

AMENDMENTS TO LB 1072

Introduced by Education.

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

3           Section 1. Section 13-518, Revised Statutes Supplement,  
4 2009, is amended to read:

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

6           (1) Allowable growth means (a) for governmental units  
7 other than community colleges, the percentage increase in taxable  
8 valuation in excess of the base limitation established under  
9 section 77-3446, if any, due to improvements to real property as  
10 a result of new construction, additions to existing buildings,  
11 any improvements to real property which increase the value of  
12 such property, and any increase in valuation due to annexation  
13 and any personal property valuation over the prior year and (b)  
14 for community colleges, (i) for fiscal years prior to fiscal  
15 year 2003-04, for fiscal years ~~and~~ after fiscal year 2004-05  
16 until fiscal year 2007-08, and for fiscal year 2010-11, the  
17 percentage increase in excess of the base limitation, if any,  
18 in full-time equivalent students from the second year to the  
19 first year preceding the year for which the budget is being  
20 determined, (ii) for fiscal year 2003-04 and fiscal year 2004-05,  
21 the percentage increase in full-time equivalent students from the  
22 second year to the first year preceding the year for which the  
23 budget is being determined, and (iii) for fiscal year 2007-08 ~~and~~

1 ~~each fiscal year thereafter,~~ through fiscal year 2009-10, community  
2 college areas may exceed the base limitation to equal base revenue  
3 need calculated pursuant to section 85-2223;

4 (2) Capital improvements means (a) acquisition of real  
5 property or (b) acquisition, construction, or extension of any  
6 improvements on real property;

7 (3) Governing body has the same meaning as in section  
8 13-503;

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

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

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

1 of the activity funded from the fee, (g) any funds excluded from  
2 restricted funds for the prior year because they were budgeted for  
3 capital improvements but which were not spent and are not expected  
4 to be spent for capital improvements, (h) the tax provided in  
5 sections 77-27,223 to 77-27,227 beginning in the second fiscal year  
6 in which the county will receive a full year of receipts, and (i)  
7 any excess tax collections returned to the county under section  
8 77-1776; and

9 (7) State aid means:

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

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

16 (c) For counties, state aid to counties paid pursuant  
17 to sections 39-2501 to 39-2520, 60-3,184 to 60-3,190, and  
18 77-27,137.03, insurance premium tax paid to counties, and  
19 reimbursements to counties from funds appropriated pursuant to  
20 section 29-3933;

21 (d) For community colleges, state aid to community  
22 colleges paid ~~under~~ pursuant to the Community College Foundation  
23 and Equalization Aid Act or, for fiscal year 2010-11, pursuant to  
24 section 10 of this act;

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

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

1 under sections 79-1241.01 to 79-1241.03; and

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

4 Sec. 2. Section 13-519, Revised Statutes Supplement,  
5 2009, is amended to read:

6 13-519 (1) (a) Subject to ~~subdivisions~~ subdivision (1) (b)  
7 ~~and (c)~~ of this section, for all fiscal years beginning on or after  
8 July 1, 1998, no governmental unit shall adopt a budget containing  
9 a total of budgeted restricted funds more than the last prior  
10 year's total of budgeted restricted funds plus allowable growth  
11 plus the basic allowable growth percentage of the base limitation  
12 established under section 77-3446. For the second fiscal year in  
13 which a county will receive a full year of receipts from the tax  
14 imposed in sections 77-27,223 to 77-27,227, the prior year's total  
15 of restricted funds shall be the prior year's total of restricted  
16 funds plus the total receipts from the tax imposed in sections  
17 77-27,223 to 77-27,227 in the prior year. For fiscal years 2010-11  
18 through 2013-14 in which a county will reassume the assessment  
19 function pursuant to section 77-1340 or 77-1340.04, the prior  
20 year's total of restricted funds shall be the prior year's total  
21 of restricted funds plus the total budgeted for the reassumption  
22 of the assessment function. If a governmental unit transfers the  
23 financial responsibility of providing a service financed in whole  
24 or in part with restricted funds to another governmental unit or  
25 the state, the amount of restricted funds associated with providing  
26 the service shall be subtracted from the last prior year's total  
27 of budgeted restricted funds for the previous provider and may

1 be added to the last prior year's total of restricted funds for  
2 the new provider. For governmental units that have consolidated,  
3 the calculations made under this section for consolidating units  
4 shall be made based on the combined total of restricted funds,  
5 population, or full-time equivalent students of each governmental  
6 unit.

