

LEGISLATURE OF NEBRASKA
 ONE HUNDRED THIRD LEGISLATURE
 FIRST SESSION
LEGISLATIVE BILL 410

Introduced by Sullivan, 41.

Read first time January 22, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to education; to amend sections 43-2507.02,
 2 79-241, 79-605, 79-1104.02, 79-1118.01, 79-1336, 85-1603,
 3 85-1644, and 85-1656, Reissue Revised Statutes of
 4 Nebraska, and sections 79-214, 79-234, 79-237, 79-527,
 5 79-527.01, 79-611, 79-1003, 79-1007.20, 79-1028.01,
 6 79-1204, 79-2104.02, 79-2118, 84-712.05, and 85-1604,
 7 Revised Statutes Cumulative Supplement, 2012; to change
 8 provisions relating to rules and regulations,
 9 kindergarten admission, the enrollment option program,
 10 access to school files, reporting on attendance,
 11 transportation, the Tax Equity and Educational
 12 Opportunities Support Act, early childhood education, the
 13 Special Education Act, educational service units,
 14 distance education reimbursement, learning community
 15 reporting, disclosure of certain records, and private
 16 postsecondary career schools; to redefine terms; to
 17 harmonize provisions; to eliminate references to a fund;

1 to repeal the original sections; to outright repeal
2 section 79-756, Reissue Revised Statutes of Nebraska; and
3 to declare an emergency.
4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 43-2507.02, Reissue Revised Statutes
2 of Nebraska, is amended to read:

3 43-2507.02 The State Department of Education shall
4 maintain its responsibility under the Special Education Act regarding
5 special education and related services, and may adopt rules and
6 regulations pursuant to section 43-2516 that meet the requirements of
7 subchapter III of the federal Individuals with Disabilities Education
8 Act, 20 U.S.C. 1431 to 1445, as such act and sections existed on
9 January 1, 2013, and the regulations adopted thereunder. The
10 department shall provide grants for the costs of such programs to the
11 school district of residence as provided in section 79-1132.

12 Sec. 2. Section 79-214, Revised Statutes Cumulative
13 Supplement, 2012, is amended to read:

14 79-214 ~~(1) For school years before school year 2012-13:~~

15 ~~(a) Except as provided in subdivision (1)(b) of this~~
16 ~~section, the school board of any school district shall not admit any~~
17 ~~child into the kindergarten of any school of such school district~~
18 ~~unless such child has reached the age of five years or will reach~~
19 ~~such age on or before October 15 of the current year; and~~

20 ~~(b) The board may admit a child who will reach the age of~~
21 ~~five between October 16 and February 1 of the current school year if~~
22 ~~the parent or guardian requests such entrance and provides an~~
23 ~~affidavit stating that (i) the child attended kindergarten in another~~
24 ~~jurisdiction in the current school year, (ii) the family anticipates~~
25 ~~relocation to another jurisdiction that would allow admission within~~

1 ~~the current year, or (iii) the child has demonstrated through~~
2 ~~recognized assessment procedures approved by the board that he or she~~
3 ~~is capable of carrying the work of kindergarten.~~

4 ~~(2) For school year 2012-13 and each school year~~
5 ~~thereafter:~~

6 ~~(a)-(1)(a)~~ Except as provided in subdivision ~~(2)(b)-(1)~~
7 (b) of this section, the school board of any school district shall
8 not admit any child into the kindergarten of any school of such
9 school district unless such child has reached the age of five years
10 on or before July 31 of the calendar year in which the school year
11 for which the child is seeking admission begins. ~~;~~ ~~and~~

12 (b) The board ~~may~~ shall admit a child who will reach the
13 age of five years on or after August 1 and on or before October 15 of
14 such school year if the parent or guardian requests such entrance and
15 provides an affidavit stating that (i) the child attended
16 kindergarten in another jurisdiction in the current school year, (ii)
17 the family anticipates relocation to another jurisdiction that would
18 allow admission within the current year, or (iii) the child ~~has~~
19 ~~demonstrated through a recognized assessment procedure approved by~~
20 ~~the board that he or she is capable of carrying the work of~~
21 ~~kindergarten. On or before January 1, 2012, each~~ which can be
22 demonstrated through a recognized assessment procedure approved by
23 the board. Each school board shall, for purposes of this subdivision,
24 approve and make available a recognized assessment procedure for
25 determining if a child is capable of carrying the work of

1 kindergarten. The school board shall update approved procedures as
2 the board deems appropriate.

3 ~~(3)~~(2) The board shall comply with the requirements of
4 subsection (2) of section 43-2007 and shall require evidence of: (a)
5 A physical examination by a physician, a physician assistant, or an
6 advanced practice registered nurse, practicing under and in
7 accordance with his or her respective certification act, within six
8 months prior to the entrance of a child into the beginner grade and
9 the seventh grade or, in the case of a transfer from out of state, to
10 any other grade of the local school; and (b) ~~for school year 2006-07~~
11 ~~and each school year thereafter,~~ a visual evaluation by a physician,
12 a physician assistant, an advanced practice registered nurse, or an
13 optometrist within six months prior to the entrance of a child into
14 the beginner grade or, in the case of a transfer from out of state,
15 to any other grade of the local school, which consists of testing for
16 amblyopia, strabismus, and internal and external eye health, with
17 testing sufficient to determine visual acuity, except that no such
18 physical examination or visual evaluation shall be required of any
19 child whose parent or guardian objects in writing. The cost of such
20 physical examination and visual evaluation shall be borne by the
21 parent or guardian of each child who is examined.

22 Sec. 3. Section 79-234, Revised Statutes Cumulative
23 Supplement, 2012, is amended to read:

24 79-234 (1) An enrollment option program is hereby
25 established to enable any kindergarten through twelfth grade Nebraska

1 student to attend a school in a Nebraska public school district in
2 which the student does not reside subject to the limitations
3 prescribed in section 79-238. The option shall be available only once
4 to each student prior to graduation unless (a) the student relocates
5 to a different resident school district, (b) the option school
6 district merges with another district, (c) the option school district
7 is a Class I district, (d) the option would allow the student to
8 continue current enrollment in a school district, or (e) the option
9 would allow the student to enroll in a school district in which the
10 student was previously enrolled as a resident student. ~~In the case of~~
11 ~~an event described in subdivision (1)(a) or (b) of this section, the~~
12 ~~student's parent or guardian shall submit an application to the new~~
13 ~~option school district within thirty days after the date of~~
14 ~~relocation or the effective date of the merger. This subsection does~~
15 Sections 79-232 to 79-246 do not relieve a parent or guardian from
16 the compulsory attendance requirements in section 79-201, ~~during the~~
17 ~~pendency of such application or approval.~~

18 (2) The program shall not apply to any student who
19 resides in a district which has entered into an annexation agreement
20 pursuant to section 79-473, except that such student may transfer to
21 another district which accepts option students.

22 Sec. 4. Section 79-237, Revised Statutes Cumulative
23 Supplement, 2012, is amended to read:

24 79-237 (1) For a student to begin attendance as an option
25 student in an option school district which is not in a learning

1 community in which the student resides, the student's parent or legal
2 guardian shall submit an application to the school board of the
3 option school district between September 1 and March 15 for
4 attendance during the following and subsequent school years.
5 ~~Applications~~ Except as provided in subsection (2) of this section,
6 applications submitted after March 15 shall contain a release
7 approval from the resident school district on the application form
8 prescribed and furnished by the State Department of Education
9 pursuant to subsection ~~(7)~~ (8) of this section. A district may not
10 accept or approve any applications submitted after such date without
11 such a release approval. The option school district shall provide the
12 resident school district with the name of the applicant on or before
13 April 1 or, in the case of an application submitted after March 15,
14 within sixty days after submission. The option school district shall
15 notify, in writing, the parent or legal guardian of the student, and
16 the resident school district, ~~and the State Department of Education~~
17 whether the application is accepted or rejected on or before April 1
18 or, in the case of an application submitted after March 15, within
19 sixty days after submission.

20 (2) A student who relocates to a different resident
21 school district after February 1 or whose option school district
22 merges with another district effective after February 1 may submit an
23 application to the school board of an option school district for
24 attendance during the immediately following and subsequent school
25 years. Such application does not require the release approval of the

1 resident school district. The option school district shall accept or
2 reject such application within forty-five days.

