

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 392

FINAL READING

(SECOND)

Introduced by Adams, 24.

Read first time January 16, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend sections 11-119, 13-503,
2 13-903, 13-2202, 32-546.01, 32-555.01, 32-606, 79-575,
3 79-592, 79-1024, 79-1033, 79-1041, 79-1073, 79-1073.01,
4 79-2104, 79-2113, 79-2117, and 79-2118, Reissue Revised
5 Statutes of Nebraska, and section 77-2704.15, Revised
6 Statutes Cumulative Supplement, 2008; to require
7 execution of a bond by a learning community coordinating
8 council treasurer; to redefine terms; to include learning
9 communities in the Political Subdivisions Tort Claims
10 Act and the Local Government Miscellaneous Expenditure
11 Act; to change election provisions for members of

1 learning community coordinating council members; to
2 exempt purchases by learning communities from sales
3 and use taxes; to change provisions relating to school
4 district warrants; to change state aid and property tax
5 distribution provisions for learning communities; to
6 change provisions relating to elementary learning centers
7 and achievement subcouncils; to harmonize provisions;
8 to repeal the original sections; and to declare an
9 emergency.

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

1 Section 1. Section 11-119, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 11-119 The following named officers shall execute a bond
4 with penalties of the following amounts:

5 (1) The Governor, one hundred thousand dollars;

6 (2) The Lieutenant Governor, one hundred thousand
7 dollars;

8 (3) The Auditor of Public Accounts, one hundred thousand
9 dollars;

10 (4) The Secretary of State, one hundred thousand dollars;

11 (5) The Attorney General, one hundred thousand dollars;

12 (6) The State Treasurer, not less than one million
13 dollars and not more than double the amount of money that may come
14 into his or her hands, to be fixed by the Governor;

15 (7) Each county attorney, a sum not less than one
16 thousand dollars to be fixed by the county board;

17 (8) Each clerk of the district court, not less than five
18 thousand dollars or more than one hundred thousand dollars to be
19 determined by the county board;

20 (9) Each county clerk, not less than one thousand dollars
21 or more than one hundred thousand dollars to be determined by the
22 county board, except that when a county clerk also has the duties
23 of other county offices the minimum bond shall be two thousand
24 dollars;

25 (10) Each county treasurer, not less than ten thousand

1 dollars and not more than the amount of money that may come into
2 his or her hands, to be determined by the county board;

3 (11) Each sheriff, in counties of not more than twenty
4 thousand inhabitants, five thousand dollars, and in counties over
5 twenty thousand inhabitants, ten thousand dollars;

6 (12) Each district superintendent of public instruction,
7 one thousand dollars;

8 (13) Each county surveyor, five hundred dollars;

9 (14) Each county commissioner or supervisor, in counties
10 of not more than twenty thousand inhabitants, one thousand dollars,
11 in counties over twenty thousand and not more than thirty thousand
12 inhabitants, two thousand dollars, in counties over thirty thousand
13 and not more than fifty thousand inhabitants, three thousand
14 dollars, and in counties over fifty thousand inhabitants, five
15 thousand dollars;

16 (15) Each register of deeds in counties having a
17 population of more than sixteen thousand five hundred inhabitants,
18 not less than two thousand dollars or more than one hundred
19 thousand dollars to be determined by the county board;

20 (16) Each township clerk, two hundred fifty dollars;

21 (17) Each township treasurer, two thousand dollars;

22 (18) Each county assessor, not more than five thousand
23 dollars and not less than two thousand dollars;

24 (19) Each school district treasurer, not less than five
25 hundred dollars or more than double the amount of money that may

1 come into his or her hands, the amount to be fixed by the president
2 and secretary of the district;

3 (20) Each road overseer, two hundred fifty dollars;

4 (21) Each member of a county weed district board and the
5 manager thereof, such amount as may be determined by the county
6 board of commissioners or supervisors of each county with the same
7 amount to apply to each member of any particular board; ~~and~~

8 (22) In any county, in lieu of the individual bonds
9 required to be furnished by county officers, a schedule, position,
10 or blanket bond or undertaking may be given by county officers, or
11 a single corporate surety fidelity, schedule, position, or blanket
12 bond or undertaking covering all the officers, including officers
13 required by law to furnish an individual bond or undertaking, may
14 be furnished. The county may pay the premium for the bond. The bond
15 shall be, at a minimum, an aggregate of the amounts fixed by law
16 or by the person or board authorized by law to fix the amounts,
17 and with such terms and conditions as may be required by sections
18 11-101 to 11-130; ~~and-~~

19 (23) Each learning community coordinating council
20 treasurer, not less than five hundred dollars or more than double
21 the amount of money that may come into his or her hands, the amount
22 to be fixed by the learning community coordinating council.