7 ~~(b) For all fiscal years beginning on or after July 1,~~  
8 ~~2005,~~ the last prior year's total of budgeted restricted funds  
9 shall be increased for a community college area by adding to such  
10 area's fiscal year base-year revenue the amount of revenue to be  
11 collected under subdivision ~~(2)(c)~~ of section 85-1517 that is in  
12 excess of the amount budgeted under this subdivision in the prior  
13 fiscal year.

14 ~~(e)~~ (b) For all fiscal years beginning on or after July  
15 1, 2008, educational service units may exceed the limitations  
16 of subdivision (1)(a) of this section to the extent that one  
17 hundred ten percent of the needs for the educational service unit  
18 calculated pursuant to section 79-1241.03 exceeds the budgeted  
19 restricted funds allowed pursuant to subdivision (1)(a) of this  
20 section.

21 (2) A governmental unit may exceed the limit provided  
22 in ~~subdivisions (1)(a) and (b)~~ subdivision (1)(a) of this section  
23 for a fiscal year by up to an additional one percent upon the  
24 affirmative vote of at least seventy-five percent of the governing  
25 body.

26 (3) A governmental unit may exceed the applicable  
27 allowable growth percentage otherwise prescribed in this section

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

17 (4) In lieu of the election procedures in subsection (3)  
18 of this section, any governmental unit may exceed the allowable  
19 growth percentage otherwise prescribed in this section by an amount  
20 approved by a majority of legal voters voting at a meeting of  
21 the residents of the governmental unit, called after notice is  
22 published in a newspaper of general circulation in the governmental  
23 unit at least twenty days prior to the meeting. At least ten  
24 percent of the registered voters residing in the governmental unit  
25 shall constitute a quorum for purposes of taking action to exceed  
26 the allowable growth percentage. If a majority of the registered  
27 voters present at the meeting vote in favor of exceeding the

1 allowable growth percentage, a copy of the record of that action  
2 shall be forwarded to the Auditor of Public Accounts along with  
3 the budget documents. The issue to exceed the allowable growth  
4 percentage may be approved at the same meeting as a vote to exceed  
5 the limits or final levy allocation provided in section 77-3444.

6 Sec. 3. Section 77-3442, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

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

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

18 (b) For each fiscal year, learning communities may levy  
19 a maximum levy for the general fund budgets of member school  
20 districts of ninety-five cents per one hundred dollars of taxable  
21 valuation of property subject to the levy. The proceeds from the  
22 levy pursuant to this subdivision shall be distributed pursuant to  
23 section 79-1073.

24 (c) Except as provided in subdivision (2) (e) of this  
25 section, for each fiscal year, school districts that are members  
26 of learning communities may levy for purposes of such districts'  
27 general fund budget and special building funds a maximum combined

1 levy of the difference of one dollar and five cents on each one  
2 hundred dollars of taxable property subject to the levy minus  
3 the learning community levies pursuant to subdivisions (2)(b) and  
4 (2)(g) of this section for such learning community.

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

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

25 (f) For school fiscal year 2002-03 through school fiscal  
26 year 2007-08, school districts and multiple-district school systems  
27 may, upon a three-fourths majority vote of the school board of



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

16 (g) For each fiscal year, learning communities may levy a  
17 maximum levy of two cents on each one hundred dollars of taxable  
18 property subject to the levy for special building funds for member  
19 school districts. The proceeds from the levy pursuant to this  
20 subdivision shall be distributed pursuant to section 79-1073.01.

21 (h) For each fiscal year, learning communities may levy  
22 a maximum levy of five cents on each one hundred dollars of  
23 taxable property subject to the levy for elementary learning center  
24 facilities and for up to fifty percent of the estimated cost for  
25 capital projects approved by the learning community coordinating  
26 council pursuant to section 79-2111.

