

LEGISLATURE OF NEBRASKA
 ONE HUNDRED SECOND LEGISLATURE
 FIRST SESSION
LEGISLATIVE BILL 235

Final Reading

Introduced by Adams, 24.

Read first time January 11, 2011

Committee: Education

A BILL

1 FOR AN ACT relating to education; to amend sections 79-413, 79-536,
 2 79-1008.02, 79-1009, 79-1015.01, 79-1025, and 79-1029,
 3 Reissue Revised Statutes of Nebraska, sections 77-3446,
 4 79-1003.01, 79-1005.01, 79-1007.10, 79-1007.11,
 5 79-1007.16, 79-1007.18, 79-1017.01, 79-1018.01,
 6 79-1028.01, 79-1030, and 79-1103, Revised Statutes
 7 Cumulative Supplement, 2010, and sections 79-1001,
 8 79-1003, 79-1008.01, and 79-1023, Revised Statutes
 9 Cumulative Supplement, 2010, as amended by sections 1, 2,
 10 5, and 8, respectively, Legislative Bill 18, One Hundred
 11 Second Legislature, First Session, 2011; to change and
 12 eliminate provisions relating to summer school and summer
 13 sessions and state aid to schools; to harmonize
 14 provisions; to repeal the original sections; to outright
 15 repeal sections 79-1005.02, 79-1007.01, 79-1007.02,
 16 79-1010, 79-1026, 79-1028, and 79-1083.03, Reissue

1 Revised Statutes of Nebraska, sections 79-1007.19 and
2 79-1007.24, Revised Statutes Cumulative Supplement, 2010,
3 and section 79-1026.01, Revised Statutes Cumulative
4 Supplement, 2010, as amended by section 9, Legislative
5 Bill 18, One Hundred Second Legislature, First Session,
6 2011; and to declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3446, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

3 77-3446 Base limitation means the budget limitation rate
4 applicable to school districts and the limitation on growth of
5 restricted funds applicable to other political subdivisions prior to
6 any increases in the rate as a result of special actions taken by a
7 supermajority of any governing board or of any exception allowed by
8 law. The base limitation is two and one-half percent until adjusted,
9 except that the base limitation for school districts for school
10 fiscal years ~~2009-10, 2011-12, and 2012-13~~ is one and one-half
11 percent and the base limitation for school districts for school
12 fiscal year 2010-11 is twenty-five hundredths of one percent, the
13 base limitation for school districts for school fiscal year 2011-12
14 is zero percent, and the base limitation for school districts for
15 school fiscal year 2012-13 is one-half of one percent. The base
16 limitation may be adjusted annually by the Legislature to reflect
17 changes in the prices of services and products used by school
18 districts and political subdivisions.

19 Sec. 2. Section 79-413, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-413 (1) The State Committee for the Reorganization of
22 School Districts created under section 79-435 may create a new school
23 district from other districts, change the boundaries of any district
24 that is not a member of a learning community, or affiliate a Class I
25 district or portion thereof with one or more existing Class II, III,

1 IV, or V districts upon receipt of petitions signed by sixty percent
2 of the legal voters of each district affected. If the petitions
3 contain signatures of at least sixty-five percent of the legal voters
4 of each district affected, the state committee shall approve the
5 petitions. When area is added to a Class VI district or when a Class
6 I district which is entirely or partially within a Class VI district
7 is taken from the Class VI district, the Class VI district shall be
8 deemed to be an affected district.

9 Any petition of the legal voters of a Class I district in
10 which no city or village is situated which is commenced after January
11 1, 1996, and proposes the dissolution of the Class I district and the
12 attachment of a portion of it to two or more districts shall require
13 signatures of more than fifty percent of the legal voters of such
14 Class I district. If the state committee determines that such
15 petition contains valid signatures of more than fifty percent of the
16 legal voters of such Class I district, the state committee shall
17 grant the petition.

18 (2)(a) Petitions proposing to change the boundaries of
19 existing school districts that are not members of a learning
20 community through the transfer of a parcel of land, not to exceed six
21 hundred forty acres, shall be approved by the state committee when
22 the petitions involve the transfer of land between Class I, II, III,
23 or IV school districts or when there would be an exchange of parcels
24 of land between Class I, II, III, or IV school districts and the
25 petitions have the approval of at least sixty-five percent of the

1 school board of each affected district. If the transfer of the parcel
2 of land is from a Class I school district to one or more Class II,
3 III, IV, V, or VI school districts of which the parcel is not a part
4 or with which the parcel is not affiliated, any Class II, III, IV, V,
5 or VI school district of which the parcel is not a part or with which
6 the parcel is affiliated shall be deemed an affected district.

7 (b) The state committee shall not approve a change of
8 boundaries pursuant to this section relating to affiliation of school
9 districts if twenty percent or more of any tract of land under common
10 ownership which is proposing to affiliate is not contiguous to the
11 high school district with which affiliation is proposed unless (i)
12 one or more resident students of the tract of land under common
13 ownership has attended the high school program of the high school
14 district within the immediately preceding ten-year period or (ii)
15 approval of the petition or plan would allow siblings of such
16 resident students to attend the same school as the resident students
17 attended.

18 (3)(a) Petitions proposing to create a new school
19 district, to change the boundary lines of existing school districts
20 that are not members of a learning community, to create an affiliated
21 school system, or to affiliate a Class I district in part and to join
22 such district in part with a Class VI district, any of which involves
23 the transfer of more than six hundred forty acres, shall, when signed
24 by at least sixty percent of the legal voters in each district
25 affected, be submitted to the state committee. In the case of a

1 petition for affiliation or a petition to affiliate in part and in
2 part to join a Class VI district, the state committee shall review
3 the proposed affiliation subject to sections 79-425 and 79-426. The
4 state committee shall, within forty days after receipt of the
5 petition, hold one or more public hearings and review and approve or
6 disapprove such proposal.

7 ~~(b) The state committee shall also review and approve or~~
8 ~~disapprove incentive payments under section 79-1010.~~

9 ~~(e)~~ (b) If there is a bond election to be held in
10 conjunction with the petition, the state committee shall hold the
11 petition until the bond election has been held, during which time
12 names may be added to or withdrawn from the petitions. The results of
13 the bond election shall be certified to the state committee.

14 ~~(d)~~ (c) If the bond election held in conjunction with the
15 petition is unsuccessful, no further action on the petition is
16 required. If the bond election is successful, within fifteen days
17 after receipt of the certification of the bond election results, the
18 state committee shall approve the petition and notify the county
19 clerk to effect the changes in district boundary lines as set forth
20 in the petitions.

21 (4) Any person adversely affected by the changes made by
22 the state committee may appeal to the district court of any county in
23 which the real estate or any part thereof involved in the dispute is
24 located. If the real estate is located in more than one county, the
25 court in which an appeal is first perfected shall obtain jurisdiction

1 to the exclusion of any subsequent appeal.

2 (5) A signing petitioner may withdraw his or her name
3 from a petition and a legal voter may add his or her name to a
4 petition at any time prior to the end of the period when the petition
5 is held by the state committee. Additions and withdrawals of
6 signatures shall be by notarized affidavit filed with the state
7 committee.

8 Sec. 3. Section 79-536, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-536 (1) Summer school means educational opportunities
11 that, except as otherwise provided in this section, are undertaken on
12 a voluntary basis by students who will be entering any of grades one
13 through twelve in the next school year and are offered during the
14 period of time between two consecutive school years.

15 (2) Summer school may be offered by any school district.

16 (3) The board of education of any school district may
17 require children between and including the ages of six and fifteen
18 years, regularly enrolled within the system and deemed by the school
19 administration to be making unsatisfactory progress, to attend summer
20 school for up to one-half of a regular school day if in the opinion
21 of the administration they would benefit from the experience. Chief
22 emphasis in such summer classes shall be on reading, language arts,
23 and arithmetic and those areas of personality development especially
24 in need of development. Teachers shall be encouraged to design new
25 and imaginative techniques and curricula not usually used during the

1 regular school year which in the opinion of such teachers will offer
2 new incentives towards learning, with special emphasis on those
3 techniques that seek to develop the students' personalities in a
4 wholesome manner, especially developing pride, self-confidence, and
5 self-control. Teachers of such classes shall not be assigned more
6 than fifteen students, or more than twenty-five students if assisted
7 full time by an aide or paraprofessional. Such students shall be
8 graded at the end of the course upon their relative degree of
9 striving to improve their skills, attitudes, and personalities.

10 Sec. 4. Section 79-1001, Revised Statutes Cumulative
11 Supplement, 2010, as amended by section 1, Legislative Bill 18, One
12 Hundred Second Legislature, First Session, 2011, is amended to read:

13 79-1001 Sections 79-1001 to 79-1033 and section 11 of
14 this act and section 15 of this act shall be known and may be cited
15 as the Tax Equity and Educational Opportunities Support Act.

16 Sec. 5. Section 79-1003, Revised Statutes Cumulative
17 Supplement, 2010, as amended by section 2, Legislative Bill 18, One
18 Hundred Second Legislature, First Session, 2011, is amended to read:

19 79-1003 For purposes of the Tax Equity and Educational
20 Opportunities Support Act:

21 (1) Adjusted general fund operating expenditures means
22 ~~(a) for school fiscal years before school fiscal year 2007-08,~~
23 ~~general fund operating expenditures as calculated pursuant to~~
24 ~~subdivision (21) of this section minus the transportation allowance~~
25 ~~and minus the special receipts allowance, (b) for school fiscal year~~

1 2007-08, general fund operating expenditures as calculated pursuant
2 to subdivision (21) of this section minus the sum of the
3 transportation, special receipts, and distance education and
4 telecommunications allowances, (c) for school fiscal year 2008-09,
5 the difference of the product of the general fund operating
6 expenditures as calculated pursuant to subdivision (21) of this
7 section multiplied by the cost growth factor calculated pursuant to
8 section 79-1007.10 minus the transportation allowance, special
9 receipts allowance, poverty allowance, limited English proficiency
10 allowance, distance education and telecommunications allowance,
11 elementary site allowance, elementary class size allowance, summer
12 school allowance, and focus school and program allowance, (d) for
13 school fiscal year 2009-10, the difference of the product of the
14 general fund operating expenditures as calculated pursuant to
15 subdivision (21) of this section multiplied by the cost growth factor
16 calculated pursuant to section 79-1007.10 minus the transportation
17 allowance, special receipts allowance, poverty allowance, limited
18 English proficiency allowance, distance education and
19 telecommunications allowance, elementary site allowance, elementary
20 class size allowance, summer school allowance, instructional time
21 allowance, and focus school and program allowance, (e) (a) for school
22 fiscal years 2010-11 through 2012-13, the difference of the product
23 of the general fund operating expenditures as calculated pursuant to
24 subdivision (21)-(22) of this section increased by, or for aid
25 calculated for school fiscal year 2010-11 multiplied by, the cost

1 growth factor calculated pursuant to section 79-1007.10, minus the
2 transportation allowance, special receipts allowance, poverty
3 allowance, limited English proficiency allowance, distance education
4 and telecommunications allowance, elementary site allowance,
5 elementary class size allowance, summer school allowance,
6 instructional time allowance, teacher education allowance, and focus
7 school and program allowance, and ~~(f)~~ (b) for school fiscal year
8 2013-14 and each school fiscal year thereafter, the difference ~~of the~~
9 ~~product~~ of the general fund operating expenditures as calculated
10 pursuant to subdivision ~~(21)~~ (22) of this section multiplied
11 increased by the cost growth factor calculated pursuant to section
12 79-1007.10, minus the transportation allowance, special receipts
13 allowance, poverty allowance, limited English proficiency allowance,
14 distance education and telecommunications allowance, elementary site
15 allowance, summer school allowance, instructional time allowance,
16 teacher education allowance, and focus school and program allowance;

17 (2) Adjusted valuation means the assessed valuation of
18 taxable property of each local system in the state, adjusted pursuant
19 to the adjustment factors described in section 79-1016. Adjusted
20 valuation means the adjusted valuation for the property tax year
21 ending during the school fiscal year immediately preceding the school
22 fiscal year in which the aid based upon that value is to be paid. For
23 purposes of determining the local effort rate yield pursuant to
24 section 79-1015.01, adjusted valuation does not include the value of
25 any property which a court, by a final judgment from which no appeal

1 is taken, has declared to be nontaxable or exempt from taxation;

2 (3) Allocated income tax funds means the amount of
3 assistance paid to a local system pursuant to section 79-1005.01 ~~or~~
4 ~~79-1005.02~~ as adjusted by the minimum levy adjustment pursuant to
5 section 79-1008.02;