23 All other state officers, department heads, and employees
24 shall be bonded or insured as required by section 11-201.

25 Sec. 2. Section 13-503, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 13-503 For purposes of the Nebraska Budget Act, unless
3 the context otherwise requires:

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

23 (2) Levying board shall mean any governing body which has
24 the power or duty to levy a tax;

25 (3) Fiscal year shall mean the twelve-month period used

1 by each governing body in determining and carrying on its financial
2 and taxing affairs;

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

6 (5) Auditor shall mean the Auditor of Public Accounts;

7 (6) Cash reserve shall mean funds required for the period
8 before revenue would become available for expenditure but shall not
9 include funds held in any special reserve fund;

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

18 (8) Adopted budget statement shall mean a proposed budget
19 statement which has been adopted or amended and adopted as provided
20 in section 13-506. Such term shall include additions, if any, to an
21 adopted budget statement made by a revised budget which has been
22 adopted as provided in section 13-511;

23 (9) Special reserve fund shall mean any special fund
24 set aside by the governing body for a particular purpose and not
25 available for expenditure for any other purpose. Funds created

1 for (a) the retirement of bonded indebtedness, (b) the funding
2 of employee pension plans, (c) the purposes of the Political
3 Subdivisions Self-Funding Benefits Act, (d) the purposes of the
4 Local Option Municipal Economic Development Act, (e) voter-approved
5 sinking funds, or (f) statutorily authorized sinking funds, ~~or (g)~~
6 ~~the distribution of property tax receipts by a learning community~~
7 ~~to member school districts~~ shall be considered special reserve
8 funds;

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

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

17 Sec. 3. Section 13-903, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 13-903 For purposes of the Political Subdivisions Tort
20 Claims Act and sections 16-727, 16-728, 23-175, 39-809, and 79-610,
21 unless the context otherwise requires:

22 (1) Political subdivision shall include villages, cities
23 of all classes, counties, school districts, learning communities,
24 public power districts, and all other units of local government,
25 including entities created pursuant to the Interlocal Cooperation

1 Act or Joint Public Agency Act. Political subdivision shall not be
2 construed to include any contractor with a political subdivision;

3 (2) Governing body shall mean the village board of a
4 village, the city council of a city, the board of commissioners
5 or board of supervisors of a county, the board of directors of a
6 public power district, the governing board or other governing body
7 of an entity created pursuant to the Interlocal Cooperation Act or
8 Joint Public Agency Act, and any duly elected or appointed body
9 holding the power and authority to determine the appropriations and
10 expenditures of any other unit of local government;

11 (3) Employee of a political subdivision shall mean any
12 one or more officers or employees of the political subdivision or
13 any agency of the subdivision and shall include members of the
14 governing body, duly appointed members of boards or commissions
15 when they are acting in their official capacity, volunteer
16 firefighters, and volunteer rescue squad personnel. Employee shall
17 not be construed to include any contractor with a political
18 subdivision; and

19 (4) Tort claim shall mean any claim against a political
20 subdivision for money only on account of damage to or loss of
21 property or on account of personal injury or death, caused by
22 the negligent or wrongful act or omission of any employee of the
23 political subdivision, while acting within the scope of his or her
24 office or employment, under circumstances in which the political
25 subdivision, if a private person, would be liable to the claimant

1 for such damage, loss, injury, or death but shall not include any
2 claim accruing before January 1, 1970.

