

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1082

Introduced by Cornett, 45.

Read first time January 21, 2010

Committee: Education

A BILL

1 FOR AN ACT relating to community colleges; to amend sections  
2 77-3442, 85-960.02, 85-962, 85-966.01, 85-1404, 85-1413,  
3 85-1416, 85-1418, 85-1429, 85-1501, 85-1502, 85-1503,  
4 85-1511, 85-1517, 85-1535, 85-2201, 85-2202, 85-2205,  
5 85-2221, 85-2222, 85-2223, 85-2224, 85-2227, and 85-2228,  
6 Reissue Revised Statutes of Nebraska, and sections  
7 13-509, 13-518, 13-519, and 85-1412, Revised Statutes  
8 Supplement, 2009; to rename an act and a fund; to  
9 change and provide duties for community colleges and the  
10 Coordinating Commission for Postsecondary Education; to  
11 define and redefine terms; to change provisions relating  
12 to aid to community colleges; to provide for a maximum  
13 levy; to harmonize provisions; to repeal the original  
14 sections; and to declare an emergency.

LB 1082

LB 1082

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

1           Section 1. Section 13-509, Revised Statutes Supplement,  
2 2009, is amended to read:

3           13-509 (1) On or before August 20 of each year, the  
4 county assessor shall (a) certify to each governing body or board  
5 empowered to levy or certify a tax levy the current taxable value  
6 of the taxable real and personal property subject to the applicable  
7 levy, ~~and~~ (b) certify to the State Department of Education the  
8 current taxable value of the taxable real and personal property  
9 subject to the applicable levy for all school districts, and  
10 (c) forward a copy of such year's certified taxable values for  
11 community colleges to the Property Tax Administrator. Current  
12 taxable value for real property shall mean the value established  
13 by the county assessor and equalized by the county board of  
14 equalization and the Tax Equalization and Review Commission.  
15 Current taxable value for tangible personal property shall mean  
16 the net book value reported by the taxpayer and certified by the  
17 county assessor.

18           (2) The valuation of any real and personal property  
19 annexed by a political subdivision on or after August 1 shall  
20 be considered in the taxable valuation of the annexing political  
21 subdivision the following year.

22           Sec. 2. Section 13-518, Revised Statutes Supplement,  
23 2009, is amended to read:

24           13-518 For purposes of sections 13-518 to 13-522:

25           (1) Allowable growth means (a) for governmental units

1 other than community colleges, the percentage increase in taxable  
2 valuation in excess of the base limitation established under  
3 section 77-3446, if any, due to improvements to real property as  
4 a result of new construction, additions to existing buildings,  
5 any improvements to real property which increase the value of  
6 such property, and any increase in valuation due to annexation  
7 and any personal property valuation over the prior year and (b)  
8 for community colleges, (i) for fiscal years prior to fiscal year  
9 2003-04 and after fiscal year 2004-05 until fiscal year 2007-08,  
10 the percentage increase in excess of the base limitation, if  
11 any, in full-time equivalent students from the second year to  
12 the first year preceding the year for which the budget is being  
13 determined, (ii) for fiscal year 2003-04 and fiscal year 2004-05,  
14 the percentage increase in full-time equivalent students from the  
15 second year to the first year preceding the year for which the  
16 budget is being determined, and (iii) for fiscal year 2007-08 and  
17 each fiscal year thereafter, community college areas may exceed the  
18 base limitation to equal base revenue need calculated pursuant to  
19 section 85-2223;

20 (2) Capital improvements means (a) acquisition of real  
21 property or (b) acquisition, construction, or extension of any  
22 improvements on real property;

23 (3) Governing body has the same meaning as in section  
24 13-503;

25 (4) Governmental unit means every political subdivision

1 which has authority to levy a property tax or authority to  
2 request levy authority under section 77-3443 except sanitary and  
3 improvement districts which have been in existence for five years  
4 or less and school districts;

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

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

1 77-1776; and

2 (7) State aid means:

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

5 (b) For municipalities, state aid to municipalities  
6 paid pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190,  
7 77-27,136, and 77-27,139.04 and insurance premium tax paid to  
8 municipalities;

9 (c) For counties, state aid to counties paid pursuant  
10 to sections 39-2501 to 39-2520, 60-3,184 to 60-3,190, and  
11 77-27,137.03, insurance premium tax paid to counties, and  
12 reimbursements to counties from funds appropriated pursuant to  
13 section 29-3933;

14 (d) For community colleges, state aid to community  
15 colleges paid under the Community College ~~Foundation~~ and  
16 Equalization Aid Act;

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

19 (f) For educational service units, state aid appropriated  
20 under sections 79-1241.01 to 79-1241.03; and

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

23 Sec. 3. Section 13-519, Revised Statutes Supplement,  
24 2009, is amended to read:

25 13-519 (1) (a) Subject to ~~subdivisions~~ subdivision (1) (b)

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

1 population, or full-time equivalent students of each governmental  
2 unit.

3 ~~(b) For all fiscal years beginning on or after July 1,~~  
4 ~~2005, the last prior year's total of budgeted restricted funds~~  
5 ~~shall be increased for a community college area by adding to such~~  
6 ~~area's fiscal year base-year revenue the amount of revenue to be~~  
7 ~~collected under subdivision (2)(c) of section 85-1517 that is in~~  
8 ~~excess of the amount budgeted under this subdivision in the prior~~  
9 ~~fiscal year.~~

10 ~~(e) (b)~~ For all fiscal years beginning on or after July  
11 1, 2008, educational service units may exceed the limitations  
12 of subdivision (1)(a) of this section to the extent that one  
13 hundred ten percent of the needs for the educational service unit  
14 calculated pursuant to section 79-1241.03 exceeds the budgeted  
15 restricted funds allowed pursuant to subdivision (1)(a) of this  
16 section.

17 (2) A governmental unit may exceed the limit provided in  
18 subdivisions (1)(a) and (b) of this section for a fiscal year by up  
19 to an additional one percent upon the affirmative vote of at least  
20 seventy-five percent of the governing body.