3 ~~(2)-(3)~~ For a student who resides in a learning community
4 to begin attendance in an option school district which is a member of
5 such learning community, the student's parent or legal guardian shall
6 submit an application to the school board of the option school
7 district (a) for any learning community established prior to February
8 13, 2009, between February 13, 2009, and April 1, 2009, or (b) for
9 any learning community established thereafter, between September 1
10 and March 15. Applications submitted after such deadlines shall be
11 accompanied by a written release from the resident school district.
12 Students who reside in a learning community shall only begin
13 attendance in an option school district which is a member of such
14 learning community prior to the end of the first full school year for
15 which the option school district is a member of such learning
16 community. The option school district shall provide the resident
17 school district with the name of the applicant within five days after
18 the applicable deadline. The option school district shall notify, in
19 writing, the parent or legal guardian of the student, and the
20 resident school district, ~~and the State Department of Education~~
21 whether the application is accepted or rejected on or before April 10
22 for applications submitted for school year 2009-10 and on or before
23 April 1 for applications submitted for any school year thereafter. 1.
24 A parent or guardian may provide information on the application
25 regarding the applicant's potential qualification for free or

1 reduced-price lunches. Any such information provided shall be subject
2 to verification and shall only be used for the purposes of subsection
3 (4) of section 79-238. Nothing in this subsection requires a parent
4 or guardian to provide such information. Determinations about an
5 applicant's qualification for free or reduced-price lunches for
6 purposes of subsection (4) of section 79-238 shall be based on any
7 verified information provided on the application. If no such
8 information is provided, the student shall be presumed not to qualify
9 for free or reduced-price lunches for the purposes of subsection (4)
10 of section 79-238.

11 ~~(3)~~(4) Applications for students who do not actually
12 attend the option school district may be withdrawn in good standing
13 upon mutual agreement by both the resident and option school
14 districts.

15 ~~(4)~~(5) No option student shall attend an option school
16 district for less than one school year unless the student relocates
17 to a different resident school district, completes requirements for
18 graduation prior to the end of his or her senior year, transfers to a
19 private or parochial school, or upon mutual agreement of the resident
20 and option school districts cancels the enrollment option and returns
21 to the resident school district.

22 ~~(5)~~(6) Except as provided in subsection ~~(4)~~(5) of this
23 section, the option student shall attend the option school district
24 until graduation unless the student relocates in a different resident
25 school district, transfers to a private or parochial school, or

1 chooses to return to the resident school district.

2 ~~(6)~~—(7) In each case of cancellation pursuant to
3 subsections ~~(4) and (5)~~ and (6) of this section, the student's parent
4 or legal guardian shall provide written notification to the school
5 board of the option school district, and the resident school
6 district, ~~and the department~~ on forms prescribed and furnished by the
7 department under subsection ~~(7)~~—(8) of this section in advance of
8 such cancellation.

9 ~~(7)~~—(8) The application and cancellation forms shall be
10 prescribed and furnished by the State Department of Education.

11 ~~(8)~~—(9) An option student who subsequently chooses to
12 attend a private or parochial school shall be automatically accepted
13 to return to either the resident school district or option school
14 district upon the completion of the grade levels offered at the
15 private or parochial school. If such student chooses to return to the
16 option school district, the student's parent or legal guardian shall
17 submit another application to the school board of the option school
18 district which shall be automatically accepted, and the deadlines
19 prescribed in this section shall be waived.

20 Sec. 5. Section 79-241, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-241 (1) Except as provided in subsection (2) of this
23 section, section 79-611 does not apply to the transportation of an
24 option student. The parent or legal guardian of the option student
25 shall be responsible for required transportation. A school district

1 may, upon mutual agreement with the parent or legal guardian of an
2 option student, provide transportation to the option student on the
3 same basis as provided for resident students. The school district may
4 charge the parents of each option student transported a fee
5 sufficient to recover the additional costs of such transportation.

6 (2) Parents or guardians of option students who qualify
7 for free lunches shall be eligible for transportation reimbursement
8 as described in section 79-611, except that they shall be reimbursed
9 at the rate of one hundred forty-two and one-half percent of the
10 mandatorily established mileage rate provided in section 81-1176 for
11 each mile actually and necessarily traveled on each day of attendance
12 by which the distance traveled one way from the residence of such
13 student to the schoolhouse exceeds three miles. ~~The State Department~~
14 ~~of Education shall reimburse the option school district for~~
15 ~~transportation expenses paid to the parents of qualifying option~~
16 ~~students or incurred in actual transportation of qualifying option~~
17 ~~students. If a parent or guardian of a qualifying option student has~~
18 ~~an agreement with the option school district for the provision of~~
19 ~~transportation, the department shall reimburse the option school~~
20 ~~district only if option students who are not eligible for~~
21 ~~transportation reimbursement are charged fees for transportation, and~~
22 ~~reimbursement shall be only for the actual miles traveled one way~~
23 ~~beyond the normal transportation route at the rate described in this~~
24 ~~subsection. Reimbursement shall be made on or before June 30 for~~
25 ~~expenses incurred during the current school year. If sufficient funds~~

1 ~~are not appropriated to fully fund the provisions of this section,~~
2 ~~the department shall make a proportionate reduction in each payment~~
3 ~~made pursuant to this section.~~

4 (3) For option students verified as having a disability
5 as defined in section 79-1118.01, the transportation services set
6 forth in section 79-1129 shall be provided by the resident school
7 district. ~~The department~~ State Department of Education shall
8 reimburse the resident school district for the cost of transportation
9 in accordance with section 79-1144.

10 Sec. 6. Section 79-527, Revised Statutes Cumulative
11 Supplement, 2012, is amended to read:

12 79-527 (1) The superintendent or head administrator of a
13 public school district or a nonpublic school system shall annually
14 report to the Commissioner of Education in such detail and on such
15 date as required by the commissioner the number of students who have
16 dropped out of school. School districts that are members of learning
17 communities shall also provide the learning community coordinating
18 council with a copy of such report on or before the date the report
19 is due to the commissioner.

20 (2) ~~The superintendent or head administrator of a public~~
21 ~~school district or a nonpublic school system shall report on a~~
22 ~~monthly~~ quarterly basis to the Commissioner of Education as directed
23 by the commissioner regarding individual student information on
24 attendance. ~~the number of and reason for any long term suspension,~~
25 ~~expulsion, or excessive absenteeism of a student; referral of a~~

1 ~~student to the office of the county attorney for excessive~~
2 ~~absenteeism; or contacting of law enforcement officials, other than~~
3 ~~law enforcement officials employed by or contracted with the school~~
4 ~~district as school resource officers, by the district or system~~
5 ~~relative to a student enrolled in the district or system. A school~~
6 ~~district that is a member of a learning community shall also provide~~
7 ~~the learning community coordinating council with a copy of such~~
8 ~~report on or before the date the report is due to the commissioner.~~

9 Sec. 7. Section 79-527.01, Revised Statutes Cumulative
10 Supplement, 2012, is amended to read:

11 79-527.01 (1) The Truancy Intervention Task Force is
12 created. The task force shall consist of:

13 (a) The probation administrator or his or her designee;
14 (b) The Commissioner of Education or his or her designee;
15 and

16 (c) The chief executive officer of the Department of
17 Health and Human Services or his or her designee.

18 (2) The task force shall study and evaluate the data
19 contained in the reports required by subsection (2) of section 79-527
20 and shall develop recommendations to reduce incidents of excessive
21 absenteeism. The task force may contact a school district or a county
22 attorney for additional information. The task force shall report
23 electronically to the Legislature on or before ~~July 1, 2011, and each~~
24 ~~July 1 thereafter. October 1 of each year.~~

25 Sec. 8. Section 79-605, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-605 Except as otherwise provided in this section, any
3 school board may authorize the use of buses belonging to the school
4 district for the transportation of school children residing outside
5 such district. A fee sufficient to pay the additional costs of such
6 transportation shall be charged each person so transported. The board
7 shall prepare a schedule of all such fees charged, and a copy of such
8 schedule shall be filed in the office of the superintendent of the
9 primary high school district. ~~This section shall not apply to an~~
10 ~~agreement for transportation entered into pursuant to section 79-241.~~

11 Sec. 9. Section 79-611, Revised Statutes Cumulative
12 Supplement, 2012, is amended to read:

13 79-611 (1) The school board of any school district shall
14 provide free transportation, partially provide free transportation,
15 or pay an allowance for transportation in lieu of free transportation
16 as follows:

17 (a) When a student attends an elementary school in his or
18 her own district and lives more than four miles from the public
19 schoolhouse in such district as measured by the shortest route that
20 must actually and necessarily be traveled by motor vehicle to reach
21 the student's residence;

22 (b) When a student is required to attend an elementary
23 school outside of his or her own district and lives more than four
24 miles from such elementary school as measured by the shortest route
25 that must actually and necessarily be traveled by motor vehicle to

1 reach the student's residence;

2 (c) When a student attends a secondary school in his or
3 her own Class II or Class III school district and lives more than
4 four miles from the public schoolhouse as measured by the shortest
5 route that must actually and necessarily be traveled by motor vehicle
6 to reach the student's residence. This subdivision does not apply
7 when one or more Class I school districts merge with a Class VI
8 school district to form a new Class II or III school district on or
9 after January 1, 1997; and

10 (d) When a student, other than a student in grades ten
11 through twelve in a Class V district, attends an elementary or junior
12 high school in his or her own Class V district and lives more than
13 four miles from the public schoolhouse in such district as measured
14 by the shortest route that must actually and necessarily be traveled
15 by motor vehicle to reach the student's residence.