27 ~~(3) Community~~ (3) (a) For fiscal years prior to fiscal

1 year 2010-11, community colleges may levy a maximum levy calculated  
2 pursuant to the Community College Foundation and Equalization Aid  
3 Act on each one hundred dollars of taxable property subject to the  
4 levy.

5 (b) For fiscal year 2010-11, in lieu of the calculation  
6 of a maximum levy for operating expenditures pursuant to the  
7 Community College Foundation and Equalization Aid Act, community  
8 colleges may levy a maximum of ten and one-quarter cents per one  
9 hundred dollars of taxable valuation of property subject to the  
10 levy for operating expenditures and may also levy the additional  
11 levies provided in subsection (2) of section 85-1517.

12 (4) (a) Natural resources districts may levy a maximum  
13 levy of four and one-half cents per one hundred dollars of taxable  
14 valuation of property subject to the levy.

15 (b) Natural resources districts shall also have the power  
16 and authority to levy a tax equal to the dollar amount by which  
17 their restricted funds budgeted to administer and implement ground  
18 water management activities and integrated management activities  
19 under the Nebraska Ground Water Management and Protection Act  
20 exceed their restricted funds budgeted to administer and implement  
21 ground water management activities and integrated management  
22 activities for FY2003-04, not to exceed one cent on each one  
23 hundred dollars of taxable valuation annually on all of the taxable  
24 property within the district.

25 (c) In addition, natural resources districts located in  
26 a river basin, subbasin, or reach that has been determined to  
27 be fully appropriated pursuant to section 46-714 or designated

1 as overappropriated pursuant to section 46-713 by the Department  
2 of Natural Resources shall also have the power and authority to  
3 levy a tax equal to the dollar amount by which their restricted  
4 funds budgeted to administer and implement ground water management  
5 activities and integrated management activities under the Nebraska  
6 Ground Water Management and Protection Act exceed their restricted  
7 funds budgeted to administer and implement ground water management  
8 activities and integrated management activities for FY2005-06, not  
9 to exceed three cents on each one hundred dollars of taxable  
10 valuation on all of the taxable property within the district for  
11 fiscal year 2006-07 and each fiscal year thereafter through fiscal  
12 year 2011-12.

13 (5) Any educational service unit authorized to levy a  
14 property tax pursuant to section 79-1225 may levy a maximum levy of  
15 one and one-half cents per one hundred dollars of taxable valuation  
16 of property subject to the levy.

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

1 to section 71-1637, or statue, memorial, or monument pursuant to  
2 section 80-202.

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

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

22 (8) Counties may levy or authorize a maximum levy of  
23 fifty cents per one hundred dollars of taxable valuation of  
24 property subject to the levy, except that five cents per one  
25 hundred dollars of taxable valuation of property subject to the  
26 levy may only be levied to provide financing for the county's  
27 share of revenue required under an agreement or agreements executed

1 pursuant to the Interlocal Cooperation Act or the Joint Public  
2 Agency Act. The maximum levy shall include amounts levied to pay  
3 for sums to support a library pursuant to section 51-201 or museum  
4 pursuant to section 51-501. The county may allocate up to fifteen  
5 cents of its authority to other political subdivisions subject  
6 to allocation of property tax authority under subsection (1) of  
7 section 77-3443 and not specifically covered in this section to  
8 levy taxes as authorized by law which do not collectively exceed  
9 fifteen cents per one hundred dollars of taxable valuation on any  
10 parcel or item of taxable property. The county may allocate to  
11 one or more other political subdivisions subject to allocation  
12 of property tax authority by the county under subsection (1) of  
13 section 77-3443 some or all of the county's five cents per one  
14 hundred dollars of valuation authorized for support of an agreement  
15 or agreements to be levied by the political subdivision for the  
16 purpose of supporting that political subdivision's share of revenue  
17 required under an agreement or agreements executed pursuant to the  
18 Interlocal Cooperation Act or the Joint Public Agency Act. If an  
19 allocation by a county would cause another county to exceed its  
20 levy authority under this section, the second county may exceed  
21 the levy authority in order to levy the amount allocated. Property  
22 tax levies for costs of reassumption of the assessment function  
23 pursuant to section 77-1340 or 77-1340.04 are not included in the  
24 levy limits established in this subsection for fiscal years 2010-11  
25 through 2013-14.