21 (3) A governmental unit may exceed the applicable  
22 allowable growth percentage otherwise prescribed in this section  
23 by an amount approved by a majority of legal voters voting on  
24 the issue at a special election called for such purpose upon the  
25 recommendation of the governing body or upon the receipt by the



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

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

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

5           Sec. 4. Section 77-3442, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

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

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

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

23           (c) Except as provided in subdivision (2)(e) of this  
24 section, for each fiscal year, school districts that are members  
25 of learning communities may levy for purposes of such districts'

1 general fund budget and special building funds a maximum combined  
2 levy of the difference of one dollar and five cents on each one  
3 hundred dollars of taxable property subject to the levy minus  
4 the learning community levies pursuant to subdivisions (2)(b) and  
5 (2)(g) of this section for such learning community.

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

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

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

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

24           (h) For each fiscal year, learning communities may levy  
25 a maximum levy of five cents on each one hundred dollars of

1 taxable property subject to the levy for elementary learning center  
2 facilities and for up to fifty percent of the estimated cost for  
3 capital projects approved by the learning community coordinating  
4 council pursuant to section 79-2111.

5 (3) Community colleges may levy a maximum levy for  
6 operating expenditures calculated pursuant to the Community College  
7 ~~Foundation and Equalization Aid Act~~ on each one hundred dollars of  
8 taxable property subject to the levy. Community colleges may also  
9 levy the additional levies provided in subsections (2) and (3) of  
10 section 85-1517.

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

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

24 (c) In addition, natural resources districts located in  
25 a river basin, subbasin, or reach that has been determined to

1 be fully appropriated pursuant to section 46-714 or designated  
2 as overappropriated pursuant to section 46-713 by the Department  
3 of Natural Resources shall also have the power and authority to  
4 levy a tax equal to the dollar amount by which their restricted  
5 funds budgeted to administer and implement ground water management  
6 activities and integrated management activities under the Nebraska  
7 Ground Water Management and Protection Act exceed their restricted  
8 funds budgeted to administer and implement ground water management  
9 activities and integrated management activities for FY2005-06, not  
10 to exceed three cents on each one hundred dollars of taxable  
11 valuation on all of the taxable property within the district for  
12 fiscal year 2006-07 and each fiscal year thereafter through fiscal  
13 year 2011-12.

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

18 (6)(a) Incorporated cities and villages which are not  
19 within the boundaries of a municipal county may levy a maximum levy  
20 of forty-five cents per one hundred dollars of taxable valuation  
21 of property subject to the levy plus an additional five cents per  
22 one hundred dollars of taxable valuation to provide financing for  
23 the municipality's share of revenue required under an agreement  
24 or agreements executed pursuant to the Interlocal Cooperation Act  
25 or the Joint Public Agency Act. The maximum levy shall include

1 amounts levied to pay for sums to support a library pursuant  
2 to section 51-201, museum pursuant to section 51-501, visiting  
3 community nurse, home health nurse, or home health agency pursuant  
4 to section 71-1637, or statue, memorial, or monument pursuant to  
5 section 80-202.

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

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

25 (8) Counties may levy or authorize a maximum levy of

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



1 the levy authority in order to levy the amount allocated. Property  
 2 tax levies for costs of reassumption of the assessment function  
 3 pursuant to section 77-1340 or 77-1340.04 are not included in the  
 4 levy limits established in this subsection for fiscal years 2010-11  
 5 through 2013-14.

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

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

25 (11) The limitations on tax levies provided in this

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

5 (12) Tax levies in excess of the limitations in this  
6 section shall be considered unauthorized levies under section  
7 77-1606 unless approved under section 77-3444.

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

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

25 Sec. 5. Section 85-960.02, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           85-960.02 The community college areas shall serve as  
3 the primary public postsecondary institutions for foundations  
4 education. Each community college area shall identify and implement  
5 best practices for the provision of foundations education.  
6 The Coordinating Commission for Postsecondary Education shall  
7 collaborate with the community college areas to develop indicators  
8 for measuring the outcomes of students receiving foundations  
9 education courses. Such outcomes shall be reported by the  
10 commission in the report required pursuant to section 85-1429  
11 beginning in 2011 and annually thereafter.

12           Sec. 6. Section 85-962, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           85-962 It is the intent of the Legislature that  
15 the community colleges shall be student-centered, open-access  
16 institutions primarily devoted to quality instruction and  
17 public service, providing counseling and other student services  
18 intended to promote the success of a diverse student population,  
19 particularly those who have been traditionally underserved in other  
20 educational settings. The Legislature recognizes the importance of  
21 community colleges in providing students with the education and job  
22 skills necessary for the modern workforce.

23           The community colleges are further encouraged to  
24 collaborate (1) with elementary and secondary education to further  
25 enhance the college readiness and career readiness of high school

1 students through the provision of appropriate dual-credit courses,  
2 with particular emphasis on enabling full participation in such  
3 courses by low-income students, and (2) with the University of  
4 Nebraska and the state colleges in the articulation of general  
5 academic transfer programs pursuant to section 85-963.

6           The community colleges, individually and collectively,  
7 shall have as their first instructional and service priority  
8 applied technology and occupational education and, when necessary,  
9 foundations education. The second instructional and service  
10 priority of the community colleges shall be transfer education,  
11 including general academic transfer programs, or applied technology  
12 and occupational programs which may be applicable to the  
13 first two years of a bachelor's degree program, and, when  
14 necessary, foundations education. The third instructional and  
15 service priority of the community colleges shall be public  
16 service, particularly adult continuing education for occupations  
17 and professions, economic and community development focused on  
18 customized occupational assessment and job training programs  
19 for businesses and communities, and avocational and personal  
20 development courses. The fourth instructional and service priority  
21 of the community colleges shall be applied research.

22           Sec. 7. Section 85-966.01, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24           85-966.01 After January 1, 1995, the Legislature shall  
25 not change the role and mission provisions in this section and

1 sections 85-917 to 85-966 unless and until a proposal for such  
2 change has first been reviewed or recommended by the Coordinating  
3 Commission for Postsecondary Education and its recommendations on  
4 such proposal have been given to the Legislature pursuant to  
5 subdivision (2) or (15) of section 85-1412, section 85-1414, or  
6 otherwise.