3 Sec. 4. Section 13-2202, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 13-2202 For purposes of the Local Government
6 Miscellaneous Expenditure Act:

7 (1) Elected and appointed officials and employees shall
8 mean the elected and appointed officials and employees of any local
9 government;

10 (2) Governing body shall mean, in the case of a city
11 of any class, the council; in the case of a village, cemetery
12 district, community hospital for two or more adjoining counties,
13 county hospital, road improvement district, sanitary drainage
14 district, or sanitary and improvement district, the board of
15 trustees; in the case of a county, the county board; in the
16 case of a municipal county, the council; in the case of a
17 township, the town board; in the case of a school district, the
18 school board; in the case of a rural or suburban fire protection
19 district, reclamation district, natural resources district, or
20 hospital district, the board of directors; in the case of a health
21 district, the board of health; in the case of an educational
22 service unit, the board; in the case of a community college, the
23 Community College Board of Governors for the area the board serves;
24 in the case of an airport authority, the airport authority board;
25 in the case of a weed control authority, the board; and in the

1 case of a county agricultural society, the board of governors;
2 and in the case of a learning community, the learning community
3 coordinating council;

4 (3) Local government shall mean cities of any class,
5 villages, cemetery districts, community hospitals for two or more
6 adjoining counties, county hospitals, road improvement districts,
7 counties, townships, sanitary drainage districts, sanitary and
8 improvement districts, school districts, rural or suburban fire
9 protection districts, reclamation districts, natural resources
10 districts, hospital districts, health districts, educational
11 service units, community colleges, airport authorities, weed
12 control authorities, ~~and~~ county agricultural societies, and
13 learning communities;

14 (4) Public funds shall mean such public funds as defined
15 in section 13-503 as are under the direct control of governing
16 bodies of local governments;

17 (5) Public meeting shall mean all regular, special, or
18 called meetings, formal or informal, of any governing body for the
19 purposes of briefing, discussion of public business, formation of
20 tentative policy, or the taking of any action of the governing
21 body; and

22 (6) Volunteer shall mean a person who is not an elected
23 or appointed official or an employee of a local government and
24 who, at the request or with the permission of the local government,
25 engages in activities related to the purposes or functions of the

1 local government or for its general benefit.

2 Sec. 5. Section 32-546.01, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 32-546.01 (1) Each learning community shall be governed
5 by a learning community coordinating council consisting of eighteen
6 voting members, with twelve members elected on a nonpartisan ballot
7 from six numbered ~~election~~ subcouncil districts created pursuant
8 to section 32-555.01 and with six members appointed from such
9 ~~election~~ subcouncil districts pursuant to this section. Each voter
10 shall be allowed to cast votes for one candidate at both the
11 primary and general elections to represent the ~~election~~ subcouncil
12 district in which the voter resides. The four candidates receiving
13 the most votes at the primary election shall advance to the
14 general election. The two candidates receiving the most votes at
15 the general election shall be elected. A candidate shall reside
16 in the ~~election~~ subcouncil district for which he or she is a
17 candidate. ~~No primary election for the office of learning community~~
18 ~~coordinating council shall be held.~~ Coordinating council members
19 shall be elected on the nonpartisan ballot.

20 (2) The initial elected members shall be nominated at
21 the statewide primary election and elected at the statewide
22 general election immediately following the certification of the
23 establishment of the learning community, and subsequent members
24 shall be nominated at subsequent statewide primary elections
25 and elected at subsequent statewide general elections. Except

1 as provided in this section, such elections shall be conducted
2 pursuant to the Election Act.

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

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

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

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

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

1 the unexpired term.

2 (7) Each learning community coordinating council shall
3 also have a nonvoting member from each member school district which
4 does not have either an elected or an appointed member who resides
5 in the school district on the council. Such nonvoting members
6 shall be appointed by the school board of the school district
7 to be represented to serve for two-year terms, and notice of the
8 nonvoting member selected shall be submitted to the Secretary of
9 State by such board prior to December 31 of each even-numbered
10 year. Each such nonvoting member shall be a resident of the
11 appointing school district and shall not be a school administrator
12 employed by such school district. Whenever a vacancy occurs, the
13 school board of such school district shall appoint a new nonvoting
14 member and submit notice to the Secretary of State and to the
15 learning community coordinating council.