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

10 ~~(5)~~ (4) Average daily membership means the average daily
11 membership for grades kindergarten through twelve attributable to the
12 local system, as provided in each district's annual statistical
13 summary, and includes the proportionate share of students enrolled in
14 a public school instructional program on less than a full-time basis;

15 ~~(6)~~ (5) Base fiscal year means the first school fiscal
16 year following the school fiscal year in which the reorganization or
17 unification occurred;

18 ~~(7)~~ (6) Board means the school board of each school
19 district;

20 ~~(8)~~ (7) Categorical funds means funds limited to a
21 specific purpose by federal or state law, including, but not limited
22 to, Title I funds, Title VI funds, federal vocational education
23 funds, federal school lunch funds, Indian education funds, Head Start
24 funds, and funds from the Education Innovation Fund. Categorical
25 funds does not include funds received pursuant to section 79-1028.02

1 or section 11 of this act;

2 ~~(9)~~ (8) Consolidate means to voluntarily reduce the
3 number of school districts providing education to a grade group and
4 does not include dissolution pursuant to section 79-498;

5 (9) Converted contract means an expired contract that was
6 in effect for at least fifteen school years beginning prior to school
7 year 2012-13 for the education of students in a nonresident district
8 in exchange for tuition from the resident district when the
9 expiration of such contract results in the nonresident district
10 educating students, who would have been covered by the contract if
11 the contract were still in effect, as option students pursuant to the
12 enrollment option program established in section 79-234;

13 (10) Converted contract option student means a student
14 who will be an option student pursuant to the enrollment option
15 program established in section 79-234 for the school fiscal year for
16 which aid is being calculated and who would have been covered by a
17 converted contract if the contract were still in effect and such
18 school fiscal year is the first school fiscal year for which such
19 contract is not in effect;

20 ~~(10)~~ (11) Department means the State Department of
21 Education;

22 ~~(11)~~ (12) District means any Class I, II, III, IV, V, or
23 VI school district and, beginning with the calculation of state aid
24 for school fiscal year 2011-12 and each school fiscal year
25 thereafter, a unified system as defined in section 79-4,108;

1 ~~(12)~~(13) Ensuimg school fiscal year means the school
2 fiscal year following the current school fiscal year;

3 ~~(13)~~(14) Equalization aid means the amount of assistance
4 calculated to be paid to a local system pursuant to sections
5 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,
6 79-1022.02, and 79-1028.02 and section 11 of this act;

7 ~~(14)~~(15) Fall membership means the total membership in
8 kindergarten through grade twelve attributable to the local system as
9 reported on the fall school district membership reports for each
10 district pursuant to section 79-528;

11 ~~(15)~~(16) Fiscal year means the state fiscal year which
12 is the period from July 1 to the following June 30;

13 ~~(16)~~(17) Formula students means:

14 ~~(a) For school fiscal years prior to school fiscal year~~
15 ~~2008-09, (i) for state aid certified pursuant to section 79-1022, the~~
16 ~~sum of fall membership from the school fiscal year immediately~~
17 ~~preceding the school fiscal year in which the aid is to be paid,~~
18 ~~multiplied by the average ratio of average daily membership to fall~~
19 ~~membership for the second school fiscal year immediately preceding~~
20 ~~the school fiscal year in which aid is to be paid and the prior two~~
21 ~~school fiscal years, plus qualified early childhood education fall~~
22 ~~membership plus tuitioned students from the school fiscal year~~
23 ~~immediately preceding the school fiscal year in which the aid is to~~
24 ~~be paid and (ii) for final calculation of state aid pursuant to~~
25 ~~section 79-1065, the sum of average daily membership plus qualified~~

1 ~~early childhood education average daily membership plus tuitioned~~
2 ~~students from the school fiscal year immediately preceding the school~~
3 ~~fiscal year in which the aid was paid; and~~

4 ~~(b) For school fiscal year 2008-09 and each school fiscal~~
5 ~~year thereafter, (i) for (a) For state aid certified pursuant to~~
6 ~~section 79-1022, the sum of the product of fall membership from the~~
7 ~~school fiscal year immediately preceding the school fiscal year in~~
8 ~~which the aid is to be paid multiplied by the average ratio of~~
9 ~~average daily membership to fall membership for the second school~~
10 ~~fiscal year immediately preceding the school fiscal year in which the~~
11 ~~aid is to be paid and the prior two school fiscal years plus sixty~~
12 ~~percent of the qualified early childhood education fall membership~~
13 ~~plus tuitioned students from the school fiscal year immediately~~
14 ~~preceding the school fiscal year in which aid is to be paid minus the~~
15 ~~product of the number of students enrolled in kindergarten that is~~
16 ~~not full-day kindergarten from the fall membership multiplied by 0.5;~~
17 ~~and (ii) for~~

18 ~~(b) For the final calculation of state aid pursuant to~~
19 ~~section 79-1065, the sum of average daily membership plus sixty~~
20 ~~percent of the qualified early childhood education average daily~~
21 ~~membership plus tuitioned students minus the product of the number of~~
22 ~~students enrolled in kindergarten that is not full-day kindergarten~~
23 ~~from the average daily membership multiplied by 0.5 from the school~~
24 ~~fiscal year immediately preceding the school fiscal year in which aid~~
25 ~~was paid;~~

1 ~~(17)~~(18) Free lunch and free milk student means a
2 student who qualified for free lunches or free milk from the most
3 recent data available on November 1 of the school fiscal year
4 immediately preceding the school fiscal year in which aid is to be
5 paid;

6 ~~(18)~~(19) Full-day kindergarten means kindergarten
7 offered by a district for at least one thousand thirty-two
8 instructional hours;

9 ~~(19)~~(20) General fund budget of expenditures means the
10 total budget of disbursements and transfers for general fund purposes
11 as certified in the budget statement adopted pursuant to the Nebraska
12 Budget Act, except that for purposes of the limitation imposed in
13 section 79-1023 and the calculation pursuant to subdivision (2) of
14 section 79-1027.01, the general fund budget of expenditures does not
15 include any special grant funds, exclusive of local matching funds,
16 received by a district;

17 ~~(20)~~(21) General fund expenditures means all
18 expenditures from the general fund;

19 ~~(21) General fund operating expenditures means:~~

20 ~~(a) For state aid calculated for school fiscal years~~
21 ~~prior to school fiscal year 2008-09, the total general fund~~
22 ~~expenditures minus categorical funds, tuition paid, transportation~~
23 ~~fees paid to other districts, adult education, summer school,~~
24 ~~community services, redemption of the principal portion of general~~
25 ~~fund debt service, retirement incentive plans, staff development~~

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

6 (b) For state aid calculated for school fiscal year
7 2008-09, as reported for the second school fiscal year immediately
8 preceding the school fiscal year in which aid is to be paid on the
9 annual financial report submitted prior to December 1 of the school
10 fiscal year immediately preceding the school fiscal year in which aid
11 is to be paid, the total general fund expenditures minus (i) the
12 amount of all receipts to the general fund, to the extent that such
13 receipts are not included in local system formula resources, from
14 early childhood education tuition, summer school tuition, educational
15 entities as defined in section 79-1201.01 for providing distance
16 education courses through the Educational Service Unit Coordinating
17 Council to such educational entities, private foundations,
18 individuals, associations, charitable organizations, the textbook
19 loan program authorized by section 79-734, and federal impact aid,
20 (ii) the amount of expenditures for categorical funds, tuition paid,
21 transportation fees paid to other districts, adult education,
22 community services, redemption of the principal portion of general
23 fund debt service, retirement incentive plans authorized by section
24 79-855, and staff development assistance authorized by section
25 79-856, and (iii) the amount of any transfers from the general fund

1 ~~to any bond fund and transfers from other funds into the general~~
2 ~~fund;~~

3 ~~(c) For state aid calculated for school fiscal year~~
4 ~~2009-10, as reported on the annual financial report for the second~~
5 ~~school fiscal year immediately preceding the school fiscal year in~~
6 ~~which aid is to be paid, the total general fund expenditures minus~~
7 ~~(i) the amount of all receipts to the general fund, to the extent~~
8 ~~that such receipts are not included in local system formula~~
9 ~~resources, from early childhood education tuition, summer school~~
10 ~~tuition, educational entities as defined in section 79-1201.01 for~~
11 ~~providing distance education courses through the Educational Service~~
12 ~~Unit Coordinating Council to such educational entities, private~~
13 ~~foundations, individuals, associations, charitable organizations, the~~
14 ~~textbook loan program authorized by section 79-734, and federal~~
15 ~~impact aid, (ii) the amount of expenditures for categorical funds,~~
16 ~~tuition paid, transportation fees paid to other districts, adult~~
17 ~~education, community services, redemption of the principal portion of~~
18 ~~general fund debt service, retirement incentive plans authorized by~~
19 ~~section 79-855, and staff development assistance authorized by~~
20 ~~section 79-856, (iii) the amount of any transfers from the general~~
21 ~~fund to any bond fund and transfers from other funds into the general~~
22 ~~fund, and (iv) any legal expenses in excess of fifteen hundredths of~~
23 ~~one percent of the formula need for the school fiscal year in which~~
24 ~~the expenses occurred; and~~

25 ~~(d) For state aid calculated for school fiscal year~~

1 ~~2010-11 and each school fiscal year thereafter, (22) General fund~~
2 operating expenditures means:

3 (a) For state aid calculated for school fiscal years
4 2010-11 and 2011-12, as reported on the annual financial report for
5 the second school fiscal year immediately preceding the school fiscal
6 year in which aid is to be paid, the total general fund expenditures
7 minus (i) the amount of all receipts to the general fund, to the
8 extent that such receipts are not included in local system formula
9 resources, from early childhood education tuition, summer school
10 tuition, educational entities as defined in section 79-1201.01 for
11 providing distance education courses through the Educational Service
12 Unit Coordinating Council to such educational entities, private
13 foundations, individuals, associations, charitable organizations, the
14 textbook loan program authorized by section 79-734, federal impact
15 aid, and levy override elections pursuant to section 77-3444, (ii)
16 the amount of expenditures for categorical funds, tuition paid,
17 transportation fees paid to other districts, adult education,
18 community services, redemption of the principal portion of general
19 fund debt service, retirement incentive plans authorized by section
20 79-855, and staff development assistance authorized by section
21 79-856, (iii) the amount of any transfers from the general fund to
22 any bond fund and transfers from other funds into the general fund,
23 (iv) any legal expenses in excess of fifteen-hundredths of one
24 percent of the formula need for the school fiscal year in which the
25 expenses occurred, (v) expenditures to pay for sums agreed to be paid

1 by a school district to certificated employees in exchange for a
2 voluntary termination occurring prior to July 1, 2009, and (vi)(A)
3 expenditures in school fiscal years 2009-10 through 2013-14 to pay
4 for employer contributions pursuant to subsection (2) of section
5 79-958 to the School Retirement System of the State of Nebraska to
6 the extent that such expenditures exceed the employer contributions
7 under such subsection that would have been made at a contribution
8 rate of seven and thirty-five hundredths percent or (B) expenditures
9 in school fiscal years 2009-10 through 2013-14 to pay for school
10 district contributions pursuant to subdivision (1)(c)(i) of section
11 79-9,113 to the retirement system established pursuant to the Class V
12 School Employees Retirement System—Act to the extent that such
13 expenditures exceed the school district contributions under such
14 subdivision that would have been made at a contribution rate of seven
15 and thirty-seven hundredths percent; and -

16 (b) For state aid calculated for school fiscal years
17 2012-13 and each school fiscal year thereafter, as reported on the
18 annual financial report for the second school fiscal year immediately
19 preceding the school fiscal year in which aid is to be paid, the
20 total general fund expenditures minus (i) the amount of all receipts
21 to the general fund, to the extent that such receipts are not
22 included in local system formula resources, from early childhood
23 education tuition, summer school tuition, educational entities as
24 defined in section 79-1201.01 for providing distance education
25 courses through the Educational Service Unit Coordinating Council to

1 such educational entities, private foundations, individuals,
2 associations, charitable organizations, the textbook loan program
3 authorized by section 79-734, federal impact aid, and levy override
4 elections pursuant to section 77-3444, (ii) the amount of
5 expenditures for categorical funds, tuition paid, transportation fees
6 paid to other districts, adult education, community services,
7 redemption of the principal portion of general fund debt service,
8 retirement incentive plans authorized by section 79-855, and staff
9 development assistance authorized by section 79-856, (iii) the amount
10 of any transfers from the general fund to any bond fund and transfers
11 from other funds into the general fund, (iv) any legal expenses in
12 excess of fifteen-hundredths of one percent of the formula need for
13 the school fiscal year in which the expenses occurred, (v)
14 expenditures to pay for sums agreed to be paid by a school district
15 to certificated employees in exchange for a voluntary termination
16 occurring prior to July 1, 2009, or occurring on or after July 1,
17 2011, and on or before June 30, 2013, (vi)(A) expenditures in school
18 fiscal years 2009-10 through 2016-17 to pay for employer
19 contributions pursuant to subsection (2) of section 79-958 to the
20 School Retirement System of the State of Nebraska to the extent that
21 such expenditures exceed the employer contributions under such
22 subsection that would have been made at a contribution rate of seven
23 and thirty-five hundredths percent or (B) expenditures in school
24 fiscal years 2009-10 through 2016-17 to pay for school district
25 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113

1 to the retirement system established pursuant to the Class V School
2 Employees Retirement Act to the extent that such expenditures exceed
3 the school district contributions under such subdivision that would
4 have been made at a contribution rate of seven and thirty-seven
5 hundredths percent, and (vii) any amounts paid by the district for
6 lobbyist fees and expenses reported to the Clerk of the Legislature
7 pursuant to section 49-1483.