7           Sec. 8. Section 85-1404, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           85-1404 The purposes of the Coordinating Commission for  
10 Postsecondary Education established by Article VII, section 14,  
11 of the Constitution of Nebraska and section 85-1403 shall be  
12 to (1) develop an ongoing comprehensive statewide plan for the  
13 operation of an educationally and economically sound, vigorous,  
14 progressive, and coordinated system of postsecondary education, (2)  
15 identify and enact policies to meet the educational, research,  
16 and public service needs of the state, and (3) effect the best  
17 use of available resources through the elimination of unnecessary  
18 duplication of programs and facilities among Nebraska's public  
19 institutions or sectors.

20           In carrying out its powers and duties, the commission  
21 shall consider the need for diversity of public institutions and  
22 the need for addressing regional needs but shall above all reflect  
23 a commitment to a perspective in decisionmaking and planning for  
24 postsecondary education which will best serve the state as a whole  
25 consistent with the role and mission assignment of each public

1 institution or sector.

2           The commission shall work with the public institutions  
3 to encourage and sustain their aspirations consistent with the  
4 comprehensive statewide plan and in a manner designed to achieve a  
5 vision of statewide postsecondary education. The commission shall  
6 not be an advocate for any one public institution or sector but  
7 shall strive for a balance and responsiveness among all public  
8 institutions and sectors.

9           Sec. 9. Section 85-1412, Revised Statutes Supplement,  
10 2009, is amended to read:

11           85-1412 The commission shall have the following  
12 additional powers and duties:

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

22           (2) Recommend to the Legislature and the Governor  
23 legislation it deems necessary or appropriate to improve  
24 postsecondary education in Nebraska and any other legislation it  
25 deems appropriate to change the role and mission provisions in

1 sections 85-917 to 85-966.01;

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

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

14 (5) Seek a close liaison with the State Board of  
15 Education and the State Department of Education in recognition  
16 of the need for close coordination of activities between elementary  
17 and secondary education and postsecondary education;

18 (6) Administer the Integrated Postsecondary Education  
19 Data System or other information system or systems to provide the  
20 commission with timely, comprehensive, and meaningful information  
21 pertinent to the exercise of its duties. The information system  
22 shall be designed to provide comparable data on each public  
23 institution. The commission shall also administer the uniform  
24 information system prescribed in sections 85-1421 to 85-1427 known  
25 as the Nebraska Educational Data System. Public institutions shall

1 supply the appropriate data for the information system or systems  
2 required by the commission;

3 (7) Administer the Access College Early Scholarship  
4 Program Act and the Nebraska Scholarship Act;

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

14 (9) Consistent with section 85-1620, approve, in a  
15 timely manner, new baccalaureate degree programs to be offered  
16 at private postsecondary career schools as defined in section  
17 85-1603. The commission may charge a reasonable fee based on  
18 its administrative costs for authorizations pursuant to this  
19 subdivision and section 85-1620. The commission shall report such  
20 action to the Commissioner of Education;

21 (10) Pursuant to sections 85-1101 to 85-1104, authorize  
22 out-of-state institutions of higher or postsecondary education to  
23 offer courses or degree programs in this state;

24 (11) Pursuant to sections 85-1105 to 85-1111, approve  
25 or disapprove petitions to establish new private colleges in this



1 state;

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

8 (13) Provide staff support for interstate compacts on  
9 postsecondary education;

10 (14) Request inclusion of the commission in any existing  
11 grant review process and information system; and

12 ~~(15) Facilitate a study that explores the following~~  
13 ~~issues related to the Nebraska community college system:~~

14 ~~(a) The need for changes to the statutory role and~~  
15 ~~mission of Nebraska community colleges;~~

16 ~~(b) Changes in the weighting of courses that may be~~  
17 ~~necessary for reimbursable educational units to properly reflect~~  
18 ~~the role and mission of Nebraska community colleges and the cost of~~  
19 ~~providing such courses;~~

20 ~~(c) Powers, duties, and mission of the Nebraska Community~~  
21 ~~College Association or its successor and whether membership in such~~  
22 ~~an association should be required;~~

23 ~~(d) Consequences for failing to satisfy current community~~  
24 ~~college association membership requirements contained in section~~  
25 ~~85-1502; and~~

1           ~~(e) State coordination of community colleges in the~~  
2 ~~absence of a community college association or membership therein.~~

3           The commission shall include and facilitate discussion  
4 among the state's community colleges in the completion of such  
5 study. Each community college shall participate in good faith with  
6 the conduct of such study. The commission shall report its findings  
7 to the Legislature on or before December 15, 2009.

8           (15) Perform the following duties related to community  
9 colleges and the Community College Equalization Aid Act:

10           (a) Collaborate with the community colleges to at least  
11 biennially review and report on the community colleges' success in  
12 fulfilling role and mission requirements, including foundations  
13 education. It is the intent of the Legislature that, while  
14 consensus on findings is desired, contrary opinions be included  
15 in the report; and

16           (b) Provide to the Department of Revenue the full-time  
17 equivalent student information, based upon audits provided by each  
18 community college area, required to calculate state aid for fiscal  
19 year 2010-11.

20           Sec. 10. Section 85-1413, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22           85-1413 (1) Pursuant to the authority granted in  
23 Article VII, section 14, of the Constitution of Nebraska and  
24 the Coordinating Commission for Postsecondary Education Act, the  
25 commission shall establish and revise as needed a comprehensive

1 statewide plan for postsecondary education which shall include (a)  
2 definitions of the role and mission of each public postsecondary  
3 educational institution within any general assignments of role  
4 and mission as prescribed in sections 85-917 to 85-966 and (b)  
5 a plan for facilities which utilize tax funds designated by the  
6 Legislature.