16 (8) Members of a learning community coordinating council
17 shall take office on the first Thursday after the first Tuesday
18 in January following their election or appointment, except that
19 members appointed to fill vacancies shall take office immediately
20 following administration of the oath of office. Each voting member
21 shall be paid a per diem in an amount determined by such council up
22 to two hundred dollars per day for official meetings of the council
23 and the achievement subcouncil for which he or she is a member, up
24 to a maximum of twelve thousand dollars per fiscal year, and shall
25 be eligible for reimbursement of reasonable expenses related to

1 service on the learning community coordinating council, ~~as provided~~
2 ~~in sections 81-1174 to 81-1177.~~

3 Sec. 6. Section 32-555.01, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 32-555.01 The election commissioners of the applicable
6 counties, pursuant to certification of the establishment of a
7 learning community pursuant to section 79-2102, shall divide the
8 territory of the new learning community into six numbered districts
9 for the purpose of electing members to the learning community
10 coordinating council in compliance with section 32-553 and for
11 the purpose of organizing achievement subcouncils pursuant to
12 section 79-2117. Such districts shall be compact and contiguous
13 and substantially equal in population. The newly established
14 ~~election~~ subcouncil districts shall be certified to the Secretary
15 of State on or before November 1 immediately following such
16 certification. The newly established ~~election~~ subcouncil districts
17 shall apply beginning with the election of the first council
18 members for such learning community. Following the drawing of
19 initial ~~election~~ subcouncil districts pursuant to this section,
20 additional redistricting thereafter shall be undertaken by the
21 learning community coordinating council according to section
22 32-553.

23 Sec. 7. Section 32-606, Reissue Revised Statutes of
24 Nebraska, is amended to read:

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

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

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

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

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

18 Sec. 8. Section 77-2704.15, Revised Statutes Cumulative
19 Supplement, 2008, is amended to read:

20 77-2704.15 (1) Sales and use taxes shall not be imposed
21 on the gross receipts from the sale, lease, or rental of and
22 the storage, use, or other consumption in this state of purchases
23 by the state, including public educational institutions recognized
24 or established under the provisions of Chapter 85, or by any
25 county, township, city, village, rural or suburban fire protection

1 district, city airport authority, county airport authority, joint
2 airport authority, drainage district organized under sections
3 31-401 to 31-450, natural resources district, elected county fair
4 board, housing agency as defined in section 71-1575 except for
5 purchases for any commercial operation that does not exclusively
6 benefit the residents of an affordable housing project, or joint
7 entity or agency formed to fulfill the purposes described in the
8 Integrated Solid Waste Management Act by any combination of two
9 or more counties, townships, cities, or villages pursuant to the
10 Interlocal Cooperation Act, the Integrated Solid Waste Management
11 Act, or the Joint Public Agency Act, except for purchases for use
12 in the business of furnishing gas, water, electricity, or heat, or
13 by any irrigation or reclamation district, the irrigation division
14 of any public power and irrigation district, or public schools or
15 learning communities established under Chapter 79.

16 (2) The appointment of purchasing agents shall be
17 recognized for the purpose of altering the status of the
18 construction contractor as the ultimate consumer of building
19 materials which are physically annexed to the structure and which
20 subsequently belong to the state or the governmental unit. The
21 appointment of purchasing agents shall be in writing and occur
22 prior to having any building materials annexed to real estate in
23 the construction, improvement, or repair. The contractor who has
24 been appointed as a purchasing agent may apply for a refund of or
25 use as a credit against a future use tax liability the tax paid

1 on inventory items annexed to real estate in the construction,
2 improvement, or repair of a project for the state or a governmental
3 unit.

4 (3) Any governmental unit listed in subsection (1) of
5 this section, except the state, which enters into a contract
6 of construction, improvement, or repair upon property annexed to
7 real estate without first issuing a purchasing agent authorization
8 to a contractor or repairperson prior to the building materials
9 being annexed to real estate in the project may apply to the Tax
10 Commissioner for a refund of any sales and use tax paid by the
11 contractor or repairperson on the building materials physically
12 annexed to real estate in the construction, improvement, or repair.

13 Sec. 9. Section 79-575, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-575 The secretary of a school district shall draw and
16 sign all orders upon the treasurer for all money to be disbursed
17 by the district and all warrants upon the county treasurer for
18 money raised for district purposes or apportioned to the district
19 by the county treasurer and shall present the same to the president
20 to be countersigned. No warrant, check, or other instrument drawn
21 upon bank depository funds of the district shall be issued until
22 so countersigned. No warrant, check, or other instrument drawn upon
23 bank depository funds of the district shall be countersigned by the
24 president until the amount for which ~~the warrant~~ it is drawn is
25 written upon its face. Facsimile signatures of board members may

1 be used, and a person or persons delegated by the board may sign
2 and validate all warrants, checks, and other instruments drawn upon
3 bank depository funds of the district.