26 (9) Municipal counties may levy or authorize a maximum  
27 levy of one dollar per one hundred dollars of taxable valuation

1 of property subject to the levy. The municipal county may allocate  
2 levy authority to any political subdivision or entity subject to  
3 allocation under section 77-3443.

4 (10) Property tax levies for judgments, except judgments  
5 or orders from the Commission of Industrial Relations, obtained  
6 against a political subdivision which require or obligate a  
7 political subdivision to pay such judgment, to the extent such  
8 judgment is not paid by liability insurance coverage of a  
9 political subdivision, for preexisting lease-purchase contracts  
10 approved prior to July 1, 1998, for bonded indebtedness approved  
11 according to law and secured by a levy on property except as  
12 provided in section 44-4317 for bonded indebtedness issued by  
13 educational service units and school districts, and for payments by  
14 a public airport to retire interest-free loans from the Department  
15 of Aeronautics in lieu of bonded indebtedness at a lower cost to  
16 the public airport are not included in the levy limits established  
17 by this section.

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

23 (12) Tax levies in excess of the limitations in this  
24 section shall be considered unauthorized levies under section  
25 77-1606 unless approved under section 77-3444.

26 (13) For purposes of sections 77-3442 to 77-3444,  
27 political subdivision means a political subdivision of this state

1 and a county agricultural society.

2 (14) For school districts that file a binding resolution  
3 on or before May 9, 2008, with the county assessors, county clerks,  
4 and county treasurers for all counties in which the school district  
5 has territory pursuant to subsection (7) of section 79-458, if the  
6 combined levies, except levies for bonded indebtedness approved by  
7 the voters of the school district and levies for the refinancing  
8 of such bonded indebtedness, are in excess of the greater of (a)  
9 one dollar and twenty cents per one hundred dollars of taxable  
10 valuation of property subject to the levy or (b) the maximum  
11 levy authorized by a vote pursuant to section 77-3444, all school  
12 district levies, except levies for bonded indebtedness approved by  
13 the voters of the school district and levies for the refinancing of  
14 such bonded indebtedness, shall be considered unauthorized levies  
15 under section 77-1606.

16 Sec. 4. Section 85-1416, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 85-1416 (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, in accordance with the coordination function of  
22 the commission pursuant to section 85-1403, review and modify, if  
23 needed to promote compliance and consistency with the comprehensive  
24 statewide plan and prevent unnecessary duplication, the budget  
25 requests of the governing boards.

26 (2)(a) At least thirty days prior to submitting to  
27 the Governor their biennial budget requests pursuant to section

1 81-1113 and any major deficit appropriation requests pursuant  
2 to instructions of the Department of Administrative Services,  
3 the Board of Regents of the University of Nebraska and the  
4 Board of Trustees of the Nebraska State Colleges shall each  
5 submit to the commission an outline of its proposed operating  
6 budget. The outline of its proposed operating budget or outline  
7 of proposed state aid request shall include those information  
8 summaries provided to the institution's governing board describing  
9 the respective institution's budget for the next fiscal year or  
10 biennium. The outline shall contain projections of funds necessary  
11 for (i) the retention of current programs and services at current  
12 funding levels, (ii) any inflationary costs necessary to maintain  
13 current programs and services at the current programmatic or  
14 service levels, and (iii) proposed new and expanded programs and  
15 services. In addition to the outline, the commission may request  
16 an institution to provide to the commission any other supporting  
17 information to assist the commission in its budget review process.  
18 An institution may comply with such requests pursuant to section  
19 85-1417.

20 (b) On September 15 of each biennial budget request  
21 year, the boards of governors of the community colleges or their  
22 designated representatives shall submit to the commission outlines  
23 of their proposed state aid requests, ~~pursuant to the Community~~  
24 ~~College Foundation and Equalization Aid Act.~~

25 (c) The commission shall analyze institutional budget  
26 priorities in light of the comprehensive statewide plan, role and  
27 mission assignments, and the goal of prevention of unnecessary



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

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

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

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

17 Sec. 5. Section 85-1418, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

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

1 funding for the program or project by the amount of tax funds  
2 designated by the Legislature which are budgeted in that fiscal  
3 year by the public institution for use for the program or project.