16 (2)(a) The school board of any school district that is a
17 member of a learning community shall provide free transportation for
18 a student who resides in such learning community and attends school
19 in such school district if (i) the student is transferring pursuant
20 to the open enrollment provisions of section 79-2110, qualifies for
21 free or reduced-price lunches, and lives more than one mile from the
22 school to which he or she transfers, (ii) the student is transferring
23 pursuant to such open enrollment provisions, is a student who
24 contributes to the socioeconomic diversity of enrollment at the
25 school building he or she attends, and lives more than one mile from

1 the school to which he or she transfers, (iii) the student is
2 attending a focus school or program and lives more than one mile from
3 the school building housing the focus school or program, or (iv) the
4 student is attending a magnet school or program and lives more than
5 one mile from the magnet school or the school housing the magnet
6 program.

7 (b) For purposes of this subsection, student who
8 contributes to the socioeconomic diversity of enrollment at the
9 school building he or she attends has the definition found in section
10 79-2110. This subsection does not prohibit a school district that is
11 a member of a learning community from providing transportation to any
12 intradistrict student.

13 (3) The transportation allowance which may be paid to the
14 parent, custodial parent, or guardian of students qualifying for free
15 transportation pursuant to subsection (1) or (2) of this section
16 shall equal two hundred eighty-five percent of the mileage rate
17 provided in section 81-1176, multiplied by each mile actually and
18 necessarily traveled, on each day of attendance, beyond which the
19 one-way distance from the residence of the student to the schoolhouse
20 exceeds three miles. Such transportation allowance does not apply to
21 students residing in a learning community who qualify for free or
22 reduced-priced lunches.

23 (4) Whenever students from more than one family travel to
24 school in the same vehicle, the transportation allowance prescribed
25 in subsection (3) of this section shall be payable as follows:

1 (a) To the parent, custodial parent, or guardian
2 providing transportation for students from other families, one
3 hundred percent of the amount prescribed in subsection (3) of this
4 section for the transportation of students of such parent's,
5 custodial parent's, or guardian's own family and an additional five
6 percent for students of each other family not to exceed a maximum of
7 one hundred twenty-five percent of the amount determined pursuant to
8 subsection (3) of this section; and

9 (b) To the parent, custodial parent, or guardian not
10 providing transportation for students of other families, two hundred
11 eighty-five percent of the mileage rate provided in section 81-1176
12 multiplied by each mile actually and necessarily traveled, on each
13 day of attendance, from the residence of the student to the pick-up
14 point at which students transfer to the vehicle of a parent,
15 custodial parent, or guardian described in subdivision (a) of this
16 subsection.

17 (5) When a student who qualifies under the mileage
18 requirements of subsection (1) of this section lives more than three
19 miles from the location where the student must be picked up and
20 dropped off in order to access school-provided free transportation,
21 as measured by the shortest route that must actually and necessarily
22 be traveled by motor vehicle between his or her residence and such
23 location, such school-provided transportation shall be deemed
24 partially provided free transportation. School districts partially
25 providing free transportation shall pay an allowance to the student's

1 parent or guardian equal to two hundred eighty-five percent of the
2 mileage rate provided in section 81-1176 multiplied by each mile
3 actually and necessarily traveled, on each day of attendance, beyond
4 which the one-way distance from the residence of the student to the
5 location where the student must be picked up and dropped off exceeds
6 three miles.

7 (6) The board may authorize school-provided
8 transportation to any student who does not qualify under the mileage
9 requirements of subsection (1) of this section and may charge a fee
10 to the parent or guardian of the student for such service. An
11 affiliated high school district may provide free transportation or
12 pay the allowance described in this section for high school students
13 residing in an affiliated Class I district. No transportation
14 payments shall be made to a family for mileage not actually traveled
15 by such family. The number of days the student has attended school
16 shall be reported monthly by the teacher to the board of such public
17 school district.

18 (7) No more than one allowance shall be made to a family
19 irrespective of the number of students in a family being transported
20 to school. If a family resides in a Class I district which is part of
21 a Class VI district and has students enrolled in any of the grades
22 offered by the Class I district and in any of the non-high-school
23 grades offered by the Class VI district, such family shall receive
24 not more than one allowance for the distance actually traveled when
25 both districts are on the same direct travel route with one district

1 being located a greater distance from the residence than the other.
2 In such cases, the travel allowance shall be prorated among the
3 school districts involved.

4 (8) No student shall be exempt from school attendance on
5 account of distance from the public schoolhouse.

6 Sec. 10. Section 79-1003, Revised Statutes Cumulative
7 Supplement, 2012, is amended to read:

8 79-1003 For purposes of the Tax Equity and Educational
9 Opportunities Support Act:

10 (1) Adjusted general fund operating expenditures means
11 (a) for school fiscal years 2010-11 through 2012-13, the difference
12 of the general fund operating expenditures as calculated pursuant to
13 subdivision (22) of this section increased by, or for aid calculated
14 for school fiscal year 2010-11 multiplied by, the cost growth factor
15 calculated pursuant to section 79-1007.10, minus the transportation
16 allowance, special receipts allowance, poverty allowance, limited
17 English proficiency allowance, distance education and
18 telecommunications allowance, elementary site allowance, elementary
19 class size allowance, summer school allowance, instructional time
20 allowance, teacher education allowance, and focus school and program
21 allowance, and (b) for school fiscal year 2013-14 and each school
22 fiscal year thereafter, the difference of the general fund operating
23 expenditures as calculated pursuant to subdivision (22) of this
24 section increased by the cost growth factor calculated pursuant to
25 section 79-1007.10, minus the transportation allowance, special

1 receipts allowance, poverty allowance, limited English proficiency
2 allowance, distance education and telecommunications allowance,
3 elementary site allowance, summer school allowance, instructional
4 time allowance, teacher education allowance, and focus school and
5 program allowance;

6 (2) Adjusted valuation means the assessed valuation of
7 taxable property of each local system in the state, adjusted pursuant
8 to the adjustment factors described in section 79-1016. Adjusted
9 valuation means the adjusted valuation for the property tax year
10 ending during the school fiscal year immediately preceding the school
11 fiscal year in which the aid based upon that value is to be paid. For
12 purposes of determining the local effort rate yield pursuant to
13 section 79-1015.01, adjusted valuation does not include the value of
14 any property which a court, by a final judgment from which no appeal
15 is taken, has declared to be nontaxable or exempt from taxation;

16 (3) Allocated income tax funds means the amount of
17 assistance paid to a local system pursuant to section 79-1005.01 as
18 adjusted by the minimum levy adjustment pursuant to section
19 79-1008.02;

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

25 (5) Base fiscal year means the first school fiscal year

1 following the school fiscal year in which the reorganization or
2 unification occurred;

3 (6) Board means the school board of each school district;

4 (7) Categorical funds means funds limited to a specific
5 purpose by federal or state law, including, but not limited to, Title
6 I funds, Title VI funds, federal vocational education funds, federal
7 school lunch funds, Indian education funds, Head Start funds, and
8 funds from the Education Innovation Fund. Categorical funds does not
9 include funds received pursuant to section 79-1028.02 or 79-1028.04;

10 (8) Consolidate means to voluntarily reduce the number of
11 school districts providing education to a grade group and does not
12 include dissolution pursuant to section 79-498;