4 Sec. 10. Section 79-592, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-592 The treasurer of a Class V school district shall
7 receive all taxes of the school district from the county treasurer.
8 The treasurer of the school district shall attend all meetings of
9 the board of education of the Class V district when required to
10 do so, shall prepare and submit in writing a monthly report of
11 the state of the district's finances, and shall pay school money
12 only either upon a warrant signed by the president, or in the
13 president's absence by the vice president, and countersigned by
14 the secretary or upon a check or other instrument drawn upon bank
15 depository funds of the school district. The treasurer shall also
16 perform such other duties as designated by the board of education.
17 Before entering into the discharge of his or her duties and during
18 the entire time he or she so serves, the treasurer shall give
19 bond or evidence of equivalent insurance coverage payable to the
20 board in such amount as may be required by the board, but in no
21 event less than two hundred thousand dollars, conditioned for the
22 faithful discharge of his or her duties as treasurer of the school
23 district, for the safekeeping and proper disbursement of all funds
24 and money of the school district received by the treasurer. Such
25 bond shall be signed by one or more surety companies of recognized

1 responsibility, to be approved by the board. The cost of the bond
2 or insurance shall be paid by the school district. Such bond or
3 insurance coverage may be enlarged at any time the board may deem
4 an enlargement or additional bond or insurance coverage to be
5 necessary.

6 Sec. 11. Section 79-1024, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-1024 (1) The department may require each district
9 to submit to the department a duplicate copy of such portions
10 of the district's budget statement as the Commissioner of
11 Education directs. The department may verify any data used
12 to meet the requirements of the Tax Equity and Educational
13 Opportunities Support Act. The Auditor of Public Accounts shall
14 review each district's budget statement for statutory compliance,
15 make necessary changes in the budget documents for districts to
16 effectuate the budget limitations imposed pursuant to sections
17 79-1023 to 79-1030, and notify the Commissioner of Education of
18 any district failing to submit to the auditor the budget documents
19 required pursuant to this subsection by the date established in
20 subsection (1) of section 13-508 or failing to make any corrections
21 of errors in the documents pursuant to section 13-504 or 13-511.

22 (2) If a school district fails to submit to the
23 department or the auditor the budget documents required pursuant
24 to subsection (1) of this section by the date established in
25 subsection (1) of section 13-508 or fails to make any corrections

1 of errors in the documents pursuant to section 13-504 or 13-511,
2 the commissioner, upon notification from the auditor or upon his
3 or her own knowledge that the required budget documents and any
4 required corrections of errors from any school district have not
5 been properly filed in accordance with the Nebraska Budget Act
6 and after notice to the district and an opportunity to be heard,
7 shall direct that any state aid granted pursuant to the Tax Equity
8 and Educational Opportunities Support Act be withheld until such
9 time as the required budget documents or corrections of errors
10 are received by the auditor and the department. In addition, the
11 commissioner shall direct the county treasurer to withhold all
12 school money belonging to the school district until such time as
13 the commissioner notifies the county treasurer of receipt of the
14 required budget documents or corrections of errors. The county
15 treasurer shall withhold such money. For school districts that are
16 members of learning communities, a determination of school money
17 belonging to the district shall be based on the proportionate
18 share of property tax receipts allocated to the school district
19 by the learning community coordinating council, and the ~~learning~~
20 ~~community coordinating council~~ county treasurer shall withhold any
21 such school money in the possession of the ~~learning community~~
22 ~~coordinating council~~ county treasurer from the school district.
23 If the school district does not comply with this section prior
24 to the end of the state's biennium following the biennium which
25 included the fiscal year for which state aid was calculated, the

1 state aid funds shall revert to the General Fund. The amount
2 of any reverted funds shall be included in data provided to the
3 Governor in accordance with section 79-1031. The board of any
4 district failing to submit to the department or the auditor the
5 budget documents required pursuant to this section by the date
6 established in subsection (1) of section 13-508 or failing to make
7 any corrections of errors in the documents pursuant to section
8 13-504 or 13-511 shall be liable to the school district for all
9 school money which such district may lose by such failing.