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

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

23 (4) In establishing the plan, the commission shall assess  
24 the postsecondary educational needs of the state in the following  
25 areas:

- 1 (a) The basic and continuing needs of various age groups;  
2 (b) Business and industrial needs for a skilled work  
3 force;  
4 (c) Demographic, social, and economic trends;  
5 (d) The needs of the ethnic populations;  
6 (e) College attendance, retention, and dropout rates;  
7 (f) The needs of recent high school graduates and  
8 place-bound adults;  
9 (g) The needs of residents of all geographic regions; and  
10 (h) Any other areas the commission may designate.
- 11 (5) The plan shall provide a structure or process which  
12 encourages and facilitates harmonious and cooperative relationships  
13 between public and private postsecondary educational institutions  
14 and shall recognize the role and relationship of elementary  
15 and secondary education and private postsecondary educational  
16 institutions in the state to postsecondary education.
- 17 (6) The commission shall incorporate into the plan  
18 provisions and policies to guide decisionmaking by the commission  
19 pursuant to this section and sections 85-1414 and 85-1415. The  
20 provisions and policies shall address issues which include, but are  
21 not limited to:
- 22 (a) The facilitation of statewide transfer-of-credit  
23 guidelines to be considered by institutional governing boards.  
24 The statewide transfer-of-credit guidelines shall be designed to  
25 facilitate the transfer of students among public institutions.

1 The statewide transfer-of-credit guidelines shall not require nor  
2 encourage the standardization of course content and shall not  
3 prescribe course content or credit value assigned by any public  
4 institution to the courses;

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

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

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

1           (e) In conjunction with and consistent with its  
2 recommended guidelines on admission standards, recommended  
3 guidelines which place the primary emphasis at the community  
4 college level for postsecondary education ~~remedial programs~~  
5 foundations education as defined in section 85-932.01 and reduce  
6 the role of the University of Nebraska in offering ~~remedial~~  
7 ~~programs.~~ foundations education. The commission shall collaborate  
8 with the Commissioner of Education to develop recommendations for  
9 secondary schools designed to reduce the need for remedial or  
10 developmental programs at the postsecondary level;

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

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

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

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

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

23           (k) Financial aid strategy. The commission shall develop  
24 a state strategy for state-supported student financial aid programs  
25 with the goal of assuring access to and choice in postsecondary

1 education in Nebraska for Nebraska residents within the limits of  
2 available state resources.

3 (7) The commission shall develop a unified statewide  
4 facilities plan in consultation with the governing boards or their  
5 designated representatives and update the plan periodically.

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

14 Sec. 11. Section 85-1416, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

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

24 (2)(a) At least thirty days prior to submitting to  
25 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

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

21 (3) At least thirty days prior to submitting to the  
22 Governor their biennial budget requests pursuant to section  
23 81-1113 and any major deficit appropriation requests pursuant to  
24 instructions of the Department of Administrative Services, the  
25 Board of Regents of the University of Nebraska and the Board of

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

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

21 Sec. 12. Section 85-1418, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 85-1418 (1) No state warrant shall be issued by the  
24 Department of Administrative Services or used by any public  
25 institution for the purpose of funding any program or capital

1 construction project which has not been approved or which has  
2 been disapproved by the commission pursuant to the Coordinating  
3 Commission for Postsecondary Education Act. If state funding for  
4 any such program or project cannot be or is not divided into  
5 warrants separate from other programs or projects, the department  
6 shall reduce a warrant to the public institution which includes  
7 funding for the program or project by the amount of tax funds  
8 designated by the Legislature which are budgeted in that fiscal  
9 year by the public institution for use for the program or project.

10 (2) The department may reduce the amount of state aid  
11 distributed to a community college area pursuant to the Community  
12 College ~~Foundation~~ and Equalization Aid Act by the amount of funds  
13 used by the area to provide a program or capital construction  
14 project which has not been approved pursuant to subsection (10) of  
15 section 85-1414 or which has been disapproved by the commission.

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

20 (4) Any person or public institution aggrieved by a  
21 final order of the commission entered pursuant to section 85-1413,  
22 85-1414, 85-1415, or 85-1416 shall be entitled to judicial review  
23 of the order. Proceedings for review shall be instituted by filing  
24 a petition in the district court of Lancaster County within thirty  
25 days after public notice of the final decision by the commission

1 is given. The filing of the petition or the service of summons  
2 upon the commission shall not stay enforcement of such order. The  
3 review shall be conducted by the court without a jury on the  
4 record of the commission. The court shall have jurisdiction to  
5 enjoin enforcement of any order of the commission which is (a)  
6 in violation of constitutional provisions, (b) in excess of the  
7 constitutional or statutory authority of the commission, (c) made  
8 upon unlawful procedure, or (d) affected by other error of law.

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

13 Sec. 13. Section 85-1429, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15 85-1429 On or before March 15 of each year, the  
16 Coordinating Commission for Postsecondary Education shall provide  
17 a report that (1) evaluates progress toward attainment of the  
18 priorities listed in subdivision (3) of section 85-1428 and  
19 (2) beginning in 2011, evaluates the performance of community  
20 college areas, individually and collectively, on the indicators  
21 established pursuant to section 85-1414. The Education Committee of  
22 the Legislature shall review the report at a public hearing and  
23 report its findings to the Legislature.

24 Sec. 14. Section 85-1501, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1           85-1501 The Legislature hereby declares that for a  
2 community college to be truly responsible to the people it serves,  
3 primary control of such colleges shall be placed in the citizens  
4 within the local area so served subject to coordination by the  
5 Coordinating Commission for Postsecondary Education. It is the  
6 intent and purpose of sections 85-1501 to 85-1540 to create locally  
7 governed and locally supported community college areas with the  
8 ~~major educational emphasis on occupational education.~~ instructional  
9 and service priorities described in section 85-962. Each community  
10 college area is intended to be an independent, local, unique, and  
11 vital segment of postsecondary education separate from both the  
12 established elementary and secondary school system and from other  
13 institutions of postsecondary education and is not to be converted  
14 into a four-year, baccalaureate-degree-granting institution.

15           Sec. 15. Section 85-1502, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17           85-1502 (1) It is the intent of the Legislature  
18 that a clear distinction between area governance and statewide  
19 coordination for the community college areas be recognized and  
20 that such coordination is appropriate in order to provide the  
21 most cost-effective programs for residents of each community  
22 college area and to ensure uniform practices and procedures for  
23 the collection and reporting of data by community college areas,  
24 specifically the data necessary to carry out the Community College  
25 Equalization Aid Act. It is further the intent of the Legislature

1 that coordination of the community colleges by the Coordinating  
2 Commission for Postsecondary Education be conducted ~~through an~~  
3 ~~association of the boards,~~ as provided for in Article VII, section  
4 14, of the Constitution of Nebraska and the Coordinating Commission  
5 for Postsecondary Education Act.