4 (2) The department may reduce the amount of state aid  
5 distributed to a community college area pursuant to the Community  
6 College Foundation and Equalization Aid Act or for fiscal year  
7 2010-11, pursuant to section 10 of this act, by the amount of  
8 funds used by the area to provide a program or capital construction  
9 project which has not been approved or which has been disapproved  
10 by the commission.

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

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

1 upon unlawful procedure, or (d) affected by other error of law.

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

6 Sec. 6. Section 85-1502, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 85-1502 (1) It is the intent of the Legislature  
9 that a clear distinction between area governance and statewide  
10 coordination for the community college areas be recognized and  
11 that such coordination is appropriate in order to provide the most  
12 cost-effective programs for residents of each community college  
13 area. It is further the intent of the Legislature that coordination  
14 of the community colleges by the Coordinating Commission for  
15 Postsecondary Education be conducted through an association of the  
16 boards.

17 (2) ~~All~~ Through June 30, 2011, all of the boards shall  
18 be a part of and shall be represented by such association.  
19 Coordination services provided by such association shall include  
20 (a) preparation of a system strategic plan, (b) coordination  
21 of the budget request for the biennium, (c) facilitation of  
22 program-needs assessment and articulation, (d) recommendation and  
23 facilitation of the appointment of representatives to committees,  
24 boards, commissions, task forces, and any other state-level bodies  
25 requesting or requiring participation from the community college  
26 system, and (e) facilitation of responses to data and information  
27 requests for the system.

1           (3) All activities conducted pursuant to this section by  
2 such association shall be conducted in accordance with the Open  
3 Meetings Act.

4           (4) Nothing in this section shall be construed to require  
5 or provide for state control of the operations of any community  
6 college area or to abridge the governance ability, rights, or  
7 responsibilities of any board. Nothing in this section shall be  
8 construed to limit the ability or authority of the commission to  
9 fulfill its responsibilities and duties regarding the individual  
10 community college areas and the individual community college area  
11 campuses.

12           Sec. 7. Section 85-1503, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           85-1503 For purposes of sections 85-1501 to 85-1540,  
15 unless the context otherwise requires:

16           (1) Community college means an educational institution  
17 operating and offering programs pursuant to such sections;

18           (2) Community college area means an area established by  
19 section 85-1504;

20           (3) Board means the Community College Board of Governors  
21 for each community college area;

22           (4) Full-time equivalent student means, in the aggregate,  
23 the equivalent of a registered student who in a twelve-month period  
24 is enrolled in (a) thirty semester credit hours or forty-five  
25 quarter credit hours of classroom, laboratory, clinical, practicum,  
26 or independent study course work or cooperative work experience or  
27 (b) nine hundred contact hours of classroom or laboratory course

1 work for which credit hours are not offered or awarded. Avocational  
2 and recreational community service programs or courses are not  
3 included in determining full-time equivalent students or student  
4 enrollment;

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

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

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

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

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

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

26 (10) Practicum hour means a minimum of fifty minutes  
27 of educational activity on campus or off campus during which

1 the student is assigned practical experiences, receives individual  
2 instruction in the performance of a particular function, and is  
3 observed and critiqued by an instructor in the repeat performance  
4 of such function. Adjunct professional personnel, who may or  
5 may not be paid by the college, may be used for the directed  
6 supervision of the students;

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

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

20 (13) Full-time equivalent student enrollment total means  
21 the total of full-time equivalent students enrolled in a community  
22 college in any fiscal year;

23 (14) General academic transfer course means a course  
24 offering in a one-year or two-year degree-credit program, at  
25 the associate degree level or below, intended by the offering  
26 institution for transfer into a baccalaureate program. The  
27 completion of the specified courses in a general academic transfer



1 program may include the award of a formal degree;

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

11 (16) Academic support course means a general education  
12 academic course offering which may be necessary to support an  
13 applied technology or occupational program;

14 (17) Class 1 course means an applied technology or  
15 occupational course offering which requires the use of equipment,  
16 facilities, or instructional methods easily adaptable for use in a  
17 general academic transfer program classroom or laboratory;