10 Sec. 12. Section 79-1033, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-1033 (1) Except as otherwise provided in the Tax
13 Equity and Educational Opportunities Support Act, state aid payable
14 pursuant to the act for each school fiscal year shall be based upon
15 data found in applicable reports for the most recently available
16 complete data year. The annual financial reports and the annual
17 statistical summary of all school districts shall be submitted to
18 the Commissioner of Education pursuant to the dates prescribed in
19 section 79-528. If a school district fails to timely submit its
20 reports, the commissioner, after notice to the district and an
21 opportunity to be heard, shall direct that any state aid granted
22 pursuant to the act be withheld until such time as the reports
23 are received by the department. In addition, the commissioner shall
24 direct the county treasurer to withhold all school money belonging
25 to the school district until such time as the commissioner notifies

1 the county treasurer of receipt of such reports. The county
2 treasurer shall withhold such money. For school districts that are
3 members of learning communities, a determination of school money
4 belonging to the district shall be based on the proportionate share
5 of state aid and property tax receipts allocated to the school
6 district by the learning community coordinating council, and the
7 ~~county treasurer of the learning community coordinating council~~
8 shall withhold any such school money in the possession of the
9 ~~learning community coordinating council~~ county treasurer from the
10 school district. If the school district does not comply with this
11 section prior to the end of the state's biennium following the
12 biennium which included the school fiscal year for which state aid
13 was calculated, the state aid funds shall revert to the General
14 Fund. The amount of any reverted funds shall be included in data
15 provided to the Governor in accordance with section 79-1031.

16 (2) A district which receives, or has received in the
17 most recently available complete data year or in either of the two
18 school fiscal years preceding the most recently available complete
19 data year, federal funds in excess of twenty-five percent of its
20 general fund budget of expenditures may apply for early payment of
21 state aid paid pursuant to the act when such federal funds are not
22 received in a timely manner. Such application may be made at any
23 time by a district suffering such financial hardship and may be for
24 any amount up to fifty percent of the remaining amount to which
25 the district is entitled during the current school fiscal year. The

1 state board may grant the entire amount applied for or any portion
2 of such amount if the state board finds that a financial hardship
3 exists in the district. The state board shall notify the Director
4 of Administrative Services of the amount of funds to be paid
5 in lump sum and the reduced amount of the monthly payments. The
6 Director of Administrative Services shall, at the time of the next
7 state aid payment made pursuant to section 79-1022, draw a warrant
8 for the lump-sum amount from appropriated funds and forward such
9 warrant to the district. For purposes of this subsection, financial
10 hardship means a situation in which income to a district is
11 exceeded by liabilities to such a degree that if early payment is
12 not received it will be necessary for the district to discontinue
13 vital services or functions.

14 Sec. 13. Section 79-1041, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-1041 Each county treasurer of a county with territory
17 in a learning community shall distribute any funds collected by
18 such county treasurer from the common general fund levy and the
19 common building fund levy of such learning community to each member
20 school district pursuant to sections 79-1073 and 79-1073.01 at
21 least once each month.

22 Each county treasurer shall, upon request of a majority
23 of the members of the school board or board of education in
24 any school district, at least once each month distribute to the
25 district any funds collected by such county treasurer for school

1 purposes.

2 Sec. 14. Section 79-1073, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-1073 On or before September 1 for each year, each
5 learning community coordinating council shall determine the
6 expected amounts to be distributed by the county treasurers to
7 each member school district from general fund property tax receipts
8 pursuant to subdivision (2) (b) of section 77-3442 and shall certify
9 such amounts to each member school district, the county treasurer
10 for each county containing territory in the learning community,
11 and the State Department of Education. For the first three school
12 fiscal years for which the learning community levies a common
13 general fund property tax for school districts, such property
14 tax receipts shall be divided among member school districts
15 proportionally based on the greater of (1) the difference of the
16 school district's formula need calculated pursuant to the Tax
17 Equity and Educational Opportunities Support Act minus the sum
18 of the state aid certified pursuant to section 79-1022 and the
19 other actual receipts included in local system formula resources
20 pursuant to section 79-1018.01 for the school fiscal year for
21 which the distribution is being made or (2) the difference of
22 the sum of the state aid certified for the school fiscal year
23 immediately preceding the first school fiscal year for which the
24 learning community levies a common general fund property tax
25 for school districts plus the product of the school district's

