing for a separate
3 review process. Programs continued by the governing boards shall
4 be further monitored by the governing board which shall report the
5 status and process of the monitoring to the commission. If the
6 commission determines that a program does not merit continuation,
7 it shall hold a public hearing, following thirty days' notice
8 to the public institution, to consider if the program should be
9 continued. Following the hearing, the commission shall take action
10 to approve or disapprove continuance of the program.

11 (6) Existing programs, including pilot programs reviewed
12 under section 59 of this act, disapproved for continuance by
13 the commission shall be terminated by a public institution when
14 all students in the program on the date of the decision of the
15 commission to disapprove continuance of the program have had a
16 reasonable opportunity, as determined by the governing board of
17 the public institution, to complete the program. Existing public
18 service programs, including public service pilot programs reviewed
19 under such section, which are disapproved for continuance by the
20 commission shall be terminated at the end of the fiscal year in
21 which the decision to disapprove is made.

22 (7) The commission shall establish criteria for the
23 review, monitoring, and approval or disapproval of programs. The
24 governing boards of the public institutions shall be responsible
25 for assuring the quality and effectiveness of programs offered by

1 their institutions. The commission's criteria shall be designed to
2 (a) meet educational needs and (b) assure efficiency and avoid
3 unnecessary duplication. Criteria shall include:

4 (i) Centrality to the role and mission of the public
5 institution;

6 (ii) Consistency with the comprehensive statewide plan;

7 (iii) Evidence of need and demand; and

8 (iv) Adequacy of resources to support proposed new
9 programs.

10 The criteria shall not infringe on the prerogative of the
11 governing boards to make decisions on the quality of staff and the
12 design of curriculum.

13 (8) The commission shall develop specific criteria for
14 review, monitoring, and approval or disapproval of participation by
15 any public institution in proposed or existing education centers in
16 addition to the criteria specified in this section. Participation
17 by a public institution in an education center shall also be
18 approved by the governing board of such public institution. The
19 commission shall develop policies and procedures for conducting and
20 approving off-campus programming in an education center.

21 (9) Each public institution shall submit its most
22 recent institutional facilities plan to the commission subject to
23 commission guidelines for the format and content of such plans.
24 The commission shall (a) review each institutional facilities plan
25 to ensure (i) consistency with the comprehensive statewide plan,

1 statewide facilities plan, and institutional role and mission
2 assignments and (ii) identification of unnecessary duplication
3 of facilities and (b) make a written report of its review to
4 the governing board of the public institution within ninety
5 days after receipt of the institutional facilities plan. The
6 commission may, in accordance with the coordination function of the
7 commission pursuant to section 85-1403, recommend modifications to
8 the institutional facilities plans and may require submission of
9 periodic updates of the institutional facilities plans.

10 (10) Governing boards shall submit all proposed capital
11 construction projects which utilize tax funds designated by
12 the Legislature to the commission for review and approval
13 or disapproval. The commission shall, in accordance with the
14 coordination function of the commission pursuant to section
15 85-1403, review, monitor, and approve or disapprove each such
16 capital construction project to provide compliance and consistency
17 with the statewide facilities plan and the comprehensive statewide
18 plan and to prevent unnecessary duplication of capital facilities.
19 The commission may disapprove a project only on the basis of a
20 finding by the commission that the project (a) does not comply
21 or is inconsistent with one or more provisions of the statewide
22 facilities plan or other relevant provisions of the comprehensive
23 statewide plan or (b) will result in unnecessary duplication of
24 capital facilities.

25 (11) In fulfilling its program and project approval

1 activities prescribed in this section, the commission shall,
2 in accordance with the coordination function of the commission
3 pursuant to section 85-1403, recognize educational activities among
4 all segments of postsecondary education and take into account
5 the educational programs, facilities, and other resources of
6 both public and independent and private postsecondary educational
7 institutions.

8 (12) ~~Any~~ Except for pilot programs, any program which
9 is authorized by action of the Legislature or a governing board
10 and which is not in existence prior to January 1, 1992, shall not
11 become operative unless and until such program has been approved by
12 the commission pursuant to this section.