8 For purposes of this subdivision ~~(21)~~ (22) of this
9 section, receipts from levy override elections shall equal ninety-
10 nine percent of the difference of the total general fund levy minus a
11 levy of one dollar and five cents per one hundred dollars of taxable
12 valuation multiplied by the assessed valuation for school districts
13 that have voted pursuant to section 77-3444 to override the maximum
14 levy provided pursuant to section 77-3442;

15 ~~(22)~~ (23) High school district means a school district
16 providing instruction in at least grades nine through twelve;

17 ~~(23)~~ (24) Income tax liability means the amount of the
18 reported income tax liability for resident individuals pursuant to
19 the Nebraska Revenue Act of 1967 less all nonrefundable credits
20 earned and refunds made;

21 ~~(24)~~ (25) Income tax receipts means the amount of income
22 tax collected pursuant to the Nebraska Revenue Act of 1967 less all
23 nonrefundable credits earned and refunds made;

24 ~~(25)~~ (26) Limited English proficiency students means ~~(a)~~
25 ~~for school fiscal years prior to school fiscal year 2009-10, the~~

1 ~~number of students with limited English proficiency in a district~~
2 ~~from the most recent data available on November 1 of the school~~
3 ~~fiscal year preceding the school fiscal year in which aid is to be~~
4 ~~paid and (b) for school fiscal year 2009-10 and each school fiscal~~
5 ~~year thereafter, the number of students with limited English~~
6 ~~proficiency in a district from the most recent data available on~~
7 ~~November 1 of the school fiscal year preceding the school fiscal year~~
8 ~~in which aid is to be paid plus the difference of such students with~~
9 ~~limited English proficiency minus the average number of limited~~
10 ~~English proficiency students for such district, prior to such~~
11 ~~addition, for the three immediately preceding school fiscal years if~~
12 ~~such difference is greater than zero;~~

13 ~~(26)~~ (27) Local system means a learning community for
14 purposes of calculation of state aid for the second full school
15 fiscal year after becoming a learning community and each school
16 fiscal year thereafter, a unified system, a Class VI district and the
17 associated Class I districts, or a Class II, III, IV, or V district
18 and any affiliated Class I districts or portions of Class I
19 districts. The membership, expenditures, and resources of Class I
20 districts that are affiliated with multiple high school districts
21 will be attributed to local systems based on the percent of the Class
22 I valuation that is affiliated with each high school district;

23 ~~(27)~~ (28) Low-income child means ~~(a) for school fiscal~~
24 ~~years prior to 2008-09, a child under nineteen years of age living in~~
25 ~~a household having an annual adjusted gross income of fifteen~~

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

11 ~~(28)~~ (29) Low-income students means the number of low-
12 income children within the district multiplied by the ratio of the
13 formula students in the district divided by the total children under
14 nineteen years of age residing in the district as derived from income
15 tax information;

16 ~~(29)~~ (30) Most recently available complete data year
17 means the most recent single school fiscal year for which the annual
18 financial report, fall school district membership report, annual
19 statistical summary, Nebraska income tax liability by school district
20 for the calendar year in which the majority of the school fiscal year
21 falls, and adjusted valuation data are available;

22 ~~(30)~~ (31) Poverty students means ~~(a) for school fiscal~~
23 ~~years prior to school fiscal year 2009-10, the number of low income~~
24 ~~students or the number of students who are free lunch and free milk~~
25 ~~students in a district, whichever is greater, and (b) for school~~

1 ~~fiscal year 2009-10 and each school fiscal year thereafter,~~ the
2 number of low-income students or the number of students who are free
3 lunch and free milk students in a district plus the difference of the
4 number of low-income students or the number of students who are free
5 lunch and free milk students in a district, whichever is greater,
6 minus the average number of poverty students for such district, prior
7 to such addition, for the three immediately preceding school fiscal
8 years if such difference is greater than zero;

9 ~~(31)~~ (32) Qualified early childhood education average
10 daily membership means the product of the average daily membership
11 for school fiscal year 2006-07 and each school fiscal year thereafter
12 of students who will be eligible to attend kindergarten the following
13 school year and are enrolled in an early childhood education program
14 approved by the department pursuant to section 79-1103 for such
15 school district for such school year multiplied by the ratio of the
16 actual instructional hours of the program divided by one thousand
17 thirty-two if: (a) The program is receiving a grant pursuant to such
18 section for the third year; (b) the program has already received
19 grants pursuant to such section for three years; or (c) the program
20 has been approved pursuant to subsection (5) of section 79-1103 for
21 such school year and the two preceding school years, including any
22 such students in portions of any of such programs receiving an
23 expansion grant;

24 ~~(32)~~ (33) Qualified early childhood education fall
25 membership means the product of membership on the last Friday in

1 September 2006 and each year thereafter of students who will be
2 eligible to attend kindergarten the following school year and are
3 enrolled in an early childhood education program approved by the
4 department pursuant to section 79-1103 for such school district for
5 such school year multiplied by the ratio of the planned instructional
6 hours of the program divided by one thousand thirty-two if: (a) The
7 program is receiving a grant pursuant to such section for the third
8 year; (b) the program has already received grants pursuant to such
9 section for three years; or (c) the program has been approved
10 pursuant to subsection (5) of section 79-1103 for such school year
11 and the two preceding school years, including any such students in
12 portions of any of such programs receiving an expansion grant;

13 ~~(33)~~—(34) Regular route transportation means the
14 transportation of students on regularly scheduled daily routes to and
15 from the attendance center;

16 ~~(34)~~—(35) Reorganized district means any district
17 involved in a consolidation and currently educating students
18 following consolidation;

19 ~~(35)~~—(36) School year or school fiscal year means the
20 fiscal year of a school district as defined in section 79-1091;

21 ~~(36)~~—(37) Sparse local system means a local system that
22 is not a very sparse local system but which meets the following
23 criteria:

24 (a)(i) Less than two students per square mile in the
25 county in which each high school is located, based on the school

1 district census, (ii) less than one formula student per square mile
2 in the local system, and (iii) more than ten miles between each high
3 school attendance center and the next closest high school attendance
4 center on paved roads;

5 (b)(i) Less than one and one-half formula students per
6 square mile in the local system and (ii) more than fifteen miles
7 between each high school attendance center and the next closest high
8 school attendance center on paved roads;

9 (c)(i) Less than one and one-half formula students per
10 square mile in the local system and (ii) more than two hundred
11 seventy-five square miles in the local system; or

12 (d)(i) Less than two formula students per square mile in
13 the local system and (ii) the local system includes an area equal to
14 ninety-five percent or more of the square miles in the largest county
15 in which a high school attendance center is located in the local
16 system;

17 ~~(37)~~ (38) Special education means specially designed
18 kindergarten through grade twelve instruction pursuant to section
19 79-1125, and includes special education transportation;

20 ~~(38)~~ (39) Special grant funds means the budgeted receipts
21 for grants, including, but not limited to, ~~Title I funds, Title VI~~
22 ~~funds, funds from the Education Innovation Fund, categorical funds,~~
23 reimbursements for wards of the court, short-term borrowings
24 including, but not limited to, registered warrants and tax
25 anticipation notes, interfund loans, insurance settlements, and

1 reimbursements to county government for previous overpayment. The
2 state board shall approve a listing of grants that qualify as special
3 grant funds;

4 ~~(39)~~(40) State aid means the amount of assistance paid
5 to a district pursuant to the Tax Equity and Educational
6 Opportunities Support Act;

7 ~~(40)~~(41) State board means the State Board of Education;

8 ~~(41)~~(42) State support means all funds provided to
9 districts by the State of Nebraska for the general fund support of
10 elementary and secondary education;

11 ~~(42)~~(43) Statewide average basic funding per formula
12 student means the statewide total basic funding for all districts
13 divided by the statewide total formula students for all districts;

14 ~~(43)~~(44) Statewide average general fund operating
15 expenditures per formula student means the statewide total general
16 fund operating expenditures for all districts divided by the
17 statewide total formula students for all districts;

18 ~~(44)~~(45) Teacher has the definition found in section
19 79-101;

20 ~~(45)~~(46) Temporary aid adjustment factor means (a) for
21 school fiscal years before school fiscal year 2007-08, one and one-
22 fourth percent of the sum of the local system's transportation
23 allowance, the local system's special receipts allowance, and the
24 product of the local system's adjusted formula students multiplied by
25 the average formula cost per student in the local system's cost

1 grouping and (b) for school fiscal year 2007-08, one and one-fourth
2 percent of the sum of the local system's transportation allowance,
3 special receipts allowance, and distance education and
4 telecommunications allowance and the product of the local system's
5 adjusted formula students multiplied by the average formula cost per
6 student in the local system's cost grouping;

7 (47) Tuition receipts from converted contracts means
8 tuition receipts received by a district from another district in the
9 most recently available complete data year pursuant to a converted
10 contract prior to the expiration of the contract;

11 ~~(46)~~—(48) Tuitioned students means students in
12 kindergarten through grade twelve of the district whose tuition is
13 paid by the district to some other district or education agency; and

14 ~~(47)~~—(49) Very sparse local system means a local system
15 that has:

16 (a)(i) Less than one-half student per square mile in each
17 county in which each high school attendance center is located based
18 on the school district census, (ii) less than one formula student per
19 square mile in the local system, and (iii) more than fifteen miles
20 between the high school attendance center and the next closest high
21 school attendance center on paved roads; or

22 (b)(i) More than four hundred fifty square miles in the
23 local system, (ii) less than one-half student per square mile in the
24 local system, and (iii) more than fifteen miles between each high
25 school attendance center and the next closest high school attendance

1 center on paved roads.

2 Sec. 6. Section 79-1003.01, Revised Statutes Cumulative
3 Supplement, 2010, is amended to read:

4 79-1003.01 ~~(1) For school fiscal year 2008-09, the~~
5 ~~department shall calculate a summer school allowance for each~~
6 ~~district equal to two and one half percent of the summer school~~
7 ~~student units for such district multiplied by eighty five percent of~~
8 ~~the statewide average general fund operating expenditures per formula~~
9 ~~student. For purposes of this subsection, summer school student unit~~
10 ~~means one student enrolled in summer school in a school district,~~
11 ~~whether or not the student is in the membership of the school~~
12 ~~district, for (a) at least three hours but fewer than six hours per~~
13 ~~day and (b) at least twelve days but fewer than twenty four days.~~
14 ~~Each school district shall receive a summer school student unit for~~
15 ~~each qualified time period for which a student is enrolled, up to six~~
16 ~~units per student per summer.~~

17 ~~(2) For school fiscal year 2009-10 and each school fiscal~~
18 ~~year thereafter, the~~ (1) ~~The~~ department shall calculate a summer
19 school allowance for each district which submits the information
20 required for the calculation on a form prescribed by the department
21 on or before October 15 of the school fiscal year preceding the
22 school fiscal year for which aid is being calculated. A summer school
23 allowance shall be equal to two and one-half percent of the summer
24 school student units for such district multiplied by eighty-five
25 percent of the statewide average general fund operating expenditures

1 per formula student.

2 (2) Summer school student units shall be calculated for
3 each student enrolled in summer school as defined in section 79-536
4 in a school district who attends such summer school for at least
5 twelve days in the most recently available complete data year,
6 whether or not the student is in the membership of the school
7 district. The initial number of units for each such student shall
8 equal the sum of the ratios, each rounded down to the nearest whole
9 number, of the number of days for which the student attended summer
10 school classes in such district for at least three hours and less
11 than six hours per day divided by twelve days and of two times the
12 number of days for which the student attended summer school classes
13 in such district for six or more hours per day divided by twelve
14 days.