1 general fund levy for such school fiscal year multiplied by the
2 assessed valuation for such school fiscal year minus the state aid
3 certified pursuant to section 79-1022 for the school fiscal year
4 for which the distribution is being made. Thereafter, such property
5 tax receipts shall be divided among member school districts
6 proportionally based on the difference of the school district's
7 formula need calculated pursuant to section 79-1007.11 minus the
8 sum of the state aid certified pursuant to section 79-1022 and the
9 other actual receipts included in local system formula resources
10 pursuant to section 79-1018.01 for the school fiscal year for which
11 the distribution is being made.

12 Each time a ~~learning community coordinating council~~ the
13 county treasurer distributes property tax receipts from the common
14 general fund levy to member school districts, the amount to be
15 distributed to each district shall be proportional based on the
16 total amounts to be distributed to each member school district for
17 the school fiscal year.

18 Sec. 15. Section 79-1073.01, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-1073.01 Amounts levied by learning communities for
21 special building funds for member school districts pursuant to
22 subdivision (2)(g) of section 77-3442 shall be distributed by the
23 county treasurer collecting such levy proceeds to all member school
24 districts proportionally based on the formula students used in the
25 most recent certification of state aid pursuant to section 79-1022.

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

3 Sec. 16. Section 79-2104, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-2104 A learning community coordinating council shall
6 have the authority to:

7 (1) Levy ~~and distribute~~ a common levy for the general
8 funds of member school districts pursuant to sections 77-3442 and
9 79-1073;

10 (2) Levy ~~and distribute~~ a common levy for the special
11 building funds of member school districts pursuant to sections
12 77-3442 and 79-1073.01;

13 (3) Levy for capital projects approved by the learning
14 community coordinating council pursuant to sections 77-3442 and
15 79-2111;

16 (4) Collect, analyze, and report data and information,
17 including, but not limited to, information provided by a school
18 district pursuant to subsection (5) of section 79-201;

19 (5) Approve focus schools and focus programs to be
20 operated by member school districts;

21 (6) Adopt, approve, and implement a diversity plan which
22 shall include open enrollment and may include focus schools, focus
23 programs, magnet schools, and pathways pursuant to section 79-2110;

24 (7) Administer the open enrollment provisions in section
25 79-2110 for the learning community as part of a diversity plan

1 developed by the council to provide educational opportunities which
2 will result in increased diversity in schools across the learning
3 community;

4 (8) Annually conduct school fairs to provide students and
5 parents the opportunity to explore the educational opportunities
6 available at each school in the learning community and develop
7 other methods for encouraging access to such information and
8 promotional materials;

9 (9) Develop and approve reorganization plans for
10 submission pursuant to the Learning Community Reorganization Act;

11 (10) Establish and administer elementary learning centers
12 through achievement subcouncils pursuant to sections 79-2112 to
13 79-2114;

14 (11) Administer the learning community funds distributed
15 to the learning community pursuant to section 79-2111;

16 (12) Approve or disapprove poverty plans and limited
17 English proficiency plans for member school districts through
18 achievement subcouncils established under section 79-2117;

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

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

1 mediation services.

2 Sec. 17. Section 79-2113, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-2113 (1) On or before ~~July~~ the second June 1
5 immediately following the establishment of a new learning
6 community, the learning community coordinating council shall
7 establish at least one elementary learning center for each
8 twenty-five elementary schools in which at least thirty-five
9 percent of the students attending the school who reside in the
10 attendance area of such school qualify for free or reduced-price
11 lunches. The council shall determine how many of the initial
12 elementary learning centers shall be located in each subcouncil
13 district on or before September 1 immediately following the
14 establishment of a new learning community.

15 (2) Each achievement subcouncil shall submit a plan to
16 the learning community coordinating council for any elementary
17 learning center in its ~~election~~ subcouncil district and the
18 services to be provided by such elementary learning center. In
19 developing the plan, the achievement subcouncil shall seek input
20 from community resources and collaborate with such resources in
21 order to maximize the available opportunities and the participation
22 of elementary students and their families. An achievement
23 subcouncil may, as part of such plan, recommend services be
24 provided through contracts with, or grants to, entities other
25 than school districts to provide some or all of the services.