6 (2) All of the boards shall be a part of and shall be  
7 ~~represented by such association.~~ Coordination services provided by  
8 ~~such association shall include (a) preparation~~ Community college  
9 areas may be a part of and may be represented by an association  
10 of the boards. Services provided by such association may include  
11 any services or coordination activities pertaining to member  
12 community college areas not assigned to the Coordinating Commission  
13 for Postsecondary Education that may be requested by the member  
14 boards, including, but not limited to: (a) Preparation of a  
15 ~~system~~ strategic plan, (b) coordination of the budget request  
16 for the biennium, (c) facilitation of program-needs assessment  
17 and articulation, (d) recommendation and facilitation of the  
18 appointment of representatives to committees, boards, commissions,  
19 task forces, and any other state-level bodies requesting or  
20 requiring participation from the community college system,  
21 colleges, and (e) facilitation of responses to data and information  
22 requests for the system, pertaining to member community college  
23 areas.

24 (3) All activities conducted pursuant to this section by  
25 such association shall be conducted in accordance with the Open

1 Meetings Act.

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

10 Sec. 16. Section 85-1503, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 85-1503 For purposes of sections 85-1501 to 85-1540,  
13 unless the context otherwise requires:

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

16 (2) Community college area means an area established by  
17 section 85-1504;

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

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

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

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

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

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

1 for the directed supervision of students and for the delivery of  
2 part of the didactic phase of the experience;

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

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

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

24 (13) Full-time equivalent student enrollment total means  
25 the total of full-time equivalent students enrolled in a community

1 college in any fiscal year;

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

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

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

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

24 (18) Class 2 course means an applied technology or  
25 occupational course offering which requires the use of specialized

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

4 (19) Full-time equivalent student means a full-time  
5 equivalent student subject to the following limitation: The number  
6 of credit and contact hours which shall be counted by any community  
7 college area in which a tribally controlled community college  
8 is located shall include credit and contact hours awarded by  
9 such tribally controlled community college to students for which  
10 such institution received no federal reimbursement pursuant to the  
11 Tribally Controlled Community College Assistance Act, 25 U.S.C.  
12 1801;

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

16 (21) Reimbursable educational unit means, for fiscal  
17 years before fiscal year 2010-11, a full-time equivalent student  
18 multiplied by (a) for a general academic transfer course or an  
19 academic support course, a factor of one, (b) for a Class 1 course,  
20 a factor of one and fifty-hundredths, (c) for a Class 2 course,  
21 a factor of two, (d) for a tribally controlled community college  
22 general academic transfer course or academic support course, a  
23 factor of two, (e) for a tribally controlled community college  
24 Class 1 course, a factor of three, and (f) for a tribally  
25 controlled community college Class 2 course, a factor of four;

1           (22) Reimbursable educational unit total means the total  
2 of all reimbursable educational units accumulated in a community  
3 college area in any fiscal year;

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

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

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

14          (26) Tribally controlled community college state aid  
15 amount means the quotient of the amount of state aid to be  
16 distributed pursuant to the Community College Foundation and  
17 Equalization Aid Act for the current fiscal year to a community  
18 college area in which a tribally controlled community college is  
19 located divided by the reimbursable educational unit total for such  
20 community college area for the immediately preceding fiscal year,  
21 with such quotient then multiplied by the average reimbursable  
22 educational units ~~derived pursuant to subdivision (19) of this~~  
23 ~~section~~ calculated pursuant to subdivision (21) of this section  
24 attributable to each tribally controlled community college for the  
25 immediately preceding fiscal year.

1           Sec. 17. Section 85-1511, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

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

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

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

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

23           (4) Subject to coordination by the Coordinating  
24 Commission for Postsecondary Education as prescribed in the  
25 Coordinating Commission for Postsecondary Education Act, construct,

1 lease, purchase, purchase on contract, operate, equip, and maintain  
2 facilities;

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

5 (6) Cause an annual examination and comprehensive audit  
6 of:

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



1 ~~educational unit totals~~

2           (b) The data necessary to carry out the Community College  
3 Equalization Aid Act, including, but not limited to, full-time  
4 equivalent student enrollment totals, as defined in the Community  
5 College Equalization Aid Act. Such data shall be reported for  
6 the three most recently completed fiscal years and shall be  
7 audited, collected, and reported in accordance with the uniform  
8 practices and procedures prescribed by the Coordinating Commission  
9 for Postsecondary Education pursuant to section 85-1412. Such  
10 examination and audit shall be completed and filed with the Auditor  
11 of Public Accounts, the Coordinating Commission for Postsecondary  
12 Education, and the Department of Administrative Services on or  
13 before August 15 25 of each year;

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

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

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

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

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

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

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

1 be exercised in the name of the board;

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

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

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

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

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

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

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

3           (20) Exercise any other powers, duties, and  
4 responsibilities necessary to carry out sections 85-1501 to  
5 85-1540.

6           Sec. 18. Section 85-1517, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

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

16           ~~(2)-(a)~~ (2) In addition to the levies provided in  
17 ~~subsection (1) of this section and this subsection,~~ subsections (1)  
18 and (3) of this section, the board may certify to the county board  
19 of equalization of each county within the community college area a  
20 tax levy of not to exceed one cent on each one hundred dollars on  
21 the taxable valuation of all property within the community college  
22 area, uniform throughout such area, for the purpose of establishing  
23 a capital improvement fund and bond sinking fund as provided in  
24 section 85-1515.

25           ~~(b)~~ (3) In addition to the levies provided in ~~subsection~~

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

16           ~~(c) In addition to the levies provided in subsection (1)~~  
17 ~~of this section and this subsection,~~ the board of any community  
18 college area whose valuation per full-time equivalent student was  
19 less than eighty-two percent of the statewide average of all  
20 community colleges for fiscal year 1997-98 may also certify to the  
21 county board of equalization of each county within the community  
22 college area a tax levy up to an additional one-half cent for each  
23 of fiscal years 2005-06 and 2006-07, on each one hundred dollars on  
24 the taxable valuation of all property within the community college  
25 area, uniform throughout such area. Such tax levy shall not be so

1 certified unless approved by an affirmative vote of three-fourths  
 2 of the board taken at a public meeting of the board following  
 3 notice and a hearing. The board shall give at least seven days'  
 4 notice of such public hearing and shall publish such notice once in  
 5 a newspaper of general circulation in the area to be affected by  
 6 the increase.