18 (18) Class 2 course means an applied technology or  
19 occupational course offering which requires the use of specialized  
20 equipment, facilities, or instructional methods not easily  
21 adaptable for use in a general academic transfer program classroom  
22 or laboratory;

23 (19) Full-time equivalent student means a full-time  
24 equivalent student subject to the following limitation: The number  
25 of credit and contact hours which shall be counted by any community  
26 college area in which a tribally controlled community college  
27 is located shall include credit and contact hours awarded by

1 such tribally controlled community college to students for which  
2 such institution received no federal reimbursement pursuant to the  
3 Tribally Controlled Community College Assistance Act, 25 U.S.C.  
4 1801;

5 (20) Full-time equivalent total means the total of all  
6 full-time equivalents accumulated in a community college area in  
7 any fiscal year;

8 (21) Reimbursable educational unit means a full-time  
9 equivalent student multiplied by (a) for a general academic  
10 transfer course or an academic support course, a factor of one, (b)  
11 for a Class 1 course, a factor of one and fifty-hundredths, (c) for  
12 a Class 2 course, a factor of two, (d) for a tribally controlled  
13 community college general academic transfer course or academic  
14 support course, a factor of two, (e) for a tribally controlled  
15 community college Class 1 course, a factor of three, and (f) for a  
16 tribally controlled community college Class 2 course, a factor of  
17 four;

18 (22) Reimbursable educational unit total means the total  
19 of all reimbursable educational units accumulated in a community  
20 college area in any fiscal year;

21 (23) Special instructional term means any term which is  
22 less than fifteen weeks for community colleges using semesters or  
23 ten weeks for community colleges using quarters;

24 (24) Statewide reimbursable full-time equivalent total  
25 means the total of all reimbursable full-time equivalents  
26 accumulated statewide for the community college in any fiscal year;

27 (25) Tribally controlled community college means an

1 educational institution operating and offering programs pursuant  
2 to the Tribally Controlled Community College Assistance Act, 25  
3 U.S.C. 1801; and

4 (26) Tribally controlled community college state aid  
5 amount means:

6 (a) For fiscal years before fiscal year 2010-11, the  
7 quotient of the amount of state aid to be distributed pursuant  
8 to the Community College Foundation and Equalization Aid Act for  
9 the current fiscal year to a community college area in which a  
10 tribally controlled community college is located divided by the  
11 reimbursable educational unit total for such community college area  
12 for the immediately preceding fiscal year, with such quotient then  
13 multiplied by the average reimbursable educational units derived  
14 pursuant to subdivision (19) of this section for the immediately  
15 preceding fiscal year; ~~and-~~

16 (b) For fiscal year 2010-11, the amount of state aid  
17 provided to a tribally controlled community college pursuant to  
18 section 10 of this act.

19 Sec. 8. Section 85-1511, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 85-1511 In addition to any other powers and duties  
22 imposed upon the community college system or its areas, campuses,  
23 or boards by the Community College Foundation and Equalization Aid  
24 Act, sections 85-917 to 85-966 and 85-1501 to 85-1540, and any  
25 other provision of law, each board shall:

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

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

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

14                   (4) Subject to coordination by the Coordinating  
15 Commission for Postsecondary Education as prescribed in the  
16 Coordinating Commission for Postsecondary Education Act, construct,  
17 lease, purchase, purchase on contract, operate, equip, and maintain  
18 facilities;

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

21                   (6) Cause an examination and comprehensive audit of  
22 the books, accounts, records, and affairs, including full-time  
23 equivalent student enrollment totals, full-time equivalent totals,  
24 and reimbursable educational unit totals as defined in section  
25 85-1503, to be made annually covering the most recently completed  
26 fiscal year. The audit of each area shall include the full-time  
27 equivalent student enrollment totals, full-time equivalent totals,