15 (3) Each school district shall receive an additional
16 summer school student unit for each summer school student unit
17 attributed to remedial math or reading programs. Each school district
18 shall also receive an additional summer school student unit for each
19 summer school student unit attributed to a free lunch and free milk
20 student.

21 (4) Beginning with state aid calculated for school fiscal
22 year 2012-13, summer school student units shall be calculated for
23 each student who was both enrolled in the most recently available
24 complete data year in a summer session of an early childhood
25 education program for which a qualified early childhood education

1 fall membership greater than zero has been calculated for the school
2 fiscal year for which aid is being calculated and eligible to attend
3 kindergarten in the fall immediately following such summer session.
4 The initial number of units for each such early childhood education
5 student shall equal the sum of the ratios, each rounded down to the
6 nearest whole number, of the number of days for which the student
7 attended the summer session in such district for at least three hours
8 and less than six hours per day divided by twelve days and of two
9 times the number of days for which the student attended the summer
10 session in such district for six or more hours per day divided by
11 twelve days. The initial summer school student units for early
12 childhood education students shall be multiplied by six-tenths.
13 Instructional hours included in the calculation of the qualified
14 early childhood education fall membership or the qualified early
15 childhood education average daily membership shall not be included in
16 the calculation of the summer school allowance.

17 (5) Each school district shall receive an additional six-
18 tenths of a summer school student unit for each early childhood
19 education student unit attributed to a free lunch and free milk early
20 childhood education student.

21 (6) This section does not prevent school districts from
22 requiring and collecting fees for summer school or summer sessions of
23 early childhood education programs, except that summer school student
24 units shall not be calculated for school districts which collect fees
25 for summer school from students who qualify for free or reduced-price

1 lunches under United States Department of Agriculture child nutrition
2 programs.

3 Sec. 7. Section 79-1005.01, Revised Statutes Cumulative
4 Supplement, 2010, is amended to read:

5 79-1005.01 ~~For state aid calculated for all school fiscal~~
6 ~~years except school fiscal years 2002-03 through 2007-08:~~

7 (1) An amount equal to the amount appropriated to the
8 School District Income Tax Fund for distribution in school fiscal
9 year 1992-93 shall be disbursed as option payments as determined
10 under section 79-1009 and as allocated income tax funds as determined
11 in this section and sections 79-1008.01, 79-1015.01, 79-1017.01, and
12 79-1018.01, except as provided in section 79-1008.02. Funds not
13 distributed as allocated income tax funds due to minimum levy
14 adjustments shall not increase the amount available to local systems
15 for distribution as allocated income tax funds. †

16 (2) Not later than November 15 of each year, the Tax
17 Commissioner shall certify to the department for the preceding tax
18 year the income tax liability of resident individuals for each local
19 system. The 1996 income tax liability of resident individuals of
20 Class I districts that are affiliated with multiple high school
21 districts shall be divided between local systems based on the
22 percentage of the Class I district's valuation affiliated with each
23 high school district. † ~~and~~

24 (3) Using the data certified by the Tax Commissioner
25 pursuant to ~~subdivision~~ subsection (2) of this section, the

1 department shall calculate the allocation percentage and each local
 2 system's allocated income tax funds. The allocation percentage shall
 3 be an amount equal to the amount appropriated to the School District
 4 Income Tax Fund for distribution in school fiscal year 1992-93 minus
 5 the total amount paid for option students pursuant to section 79-1009
 6 and (a) for aid calculated for school fiscal year 2010-11, minus
 7 twenty million dollars and (b) for aid calculated for school fiscal
 8 years 2011-12 and 2012-13, minus twenty-one million dollars with the
 9 difference divided by the aggregate statewide income tax liability of
 10 all resident individuals certified pursuant to ~~subdivision~~ subsection
 11 (2) of this section. Each local system's allocated income tax funds
 12 shall be calculated by multiplying the allocation percentage times
 13 the local system's income tax liability certified pursuant to
 14 ~~subdivision~~ subsection (2) of this section.

15 Sec. 8. Section 79-1007.10, Revised Statutes Cumulative
 16 Supplement, 2010, is amended to read:

17 79-1007.10 (1) For state aid calculated for all school
 18 fiscal years except school fiscal ~~years 2009-10 through 2013-14, year~~
 19 2010-11, the cost growth factor shall equal the sum of: (a) ~~One; plus~~
 20 ~~(b) the~~ The basic allowable growth rate pursuant to section 79-1025
 21 for the school fiscal year in which the aid is to be distributed;
 22 plus ~~(c) (b)~~ (b) the basic allowable growth rate pursuant to section
 23 79-1025 for the school fiscal year immediately preceding the school
 24 fiscal year in which the aid is to be distributed. ~~; plus (d) one~~
 25 ~~percent.~~

1 ~~(2)(a) For state aid calculated for school fiscal year~~
2 ~~2009-10, the cost growth factor shall equal the sum of: (i) One; plus~~
3 ~~(ii) the basic allowable growth rate pursuant to section 79-1025 for~~
4 ~~the school fiscal year in which the aid is to be distributed; plus~~
5 ~~(iii) the basic allowable growth rate pursuant to section 79-1025 for~~
6 ~~the school fiscal year immediately preceding the school fiscal year~~
7 ~~in which the aid is to be distributed; plus (iv) one and five tenths~~
8 ~~percent.~~

9 ~~(b)(2)~~ For state aid calculated for school fiscal year
10 2010-11, the cost growth factor shall equal the sum of: (i) One; plus
11 (ii) the basic allowable growth rate pursuant to section 79-1025 for
12 the school fiscal year in which the aid is to be distributed; plus
13 (iii) the basic allowable growth rate pursuant to section 79-1025 for
14 the school fiscal year immediately preceding the school fiscal year
15 in which the aid is to be distributed; plus (iv) two percent.

16 ~~(c) For state aid calculated for school fiscal years~~
17 ~~2011-12 through 2013-14, the cost growth factor shall equal the sum~~
18 ~~of: (i) One; plus (ii) the basic allowable growth rate pursuant to~~
19 ~~section 79-1025 for the school fiscal year in which the aid is to be~~
20 ~~distributed; plus (iii) the basic allowable growth rate pursuant to~~
21 ~~section 79-1025 for the school fiscal year immediately preceding the~~
22 ~~school fiscal year in which the aid is to be distributed; plus (iv)~~
23 ~~one and five tenths percent.~~

24 Sec. 9. Section 79-1007.11, Revised Statutes Cumulative
25 Supplement, 2010, is amended to read:

1 79-1007.11 ~~(1) Except as otherwise provided in this~~
2 ~~section, for school fiscal year 2008-09, each school district's~~
3 ~~formula need shall equal the difference of the sum of the school~~
4 ~~district's basic funding, poverty allowance, limited English~~
5 ~~proficiency allowance, elementary class size allowance, focus school~~
6 ~~and program allowance, summer school allowance, special receipts~~
7 ~~allowance, transportation allowance, elementary site allowance,~~
8 ~~distance education and telecommunications allowance, averaging~~
9 ~~adjustment, and teacher education adjustment, minus the sum of the~~
10 ~~limited English proficiency allowance correction, poverty allowance~~
11 ~~correction, and local choice adjustment.~~

12 ~~(2) Except as otherwise provided in this section, for~~
13 ~~school fiscal year 2009-10, each school district's formula need shall~~
14 ~~equal the difference of the sum of the school district's basic~~
15 ~~funding, poverty allowance, limited English proficiency allowance,~~
16 ~~elementary class size allowance, focus school and program allowance,~~
17 ~~summer school allowance, special receipts allowance, transportation~~
18 ~~allowance, elementary site allowance, instructional time allowance,~~
19 ~~distance education and telecommunications allowance, averaging~~
20 ~~adjustment, teacher education adjustment, new learning community~~
21 ~~transportation adjustment, student growth adjustment, and new school~~
22 ~~adjustment, minus the sum of the limited English proficiency~~
23 ~~allowance correction, poverty allowance correction, and local choice~~
24 ~~adjustment.~~

25 ~~(3)-(1) Except as otherwise provided in this section, for~~

1 school fiscal year 2010-11, each school district's formula need shall
2 equal the difference of the sum of the school district's basic
3 funding, poverty allowance, limited English proficiency allowance,
4 elementary class size allowance, focus school and program allowance,
5 summer school allowance, special receipts allowance, transportation
6 allowance, elementary site allowance, instructional time allowance,
7 teacher education allowance, distance education and
8 telecommunications allowance, averaging adjustment, new learning
9 community transportation adjustment, student growth adjustment, and
10 new school adjustment, minus the sum of the limited English
11 proficiency allowance correction, poverty allowance correction, and
12 local choice adjustment.

13 ~~(4)~~(2) Except as otherwise provided in this section, for
14 school fiscal years 2011-12 and 2012-13, each school district's
15 formula need shall equal the difference of the sum of the school
16 district's basic funding, poverty allowance, limited English
17 proficiency allowance, elementary class size allowance, focus school
18 and program allowance, summer school allowance, special receipts
19 allowance, transportation allowance, elementary site allowance,
20 instructional time allowance, teacher education allowance, distance
21 education and telecommunications allowance, averaging adjustment, new
22 learning community transportation adjustment, student growth
23 adjustment, any positive student growth adjustment correction, and
24 new school adjustment, minus the sum of the limited English
25 proficiency allowance correction, poverty allowance correction, any

1 negative student growth adjustment correction, and local choice
2 adjustment.

3 ~~(5)-(3)~~ Except as otherwise provided in this section, for
4 school fiscal year 2013-14 and each school fiscal year thereafter,
5 each school district's formula need shall equal the difference of the
6 sum of the school district's basic funding, poverty allowance,
7 limited English proficiency allowance, focus school and program
8 allowance, summer school allowance, special receipts allowance,
9 transportation allowance, elementary site allowance, instructional
10 time allowance, teacher education allowance, distance education and
11 telecommunications allowance, averaging adjustment, new learning
12 community transportation adjustment, student growth adjustment, any
13 positive student growth adjustment correction, and new school
14 adjustment, minus the sum of the limited English proficiency
15 allowance correction, poverty allowance correction, any negative
16 student growth adjustment correction, and local choice adjustment.

17 ~~(6) If (4)~~ For state aid calculated for all school fiscal
18 years except school fiscal year 2011-12, if the formula need
19 calculated for a school district pursuant to subsections (1) through
20 ~~(5)-~~ subsections (1) through (3) of this section is less than one
21 hundred percent of the formula need for such district for the school
22 fiscal year immediately preceding the school fiscal year for which
23 aid is being calculated, the formula need for such district shall
24 equal one hundred percent of the formula need for such district for
25 the school fiscal year immediately preceding the school fiscal year

1 for which aid is being calculated. For state aid calculated for
2 school fiscal year 2011-12, if the formula need calculated for a
3 school district pursuant to subsection (2) of this section is less
4 than ninety-five percent of the formula need for such district for
5 the school fiscal year immediately preceding the school fiscal year
6 for which aid is being calculated, the formula need for such district
7 shall equal ninety-five percent of the formula need for such district
8 for the school fiscal year immediately preceding the school fiscal
9 year for which aid is being calculated.

10 ~~(7) Except~~ (5) For state aid calculated for school fiscal
11 years except school fiscal year 2011-12, except as provided in
12 subsection ~~(9)~~ (7) of this section, if the formula need calculated
13 for a school district pursuant to subsections (1) through ~~(5)~~ (3) of
14 this section is more than one hundred twelve percent of the formula
15 need for such district for the school fiscal year immediately
16 preceding the school fiscal year for which aid is being calculated,
17 the formula need for such district shall equal one hundred twelve
18 percent of the formula need for such district for the school fiscal
19 year immediately preceding the school fiscal year for which aid is
20 being calculated, except that the formula need shall not be reduced
21 pursuant to this subsection for any district ~~(a)~~ receiving a student
22 growth adjustment for the school fiscal year for which aid is being
23 calculated. For state aid calculated for school fiscal year 2011-12,
24 except as provided in subsection (7) of this section, if the formula
25 need calculated for a school district pursuant to subsection (2) of

1 this section is more than one hundred seven percent of the formula
2 need for such district for the school fiscal year immediately
3 preceding the school fiscal year for which aid is being calculated,
4 the formula need for such district shall equal one hundred seven
5 percent of the formula need for such district for the school fiscal
6 year immediately preceding the school fiscal year for which aid is
7 being calculated, except that the formula need shall not be reduced
8 pursuant to this subsection for any district receiving a student
9 growth adjustment for the school fiscal year for which aid is being
10 calculated. ~~or (b) for school fiscal year 2008-09, for which the~~
11 ~~formula students for the certification of aid pursuant to section~~
12 ~~79-1022 for school fiscal year 2008-09 minus the formula students for~~
13 ~~the certification of aid pursuant to section 79-1022 for school~~
14 ~~fiscal year 2007-08 equals at least the greater of twenty five~~
15 ~~students or one percent of the formula students for the certification~~
16 ~~of aid pursuant to section 79-1022 for school fiscal year 2007-08.~~

17 ~~(8)-(6)~~ For purposes of subsections (6) and (7)-(4) and
18 (5) of this section, the formula need for the school fiscal year
19 immediately preceding the school fiscal year for which aid is being
20 calculated shall be the formula need used in the final calculation of
21 aid pursuant to section 79-1065 and for districts that were affected
22 by a reorganization with an effective date in the calendar year
23 preceding the calendar year in which aid is certified for the school
24 fiscal year for which aid is being calculated, the formula need for
25 the school fiscal year immediately preceding the school fiscal year

1 for which aid is being calculated shall be attributed to the affected
2 school districts based on information provided to the department by
3 the school districts or proportionally based on the adjusted
4 valuation transferred if sufficient information has not been provided
5 to the department.