13 Sec. 78. Section 85-1416, Revised Statutes Cumulative
14 Supplement, 2006, is amended to read:

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

23 (2)(a) At least thirty days prior to submitting to
24 the Governor their biennial budget requests pursuant to section
25 81-1113 and any major deficit appropriation requests pursuant to

1 instructions of the Department of Administrative Services, the
2 Board of Regents of the University of Nebraska and the Board of
3 Trustees of the Nebraska State Colleges shall each submit to the
4 commission an outline of its proposed operating budget. The outline
5 of its proposed operating budget or outline of proposed state
6 aid request shall include those information summaries provided
7 to the institution's governing board describing the respective
8 institution's budget for the next fiscal year or biennium. The
9 outline shall contain projections of funds necessary for (i)
10 the retention of current programs and services, including pilot
11 programs to be continued beyond the initial two-year period, at
12 current funding levels, (ii) any inflationary costs necessary
13 to maintain current programs and services, including such pilot
14 programs, at the current programmatic or service levels, and (iii)
15 proposed new and expanded programs and services, including pilot
16 programs. In addition to the outline, the commission may request
17 an institution to provide to the commission any other supporting
18 information to assist the commission in its budget review process.
19 An institution may comply with such requests pursuant to section
20 85-1417.

21 ~~(b) On September 15 of each biennial budget request~~
22 ~~year, the boards of governors of the community colleges or their~~
23 ~~designated representatives shall submit to the commission outlines~~
24 ~~of their proposed state aid requests pursuant to sections 85-1536~~
25 ~~and 85-1537.~~

1 ~~(e)~~ (b) The commission shall analyze institutional budget
2 priorities in light of the comprehensive statewide plan, role and
3 mission assignments, and the goal of prevention of unnecessary
4 duplication. The commission shall submit to the Governor and
5 Legislature by October 15 of each year recommendations for approval
6 or modification of the budget requests together with a rationale
7 for its recommendations. The analysis and recommendations by the
8 commission shall focus on budget requests for new and expanded
9 programs and services and major statewide funding issues or
10 initiatives as identified in the comprehensive statewide plan.
11 If an institution does not comply with the commission's request
12 pursuant to subdivision (a) of this subsection for additional
13 budget information, the commission may so note the refusal
14 and its specific information request in its report of budget
15 recommendations. The commission shall also provide to the Governor
16 and the Appropriations Committee of the Legislature on or before
17 October 1 of each even-numbered year a report identifying public
18 policy issues relating to student tuition and fees, including
19 the appropriate relative differentials of tuition and fee levels
20 ~~between~~ among the sectors of public postsecondary education in
21 the state consistent with the comprehensive statewide plan. Pilot
22 programs described in subdivision (2) (a) (iii) of this section shall
23 not be subject to a recommendation of the commission under this
24 subdivision.

25 (3) At least thirty days prior to submitting to the

1 Governor their biennial budget requests pursuant to section
2 81-1113 and any major deficit appropriation requests pursuant to
3 instructions of the Department of Administrative Services, the
4 Board of Regents of the University of Nebraska and the Board of
5 Trustees of the Nebraska State Colleges shall each submit to the
6 commission information the commission deems necessary regarding
7 each board's capital construction budget requests. The commission
8 shall review the capital construction budget request information
9 and may recommend to the Governor and the Legislature modification,
10 approval, or disapproval of such requests consistent with the
11 statewide facilities plan and any project approval determined
12 pursuant to subsection (10) of section 85-1414 and to section
13 85-1415. The commission shall develop from a statewide perspective
14 a unified prioritization of individual capital construction budget
15 requests for which it has recommended approval and submit such
16 prioritization to the Governor and the Legislature for their
17 consideration. In establishing its prioritized list, the commission
18 may consider and respond to the priority order established by the
19 Board of Regents or the Board of Trustees in their respective
20 capital construction budget requests.

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

25 Sec. 79. Section 85-1418, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 85-1418 (1) No state warrant shall be issued by the
3 Department of Administrative Services or used by any public
4 institution for the purpose of funding any program or capital
5 construction project which has not been approved, any pilot project
6 if approval is required under section 85-1414 and section 59 of
7 this act, or any program or capital construction project ~~or~~ which
8 has been disapproved by the commission pursuant to the Coordinating
9 Commission for Postsecondary Education Act. If state funding for
10 any such program, pilot program, or project cannot be or is not
11 divided into warrants separate from other programs, pilot programs,
12 or projects, the department shall reduce a warrant to the public
13 institution which includes funding for the program or project by
14 the amount of tax funds designated by the Legislature which are
15 budgeted in that fiscal year by the public institution for use for
16 the program, pilot program, or project.