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

21 (10) Converted contract option student means a student
22 who will be an option student pursuant to the enrollment option
23 program established in section 79-234 for the school fiscal year for
24 which aid is being calculated and who would have been covered by a
25 converted contract if the contract were still in effect and such

1 school fiscal year is the first school fiscal year for which such
2 contract is not in effect;

3 (11) Department means the State Department of Education;

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

8 (13) Ensuing school fiscal year means the school fiscal
9 year following the current school fiscal year;

10 (14) Equalization aid means the amount of assistance
11 calculated to be paid to a local system pursuant to sections
12 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,
13 79-1022.02, 79-1028.02, and 79-1028.04;

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

18 (16) Fiscal year means the state fiscal year which is the
19 period from July 1 to the following June 30;

20 (17) Formula students means:

21 (a) For state aid certified pursuant to section 79-1022,
22 the sum of the product of fall membership from the school fiscal year
23 immediately preceding the school fiscal year in which the aid is to
24 be paid multiplied by the average ratio of average daily membership
25 to fall membership for the second school fiscal year immediately

1 preceding the school fiscal year in which the aid is to be paid and
2 the prior two school fiscal years plus sixty percent of the qualified
3 early childhood education fall membership plus tuitioned students
4 from the school fiscal year immediately preceding the school fiscal
5 year in which aid is to be paid minus the product of the number of
6 students enrolled in kindergarten that is not full-day kindergarten
7 from the fall membership multiplied by 0.5; and

8 (b) For the final calculation of state aid pursuant to
9 section 79-1065, the sum of average daily membership plus sixty
10 percent of the qualified early childhood education average daily
11 membership plus tuitioned students minus the product of the number of
12 students enrolled in kindergarten that is not full-day kindergarten
13 from the average daily membership multiplied by 0.5 from the school
14 fiscal year immediately preceding the school fiscal year in which aid
15 was paid;

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

20 (19) Full-day kindergarten means kindergarten offered by
21 a district for at least one thousand thirty-two instructional hours;

22 (20) General fund budget of expenditures means the total
23 budget of disbursements and transfers for general fund purposes as
24 certified in the budget statement adopted pursuant to the Nebraska
25 Budget Act, except that for purposes of the limitation imposed in

1 section 79-1023 and the calculation pursuant to subdivision (2) of
2 section 79-1027.01, the general fund budget of expenditures does not
3 include any special grant funds, exclusive of local matching funds,
4 received by a district;

5 (21) General fund expenditures means all expenditures
6 from the general fund;

7 (22) General fund operating expenditures means:

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

1 79-856, (iii) the amount of any transfers from the general fund to
2 any bond fund and transfers from other funds into the general fund,
3 (iv) any legal expenses in excess of fifteen-hundredths of one
4 percent of the formula need for the school fiscal year in which the
5 expenses occurred, (v) expenditures to pay for sums agreed to be paid
6 by a school district to certificated employees in exchange for a
7 voluntary termination occurring prior to July 1, 2009, and (vi)(A)
8 expenditures in school fiscal ~~years 2009-10 through 2013-14~~ year
9 2009-10 to pay for employer contributions pursuant to subsection (2)
10 of section 79-958 to the School Employees Retirement System of the
11 State of Nebraska to the extent that such expenditures exceed the
12 employer contributions under such subsection that would have been
13 made at a contribution rate of seven and thirty-five hundredths
14 percent or (B) expenditures in school fiscal ~~years 2009-10 through~~
15 ~~2013-14~~ year 2009-10 to pay for school district contributions
16 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the
17 retirement system established pursuant to the Class V School
18 Employees Retirement Act to the extent that such expenditures exceed
19 the school district contributions under such subdivision that would
20 have been made at a contribution rate of seven and thirty-seven
21 hundredths percent; ~~and~~

22 (b) For state aid calculated for school fiscal ~~years~~
23 ~~2012-13 and each school fiscal year thereafter,~~ year 2012-13, as
24 reported on the annual financial report for the second school fiscal
25 year immediately preceding the school fiscal year in which aid is to

1 be paid, the total general fund expenditures minus (i) the amount of
2 all receipts to the general fund, to the extent that such receipts
3 are not included in local system formula resources, from early
4 childhood education tuition, summer school tuition, educational
5 entities as defined in section 79-1201.01 for providing distance
6 education courses through the Educational Service Unit Coordinating
7 Council to such educational entities, private foundations,
8 individuals, associations, charitable organizations, the textbook
9 loan program authorized by section 79-734, federal impact aid, and
10 levy override elections pursuant to section 77-3444, (ii) the amount
11 of expenditures for categorical funds, tuition paid, transportation
12 fees paid to other districts, adult education, community services,
13 redemption of the principal portion of general fund debt service,
14 retirement incentive plans authorized by section 79-855, and staff
15 development assistance authorized by section 79-856, (iii) the amount
16 of any transfers from the general fund to any bond fund and transfers
17 from other funds into the general fund, (iv) any legal expenses in
18 excess of fifteen-hundredths of one percent of the formula need for
19 the school fiscal year in which the expenses occurred, (v)
20 expenditures to pay for sums agreed to be paid by a school district
21 to certificated employees in exchange for a voluntary termination
22 occurring prior to July 1, 2009, or occurring on or after the last
23 day of the 2010-11 school year and prior to the first day of the
24 2013-14 school year, (vi)(A) expenditures ~~in school fiscal years~~
25 ~~2009-10 through 2016-17~~ to pay for employer contributions pursuant to

1 subsection (2) of section 79-958 to the School Employees Retirement
2 System of the State of Nebraska to the extent that such expenditures
3 exceed the employer contributions under such subsection that would
4 have been made at a contribution rate of seven and thirty-five
5 hundredths percent or (B) expenditures ~~in school fiscal years 2009-10~~
6 ~~through 2016-17~~ to pay for school district contributions pursuant to
7 subdivision (1)(c)(i) of section 79-9,113 to the retirement system
8 established pursuant to the Class V School Employees Retirement Act
9 to the extent that such expenditures exceed the school district
10 contributions under such subdivision that would have been made at a
11 contribution rate of seven and thirty-seven hundredths percent, and
12 (vii) any amounts paid by the district for lobbyist fees and expenses
13 reported to the Clerk of the Legislature pursuant to section 49-1483;
14 and -

15 (c) For state aid calculated for school fiscal year
16 2013-14 and each school fiscal year thereafter, as reported on the
17 annual financial report for the second school fiscal year immediately
18 preceding the school fiscal year in which aid is to be paid, the
19 total general fund expenditures minus (i) the amount of all receipts
20 to the general fund, to the extent that such receipts are not
21 included in local system formula resources, from early childhood
22 education tuition, summer school tuition, educational entities as
23 defined in section 79-1201.01 for providing distance education
24 courses through the Educational Service Unit Coordinating Council to
25 such educational entities, private foundations, individuals,

1 associations, charitable organizations, the textbook loan program
2 authorized by section 79-734, federal impact aid, and levy override
3 elections pursuant to section 77-3444, (ii) the amount of
4 expenditures for categorical funds, adult education, community
5 services, redemption of the principal portion of general fund debt
6 service, retirement incentive plans authorized by section 79-855, and
7 staff development assistance authorized by section 79-856, (iii) the
8 amount of any transfers from the general fund to any bond fund and
9 transfers from other funds into the general fund, (iv) any legal
10 expenses in excess of fifteen-hundredths of one percent of the
11 formula need for the school fiscal year in which the expenses
12 occurred, (v) expenditures to pay for sums agreed to be paid by a
13 school district to certificated employees in exchange for a voluntary
14 termination occurring prior to July 1, 2009, or occurring on or after
15 the last day of the 2010-11 school year and prior to the first day of
16 the 2013-14 school year, (vi)(A) expenditures in school fiscal years
17 2011-12 through 2016-17 to pay for employer contributions pursuant to
18 subsection (2) of section 79-958 to the School Employees Retirement
19 System of the State of Nebraska to the extent that such expenditures
20 exceed the employer contributions under such subsection that would
21 have been made at a contribution rate of seven and thirty-five
22 hundredths percent or (B) expenditures in school fiscal years 2011-12
23 through 2016-17 to pay for school district contributions pursuant to
24 subdivision (1)(c)(i) of section 79-9,113 to the retirement system
25 established pursuant to the Class V School Employees Retirement Act