6 ~~(9)~~ (7) For state aid calculated for the first full
7 school fiscal year of a new learning community, if the formula need
8 calculated for a member school district pursuant to subsections (1)
9 through ~~(6)~~ (4) of this section is less than the sum of the school
10 district's state aid certified for the school fiscal year immediately
11 preceding the first full school fiscal year of the learning community
12 plus the school district's other actual receipts included in local
13 system formula resources pursuant to section 79-1018.01 for such
14 school fiscal year plus the product of the school district's general
15 fund levy for such school fiscal year up to one dollar and five cents
16 multiplied by the school district's assessed valuation for such
17 school fiscal year, the formula need for such school district for the
18 school fiscal year for which aid is being calculated shall equal such
19 sum.

20 Sec. 10. Section 79-1007.16, Revised Statutes Cumulative
21 Supplement, 2010, is amended to read:

22 79-1007.16 ~~For school fiscal year 2008-09 and each school~~
23 ~~fiscal year thereafter, the~~ (1) The department shall calculate basic
24 funding for each district as ~~follows:~~ provided in this section.

25 ~~(1)~~ (2) For state aid calculated for school fiscal years

1 prior to school fiscal year 2011-12:

2 (a) A comparison group shall be established for each
3 district consisting of the districts for which basic funding is being
4 calculated, the five larger districts that are closest in size to the
5 district for which basic funding is being calculated as measured by
6 formula students, and the five smaller districts that are closest in
7 size to the district for which basic funding is being calculated as
8 measured by formula students. If there are not five districts that
9 are larger than the district for which basic funding is being
10 calculated or if there are not five districts that are smaller than
11 the district for which basic funding is being calculated, the
12 comparison group shall consist of only as many districts as fit the
13 criteria. If more than one district has exactly the same number of
14 formula students as the largest or smallest district in the
15 comparison group, all of the districts with exactly the same number
16 of formula students as the largest or smallest districts in the
17 comparison group shall be included in the comparison group. If one or
18 more districts have exactly the same number of formula students as
19 the district for which basic funding is being calculated, all such
20 districts shall be included in the comparison group in addition to
21 the five larger districts and the five smaller districts. The
22 comparison group shall remain the same for the final calculation of
23 aid pursuant to section 79-1065;

24 ~~(2)~~-(b) For districts with nine hundred or more formula
25 students, basic funding shall equal the formula students multiplied

1 by the average of the adjusted general fund operating expenditures
2 per formula student for each district in the comparison group,
3 excluding both the district with the highest adjusted general fund
4 operating expenditures per formula student and the district with the
5 lowest adjusted general fund operating expenditures per formula
6 student of the districts in the comparison group; and

7 ~~(3)~~ (c) For districts with fewer than nine hundred
8 formula students, basic funding shall equal the product of the
9 average of the adjusted general fund operating expenditures for each
10 district in the comparison group, excluding both the district with
11 the highest adjusted general fund operating expenditures and the
12 district with the lowest adjusted general fund operating expenditures
13 of the districts in the comparison group.

14 (3) For state aid calculated for school fiscal year
15 2011-12 and each school fiscal year thereafter:

16 (a) A comparison group shall be established for each
17 district consisting of the districts for which basic funding is being
18 calculated, the ten larger districts that are closest in size to the
19 district for which basic funding is being calculated as measured by
20 formula students, and the ten smaller districts that are closest in
21 size to the district for which basic funding is being calculated as
22 measured by formula students. If there are not ten districts that are
23 larger than the district for which basic funding is being calculated
24 or if there are not ten districts that are smaller than the district
25 for which basic funding is being calculated, the comparison group

1 shall consist of only as many districts as fit the criteria. If more
2 than one district has exactly the same number of formula students as
3 the largest or smallest district in the comparison group, all of the
4 districts with exactly the same number of formula students as the
5 largest or smallest districts in the comparison group shall be
6 included in the comparison group. If one or more districts have
7 exactly the same number of formula students as the district for which
8 basic funding is being calculated, all such districts shall be
9 included in the comparison group in addition to the ten larger
10 districts and the ten smaller districts. The comparison group shall
11 remain the same for the final calculation of aid pursuant to section
12 79-1065;

13 (b) For districts with nine hundred or more formula
14 students, basic funding shall equal the formula students multiplied
15 by the average of the adjusted general fund operating expenditures
16 per formula student for each district in the comparison group,
17 excluding both the two districts with the highest adjusted general
18 fund operating expenditures per formula student and the two districts
19 with the lowest adjusted general fund operating expenditures per
20 formula student of the districts in the comparison group; and

21 (c) For districts with fewer than nine hundred formula
22 students, basic funding shall equal the product of the average of the
23 adjusted general fund operating expenditures for each district in the
24 comparison group, excluding both the two districts with the highest
25 adjusted general fund operating expenditures and the two districts

1 with the lowest adjusted general fund operating expenditures of the
2 districts in the comparison group.

3 Sec. 11. Section 79-1007.18, Revised Statutes Cumulative
4 Supplement, 2010, is amended to read:

5 79-1007.18 (1) ~~For school fiscal year 2008-09 and each~~
6 ~~school fiscal year thereafter, the~~ The department shall calculate an
7 averaging adjustment for districts if the basic funding per formula
8 student is less than the averaging adjustment threshold and the
9 general fund levy for the school fiscal year immediately preceding
10 the school fiscal year for which aid is being calculated was at least
11 ~~ninety six cents per one hundred dollars of taxable valuation for aid~~
12 ~~calculated for school fiscal year 2008-09 and at least one dollar per~~
13 ~~one hundred dollars of taxable valuation, for aid calculated for~~
14 ~~school fiscal year 2009-10 and each school fiscal year thereafter.~~
15 For school districts that are members of a learning community, the
16 general fund levy for purposes of this section includes both the
17 common general fund levy and the school district general fund levy
18 authorized pursuant to subdivisions (2)(b) and (2)(c) of section
19 77-3442. The averaging adjustment ~~for aid calculated for school~~
20 ~~fiscal year 2008-09 shall equal seventy five percent of the product~~
21 ~~of the district's formula students multiplied by the percentage~~
22 ~~specified in subsection (4) of this section for such district of the~~
23 ~~difference between the averaging adjustment threshold minus such~~
24 ~~district's basic funding per formula student. The averaging~~
25 ~~adjustment for aid calculated for school fiscal year 2009-10 and each~~

1 ~~school fiscal year thereafter~~ shall equal the district's formula
2 students multiplied by the percentage specified in this section for
3 such district of the difference between the averaging adjustment
4 threshold minus such district's basic funding per formula student.

5 ~~(2)(a) For school fiscal year 2008-09, the averaging~~
6 ~~adjustment threshold shall equal the statewide average basic funding~~
7 ~~per formula student.~~

8 ~~(b) For school fiscal year 2009-10 and each~~ (2)(a) For
9 school fiscal year thereafter, 2010-11, the averaging adjustment
10 threshold shall equal the lesser of (i) the averaging adjustment
11 threshold for the school fiscal year immediately preceding the school
12 fiscal year for which aid is being calculated increased by the sum of
13 the basic allowable growth rate plus five-tenths of one percent or
14 (ii) the statewide average basic funding per formula student for the
15 school fiscal year for which aid is being calculated.

16 (b) For school fiscal year 2011-12, the averaging
17 adjustment threshold shall equal ninety-five percent of the lesser of
18 (i) the averaging adjustment threshold for school fiscal year 2010-11
19 increased by the basic allowable growth rate or (ii) the statewide
20 average basic funding per formula student for school fiscal year
21 2011-12.

22 (c) For school fiscal year 2012-13 and each school fiscal
23 year thereafter, the averaging adjustment threshold shall equal the
24 lesser of (i) the averaging adjustment threshold for the school
25 fiscal year immediately preceding the school fiscal year for which

1 aid is being calculated increased by the basic allowable growth rate
2 or (ii) the statewide average basic funding per formula student for
3 the school fiscal year for which aid is being calculated.

4 (3) The percentage to be used in the calculation of an
5 averaging adjustment shall be based on the general fund levy for the
6 school fiscal year immediately preceding the school fiscal year for
7 which aid is being calculated.

8 ~~(4) The percentages to be used in the calculation of~~
9 ~~averaging adjustments for school fiscal year 2008-09 shall be as~~
10 ~~follows:~~

11 ~~(a) If such levy was at least ninety six cents per one~~
12 ~~hundred dollars of taxable valuation but less than ninety seven cents~~
13 ~~per one hundred dollars of taxable valuation, the percentage shall be~~
14 ~~ten percent;~~

15 ~~(b) If such levy was at least ninety seven cents per one~~
16 ~~hundred dollars of taxable valuation but less than ninety eight cents~~
17 ~~per one hundred dollars of taxable valuation, the percentage shall be~~
18 ~~twenty percent;~~

19 ~~(c) If such levy was at least ninety eight cents per one~~
20 ~~hundred dollars of taxable valuation but less than ninety nine cents~~
21 ~~per one hundred dollars of taxable valuation, the percentage shall be~~
22 ~~thirty percent;~~

23 ~~(d) If such levy was at least ninety nine cents per one~~
24 ~~hundred dollars of taxable valuation but less than one dollar per one~~
25 ~~hundred dollars of taxable valuation, the percentage shall be forty~~

1 percent;

2 ~~(e) If such levy was at least one dollar per one hundred~~
3 ~~dollars of taxable valuation but less than one dollar and one cent~~
4 ~~per one hundred dollars of taxable valuation, the percentage shall be~~
5 ~~fifty percent;~~

6 ~~(f) If such levy was at least one dollar and one cent per~~
7 ~~one hundred dollars of taxable valuation but less than one dollar and~~
8 ~~two cents per one hundred dollars of taxable valuation, the~~
9 ~~percentage shall be sixty percent;~~

10 ~~(g) If such levy was at least one dollar and two cents~~
11 ~~per one hundred dollars of taxable valuation but less than one dollar~~
12 ~~and three cents per one hundred dollars of taxable valuation, the~~
13 ~~percentage shall be seventy percent;~~

14 ~~(h) If such levy was at least one dollar and three cents~~
15 ~~per one hundred dollars of taxable valuation but less than one dollar~~
16 ~~and four cents per one hundred dollars of taxable valuation, the~~
17 ~~percentage shall be eighty percent; and~~

18 ~~(i) If such levy was at least one dollar and four cents~~
19 ~~per one hundred dollars of taxable valuation, the percentage shall be~~
20 ~~ninety percent.~~

21 ~~(5)-(4) The percentages to be used in the calculation of~~
22 ~~averaging adjustments for school fiscal year 2009-10 and each school~~
23 ~~fiscal year thereafter shall be as follows:~~

24 (a) If such levy was at least one dollar per one hundred
25 dollars of taxable valuation but less than one dollar and one cent

1 per one hundred dollars of taxable valuation, the percentage shall be
2 fifty percent;

3 (b) If such levy was at least one dollar and one cent per
4 one hundred dollars of taxable valuation but less than one dollar and
5 two cents per one hundred dollars of taxable valuation, the
6 percentage shall be sixty percent;

7 (c) If such levy was at least one dollar and two cents
8 per one hundred dollars of taxable valuation but less than one dollar
9 and three cents per one hundred dollars of taxable valuation, the
10 percentage shall be seventy percent;

11 (d) If such levy was at least one dollar and three cents
12 per one hundred dollars of taxable valuation but less than one dollar
13 and four cents per one hundred dollars of taxable valuation, the
14 percentage shall be eighty percent; and

15 (e) If such levy was at least one dollar and four cents
16 per one hundred dollars of taxable valuation, the percentage shall be
17 ninety percent.