17 ~~(2) The department may reduce the amount of state aid~~
18 ~~distributed to a community college area pursuant to sections~~
19 ~~85-1536 and 85-1537 by the amount of funds used by the area to~~
20 ~~provide a program or capital construction project which has not~~
21 ~~been approved or which has been disapproved by the commission.~~

22 ~~(3)~~ (2) The district court of Lancaster County shall have
23 jurisdiction to enforce an order or decision of the commission
24 entered pursuant to the Coordinating Commission for Postsecondary
25 Education Act and to enforce this section.

1 ~~(4)~~ (3) Any person or public institution aggrieved by a
2 final order of the commission entered pursuant to section 85-1413,
3 85-1414, 85-1415, or 85-1416 shall be entitled to judicial review
4 of the order. Proceedings for review shall be instituted by filing
5 a petition in the district court of Lancaster County within thirty
6 days after public notice of the final decision by the commission
7 is given. The filing of the petition or the service of summons
8 upon the commission shall not stay enforcement of such order. The
9 review shall be conducted by the court without a jury on the
10 record of the commission. The court shall have jurisdiction to
11 enjoin enforcement of any order of the commission which is (a)
12 in violation of constitutional provisions, (b) in excess of the
13 constitutional or statutory authority of the commission, (c) made
14 upon unlawful procedure, or (d) affected by other error of law.

15 ~~(5)~~ (4) A party may secure a review of any final judgment
16 of the district court by appeal to the Court of Appeals. Such
17 appeal shall be taken in the manner provided by law for appeals in
18 civil cases and shall be heard de novo on the record.

19 Sec. 80. Section 86-594, Revised Statutes Cumulative
20 Supplement, 2006, is amended to read:

21 86-594 (1) Except as provided in the Educational Service
22 Units Act and sections 79-1319, 81-1120.01 to 81-1120.28, 85-401
23 to 85-418, ~~85-1501 to 85-1542~~, and 86-575, an agency or political
24 subdivision of the state that is not a public power supplier shall
25 not provide on a retail or wholesale basis any broadband services,

1 Internet services, telecommunications services, or video services.

2 (2) The provisions of subsection (1) of this section
3 shall not apply to services which an agency or political
4 subdivision of the state was authorized to provide and was
5 providing prior to January 1, 2005.

6 Sec. 81. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,
7 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30,
8 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47,
9 48, 49, 50, 51, 52, 53, 54, 55, 56, 60, 61, 62, 63, 64, 65, 66, 67,
10 68, 69, 70, 71, 72, 73, 74, 76, 77, 79, 80, 81, 83, and 84 of this
11 act become operative on July 1, 2009. The other sections of this
12 act become operative on their effective date.

13 Sec. 82. Original sections 77-3442 and 85-1416, Revised
14 Statutes Cumulative Supplement, 2006, are repealed.

15 Sec. 83. Original sections 13-916, 13-1612, 18-2115,
16 32-567, 32-607, 32-608, 32-811, 32-1203, 32-1301, 32-1302,
17 44-1615, 48-621, 48-622.03, 48-811.02, 49-506, 66-1062, 77-3443,
18 77-3445, 79-919, 79-922, 81-1118.02, 85-1504, 85-1541, 85-1542,
19 85-606.01, 85-917, 85-933, 85-949, 85-966, 85-9,167, 85-1404,
20 85-1418, 85-1504, 85-1541, and 85-1542, Reissue Revised Statutes
21 of Nebraska, and sections 10-127, 10-142, 10-1103, 13-503, 13-518,
22 13-519, 13-2202, 72-2302, 72-2303, 72-2304, 72-2306, 77-1601.02,
23 79-902, 81-1201.21, 85-966.01, 85-9,181, 85-9,182, 85-1402,
24 85-1412, 85-1413, 85-1414, 85-1503, and 86-594, Revised Statutes
25 Cumulative Supplement, 2006, are repealed.

1 Sec. 84. The following sections are outright repealed:
2 Sections 32-514, 85-312, 85-1501, 85-1501.01, 85-1505, 85-1506,
3 85-1507, 85-1508, 85-1509, 85-1510, 85-1511, 85-1512, 85-1515,
4 85-1516, 85-1518, 85-1519, 85-1520, 85-1521, 85-1523, 85-1524,
5 85-1525, 85-1526, 85-1527, 85-1528, 85-1529, 85-1530, 85-1531,
6 85-1532, 85-1533, 85-1534, 85-1535, 85-1536, 85-1537, 85-1538,
7 and 85-1539, Reissue Revised Statutes of Nebraska, and sections
8 85-1502, 85-1514, 85-1517, 85-1522, 85-1534.01, 85-1536.01, and
9 85-1540, Revised Statutes Cumulative Supplement, 2006.