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

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

13 (23) High school district means a school district
14 providing instruction in at least grades nine through twelve;

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

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

22 (26) Limited English proficiency students means the
23 number of students with limited English proficiency in a district
24 from the most recent data available on November 1 of the school
25 fiscal year preceding the school fiscal year in which aid is to be

1 paid plus the difference of such students with limited English
2 proficiency minus the average number of limited English proficiency
3 students for such district, prior to such addition, for the three
4 immediately preceding school fiscal years if such difference is
5 greater than zero;

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

16 (28) Low-income child means a child under nineteen years
17 of age living in a household having an annual adjusted gross income
18 for the second calendar year preceding the beginning of the school
19 fiscal year for which aid is being calculated equal to or less than
20 the maximum household income that would allow a student from a family
21 of four people to be a free lunch and free milk student during the
22 school fiscal year immediately preceding the school fiscal year for
23 which aid is being calculated;

24 (29) Low-income students means the number of low-income
25 children within the district multiplied by the ratio of the formula

1 students in the district divided by the total children under nineteen
2 years of age residing in the district as derived from income tax
3 information;

4 (30) Most recently available complete data year means the
5 most recent single school fiscal year for which the annual financial
6 report, fall school district membership report, annual statistical
7 summary, Nebraska income tax liability by school district for the
8 calendar year in which the majority of the school fiscal year falls,
9 and adjusted valuation data are available;

10 (31) Poverty students means the number of low-income
11 students or the number of students who are free lunch and free milk
12 students in a district plus the difference of the number of low-
13 income students or the number of students who are free lunch and free
14 milk students in a district, whichever is greater, minus the average
15 number of poverty students for such district, prior to such addition,
16 for the three immediately preceding school fiscal years if such
17 difference is greater than zero;

18 (32) Qualified early childhood education average daily
19 membership means the product of the average daily membership for
20 school fiscal year 2006-07 and each school fiscal year thereafter of
21 students who will be eligible to attend kindergarten the following
22 school year and are enrolled in an early childhood education program
23 approved by the department pursuant to section 79-1103 for such
24 school district for such school year multiplied by the ratio of the
25 actual instructional hours of the program divided by one thousand

1 thirty-two if: (a) The program is receiving a grant pursuant to such
2 section for the third year; (b) the program has already received
3 grants pursuant to such section for three years; or (c) the program
4 has been approved pursuant to subsection (5) of section 79-1103 for
5 such school year and the two preceding school years, including any
6 such students in portions of any of such programs receiving an
7 expansion grant;

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

22 (34) Regular route transportation means the
23 transportation of students on regularly scheduled daily routes to and
24 from the attendance center;

25 (35) Reorganized district means any district involved in

1 a consolidation and currently educating students following
2 consolidation;

3 (36) School year or school fiscal year means the fiscal
4 year of a school district as defined in section 79-1091;

5 (37) Sparse local system means a local system that is not
6 a very sparse local system but which meets the following criteria:

7 (a)(i) Less than two students per square mile in the
8 county in which each high school is located, based on the school
9 district census, (ii) less than one formula student per square mile
10 in the local system, and (iii) more than ten miles between each high
11 school attendance center and the next closest high school attendance
12 center on paved roads;

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

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

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

25 (38) Special education means specially designed

1 kindergarten through grade twelve instruction pursuant to section
2 79-1125, and includes special education transportation;

3 (39) Special grant funds means the budgeted receipts for
4 grants, including, but not limited to, categorical funds,
5 reimbursements for wards of the court, short-term borrowings
6 including, but not limited to, registered warrants and tax
7 anticipation notes, interfund loans, insurance settlements, and
8 reimbursements to county government for previous overpayment. The
9 state board shall approve a listing of grants that qualify as special
10 grant funds;

11 (40) State aid means the amount of assistance paid to a
12 district pursuant to the Tax Equity and Educational Opportunities
13 Support Act;

14 (41) State board means the State Board of Education;

15 (42) State support means all funds provided to districts
16 by the State of Nebraska for the general fund support of elementary
17 and secondary education;

18 (43) Statewide average basic funding per formula student
19 means the statewide total basic funding for all districts divided by
20 the statewide total formula students for all districts;

21 (44) Statewide average general fund operating
22 expenditures per formula student means the statewide total general
23 fund operating expenditures for all districts divided by the
24 statewide total formula students for all districts;

25 (45) Teacher has the definition found in section 79-101;

1 (46) Temporary aid adjustment factor means (a) for school
2 fiscal years before school fiscal year 2007-08, one and one-fourth
3 percent of the sum of the local system's transportation allowance,
4 the local system's special receipts allowance, and the product of the
5 local system's adjusted formula students multiplied by the average
6 formula cost per student in the local system's cost grouping and (b)
7 for school fiscal year 2007-08, one and one-fourth percent of the sum
8 of the local system's transportation allowance, special receipts
9 allowance, and distance education and telecommunications allowance
10 and the product of the local system's adjusted formula students
11 multiplied by the average formula cost per student in the local
12 system's cost grouping;

13 (47) Tuition receipts from converted contracts means
14 tuition receipts received by a district from another district in the
15 most recently available complete data year pursuant to a converted
16 contract prior to the expiration of the contract;

17 (48) Tuitioned students means students in kindergarten
18 through grade twelve of the district whose tuition is paid by the
19 district to some other district or education agency; and

20 (49) Very sparse local system means a local system that
21 has:

22 (a)(i) Less than one-half student per square mile in each
23 county in which each high school attendance center is located based
24 on the school district census, (ii) less than one formula student per
25 square mile in the local system, and (iii) more than fifteen miles

1 between the high school attendance center and the next closest high
2 school attendance center on paved roads; or

3 (b)(i) More than four hundred fifty square miles in the
4 local system, (ii) less than one-half student per square mile in the
5 local system, and (iii) more than fifteen miles between each high
6 school attendance center and the next closest high school attendance
7 center on paved roads.

8 Sec. 11. Section 79-1007.20, Revised Statutes Cumulative
9 Supplement, 2012, is amended to read:

10 79-1007.20 (1) ~~For school fiscal year 2009-10 and each~~
11 ~~school fiscal year thereafter, school~~ School districts may apply to
12 the department for a student growth adjustment, on a form prescribed
13 by the department, on or before October 15 of the school fiscal year
14 immediately preceding the school fiscal year for which aid is being
15 calculated. Such form shall require an estimate of the average daily
16 membership for the school fiscal year for which aid is being
17 calculated, the estimated student growth calculated by subtracting
18 the fall membership of the current school fiscal year from the
19 estimated average daily membership for the school fiscal year for
20 which aid is being calculated, and evidence supporting the estimates.
21 On or before the immediately following December 1, the department
22 shall approve the estimated student growth, approve a modified
23 student growth, or deny the application based on the requirements of
24 this section, the evidence submitted on the application, and any
25 other information provided by the department. The state board shall

1 establish procedures for appeal of decisions of the department to the
2 state board for final determination.

3 (2) The student growth adjustment for each approved
4 district shall equal the sum of the product of the school district's
5 basic funding per formula student multiplied by the difference of the
6 approved student growth minus the greater of twenty-five students or
7 one percent of the fall membership for the school fiscal year
8 immediately preceding the school fiscal year for which aid is being
9 calculated plus the product of fifty percent of the school district's
10 basic funding per formula student multiplied by the greater of
11 twenty-five students or one percent of the fall membership for the
12 school fiscal year immediately preceding the school fiscal year for
13 which aid is being calculated.

14 (3) For school fiscal year 2011-12 and each school fiscal
15 year thereafter, the department shall calculate a student growth
16 adjustment correction for each district that received a student
17 growth adjustment for aid distributed in the most recently available
18 complete data year. Such student growth correction shall equal the
19 product of the difference of the average daily membership for such
20 school fiscal year minus ~~the sum of the formula students and the~~
21 ~~approved student growth~~ the estimated average daily membership for
22 such school fiscal year used to calculate the student growth
23 adjustment for such school fiscal year multiplied by the school
24 district's basic funding per formula student used in the final
25 calculation of aid pursuant to section 79-1065 for such school fiscal

1 year, except that the absolute value of a negative correction shall
2 not exceed the original adjustment.