18 Sec. 12. Section 79-1008.01, Revised Statutes Cumulative
19 Supplement, 2010, as amended by section 5, Legislative Bill 18, One
20 Hundred Second Legislature, First Session, 2011, is amended to read:

21 79-1008.01 For all school fiscal years except school
22 fiscal year 2010-11, except as provided in sections 79-1008.02 ~~to~~
23 ~~79-1010, and 79-1009,~~ each local system shall receive equalization
24 aid in the amount that the total formula need of each local system,
25 as determined pursuant to sections ~~79-1007.01—~~79-1007.04 to

1 79-1007.23 and ~~section~~ 79-1007.25, exceeds its total formula
2 resources as determined pursuant to sections 79-1015.01 to
3 79-1018.01.

4 For school fiscal year 2010-11, except as provided in
5 sections 79-1008.02 ~~to 79-1010,~~ and 79-1009, each local system shall
6 receive equalization aid in the amount by which one hundred two and
7 twenty-three hundredths percent of the total formula need of each
8 local system, as determined pursuant to sections ~~79-1007.01~~
9 79-1007.04 to 79-1007.23 and ~~section~~ 79-1007.25, exceeds its total
10 formula resources as determined pursuant to sections 79-1015.01 to
11 79-1018.01.

12 Sec. 13. Section 79-1008.02, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 79-1008.02 A minimum levy adjustment shall be calculated
15 and applied to any local system that has a general fund common levy
16 for the fiscal year during which aid is certified that is less than
17 the maximum levy, for such fiscal year for such local system, allowed
18 pursuant to subdivision (2)(a) or (b) of section 77-3442 without a
19 vote pursuant to section 77-3444 less five cents for learning
20 communities and less ten cents for all other local systems. To
21 calculate the minimum levy adjustment, the department shall subtract
22 the local system general fund common levy for such fiscal year for
23 such local system from the maximum levy allowed pursuant to
24 subdivision (2)(a) or (b) of section 77-3442 without a vote pursuant
25 to section 77-3444 less five cents for learning communities and less

1 ten cents for all other local systems and multiply the result by the
2 local system's adjusted valuation divided by one hundred. The minimum
3 levy adjustment shall be added to the formula resources of the local
4 system for the determination of equalization aid pursuant to section
5 79-1008.01. If the minimum levy adjustment is greater than or equal
6 to the allocated income tax funds calculated pursuant to section
7 79-1005.01, ~~or 79-1005.02,~~ the local system shall not receive
8 allocated income tax funds. If the minimum levy adjustment is less
9 than the allocated income tax funds calculated pursuant to section
10 79-1005.01, ~~or 79-1005.02,~~ the local system shall receive allocated
11 income tax funds in the amount of the difference between the
12 allocated income tax funds calculated pursuant to section 79-1005.01
13 ~~or 79-1005.02~~ and the minimum levy adjustment. This section does not
14 apply to the calculation of aid for a local system containing a
15 learning community for the first school fiscal year for which aid is
16 calculated for such local system.

17 Sec. 14. Section 79-1009, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-1009 (1)(a) A district shall receive net option
20 funding if option students as defined in section 79-233 (i) were
21 actually enrolled in the school year immediately preceding the school
22 year in which the aid is to be paid or (ii) will be enrolled in the
23 school year in which the aid is to be paid as converted contract
24 option students.

25 (b) The determination of the net number of option

1 students shall be based on (i) the number of students enrolled in the
2 district as option students and the number of students residing in
3 the district but enrolled in another district as option students as
4 of the day of the fall membership count pursuant to section 79-528,
5 for the school fiscal year immediately preceding the school fiscal
6 year in which aid is to be paid, and (ii) the number of option
7 students that will be enrolled in the district or enrolled in another
8 district as converted contract option students for the fiscal year in
9 which the aid is to be paid.

10 (c) Net number of option students means the difference of
11 the number of option students enrolled in the district minus the
12 number of students residing in the district but enrolled in another
13 district as option students.

14 (2) For purposes of this section, ~~:(a) For school fiscal~~
15 ~~years 2002-03 through 2007-08, net option funding shall be calculated~~
16 ~~by subtracting the temporary aid adjustment factor from the sum of~~
17 ~~the products of the net number of option students in each grade range~~
18 ~~multiplied by the statewide average cost grouping cost per student~~
19 ~~multiplied by the weighting factor for the corresponding grade range~~
20 ~~pursuant to section 79-1007.01; and (b) for school fiscal year~~
21 ~~2008-09 and each school fiscal year thereafter, net option funding~~
22 shall be the sum of the product of the net number of option students
23 multiplied by the statewide average basic funding per formula
24 student.

25 (3) A district's net option funding shall be zero if the

1 calculation produces a negative result.

2 Payments made under this section shall be made from the
3 funds to be disbursed under section 79-1005.01. ~~or 79-1005.02.~~

4 Such payments shall go directly to the option school
5 district but shall count as a formula resource for the local system.

6 Sec. 15. For school fiscal years prior to school fiscal
7 year 2027-28, a district which will have converted contract option
8 students shall apply to the department on a form approved by the
9 department within fifteen days after the effective date of this act
10 for converted contract option students for school fiscal year 2011-12
11 and on or before November 1 of the calendar year preceding the
12 beginning of all other school fiscal years for which there will be
13 converted contract option students. The department shall determine
14 the amount of tuition receipts from converted contracts to be
15 excluded from the calculation of local system formula resources for
16 each of the first two school fiscal years for which the converted
17 contract will not be in effect and shall determine the number of
18 converted contract option students to be attributed to the receiving
19 district in the calculation of state aid for the first school fiscal
20 year for which the converted contract will not be in effect, and the
21 same number shall be attributed as optioning out of the resident
22 school district. In the final calculation of state aid pursuant to
23 section 79-1065, students that were attributed as optioning into or
24 out of a district shall be replaced with the actual number from fall
25 membership. The department shall notify the applicant district within

1 thirty days after receipt of the completed application.

2 Sec. 16. Section 79-1015.01, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-1015.01 (1) Local system formula resources shall
5 include local effort rate yield which shall be computed as prescribed
6 in this section.

7 ~~(2) For school fiscal years prior to school fiscal year~~
8 ~~2008-09: (a) For state aid certified pursuant to section 79-1022, the~~
9 ~~local effort rate shall be the maximum levy, for the school fiscal~~
10 ~~year for which aid is being certified, authorized pursuant to~~
11 ~~subdivision (2)(a) of section 77-3442 less ten cents; (b) for the~~
12 ~~final calculation of state aid pursuant to section 79-1065, the local~~
13 ~~effort rate shall be the rate which, when multiplied by the total~~
14 ~~adjusted valuation of all taxable property in local systems receiving~~
15 ~~equalization aid pursuant to the Tax Equity and Educational~~
16 ~~Opportunities Support Act, will produce the amount needed to support~~
17 ~~the total formula need of such local systems when added to state aid~~
18 ~~appropriated by the Legislature and other actual receipts of local~~
19 ~~systems described in section 79-1018.01; and (c) the local effort~~
20 ~~rate yield shall be determined by multiplying each local system's~~
21 ~~total adjusted valuation by the local effort rate.~~

22 ~~(3) For school fiscal year 2008-09 and~~ (2) For each
23 school fiscal year thereafter: except school fiscal years 2011-12 and
24 2012-13: (a) For state aid certified pursuant to section 79-1022, the
25 local effort rate shall be the maximum levy, for the school fiscal

1 year for which aid is being certified, authorized pursuant to
2 subdivision (2)(a) of section 77-3442 less five cents; (b) for the
3 final calculation of state aid pursuant to section 79-1065, the local
4 effort rate shall be the rate which, when multiplied by the total
5 adjusted valuation of all taxable property in local systems receiving
6 equalization aid pursuant to the Tax Equity and Educational
7 Opportunities Support Act, will produce the amount needed to support
8 the total formula need of such local systems when added to state aid
9 appropriated by the Legislature and other actual receipts of local
10 systems described in section 79-1018.01; and (c) the local effort
11 rate yield for such school fiscal years shall be determined by
12 multiplying each local system's total adjusted valuation by the local
13 effort rate.

14 (3) For school fiscal years 2011-12 and 2012-13: (a) For
15 state aid certified pursuant to section 79-1022, the local effort
16 rate shall be the maximum levy, for the school fiscal year for which
17 aid is being certified, authorized pursuant to subdivision (2)(a) of
18 section 77-3442 less one and five-hundredths of one cent; (b) for the
19 final calculation of state aid pursuant to section 79-1065, the local
20 effort rate shall be the rate which, when multiplied by the total
21 adjusted valuation of all taxable property in local systems receiving
22 equalization aid pursuant to the Tax Equity and Educational
23 Opportunities Support Act, will produce the amount needed to support
24 the total formula need of such local systems when added to state aid
25 appropriated by the Legislature and other actual receipts of local

1 systems described in section 79-1018.01; and (c) the local effort
2 rate yield for such school fiscal years shall be determined by
3 multiplying each local system's total adjusted valuation by the local
4 effort rate.

5 Sec. 17. Section 79-1017.01, Revised Statutes Cumulative
6 Supplement, 2010, is amended to read:

7 79-1017.01 ~~Local~~ For state aid calculated for school
8 fiscal years prior to school fiscal year 2012-13, local system
9 formula resources includes retirement aid determined under section
10 79-1028.03, allocated income tax funds determined for each such
11 district pursuant to the provisions of section 79-1005.01, ~~or~~
12 79-1005.02, and adjustments pursuant to section 79-1008.02.

13 For state aid calculated for school fiscal years 2012-13
14 and 2013-14, local system formula resources includes retirement aid
15 determined under section 79-1028.03, allocated income tax funds
16 determined for each district pursuant to section 79-1005.01, and
17 adjustments pursuant to section 79-1008.02, and is reduced by amounts
18 paid by the district in the most recently available complete data
19 year as property tax refunds pursuant to or in the manner prescribed
20 by section 77-1736.06.

21 For state aid calculated for school fiscal year 2014-15
22 and each school fiscal year thereafter, local system formula
23 resources includes allocated income tax funds determined for each
24 district pursuant to section 79-1005.01 and adjustments pursuant to
25 section 79-1008.02 and is reduced by amounts paid by the district in

1 the most recently available complete data year as property tax
2 refunds pursuant to or in the manner prescribed by section
3 77-1736.06.

4 Sec. 18. Section 79-1018.01, Revised Statutes Cumulative
5 Supplement, 2010, is amended to read:

6 79-1018.01 Except as otherwise provided in this section,
7 local system formula resources include other actual receipts
8 available for the funding of general fund operating expenditures as
9 determined by the department for the second school fiscal year
10 immediately preceding the school fiscal year in which aid is to be
11 paid. ~~Receipts from the Community Improvements Cash Fund and receipts~~
12 ~~acquired pursuant to the Low Level Radioactive Waste Disposal Act~~
13 ~~shall not be included.~~ Other actual receipts include:

- 14 (1) Public power district sales tax revenue;
- 15 (2) Fines and license fees;
- 16 (3) Tuition receipts from individuals, other districts,
17 or any other source except receipts derived from adult education,
18 receipts derived from summer school tuition, receipts derived from
19 early childhood education tuition, tuition receipts from converted
20 contracts beginning with the calculation of state aid to be
21 distributed in school fiscal year 2011-12, and receipts from
22 educational entities as defined in section 79-1201.01 for providing
23 distance education courses through the ~~Distance Education Council~~
24 ~~until July 1, 2008,~~ and the Educational Service Unit Coordinating
25 Council ~~on and after July 1, 2008,~~ to such educational entities;

- 1 (4) Transportation receipts;
- 2 (5) Interest on investments;
- 3 (6) Other miscellaneous noncategorical local receipts,
4 not including receipts from private foundations, individuals,
5 associations, or charitable organizations;
- 6 (7) Special education receipts;
- 7 (8) Special education receipts and non-special education
8 receipts from the state for wards of the court and wards of the
9 state;
- 10 (9) All receipts from the temporary school fund.
11 ~~Beginning with the calculation of aid for school fiscal year 2002-03~~
12 ~~and each school fiscal year thereafter, receipts~~ Receipts from the
13 temporary school fund shall only include (a) receipts pursuant to
14 section 79-1035, to the extent that such receipts for the calculation
15 of aid for school fiscal year 2018-19 and each school fiscal year
16 thereafter are not returned to the temporary school fund pursuant to
17 section 79-309.01, and (b) the receipt of funds pursuant to section
18 79-1036 for property leased for a public purpose as set forth in
19 subdivision (1)(a) of section 77-202;
- 20 (10) Motor vehicle tax receipts received; ~~on or after~~
21 ~~January 1, 1998;~~
- 22 (11) Pro rata motor vehicle license fee receipts;
- 23 (12) Other miscellaneous state receipts excluding revenue
24 from the textbook loan program authorized by section 79-734;
- 25 (13) Impact aid entitlements for the school fiscal year

1 which have actually been received by the district to the extent
2 allowed by federal law;

3 (14) All other noncategorical federal receipts;

4 (15) All receipts pursuant to the enrollment option
5 program under sections 79-232 to 79-246;

6 (16) Receipts under the federal Medicare Catastrophic
7 Coverage Act of 1988, as such act existed on May 8, 2001, as
8 authorized pursuant to sections 43-2510 and 43-2511 but only to the
9 extent of the amount the local system would have otherwise received
10 pursuant to the Special Education Act;

11 (17) Receipts for accelerated or differentiated
12 curriculum programs pursuant to sections 79-1106 to 79-1108.03; and

13 (18) Revenue received from the nameplate capacity tax
14 distributed pursuant to section 77-6204.