1 and reimbursable educational unit totals for the three most  
2 recently completed fiscal years which shall be used for calculation  
3 of aid to the community college areas as prescribed in the  
4 Community College Foundation and Equalization Aid Act. The audit  
5 shall also include the county-certified property valuations for the  
6 community college area for the three most recently completed fiscal  
7 years which shall be used for calculation of aid to such community  
8 college areas for fiscal years prior to fiscal year 2010-11. Such  
9 examination and audit of the books, accounts, records, and affairs  
10 shall be completed and filed with the Auditor of Public Accounts  
11 and the Department of Administrative Services on or before October  
12 15 of each year. The examination and audit of the full-time  
13 equivalent student enrollment totals, full-time equivalent totals,  
14 and reimbursable educational unit totals shall be completed and  
15 filed with the Auditor of Public Accounts and the Department of  
16 Administrative Services on or before August 15 of each year;

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

23 (8) Receive such gifts, grants, conveyances, and bequests  
24 of real and personal property from public or private sources as  
25 may be made from time to time, in trust or otherwise, whenever  
26 the terms and conditions thereof will aid in carrying out the  
27 community college programs as specified by law. Each board may

1 sell, lease, exchange, invest, or expend such gifts, grants,  
2 conveyances, and bequests or the proceeds, rents, profits, and  
3 income therefrom according to the terms and conditions thereof and  
4 adopt and promulgate rules and regulations governing the receipt  
5 and expenditure of such proceeds, rents, profits, and income,  
6 except that acceptance of such gifts, grants, or conveyances shall  
7 not be conditioned on matching state or local funds;

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

11 (10) Grant to every student upon graduation or completion  
12 of a course of study a suitable diploma, associate degree, or  
13 certificate;

14 (11) Adopt and promulgate such rules and regulations  
15 and perform all other acts as the board may deem necessary  
16 or appropriate to the administration of the community college  
17 area. Such rules and regulations shall include, but not be  
18 limited to, rules and regulations relating to facilities, housing,  
19 scholarships, discipline, and pedestrian and vehicular traffic on  
20 property owned, operated, or maintained by the community college  
21 area;

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

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

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

9           (15) Enter into agreements for services, facilities, or  
10 equipment and for the presentation of courses for students when  
11 such agreements are deemed to be in the best interests of the  
12 education of the students involved;

13           (16) Transfer tribally controlled community college state  
14 aid amounts to a tribally controlled community college located  
15 within its community college area;

16           (17) Invest, after proper consideration of the  
17 requirements for the availability of money, funds of the community  
18 college in securities the nature of which individuals of prudence,  
19 discretion, and intelligence acquire or retain in dealing with the  
20 property of another;

21           (18) Establish tuition rates for courses of instruction  
22 offered by each community college within its community college  
23 area. Separate tuition rates shall be established for students who  
24 are nonresidents of the State of Nebraska;

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

27           (20) Exercise any other powers, duties, and

1 responsibilities necessary to carry out sections 85-1501 to  
2 85-1540.

3 Sec. 9. Section 85-1517, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5 85-1517 ~~(1)~~ The (1)(a) For fiscal years prior to fiscal  
6 years 2010-11, the board may certify to the county board of  
7 equalization of each county within the community college area a  
8 tax levy not to exceed the maximum levy calculated pursuant to the  
9 Community College Foundation and Equalization Aid Act on each one  
10 hundred dollars on the taxable valuation of all property subject to  
11 the levy within the community college area, uniform throughout such  
12 area, for the purpose of supporting operating expenditures of the  
13 community college area.

14 (b) For fiscal year 2010-11, the board may certify to the  
15 county board of equalization of each county within the community  
16 college area a tax levy not to exceed ten and one-quarter cents on  
17 each one hundred dollars on the taxable valuation of all property  
18 subject to the levy within the community college area, uniform  
19 throughout the area, for the purpose of supporting operating  
20 expenditures of the community college area.

21 (2)(a) In addition to the levies provided in subsection  
22 (1) of this section and this subsection, the board may certify  
23 to the county board of equalization of each county within the  
24 community college area a tax levy of not to exceed one cent on each  
25 one hundred dollars on the taxable valuation of all property within  
26 the community college area, uniform throughout such area, for the  
27 purpose of establishing a capital improvement fund and bond sinking



1 fund as provided in section 85-1515. The levy provided by this  
2 subdivision may be exceeded by that amount necessary to retire the  
3 general obligation bonds assumed by the community college area or  
4 issued pursuant to section 85-1515 according to the terms of such  
5 bonds or for any obligation pursuant to section 85-1535 entered  
6 into prior to January 1, 1997.