3 Sec. 12. Section 79-1028.01, Revised Statutes Cumulative
4 Supplement, 2012, is amended to read:

5 79-1028.01 (1) For each school fiscal year, a school
6 district may exceed its budget authority for the general fund budget
7 of expenditures as calculated pursuant to section 79-1023 for such
8 school fiscal year by a specific dollar amount for the following
9 exclusions:

10 (a) Expenditures for repairs to infrastructure damaged by
11 a natural disaster which is declared a disaster emergency pursuant to
12 the Emergency Management Act;

13 (b) Expenditures for judgments, except judgments or
14 orders from the Commission of Industrial Relations, obtained against
15 a school district which require or obligate a school district to pay
16 such judgment, to the extent such judgment is not paid by liability
17 insurance coverage of a school district;

18 (c) Expenditures pursuant to the Retirement Incentive
19 Plan authorized in section 79-855 or the Staff Development Assistance
20 authorized in section 79-856;

21 (d) Expenditures of amounts received from educational
22 entities as defined in section 79-1201.01 for providing distance
23 education courses through the Educational Service Unit Coordinating
24 Council to such educational entities;

25 ~~(e) Expenditures to pay another school district for the~~

1 ~~transfer of land from such other school district;~~

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

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

16 ~~(h)~~—(g) Expenditures for sums agreed to be paid by a
17 school district to certificated employees in exchange for a voluntary
18 termination occurring prior to July 1, 2009, or occurring on or after
19 the last day of the 2010-11 school year and prior to the first day of
20 the 2013-14 school year;

21 ~~(i)~~—(h) Any expenditures in school fiscal years 2016-17
22 and 2017-18 of amounts specified in the notice provided by the
23 Commissioner of Education pursuant to section 79-309.01 for teacher
24 performance pay;

25 ~~(j)~~—(i) The special education budget of expenditures; and

1 ~~(k)~~-(j) Expenditures of special grant funds.

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

9 (a) Expenditures of incentive payments or base fiscal
10 year incentive payments to be received in such school fiscal year
11 pursuant to section 79-1011;

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

23 (c) Expenditures for new elementary attendance sites in
24 the first year of operation or the first year of operation after
25 being closed for at least one school year if such elementary

1 attendance site will most likely qualify for the elementary site
2 allowance in the immediately following school fiscal year as
3 determined by the state board.

4 (3) The state board shall approve, deny, or modify the
5 amount allowed for any exclusions to the budget authority for the
6 general fund budget of expenditures pursuant to this section.

7 Sec. 13. Section 79-1104.02, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-1104.02 (1) The Early Childhood Education Endowment
10 Cash Fund, consisting of the interest, earnings, and proceeds from
11 the Early Childhood Education Endowment Fund and the earnings from
12 the private endowment created by the endowment provider, and any
13 additional private donations made directly thereto, shall be used
14 exclusively to provide funds for the Early Childhood Education Grant
15 Program for at-risk children from birth to age three as set forth in
16 this section.

17 (2) Grants provided by this section shall be to school
18 districts and cooperatives of school districts for early childhood
19 education programs for at-risk children from birth to age three, as
20 determined by the board of trustees pursuant to criteria set forth by
21 the board of trustees. School districts and cooperatives of school
22 districts may establish agreements with other public and private
23 entities to provide services or operate programs.

24 (3) Each program selected for a grant pursuant to this
25 section may be provided a grant for up to one-half of the total

1 budget of such program per year. Programs selected for grant awards
2 may receive continuation grants subject to the availability of
3 funding and the submission of a continuation plan which meets the
4 requirements of the board of trustees.

5 (4) Programs shall be funded across the state and in
6 urban and rural areas to the fullest extent possible.

7 (5) Each program selected for a grant pursuant to this
8 section shall meet the requirements described in subsection (2) of
9 section 79-1103, except that the periodic evaluations of the program
10 are to be specified by the board of trustees and the programs need
11 not include continuity with programs in kindergarten and elementary
12 grades and need not include instructional hours that are similar to
13 or less than the instructional hours for kindergarten. The programs
14 may continue to serve at-risk children who turn three years of age
15 during the program year until the end of the program year, as
16 specified by the board of trustees.

17 (6) Up to ten percent of the total amount deposited in
18 the Early Childhood Education Endowment Cash Fund each fiscal year
19 may be reserved by the board of trustees for evaluation and technical
20 assistance for the Early Childhood Education Grant Program with
21 respect to programs for at-risk children from birth to age three.

22 Sec. 14. Section 79-1118.01, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-1118.01 Disability means an impairment which causes a
25 child to be classified as ~~mentally retarded~~, intellectually disabled,

1 hard of hearing, deaf, speech and language impaired, blind and
2 visually impaired, ~~behaviorally disordered,~~ emotionally disturbed,
3 orthopedically impaired, other health impaired, deaf-blind, or
4 developmentally delayed or as having multiple disabilities or
5 specific learning disabilities, traumatic brain injury, or autism and
6 causes such child to need special education and related services. For
7 purposes of this section:

8 (1) Autism means a developmental disability significantly
9 affecting verbal and nonverbal communication and social interaction,
10 generally evident before age three, that adversely affects a child's
11 educational performance. Other characteristics often associated with
12 autism are engagement in repetitive activities and stereotyped
13 movements, resistance to environmental change or change in daily
14 routines, and unusual responses to sensory experiences. Autism does
15 not apply if a child's educational performance is adversely affected
16 primarily because the child has a serious emotional disturbance;

17 ~~(2) Behaviorally disordered means a condition in which a~~
18 ~~child exhibits one or more of the following characteristics over a~~
19 ~~long period of time and to a marked degree which adversely affects~~
20 ~~educational performance:~~

21 ~~(a) An inability to learn which cannot be explained by~~
22 ~~intellectual, sensory, or health factors;~~

23 ~~(b) An inability to build or maintain satisfactory~~
24 ~~interpersonal relationships with peers and teachers;~~

25 ~~(c) Inappropriate types of behavior or feelings under~~

1 ~~normal circumstances;~~

2 ~~(d) A general pervasive mood of unhappiness or~~
3 ~~depression; or~~

4 ~~(e) A tendency to develop physical symptoms or fears~~
5 ~~associated with personal or school problems.~~

6 ~~Behaviorally disordered includes schizophrenia but does~~
7 ~~not include social maladjustment unless the characteristics defined~~
8 ~~in subdivision (a) or (b) of this subdivision are also present;~~

9 ~~(3)–(2)~~ Blind and visually impaired means partially
10 seeing or blind, which visual impairment, even with correction,
11 adversely affects a child's educational performance;

12 ~~(4)–(3)~~ Deaf means a hearing impairment which is so
13 severe that processing linguistic information through hearing, with
14 or without amplification, is impaired to the extent that educational
15 performance is adversely affected;

16 ~~(5)–(4)~~ Deaf-blind means concomitant hearing and visual
17 impairments, the combination of which causes such severe
18 communication and other developmental and educational problems that
19 such impairments cannot be accommodated in special education programs
20 solely for children who are deaf or blind;

21 ~~(6)–(5)~~ Developmental delay means either a significant
22 delay in function in one or more of the following areas: (a)
23 Cognitive development; (b) physical development; (c) communication
24 development; (d) social or emotional development; or (e) adaptive
25 behavior or skills development, or a diagnosed physical or mental

1 condition that has a high probability of resulting in a substantial
2 delay in function in one or more of such areas;

3 (6) Emotionally disturbed means a condition in which a
4 child exhibits one or more of the following characteristics over a
5 long period of time and to a marked degree which adversely affects
6 educational performance:

7 (a) An inability to learn which cannot be explained by
8 intellectual, sensory, or health factors;

9 (b) An inability to build or maintain satisfactory
10 interpersonal relationships with peers and teachers;

11 (c) Inappropriate types of behavior or feelings under
12 normal circumstances;

13 (d) A general pervasive mood of unhappiness or
14 depression; or

15 (e) A tendency to develop physical symptoms or fears
16 associated with personal or school problems.