1 Such entities may include collaborative groups which may include
2 the participation of a school district. An achievement subcouncil
3 may also, as part of such plan, recommend that the elementary
4 learning center serve as a clearinghouse for recommending
5 programs provided by school districts or other entities and
6 that the elementary learning center assist students in accessing
7 such programs. The plans for the initial elementary learning
8 centers shall be submitted by the achievement subcouncils to the
9 coordinating council on or before January 1 immediately following
10 the establishment of a new learning community.

11 (3) Each elementary learning center shall have at least
12 one facility that is located in an area with a high concentration
13 of poverty. Such facility may be owned or leased by the learning
14 community, or the use of the facility may be donated to the
15 learning community. Programs offered by the elementary learning
16 center may be offered in such facility or in other facilities,
17 including school buildings.

18 Sec. 18. Section 79-2117, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-2117 Each learning community coordinating council
21 shall ~~designate the three voting members representing each election~~
22 ~~district as the~~ have an achievement subcouncil for such election
23 each subcouncil district. Each achievement subcouncil shall consist
24 of the three voting coordinating council members representing
25 the subcouncil district plus any nonvoting coordinating council

1 members choosing to participate who represent a school district
2 that has territory within the subcouncil district. The voting
3 coordinating council members shall also be the voting members on
4 the achievement subcouncil. Each achievement subcouncil shall meet
5 as necessary but shall meet and conduct a public hearing within its
6 ~~election~~ subcouncil district at least once each school year. Each
7 achievement subcouncil shall:

8 (1) Develop a diversity plan recommendation for the
9 territory in its ~~election~~ subcouncil district that will provide
10 educational opportunities which will result in increased diversity
11 in schools in the ~~election~~ subcouncil district;

12 (2) Administer elementary learning centers in cooperation
13 with the elementary learning center executive director;

14 (3) Review and approve or disapprove of the poverty plans
15 and limited English proficiency plans for the schools located in
16 its ~~election~~ subcouncil district;

17 (4) Receive community input and complaints regarding
18 the learning community and academic achievement in the ~~election~~
19 subcouncil district; and

20 (5) Hold public hearings at its discretion in its
21 ~~election~~ subcouncil district in response to issues raised by
22 residents of the ~~election~~ subcouncil district regarding the
23 learning community, a member school district, and academic
24 achievement in the ~~election~~ subcouncil district.

25 Sec. 19. Section 79-2118, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-2118 (1) Each learning community, together with its
3 member school districts, shall develop a diversity plan to provide
4 educational opportunities pursuant to sections 79-769 and 79-2110
5 in each ~~election~~ subcouncil district designed to attract students
6 from diverse backgrounds, which plan may be revised from time to
7 time. The initial diversity plan shall be completed by December
8 31 of the year the initial learning community coordinating council
9 for the learning community takes office. The goal of the diversity
10 plan shall be to annually increase the socioeconomic diversity
11 of enrollment at each grade level in each school building within
12 the learning community until such enrollment reflects the average
13 socioeconomic diversity of the entire enrollment of the learning
14 community.

15 (2) Each diversity plan for a learning community shall
16 include specific provisions relating to each ~~election~~ subcouncil
17 district within such learning community. The specific provisions
18 relating to each ~~election~~ subcouncil district shall be approved
19 by both the achievement subcouncil for such district and by the
20 learning community coordinating council.

21 (3) The learning community coordinating council shall
22 report to the Education Committee of the Legislature on or before
23 December 1 of each even-numbered year on the diversity and changes
24 in diversity at each grade level in each school building within the
25 learning community and on the academic achievement for different

1 demographic groups in each school building within the learning
2 community.

3 Sec. 20. Original sections 11-119, 13-503, 13-903,
4 13-2202, 32-546.01, 32-555.01, 32-606, 79-575, 79-592, 79-1024,
5 79-1033, 79-1041, 79-1073, 79-1073.01, 79-2104, 79-2113, 79-2117,
6 and 79-2118, Reissue Revised Statutes of Nebraska, and section
7 77-2704.15, Revised Statutes Cumulative Supplement, 2008, are
8 repealed.

9 Sec. 21. Since an emergency exists, this act takes effect
10 when passed and approved according to law.