7 ~~(3)~~ (4) The levy provided by subdivision ~~(2)(a)~~  
 8 subsection (2) of this section may be exceeded by that amount  
 9 necessary to retire the general obligation bonds assumed by the  
 10 community college area or issued pursuant to section 85-1515  
 11 according to the terms of such bonds or for any obligation pursuant  
 12 to section 85-1535 entered into prior to January 1, 1997.

13 ~~(4)~~ (5) The ~~tax~~ taxes provided by this section shall be  
 14 levied and assessed in the same manner as other property taxes and  
 15 entered on the books of the county treasurer. The proceeds of the  
 16 tax, as collected, shall be remitted to the treasurer of the board  
 17 not less frequently than once each month.

18 Sec. 19. Section 85-1535, Reissue Revised Statutes of  
 19 Nebraska, is amended to read:

20 85-1535 A board of a community college area with a  
 21 population of less than one hundred thousand according to the  
 22 last federal decennial census and a campus located on a former  
 23 military base may enter into contracts with any person, firm,  
 24 or corporation providing for the implementation of any project  
 25 for the constructing and improving of facilities to house applied

1 technology educational programs necessary to carry out sections  
2 85-1501 to 85-1540 and providing for the long-term payment of the  
3 cost of such project.

4 In no case shall any such contract run for a period  
5 longer than twenty years or shall the aggregate of existing  
6 contracts exceed four million five hundred thousand dollars for  
7 each area exclusive of administrative costs, credit enhancement  
8 costs, financing costs, capitalized interest, and reserves  
9 dedicated to secure payment of contracts.

10 No contract shall be entered into pursuant to this  
11 section without prior approval by a resolution of the board and  
12 the approval of the Coordinating Commission for Postsecondary  
13 Education.

14 The long-term payment of the cost of such project shall  
15 be paid from revenue to be raised pursuant to ~~subdivision (2)(a)~~  
16 subsection (2) of section 85-1517. Any board entering into such  
17 contract for the construction and improvement of facilities from  
18 revenue to be raised pursuant to such subdivision shall make annual  
19 appropriations for amounts sufficient to pay annual obligations  
20 under such contract for the duration of such contract.

21 The board may also convey or lease and lease back all  
22 or any part of the project and the land on which such project  
23 is situated to such person, firm, or corporation as the board may  
24 contract with pursuant to this section to facilitate the long-term  
25 payment of the cost of such project. Any such conveyance or lease

1 shall provide that when the cost of such project has been paid,  
2 together with interest and other costs thereon, such project and  
3 the land on which such project is located shall become the property  
4 of the community college area.

5           Sec. 20. Section 85-2201, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7           85-2201 Sections 85-2201 to 85-2229 and section 27 of  
8 this act shall be known and may be cited as the Community College  
9 ~~Foundation and Equalization Aid Act.~~

10          Sec. 21. Section 85-2202, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12          85-2202 The Community College ~~Foundation and Equalization~~  
13 Aid Fund is created. The fund shall be used to provide state  
14 aid to community college areas pursuant to the Community College  
15 ~~Foundation and Equalization Aid Act.~~ Any money in the Community  
16 College ~~Foundation and Equalization Aid Fund~~ available for  
17 investment shall be invested by the state investment officer  
18 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
19 State Funds Investment Act. Any money in the Community College  
20 Foundation and Equalization Aid Fund on the effective date of this  
21 act shall be transferred to the Community College Equalization Aid  
22 Fund on such date.

23          Sec. 22. Section 85-2205, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25          85-2205 Base growth factor means ~~+(1)~~ ~~For~~ for the



1 calculation of aid for fiscal year 2008-09, the base limitation  
2 described in section 77-3446 minus one-half percent, and

3 ~~(2) For the calculation of aid for fiscal year 2009-10~~  
4 ~~and each fiscal year thereafter, the base limitation described in~~  
5 ~~section 77-3446 plus one-half percent.~~

6 Sec. 23. Section 85-2221, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 85-2221 The Coordinating Commission for Postsecondary  
9 Education shall adopt and promulgate rules and regulations to carry  
10 out the Community College Equalization Aid Act. The commission  
11 shall collaborate with the Department of Revenue and the Department  
12 of Administrative Services in the development of such rules and  
13 regulations and any subsequent revisions.

14 The Department of Administrative Services shall  
15 coordinate with the community colleges to assure consistency in  
16 the budget request process for the biennium and other statutory  
17 reporting needs. Any inconsistency that cannot be resolved through  
18 consensus shall be reported to the Legislature.

19 Each community college area shall annually report such  
20 data as necessary to carry out the Community College Foundation  
21 and Equalization Aid Act to the Coordinating Commission for  
22 Postsecondary Education. Each community college area shall annually  
23 provide the commission with a reconciliation of the data necessary  
24 to carry out the act with audited financial statement information.  
25 Such data shall be derived from the annual examination and audit

1 required pursuant to section 85-1511 and shall be collected  
2 and reported by each community college area in accordance with  
3 procedures established by the commission pursuant to section  
4 85-1412. The commission shall provide the Department of Revenue  
5 with the data necessary to calculate aid pursuant to the Community  
6 College Equalization Aid Act.

7           Sec. 24. Section 85-2222, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           85-2222 (1) The Legislature, in an effort to promote  
10 quality postsecondary education and to avoid excessive and  
11 disproportionate taxation upon the taxable property of each  
12 community college area, may appropriate each biennium from such  
13 funds as may be available an amount for aid and assistance to the  
14 community colleges. The Legislature recognizes that education, as  
15 an investment in human resources, is fundamental to the quality  
16 of life and the economic prosperity of Nebraskans and that aid to  
17 the community colleges furthers these goals. It is the intent of  
18 the Legislature that such appropriations reflect the commitment  
19 of the Legislature to join with local governing bodies in a  
20 strong and continuing partnership to further advance the quality,  
21 responsiveness, access, and equity of Nebraska's community colleges  
22 and to foster high standards of performance and service so that  
23 every citizen, community, and business will have the opportunity  
24 to receive quality educational programs and services regardless  
25 of the size, wealth, or geographic location of the community

1 college area or tribally controlled community college as defined  
2 in section 85-1503 by which that citizen, community, or business  
3 is served. Such funds so appropriated by the Legislature shall  
4 be allocated, adjusted, and distributed to the community college  
5 boards of governors as provided in the Community College ~~Foundation~~  
6 ~~and~~ Equalization Aid Act.