17 Emotionally disturbed includes schizophrenia but does not
18 include social maladjustment unless the characteristics defined in
19 subdivision (a) or (b) of this subdivision are also present;

20 (7) Hard of hearing means a hearing impairment, whether
21 permanent or fluctuating, which adversely affects educational
22 performance but is not included under the term deaf in subdivision
23 ~~(4)~~(3) of this section;

24 (8) Intellectually disabled means a condition in which a
25 child exhibits significantly subaverage general intellectual

1 functioning existing concurrently with deficits in adaptive behavior
2 and manifested during the developmental period which adversely
3 affects educational performance;

4 ~~(8) Mentally retarded means a condition in which a child~~
5 ~~exhibits significantly subaverage general intellectual functioning~~
6 ~~existing concurrently with deficits in adaptive behavior and~~
7 ~~manifested during the developmental period which adversely affects~~
8 ~~educational performance;~~

9 (9) Multiple disabilities means concomitant impairments,
10 such as ~~mentally retarded-blind or mentally retarded-orthopedically~~
11 ~~impaired,~~ intellectually disabled-blind or intellectually disabled-
12 orthopedically impaired, the combination of which causes such severe
13 educational problems that a child with such impairments cannot be
14 accommodated in special education programs for one of the
15 impairments. Multiple disabilities does not include deaf-blind;

16 (10) Orthopedically impaired means a severe orthopedic
17 impairment which adversely affects a child's educational performance.
18 Severe orthopedic impairments include impairments caused by (a)
19 congenital anomaly, including, but not limited to, clubfoot or
20 absence of a member, (b) disease, including, but not limited to,
21 poliomyelitis or bone tuberculosis, or (c) other causes, including,
22 but not limited to, cerebral palsy, amputations, and fractures and
23 burns which cause contractures;

24 (11) Other health impaired means having limited strength,
25 vitality, or alertness due to chronic or acute health problems,

1 including, but not limited to, a heart condition, tuberculosis,
2 rheumatic fever, nephritis, asthma, sickle cell anemia, hemophilia,
3 epilepsy, lead poisoning, leukemia, or diabetes, which adversely
4 affects a child's educational performance;

5 (12) Specific learning disability means a disorder in one
6 or more of the basic psychological processes involved in
7 understanding or in using language, spoken or written, which may
8 manifest itself in an imperfect ability to listen, think, speak,
9 read, write, spell, or do mathematical calculations. Specific
10 learning disability includes, but is not limited to, perceptual
11 disabilities, brain injury, minimal brain dysfunction, dyslexia, and
12 developmental aphasia;

13 (13) Speech-and-language-impaired means having a
14 communication disorder such as stuttering, impaired articulation,
15 language impairments, or voice impairment which adversely affects a
16 child's educational performance; and

17 (14) Traumatic brain injury means an acquired injury to
18 the brain caused by an external physical force, resulting in total or
19 partial functional disability or psychosocial impairment, or both,
20 that adversely affects a child's educational performance. Traumatic
21 brain injury applies to open or closed head injuries resulting in
22 impairments in one or more areas, including cognition; language;
23 memory; attention; reasoning; abstract thinking; judgment; problem
24 solving; sensory, perceptual, and motor abilities; psychosocial
25 behavior; physical functions; information processing; and speech.

1 Traumatic brain injury does not include brain injuries that are
2 congenital or degenerative or brain injuries induced by birth trauma.

3 The State Department of Education may group or subdivide
4 the classifications of children with disabilities for the purpose of
5 program description and reporting. The department shall establish
6 eligibility criteria and age ranges for the disability classification
7 of developmental delay.

8 Sec. 15. Section 79-1204, Revised Statutes Cumulative
9 Supplement, 2012, is amended to read:

10 79-1204 (1) The role and mission of the educational
11 service units is to serve as educational service providers in the
12 state's system of elementary and secondary education.

13 (2) Educational service units shall:

14 (a) Act primarily as service agencies in providing core
15 services and services identified and requested by member school
16 districts;

17 (b) Provide for economy, efficiency, and cost-
18 effectiveness in the cooperative delivery of educational services;

19 (c) Provide educational services through leadership,
20 research, and development in elementary and secondary education;

21 (d) Act in a cooperative and supportive role with the
22 State Department of Education and school districts in development and
23 implementation of long-range plans, strategies, and goals for the
24 enhancement of educational opportunities in elementary and secondary
25 education; and

1 (e) Serve, when appropriate and as funds become
2 available, as a repository, clearinghouse, and administrator of
3 federal, state, and private funds on behalf of school districts which
4 choose to participate in special programs, projects, or grants in
5 order to enhance the quality of education in Nebraska schools.

6 (3) Core services shall be provided by educational
7 service units to all member school districts. Core services shall be
8 defined by each educational service unit as follows:

9 (a) Core services shall be within the following service
10 areas in order of priority: (i) Staff development which shall include
11 access to staff development related to improving the achievement of
12 students in poverty and students with diverse backgrounds; (ii)
13 technology, including distance education services; and (iii)
14 instructional materials services;

15 (b) Core services shall improve teaching and student
16 learning by focusing on enhancing school improvement efforts, meeting
17 statewide requirements, and achieving statewide goals in the state's
18 system of elementary and secondary education;

19 (c) Core services shall provide schools with access to
20 services that:

21 (i) The educational service unit and its member school
22 districts have identified as necessary services;

23 (ii) Are difficult, if not impossible, for most
24 individual school districts to effectively and efficiently provide
25 with their own personnel and financial resources;

1 (iii) Can be efficiently provided by each educational
2 service unit to its member school districts; and

3 (iv) Can be adequately funded to ensure that the service
4 is provided equitably to the state's public school districts;

5 (d) Core services shall be designed so that the
6 effectiveness and efficiency of the service can be evaluated on a
7 statewide basis; and

8 (e) Core services shall be provided by the educational
9 service unit in a manner that minimizes the costs of administration
10 or service delivery to member school districts.

11 (4) Educational service units shall meet minimum
12 accreditation standards set by the State Board of Education that
13 will:

14 (a) Provide for accountability to taxpayers;

15 (b) Assure that educational service units are assisting
16 and cooperating with school districts to provide for equitable and
17 adequate educational opportunities statewide; and

18 (c) Assure a level of quality in educational programs and
19 services provided to school districts by the educational service
20 units.

21 (5) Educational service units may contract to provide
22 services to:

23 (a) Nonmember public school districts;

24 (b) Nonpublic school systems;

25 (c) Other educational service units; and

1 (d) Other ~~political subdivisions, public agencies,~~ under
2 the Interlocal Cooperation Act and the Joint Public Agency Act.

3 (6) Educational service units shall not regulate school
4 districts unless specifically provided pursuant to another section of
5 law.

6 Sec. 16. Section 79-1336, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-1336 (1) For fiscal years 2007-08 through 2013-14, the
9 State Department of Education shall provide distance education
10 equipment reimbursement to school districts and educational service
11 units from the Education Innovation Fund as provided in this section.
12 Such reimbursements shall be for hardware or software purchased
13 either by, or on behalf of, the school district or educational
14 service unit seeking reimbursement after July 14, 2006, for use in
15 distance education and shall be limited to a total through fiscal
16 year 2013-14 of twenty thousand dollars multiplied by the number of
17 high school buildings for each school district and twenty thousand
18 dollars for each educational service unit office with a distance
19 education classroom, except that no educational service unit shall
20 count more than one office with a distance education classroom for
21 each four thousand square miles within the boundaries of the
22 educational service unit. If a school district has one or more former
23 high school buildings that are no longer being used as high school
24 buildings due to a school district merger and such buildings have
25 distance education classrooms at the time of application, such

1 buildings shall be deemed high school buildings for the purposes of
2 this subsection. The reimbursements may include installation costs
3 for such hardware or software. ~~Applications shall be accepted by the~~
4 ~~department beginning in the first year that~~ To qualify for distance
5 education equipment reimbursement, the school district or the
6 educational service unit ~~accesses shall access~~ Network Nebraska ~~and~~
7 ~~ending June 30, 2013.~~ prior to the application for reimbursement.
8 Applications for distance education equipment reimbursement shall be
9 submitted on or before ~~July 1 of each year~~ July 1, 2013, for
10 reimbursements to be made in fiscal year 2013-14 on a form specified
11 by the department and shall include:

12 (a) A description of the hardware or software purchased
13 and how the hardware or software will be used for distance education;

14 (b) Copies of receipts for the purchases to be
15 reimbursed;

16 (c) For purchases made on behalf of a school district or
17 educational service unit, evidence that such purchase was made on
18 behalf of such school district or educational service unit and that
19 such school district or educational service unit paid directly or
20 indirectly for such purchase; and

21 (d) For school districts, a commitment to either send or
22 receive two-way interactive video distance education courses through
23 ~~the Distance Education Council until July 1, 2008,~~ and the
24 Educational Service Unit Coordinating Council ~~on and after July 1,~~
25 ~~2008,~~ each semester, or the equivalent of two semester courses each

1 year, for four consecutive years and to apply for distance education
2 incentives pursuant to section 79-1337 or to provide any other
3 evidence required by the department to show that the commitment was
4 met.