15 Sec. 19. Section 79-1023, Revised Statutes Cumulative
16 Supplement, 2010, as amended by section 8, Legislative Bill 18, One
17 Hundred Second Legislature, First Session, 2011, is amended to read:

18 79-1023 (1) On or before March 10, 2010, on or before
19 July 1, 2011, and on or before March 1 of each year thereafter, the
20 department shall determine and certify to each school district budget
21 authority for the ~~maximum~~ general fund budget of expenditures ~~minus~~
22 ~~the special education budget of expenditures~~ for the immediately
23 following school fiscal year.

24 (2) ~~Except For school fiscal years prior to school fiscal~~
25 year 2011-12, except as provided in section 79-1028.01, no school

1 district shall have a general fund budget of expenditures minus
2 special grant funds and the special education budget of expenditures
3 more than the greater of (a) the product of the difference of the
4 general fund budget of expenditures minus special grant funds and the
5 special education budget of expenditures for the immediately
6 preceding school fiscal year multiplied by (i) except as otherwise
7 provided in subdivision (a)(ii) of this subsection, the sum of one
8 plus the local system's applicable allowable growth rate or (ii) for
9 school fiscal year 2010-11, the sum of one plus seventy-five
10 hundredths of one percent plus the local system's applicable
11 allowable growth rate or (b)(i) except as otherwise provided in
12 subdivision (b)(ii) of this subsection, the difference of one hundred
13 twenty percent of formula need for such school fiscal year minus the
14 product of the sum of one plus the basic allowable growth rate for
15 such school fiscal year multiplied by the special education budget of
16 expenditures as filed on the school district budget statement on or
17 before September 20 for the immediately preceding school fiscal year
18 or (ii) for school fiscal years 2009-10 and 2010-11, the difference
19 of one hundred sixteen and fifteen-hundredths percent of formula need
20 for such school fiscal year minus the product of the sum of one plus
21 the basic allowable growth rate for such school fiscal year
22 multiplied by the special education budget of expenditures as filed
23 on the school district budget statement on or before September 20 for
24 the immediately preceding school fiscal year.

25 (3) For school fiscal year 2011-12, except as provided in

1 sections 79-1028.01, 79-1029, and 79-1030, each school district shall
2 have budget authority for the general fund budget of expenditures
3 equal to the greater of (a) the general fund budget of expenditures
4 for school fiscal year 2010-11 minus exclusions for school fiscal
5 year 2010-11 that fit within subsection (1) of section 79-1028.01
6 with the difference increased by an amount equal to one and one
7 hundred fifteen thousandths percent of the formula need calculated
8 for school fiscal year 2010-11, (b) the general fund budget of
9 expenditures for school fiscal year 2010-11 minus exclusions for
10 school fiscal year 2010-11 that fit within subsection (1) of section
11 79-1028.01 with the difference increased by an amount equal to any
12 student growth adjustment calculated for school fiscal year 2011-12,
13 or (c) one hundred ten percent of formula need for school fiscal year
14 2011-12 minus the special education budget of expenditures as filed
15 on the school district budget statement on or before September 20 for
16 school fiscal year 2010-11, which special education budget of
17 expenditures is increased by the basic allowable growth rate for
18 school fiscal year 2011-12.

19 (4) For school fiscal year 2012-13 and each school fiscal
20 year thereafter, except as provided in sections 79-1028.01, 79-1029,
21 and 79-1030, each school district shall have budget authority for the
22 general fund budget of expenditures equal to the greater of (a) the
23 general fund budget of expenditures for the immediately preceding
24 school fiscal year minus exclusions pursuant to subsection (1) of
25 section 79-1028.01 for such school fiscal year with the difference

1 increased by the basic allowable growth rate for the school fiscal
2 year for which budget authority is being calculated, (b) the general
3 fund budget of expenditures for the immediately preceding school
4 fiscal year minus exclusions pursuant to subsection (1) of section
5 79-1028.01 for such school fiscal year with the difference increased
6 by an amount equal to any student growth adjustment calculated for
7 the school fiscal year for which budget authority is being
8 calculated, or (c) one hundred ten percent of formula need for the
9 school fiscal year for which budget authority is being calculated
10 minus the special education budget of expenditures as filed on the
11 school district budget statement on or before September 20 for the
12 immediately preceding school fiscal year, which special education
13 budget of expenditures is increased by the basic allowable growth
14 rate for the school fiscal year for which budget authority is being
15 calculated.

16 (5) For any school fiscal year for which the budget
17 authority for the general fund budget of expenditures for a school
18 district is based on a student growth adjustment, the budget
19 authority for the general fund budget of expenditures for such school
20 district shall be adjusted in future years to reflect any student
21 growth adjustment corrections related to such student growth
22 adjustment.

23 Sec. 20. Section 79-1025, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-1025 The basic allowable growth rate for general fund

1 expenditures other than expenditures for special education shall be
2 the base limitation established under section 77-3446. ~~and the~~
3 ~~allowable growth range shall be from the base limitation to three~~
4 ~~percent above the base limitation.~~ The budget authority for special
5 education for all classes of school districts shall be the actual
6 anticipated expenditures for special education subject to the
7 approval of the state board. Such budget authority and funds
8 generated pursuant to such budget authority shall be used only for
9 special education expenditures.

10 Sec. 21. Section 79-1028.01, Revised Statutes Cumulative
11 Supplement, 2010, is amended to read:

12 79-1028.01 (1) For each school fiscal year, a school
13 district may exceed its ~~maximum general fund budget of expenditures~~
14 ~~minus the special education budget of expenditures~~ budget authority
15 for the general fund budget of expenditures as calculated pursuant to
16 section 79-1023 for such school fiscal year by a specific dollar
17 amount for the following exclusions:

18 (a) Expenditures for repairs to infrastructure damaged by
19 a natural disaster which is declared a disaster emergency pursuant to
20 the Emergency Management Act;

21 (b) Expenditures for judgments, except judgments or
22 orders from the Commission of Industrial Relations, obtained against
23 a school district which require or obligate a school district to pay
24 such judgment, to the extent such judgment is not paid by liability
25 insurance coverage of a school district;

1 (c) Expenditures pursuant to the Retirement Incentive
2 Plan authorized in section 79-855 or the Staff Development Assistance
3 authorized in section 79-856;

4 ~~(d) Expenditures of incentive payments or base fiscal~~
5 ~~year incentive payments to be received in such school fiscal year~~
6 ~~pursuant to section 79-1011;~~

7 ~~(e)~~(d) Expenditures of amounts received from educational
8 entities as defined in section 79-1201.01 for providing distance
9 education courses through the Educational Service Unit Coordinating
10 Council to such educational entities;

11 ~~(f) Either (i) the first and second school fiscal years~~
12 ~~the district will be participating in Network Nebraska for the full~~
13 ~~school fiscal year or (ii) school fiscal year 2008-09, if the school~~
14 ~~district participated in Network Nebraska for all of school fiscal~~
15 ~~year 2007-08, for the difference of the estimated expenditures for~~
16 ~~such school fiscal year for telecommunications services, access to~~
17 ~~data transmission networks that transmit data to and from the school~~
18 ~~district, and the transmission of data on such networks as such~~
19 ~~expenditures are defined by the department for purposes of the~~
20 ~~distance education and telecommunications allowance minus the dollar~~
21 ~~amount of such expenditures for the second school fiscal year~~
22 ~~preceding the first full school fiscal year the district participates~~
23 ~~in Network Nebraska;~~

24 ~~(g)~~(e) Expenditures to pay another school district for
25 the transfer of land from such other school district;

1 ~~(h)~~—(f) Expenditures in school fiscal years 2009-10
2 through ~~2013-14~~ 2016-17 to pay for employer contributions pursuant to
3 subsection (2) of section 79-958 to the School Retirement System of
4 the State of Nebraska to the extent that such expenditures exceed the
5 employer contributions under such subsection that would have been
6 made at a contribution rate of seven and thirty-five hundredths
7 percent;

8 ~~(i)~~—(g) Expenditures in school fiscal years 2009-10
9 through ~~2013-14~~ 2016-17 to pay for school district contributions
10 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the Class V
11 School Employees Retirement System to the extent that such
12 expenditures exceed the school district contributions under such
13 subdivision that would have been made at a contribution rate of seven
14 and thirty-seven hundredths percent;

15 ~~(j)~~—(h) Expenditures for sums agreed to be paid by a
16 school district to certificated employees in exchange for a voluntary
17 termination occurring prior to July 1, 2009, or occurring on or after
18 July 1, 2011, and on or before June 30, 2013;

19 ~~(k)~~ Expenditures for new elementary attendance sites in
20 the first year of operation or the first year of operation after
21 being closed for at least one school year if such elementary
22 attendance site will most likely qualify for the elementary site
23 allowance in the immediately following school fiscal year as
24 determined by the state board; and

25 ~~(l)~~—(i) Any expenditures in school fiscal years 2016-17

1 and 2017-18 of amounts specified in the notice provided by the
2 Commissioner of Education pursuant to section 79-309.01 for teacher
3 performance pay; -

4 (j) The special education budget of expenditures; and

5 (k) Expenditures of special grant funds.

6 (2) For each school fiscal year, a school district may
7 exceed its budget authority for the general fund budget of
8 expenditures as calculated pursuant to section 79-1023 for such
9 school fiscal year by a specific dollar amount and include such
10 dollar amount in the budget of expenditures used to calculate budget
11 authority for the general fund budget of expenditures pursuant to
12 section 79-1023 for future years for the following exclusions:

13 (a) Expenditures of incentive payments or base fiscal
14 year incentive payments to be received in such school fiscal year
15 pursuant to section 79-1011;

16 (b) The first school fiscal year the district will be
17 participating in Network Nebraska for the full school fiscal year,
18 for the difference of the estimated expenditures for such school
19 fiscal year for telecommunications services, access to data
20 transmission networks that transmit data to and from the school
21 district, and the transmission of data on such networks as such
22 expenditures are defined by the department for purposes of the
23 distance education and telecommunications allowance minus the dollar
24 amount of such expenditures for the second school fiscal year
25 preceding the first full school fiscal year the district participates

1 in Network Nebraska; and

2 (c) Expenditures for new elementary attendance sites in
3 the first year of operation or the first year of operation after
4 being closed for at least one school year if such elementary
5 attendance site will most likely qualify for the elementary site
6 allowance in the immediately following school fiscal year as
7 determined by the state board.

8 ~~(2)-(3)~~ The state board shall approve, deny, or modify
9 the amount allowed for any exception to the maximum general fund
10 budget of expenditures minus the special education budget of
11 expenditures pursuant to this section. the amount allowed for any
12 exclusions to the budget authority for the general fund budget of
13 expenditures pursuant to this section.