7 (2) The Department of Revenue shall certify aid amounts  
8 pursuant to the act and report such amounts to the Department of  
9 Administrative Services. The Department of Administrative Services  
10 shall distribute the total of such appropriated and allocated funds  
11 to the boards of governors in ten as nearly as possible equal  
12 monthly payments between the fifth and twentieth day of each month  
13 beginning in September of each year.

14 (3) The Department of Administrative Services shall  
15 reduce the amount of the distribution to a board of governors  
16 by the amount of funds used by the community college area to  
17 provide a program or capital construction project as such term  
18 is defined in section 85-1402 which has not been approved or has  
19 been disapproved by the Coordinating Commission for Postsecondary  
20 Education pursuant to the Coordinating Commission for Postsecondary  
21 Education Act.

22 Sec. 25. Section 85-2223, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24 85-2223 (1) The Department of Revenue shall annually  
25 calculate ~~the base revenue need for~~ and distribute state aid to

1 each community college area as follows:

2           ~~(a) For fiscal year 2008-09, base revenue need for~~  
3 ~~each community college area shall equal one plus the greater~~  
4 ~~of zero or the average annual percentage growth in full-time~~  
5 ~~equivalent enrollments attributable to each community college area~~  
6 ~~for the most recent three fiscal years times the sum of (i) system~~  
7 ~~foundation need plus (ii) reimbursable educational unit need plus~~  
8 ~~(iii) the revenue remainder allowance for each community college~~  
9 ~~area. The average annual percentage growth shall be calculated by~~  
10 ~~taking the difference between the three-year full-time equivalent~~  
11 ~~enrollment average for the current funding year and the three-year~~  
12 ~~full-time equivalent enrollment average for the prior funding year~~  
13 ~~and dividing by the three-year full-time equivalent enrollment~~  
14 ~~average from the prior funding year; and~~

15           ~~(b) (a) For fiscal year 2009-10, state aid for~~  
16 ~~each community college area shall equal: and each fiscal year~~  
17 ~~thereafter, base revenue need for each community college area~~  
18 ~~shall equal the greater of ninety-eight percent of the base~~  
19 ~~revenue need calculated in the prior year or one plus the greater~~  
20 ~~of zero or the average annual percentage growth in full-time~~  
21 ~~equivalent enrollments attributable to each community college~~  
22 ~~area times the sum of (i) system foundation need plus (ii)~~  
23 ~~reimbursable educational unit need plus (iii) the average revenue~~  
24 ~~remainder allowance. The average annual percentage growth shall~~  
25 ~~be calculated by taking the difference between the three-year~~

1 full-time equivalent enrollment average for the current funding  
2 year and the three-year full-time equivalent enrollment average for  
3 the prior funding year and dividing by the three-year full-time  
4 equivalent enrollment average from the prior funding year.

5 (i) For the Central Community College Area, \$8,591,816;

6 (ii) For the Metropolitan Community College Area,  
7 \$23,706,884;

8 (iii) For the Mid-Plains Community College Area,  
9 \$7,882,912;

10 (iv) For the Northeast Community College Area,  
11 \$11,419,960;

12 (v) For the Southeast Community College Area,  
13 \$23,706,884; and

14 (vi) For the Western Community College Area, \$11,637,800.

15 On the effective date of this act, the Department  
16 of Administrative Services shall adjust the state aid payments  
17 remaining for fiscal year 2009-10 so that the total state aid  
18 payment to each community college area for such fiscal year is no  
19 greater than the amount listed in this subdivision;

20 (b) For fiscal year 2010-11, state aid for each community  
21 college area shall be calculated to maintain the relative amount of  
22 state aid each community college received for fiscal year 2010-11  
23 based upon its fiscal year 2009-10 full-time equivalent students as  
24 each area received in fiscal year 2009-10 based on its fiscal year  
25 2008-09 full-time equivalent students; and

1           (c) For fiscal year 2011-12 and each fiscal year  
2 thereafter, the amount appropriated by the Legislature for state  
3 aid for each community college area shall be allocated and  
4 distributed as follows: Twenty percent of such amount shall be  
5 distributed as system foundation need to the community college  
6 areas in equal shares; and eighty percent shall be distributed in  
7 the proportion that the population of each community college area  
8 bears to the total population of the state based upon the 2010  
9 federal decennial census.

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

17           (2) For purposes of the calculation required pursuant to  
18 this section:

19           ~~(a) Average need adjustment shall be calculated for~~  
20 ~~fiscal year 2007-08 aid distribution as follows: Average need~~  
21 ~~adjustment shall equal the sum of average adjusted revenue~~  
22 ~~per full-time equivalent student minus the adjusted revenue~~  
23 ~~per full-time equivalent student times the number of full-time~~  
24 ~~equivalent students attributable to each community college area~~  
25 ~~up to the number of full-time equivalent students attributable to~~

1 the community college area with the fewest number of full-time  
2 equivalent students, except that the amount shall not be less than  
3 negative seven hundred fifty thousand or greater than seven hundred  
4 fifty thousand. For purposes of the average need adjustment, (i)  
5 adjusted revenue per full-time equivalent student equals the sum  
6 of the prior year revenue for each community college area minus  
7 the system foundation need divided by the number of full-time  
8 equivalent students for each community college area and (ii)  
9 average adjusted revenue per full-time equivalent student equals  
10 the sum of the prior year revenue for all community college areas  
11 minus the system foundation need for all areas divided by the  
12 number of full-time equivalent students for all areas;

13 (b) Average revenue remainder allowance shall equal the  
14 average revenue remainder per reimbursable educational unit times  
15 the average number of reimbursable educational units for each  
16 community college area for the most recent three fiscal years;

17 (c) Average revenue remainder per reimbursable  
18 educational unit equals the revenue remainder allowance for  
19 all community college areas divided by the average number of  
20 reimbursable educational units in all community college areas for  
21 the most recent three fiscal years;