7 (b) In addition to the levies provided in ~~subsection (1)~~  
8 ~~of this section and this subsection,~~ subsections (1) and (2) of  
9 this section, the board may also certify to the county board of  
10 equalization of each county within the community college area a tax  
11 levy on each one hundred dollars on the taxable valuation of all  
12 property within the community college area, uniform throughout such  
13 area, in the amount which will produce funds only in the amount  
14 necessary to pay for funding accessibility barrier elimination  
15 project costs and abatement of environmental hazards as such terms  
16 are defined in section 79-10,110. Such tax levy shall not be so  
17 certified unless approved by an affirmative vote of a majority of  
18 the board taken at a public meeting of the board following notice  
19 and a hearing. The board shall give at least seven days' notice  
20 of such public hearing and shall publish such notice once in a  
21 newspaper of general circulation in the area to be affected by the  
22 increase.

23 (c) ~~In addition to the levies provided in subsection (1)~~  
24 ~~of this section and this subsection,~~ the board of any community  
25 college area whose valuation per full-time equivalent student was  
26 less than eighty-two percent of the statewide average of all  
27 community colleges for fiscal year 1997-98 may also certify to the

1 county board of equalization of each county within the community  
2 college area a tax levy up to an additional one-half cent for each  
3 of fiscal years 2005-06 and 2006-07, on each one hundred dollars on  
4 the taxable valuation of all property within the community college  
5 area, uniform throughout such area. Such tax levy shall not be so  
6 certified unless approved by an affirmative vote of three-fourths  
7 of the board taken at a public meeting of the board following  
8 notice and a hearing. The board shall give at least seven days'  
9 notice of such public hearing and shall publish such notice once in  
10 a newspaper of general circulation in the area to be affected by  
11 the increase.

12           ~~(3)~~ The levy provided by subdivision ~~(2)(a)~~ of this  
13 section may be exceeded by that amount necessary to retire the  
14 general obligation bonds assumed by the community college area or  
15 issued pursuant to section 85-1515 according to the terms of such  
16 bonds or for any obligation pursuant to section 85-1535 entered  
17 into prior to January 1, 1997.

18           ~~(4)~~ (3) The ~~tax~~ taxes provided by this section shall be  
19 levied and assessed in the same manner as other property taxes and  
20 entered on the books of the county treasurer. The proceeds of the  
21 tax, as collected, shall be remitted to the treasurer of the board  
22 not less frequently than once each month.

23           Sec. 10. (1) Notwithstanding the Community College  
24 Foundation and Equalization Aid Act or any other provision of law,  
25 state aid for each community college area for fiscal year 2010-11  
26 shall equal:

27           (a) For the Central Community College Area, \$8,289,499;

1           (b) For the Metropolitan Community College Area,  
2     \$18,389,499;

3           (c) For the Mid-Plains Community College Area,  
4     \$8,251,373;

5           (d) For the Northeast Community College Area,  
6     \$12,784,454, including \$38,815 for Nebraska Indian Community  
7     College and \$13,120 for Little Priest Tribal College;

8           (e) For the Southeast Community College Area,  
9     \$27,133,220; and

10          (f) For the Western Community College Area, \$11,909,980;

11          (2) The Department of Revenue shall certify state aid  
12     amounts pursuant to this section and report such amounts to  
13     the Department of Administrative Services. The Department of  
14     Administrative Services shall distribute such amounts to each  
15     community college area in ten as nearly as possible equal monthly  
16     payments between the fifth and the twentieth day of each month  
17     beginning in September of each year.

18          Sec. 11. The Community College Foundation and  
19     Equalization Aid Act terminates on June 30, 2011.

20          Sec. 12. Original sections 77-3442, 85-1416, 85-1418,  
21     85-1502, 85-1503, 85-1511, and 85-1517, Reissue Revised Statutes  
22     of Nebraska, and sections 13-518 and 13-519, Revised Statutes  
23     Supplement, 2009, are repealed.

24          Sec. 13. Since an emergency exists, this act takes effect  
25     when passed and approved according to law.