14 Sec. 22. Section 79-1029, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-1029 ~~(1)~~ For school fiscal years prior to school
17 fiscal year 2008-09, a Class II, III, IV, V, or VI district may
18 exceed the basic allowable growth rate prescribed in section 79-1025
19 upon an affirmative vote of at least seventy five percent of the
20 board. The total growth shall not exceed the applicable allowable
21 growth rate certified for the local system under section 79-1026 plus
22 one percent. The vote shall be taken at a public meeting of the board
23 following a special public hearing called for the purpose of
24 receiving testimony on such proposed increase. The board shall give
25 at least five calendar days' notice of such public hearing and shall

1 ~~publish such notice at least once in a newspaper of general~~
2 ~~circulation in the local system.~~

3 ~~(2) For school fiscal years prior to school fiscal year~~
4 ~~2008-09, a Class II, III, IV, V, or VI district may exceed the~~
5 ~~applicable allowable growth rate prescribed in section 79-1026 by an~~
6 ~~amount approved by a majority of legal voters voting on the issue at~~
7 ~~a primary, general, or special election called for such purpose upon~~
8 ~~the recommendation of the board or upon the receipt by the county~~
9 ~~clerk or election commissioner of a petition requesting an election~~
10 ~~signed by at least five percent of the legal voters of the district.~~
11 ~~The recommendation of the board or the petition of the legal voters~~
12 ~~shall include the amount and percentage by which the board would~~
13 ~~increase its general fund budget of expenditures for the ensuing~~
14 ~~school year over and above the current year's general fund budget of~~
15 ~~expenditures. The county clerk or election commissioner shall place~~
16 ~~the question on the primary or general election ballot or call for a~~
17 ~~special election on the issue after the receipt of such board~~
18 ~~recommendation or legal voter petition. The election shall be held~~
19 ~~pursuant to the Election Act or section 77-3444, and all costs for a~~
20 ~~special election shall be paid by the district. A vote to exceed the~~
21 ~~applicable allowable growth rate may be approved on the same question~~
22 ~~as a vote to exceed the levy limits provided in section 77-3444.~~

23 ~~(3) For school fiscal year 2008-09 and each school fiscal~~
24 ~~year thereafter, a A Class II, III, IV, V, or VI district may exceed~~
25 ~~the maximum general fund budget of expenditures minus the special~~

1 ~~education budget of expenditures~~ budget authority for the general
2 fund budget of expenditures prescribed in section 79-1023 by an
3 amount approved by a majority of legal voters voting on the issue at
4 a primary, general, or special election called for such purpose upon
5 the recommendation of the board or upon the receipt by the county
6 clerk or election commissioner of a petition requesting an election,
7 signed by at least five percent of the legal voters of the district.
8 The recommendation of the board or the petition of the legal voters
9 shall include the amount by which the board would increase its
10 general fund budget of expenditures for the ensuing school year over
11 and above the ~~maximum general fund budget of expenditures~~ minus the
12 ~~special education budget of expenditures~~ budget authority for the
13 general fund budget of expenditures prescribed in section 79-1023.
14 The county clerk or election commissioner shall place the question on
15 the primary or general election ballot or call for a special election
16 on the issue after the receipt of such board recommendation or legal
17 voter petition. The election shall be held pursuant to the Election
18 Act or section 77-3444, and all costs for a special election shall be
19 paid by the district. A vote to exceed the ~~maximum general fund~~
20 ~~budget of expenditures~~ minus the ~~special education budget of~~
21 ~~expenditures~~ budget authority for the general fund budget of
22 expenditures prescribed in section 79-1023 may be approved on the
23 same question as a vote to exceed the levy limits provided in section
24 77-3444.

25 Sec. 23. Section 79-1030, Revised Statutes Cumulative

1 Supplement, 2010, is amended to read:

2 79-1030 A Class II, III, IV, V, or VI district may choose
 3 not to increase its general fund budget of expenditures by the full
 4 amount of budget authority for the general fund budget of
 5 expenditures as calculated pursuant to sections 79-1023 and
 6 79-1026.01. section 79-1023. In such cases, the department shall
 7 calculate the amount of unused budget authority which shall be
 8 carried forward to future budget years. The amount of unused budget
 9 authority that may be used by a district in a single school fiscal
 10 year to increase its general fund budget of expenditures above the
 11 budget authority for the general fund budget of expenditures as
 12 calculated pursuant to section 79-1023 shall be limited to two
 13 percent of the difference of the general fund budget of expenditures
 14 minus the sum of special grant funds, the special education budget of
 15 expenditures, and exceptions pursuant to subsection (1) of section
 16 79-1028.01 for the immediately preceding school fiscal year. so a
 17 Class II, III, IV, V, or VI district may increase its general fund
 18 budget of expenditures in future budget years by the amount of such
 19 total unused budget authority.

20 Sec. 24. Section 79-1103, Revised Statutes Cumulative
 21 Supplement, 2010, is amended to read:

22 79-1103 (1)(a) The State Department of Education shall
 23 establish and administer the Early Childhood Education Grant Program.
 24 Upon the effective date of an endowment agreement, administration of
 25 the Early Childhood Education Grant Program with respect to programs

1 for children from birth to age three shall transfer to the board of
2 trustees. If there is no endowment agreement in effect, the
3 department shall request proposals in accordance with this section
4 for all early childhood education programs from school districts,
5 individually or in cooperation with other school districts or
6 educational service units, working in cooperation with existing
7 nonpublic programs which meet the requirements of subsection (2) of
8 section 79-1104. If there is an endowment agreement in effect, the
9 board of trustees shall administer the Early Childhood Education
10 Grant Program with respect to programs for children from birth to age
11 three pursuant to section 79-1104.02 and the department shall
12 continue to administer the Early Childhood Education Grant Program
13 with respect to other prekindergarten programs pursuant to sections
14 79-1101 to 79-1104.05. All administrative procedures of the board of
15 trustees, including, but not limited to, rules, grant applications,
16 and funding mechanisms, shall harmonize with those established by the
17 department for other prekindergarten programs.

18 (b) The first priority shall be for (i) continuation
19 grants for programs that received grants in the prior school fiscal
20 year and for which the state aid calculation pursuant to the Tax
21 Equity and Educational Opportunities Support Act does not include
22 early childhood education students, in an amount equal to the amount
23 of such grant, except that if the grant was a first-year grant the
24 amount shall be reduced by thirty-three percent, (ii) continuation
25 grants for programs for which the state aid calculation pursuant to

1 the act includes early childhood education students, in an amount
2 equal to the amount of the grant for the school fiscal year prior to
3 the first school fiscal year for which early childhood education
4 students were included in the state aid calculation for the school
5 district's local system minus the calculated state aid amount, and
6 (iii) for school fiscal year 2007-08, continuation grants for
7 programs for which the state aid calculation pursuant to the act
8 includes early childhood education students, but such state aid
9 calculation does not result in the school district receiving any
10 equalization aid, in an amount equal to the amount of the grant
11 received in school fiscal year 2006-07. The calculated state aid
12 amount shall be calculated by multiplying the basic funding per
13 formula student for the school district by the formula students
14 attributed to the early childhood education programs pursuant to the
15 Tax Equity and Educational Opportunities Support Act.

16 (c) The second priority shall be for new grants and
17 expansion grants for programs that will serve at-risk children who
18 will be eligible to attend kindergarten the following school year.
19 New grants may be given for up to three years in an amount up to one-
20 half of the total budget of the program per year. Expansion grants
21 may be given for one year in an amount up to one-half of the budget
22 for expanding the capacity of the program to serve additional
23 children.

24 (d) The third priority shall be for new grants, expansion
25 grants, and continuation grants for programs serving children younger

1 than those who will be eligible to attend kindergarten the following
2 school year. New grants may be given for up to three years in an
3 amount up to one-half the total budget of the program per year.
4 Expansion grants may be given for one year in an amount up to one-
5 half the budget for expanding the capacity of the program to serve
6 additional children. Continuation grants under this priority may be
7 given annually in an amount up to one-half the total budget of the
8 program per year minus any continuation grants received under the
9 first priority.

10 (e) Programs serving children who will be eligible to
11 attend kindergarten the following school year shall be accounted for
12 separately for grant purposes from programs serving younger children,
13 but the two types of programs may be combined within the same
14 classroom to serve multi-age children. Programs that receive grants
15 for school fiscal years prior to school fiscal year 2005-06 to serve
16 both children who will be eligible to attend kindergarten the
17 following school year and younger children shall account for the two
18 types of programs separately for grant purposes beginning with school
19 year 2005-06 and shall be deemed to have received grants prior to
20 school fiscal year 2005-06 for each year that grants were received
21 for the types of programs representing the age groups of the children
22 served.

23 (2) Each program proposal which is approved by the
24 department shall include (a) a planning period, (b) an agreement to
25 participate in periodic evaluations of the program to be specified by

1 the department, (c) evidence that the program will be coordinated or
2 contracted with existing programs, including those listed in
3 subdivision (d) of this subsection and nonpublic programs which meet
4 the requirements of subsection (2) of section 79-1104, (d) a plan to
5 coordinate and use a combination of local, state, and federal funding
6 sources, including, but not limited to, programs for children with
7 disabilities below five years of age funded through the Special
8 Education Act, the Early Intervention Act, funds available through
9 the flexible funding provisions under the Special Education Act, the
10 federal Head Start program, 42 U.S.C. 9831 et seq., the federal Even
11 Start Family Literacy Program, 20 U.S.C. 6361 et seq., Title I of the
12 federal Improving America's Schools Act of 1994, 20 U.S.C. 6301 et
13 seq., and child care assistance through the Department of Health and
14 Human Services, (e) a plan to use sliding fee scales and the funding
15 sources included in subdivision (d) of this subsection to maximize
16 the participation of economically and categorically diverse groups
17 and to ensure that participating children and families have access to
18 comprehensive services, (f) the establishment of an advisory body
19 which includes families and community members, (g) the utilization of
20 appropriately qualified staff, (h) an appropriate child-to-staff
21 ratio, (i) appropriate group size, (j) compliance with minimum health
22 and safety standards, (k) appropriate facility size and equipment,
23 (l) a strong family development and support component recognizing the
24 central role of parents in their children's development, (m)
25 developmentally and culturally appropriate curriculum, practices, and

1 assessment, (n) sensitivity to the economic and logistical needs and
2 circumstances of families in the provision of services, (o)
3 integration of children of diverse social and economic
4 characteristics, (p) a sound evaluation component, including at least
5 one objective measure of child performance and progress, (q)
6 continuity with programs in kindergarten and elementary grades, (r)
7 instructional hours that are similar to or less than the
8 instructional hours for kindergarten except that a summer session may
9 be offered, (s) well-defined language development and early literacy
10 emphasis, including the involvement of parents in family literacy
11 activities, (t) a plan for ongoing professional development of staff,
12 and (u) inclusion of children with disabilities as defined in the
13 Special Education Act, all as specified by rules and regulations of
14 the department in accordance with sound early childhood educational
15 practice.

16 (3) The department shall make an effort to fund programs
17 widely distributed across the state in both rural and urban areas.

18 (4) A report evaluating the programs shall be made to the
19 State Board of Education and the Legislature by January 1 of each
20 odd-numbered year. Up to five percent of the total appropriation for
21 the Early Childhood Education Grant Program may be reserved by the
22 department for evaluation and technical assistance for the programs.

23 (5) Early childhood education programs, whether
24 established pursuant to this section or section 79-1104, may be
25 approved for purposes of the Tax Equity and Educational Opportunities

1 Support Act, expansion grants, and continuation grants on the
2 submission of a continuation plan demonstrating that the program will
3 meet the requirements of subsection (2) of this section and a
4 proposed operating budget demonstrating that the program will receive
5 resources from other sources equal to or greater than the sum of any
6 grant received pursuant to this section for the prior school year
7 plus any calculated state aid as calculated pursuant to subsection
8 (1) of this section for the prior school year.

9 (6) The State Board of Education may adopt and promulgate
10 rules and regulations to implement the Early Childhood Education
11 Grant Program, except that if there is an endowment agreement in
12 effect, the board of trustees shall recommend any rules and
13 regulations relating specifically to the Early Childhood Education
14 Grant Program with respect to programs for children from birth to age
15 three. It is the intent of the Legislature that the rules and
16 regulations for programs for children from birth to age three be
17 consistent to the greatest extent possible with those established for
18 other prekindergarten programs.

19 Sec. 25. Original sections 79-413, 79-536, 79-1008.02,
20 79-1009, 79-1015.01, 79-1025, and 79-1029, Reissue Revised Statutes
21 of Nebraska, sections 77-3446, 79-1003.01, 79-1005.01, 79-1007.10,
22 79-1007.11, 79-1007.16, 79-1007.18, 79-1017.01, 79-1018.01,
23 79-1028.01, 79-1030, and 79-1103, Revised Statutes Cumulative
24 Supplement, 2010, and sections 79-1001, 79-1003, 79-1008.01, and
25 79-1023, Revised Statutes Cumulative Supplement, 2010, as amended by

1 sections 1, 2, 5, and 8, respectively, Legislative Bill 18, One
2 Hundred Second Legislature, First Session, 2011, are repealed.

3 Sec. 26. The following sections are outright repealed:
4 Sections 79-1005.02, 79-1007.01, 79-1007.02, 79-1010, 79-1026,
5 79-1028, and 79-1083.03, Reissue Revised Statutes of Nebraska,
6 sections 79-1007.19 and 79-1007.24, Revised Statutes Cumulative
7 Supplement, 2010, and section 79-1026.01, Revised Statutes Cumulative
8 Supplement, 2010, as amended by section 9, Legislative Bill 18, One
9 Hundred Second Legislature, First Session, 2011.

10 Sec. 27. Since an emergency exists, this act takes effect
11 when passed and approved according to law.