22 (d) Reimbursable educational unit need for each community  
23 college area equals the product of the state foundation amount  
24 times forty percent divided by the total reimbursable educational  
25 units of all community college areas times the number of

1 reimbursable educational units attributable to each community  
2 college area;

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

6 ~~(f) (a) State foundation amount equals formula base  
7 revenue times the state foundation percentage; and~~

8 ~~(g) (b) System foundation need for each community college  
9 area equals (i) for fiscal years before fiscal year 2009-10, the  
10 product of the state foundation amount times sixty percent divided  
11 by the number of community college areas and (ii) for fiscal year  
12 2011-12 and each fiscal year thereafter, twenty percent of total  
13 state aid divided by the number of community college areas.~~

14 ~~(h) Funding year, for purposes of calculating average  
15 annual percentage growth, means the fiscal year for which aid is  
16 being calculated; and~~

17 ~~(i) Three-year full-time equivalent enrollment average  
18 for any given funding year equals the sum of the audited full-time  
19 equivalent enrollment for the three years preceding the funding  
20 year divided by three.~~

21 Sec. 26. Section 85-2224, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 85-2224 For fiscal years prior to fiscal year 2009-10:

24 (1) The Department of Revenue shall calculate local  
25 effort rate by dividing the sum of (a) the total of base



1 revenue need for all community college areas minus (b) the amount  
 2 appropriated by the Legislature pursuant to the Community College  
 3 Foundation and Equalization Aid Act minus (c) the total formula  
 4 tuition and fees for all community college areas by the total  
 5 taxable valuation from the most recent Certificate of Taxes Levied  
 6 required under section 77-1613.01 for all community college areas  
 7 times one hundred;~~;~~

8 (2) The department shall calculate the formula resources  
 9 available to each community college area by adding the yield from  
 10 local effort rate plus ~~local~~ formula tuition and fees; and-

11 (3) For purposes of the calculation required pursuant to  
 12 this section:

13 (a) The yield from local effort rate for each community  
 14 college area equals the local effort rate times the total taxable  
 15 valuation certified to each community college area pursuant to  
 16 the most recent Certificate of Taxes Levied required under section  
 17 77-1613.01 divided by one hundred; and

18 (b) ~~Local formula~~ Formula tuition and fees equals tuition  
 19 and fees attributable to each community college area that were  
 20 reported on the accrual basis of accounting in the fiscal year  
 21 prior to the fiscal year for which aid is to be calculated.

22 Sec. 27. For fiscal year 2010-11 and each fiscal year  
 23 thereafter, the maximum general fund levy for each community  
 24 college area shall be its general fund property tax request  
 25 limitation divided by its then-current fiscal year's total taxable

1 valuation certified pursuant to section 13-509 times one hundred.

2 For purposes of this section:

3 (1) General fund property tax request limitation equals  
4 base revenue need minus state aid received for the then-current  
5 fiscal year;

6 (2) Base revenue need equals base tax revenue need  
7 multiplied by one hundred twenty-five percent;

8 (3) Base tax revenue need equals prior base tax revenue  
9 need multiplied by two percent as an inflation adjustment and the  
10 product thereof multiplied by the average annual percentage growth;

11 (4) Average annual percentage growth shall be calculated  
12 by calculating the difference between the three-year full-time  
13 equivalent enrollment average for the current funding year and the  
14 three-year full-time equivalent enrollment average for the prior  
15 funding year and dividing that result by the three-year full-time  
16 equivalent enrollment average for the prior funding year; and

17 (5)(a) For fiscal year 2010-11, prior base tax revenue  
18 need equals the total state aid received under the Community  
19 College Equalization Aid Act for fiscal year 2009-10 plus the  
20 result of multiplying the certified property valuation on the  
21 Certificate of Taxes Levied required pursuant to section 77-1613.01  
22 for the prior funding year by seven and one-half cents on each  
23 one hundred dollars of taxable valuation of all taxable property  
24 within the community college area and (b) for fiscal year 2011-12  
25 and each fiscal year thereafter, prior base tax revenue need equals

1 the base tax revenue need calculated for the immediately previous  
2 fiscal year.

3           Sec. 28. Section 85-2227, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           85-2227 The maximum levy for each community college area  
6 shall be certified by the Department of Revenue annually and shall  
7 equal: (1) For fiscal years before 2010-11, one hundred twenty  
8 percent of the local effort rate calculated pursuant to section  
9 85-2224 plus amounts allowed pursuant to ~~subsection (2)~~ subsections  
10 (2) and (3) of section 85-1517; and (2) for fiscal year 2010-11 and  
11 each fiscal year thereafter, the maximum general fund levy for each  
12 community college area calculated pursuant to section 27 of this  
13 act.

14           Sec. 29. Section 85-2228, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16           85-2228 For fiscal year years 2008-09 and ~~for each fiscal~~  
17 ~~year thereafter,~~ 2009-10, a minimum levy aid reduction shall apply  
18 to any community college area that does not levy at least eighty  
19 percent of the local effort rate calculated pursuant to section  
20 85-2224 for the fiscal year immediately preceding the fiscal year  
21 for which aid is being calculated.

22           The minimum levy aid reduction shall equal the difference  
23 between the amount of revenue collected by the community college  
24 area as a result of its levy and the amount of revenue that would  
25 have been collected using eighty percent of the local effort rate

1 in the prior fiscal year. The Department of Revenue shall reduce  
2 the amount of aid by an amount equal to the minimum levy aid  
3 reduction.

4           Sec. 30. Original sections 77-3442, 85-960.02, 85-962,  
5 85-966.01, 85-1404, 85-1413, 85-1416, 85-1418, 85-1429, 85-1501,  
6 85-1502, 85-1503, 85-1511, 85-1517, 85-1535, 85-2201, 85-2202,  
7 85-2205, 85-2221, 85-2222, 85-2223, 85-2224, 85-2227, and 85-2228,  
8 Reissue Revised Statutes of Nebraska, and sections 13-509, 13-518,  
9 13-519, and 85-1412, Revised Statutes Supplement, 2009, are  
10 repealed.

11           Sec. 31. Since an emergency exists, this act takes effect  
12 when passed and approved according to law.