5 (2) On or before August 1 of each year, the department
6 shall certify the reimbursements to be paid to each school district
7 or educational service unit on or before September 1 of each year.

8 (3) The department shall use the applications for
9 distance education incentives submitted pursuant to section 79-1337
10 and any other information requested by the department pursuant to
11 rules and regulations of the department to verify that each school
12 district that received a reimbursement completes the commitment to
13 either send or receive two-way interactive video distance education
14 courses through the council for four years. Any school district
15 failing to complete such commitment shall repay the Education
16 Innovation Fund for the amount of any reimbursements received
17 pursuant to this section. On or before September 1 of each year, the
18 department shall notify any school district failing to complete the
19 commitment for the prior school year that repayment of the
20 reimbursement is required and the amount of such repayment.
21 Repayments shall be due on or before the immediately following
22 December 31. Late repayments shall accrue interest at the rate
23 prescribed in section 45-104.02 from the date of the initial
24 reimbursement.

25 (4) On or before October 1 of each year, a school

1 district or educational service unit may appeal the denial of
2 reimbursements or a school district may appeal the requirement to
3 repay reimbursements to the State Board of Education. The board shall
4 allow a representative of the school district or educational service
5 unit an opportunity to present information concerning the appeal to
6 the board at the November board meeting. If the board finds that the
7 department denied the reimbursement in error, the department shall
8 pay the district or educational service unit from the Education
9 Innovation Fund as soon as practical the amount which was denied in
10 error. If the board finds that the department erred in notifying a
11 school district that a reimbursement is required to be repaid, such
12 notification shall be void.

13 (5) The State Board of Education shall adopt and
14 promulgate rules and regulations to carry out this section.

15 Sec. 17. Section 79-2104.02, Revised Statutes Cumulative
16 Supplement, 2012, is amended to read:

17 79-2104.02 Each learning community coordinating council
18 shall use any funds received after January 15, 2011, pursuant to
19 section 79-1241.03 for evaluation and research pursuant to plans
20 developed by the learning community coordinating council with
21 assistance from the Educational Service Unit Coordinating Council and
22 adjusted on an ongoing basis. The evaluation shall be conducted by
23 one or more other entities or individuals who are not employees of
24 the learning community and shall measure progress toward the goals
25 and objectives of the learning community, which goals and objectives

1 shall include reduction of excessive absenteeism of students in the
2 member school districts of the learning community and closing
3 academic achievement gaps based on socioeconomic status, and the
4 effectiveness of the approaches used by the learning community or
5 pilot project to reach such goals and objectives. Any research
6 conducted pursuant to this section shall also be related to such
7 goals and objectives. After the first full year of operation, each
8 learning community shall report evaluation and research results
9 electronically to the Education Committee of the Legislature on or
10 before ~~December~~ January 1 of each year.

11 Sec. 18. Section 79-2118, Revised Statutes Cumulative
12 Supplement, 2012, is amended to read:

13 79-2118 (1) Each learning community, together with its
14 member school districts, shall develop a diversity plan to provide
15 educational opportunities pursuant to sections 79-769 and 79-2110 in
16 each subcouncil district designed to attract students from diverse
17 backgrounds, which plan may be revised from time to time. The initial
18 diversity plan shall be completed by December 31 of the year the
19 initial learning community coordinating council for the learning
20 community takes office. The goal of the diversity plan shall be to
21 annually increase the socioeconomic diversity of enrollment at each
22 grade level in each school building within the learning community
23 until such enrollment reflects the average socioeconomic diversity of
24 the entire enrollment of the learning community.

25 (2) Each diversity plan for a learning community shall

1 include specific provisions relating to each subcouncil district
2 within such learning community. The specific provisions relating to
3 each subcouncil district shall be approved by both the achievement
4 subcouncil for such district and by the learning community
5 coordinating council.

6 (3) The learning community coordinating council shall
7 report electronically to the Education Committee of the Legislature
8 on or before ~~December~~ January 1 of each ~~even-numbered~~ odd-numbered
9 year on the diversity and changes in diversity at each grade level in
10 each school building within the learning community and on the
11 academic achievement for different demographic groups in each school
12 building within the learning community.

13 Sec. 19. Section 84-712.05, Revised Statutes Cumulative
14 Supplement, 2012, is amended to read:

15 84-712.05 The following records, unless publicly
16 disclosed in an open court, open administrative proceeding, or open
17 meeting or disclosed by a public entity pursuant to its duties, may
18 be withheld from the public by the lawful custodian of the records:

19 (1) Personal information in records regarding a student,
20 prospective student, or former student of any educational institution
21 or exempt school that has effectuated an election not to meet state
22 approval or accreditation requirements pursuant to section 79-1601
23 when such records are maintained by and in the possession of a public
24 entity, other than routine directory information specified and made
25 public consistent with 20 U.S.C. 1232g, as such section existed on

1 ~~January 1, 2003;~~ December 13, 2010, and regulations adopted
2 thereunder;

3 (2) Medical records, other than records of births and
4 deaths and except as provided in subdivision (5) of this section, in
5 any form concerning any person; records of elections filed under
6 section 44-2821; and patient safety work product under the Patient
7 Safety Improvement Act;

8 (3) Trade secrets, academic and scientific research work
9 which is in progress and unpublished, and other proprietary or
10 commercial information which if released would give advantage to
11 business competitors and serve no public purpose;

12 (4) Records which represent the work product of an
13 attorney and the public body involved which are related to
14 preparation for litigation, labor negotiations, or claims made by or
15 against the public body or which are confidential communications as
16 defined in section 27-503;

17 (5) Records developed or received by law enforcement
18 agencies and other public bodies charged with duties of investigation
19 or examination of persons, institutions, or businesses, when the
20 records constitute a part of the examination, investigation,
21 intelligence information, citizen complaints or inquiries, informant
22 identification, or strategic or tactical information used in law
23 enforcement training, except that this subdivision shall not apply to
24 records so developed or received relating to the presence of and
25 amount or concentration of alcohol or drugs in any body fluid of any

1 person;

2 (6) Appraisals or appraisal information and negotiation
3 records concerning the purchase or sale, by a public body, of any
4 interest in real or personal property, prior to completion of the
5 purchase or sale;

6 (7) Personal information in records regarding personnel
7 of public bodies other than salaries and routine directory
8 information;

9 (8) Information solely pertaining to protection of the
10 security of public property and persons on or within public property,
11 such as specific, unique vulnerability assessments or specific,
12 unique response plans, either of which is intended to prevent or
13 mitigate criminal acts the public disclosure of which would create a
14 substantial likelihood of endangering public safety or property;
15 computer or communications network schema, passwords, and user
16 identification names; guard schedules; lock combinations; or public
17 utility infrastructure specifications or design drawings the public
18 disclosure of which would create a substantial likelihood of
19 endangering public safety or property, unless otherwise provided by
20 state or federal law;

21 (9) The security standards, procedures, policies, plans,
22 specifications, diagrams, access lists, and other security-related
23 records of the Lottery Division of the Department of Revenue and
24 those persons or entities with which the division has entered into
25 contractual relationships. Nothing in this subdivision shall allow

1 the division to withhold from the public any information relating to
2 amounts paid persons or entities with which the division has entered
3 into contractual relationships, amounts of prizes paid, the name of
4 the prize winner, and the city, village, or county where the prize
5 winner resides;

6 (10) With respect to public utilities and except as
7 provided in sections 43-512.06 and 70-101, personally identified
8 private citizen account payment and customer use information, credit
9 information on others supplied in confidence, and customer lists;

10 (11) Records or portions of records kept by a publicly
11 funded library which, when examined with or without other records,
12 reveal the identity of any library patron using the library's
13 materials or services;

14 (12) Correspondence, memoranda, and records of telephone
15 calls related to the performance of duties by a member of the
16 Legislature in whatever form. The lawful custodian of the
17 correspondence, memoranda, and records of telephone calls, upon
18 approval of the Executive Board of the Legislative Council, shall
19 release the correspondence, memoranda, and records of telephone calls
20 which are not designated as sensitive or confidential in nature to
21 any person performing an audit of the Legislature. A member's
22 correspondence, memoranda, and records of confidential telephone
23 calls related to the performance of his or her legislative duties
24 shall only be released to any other person with the explicit approval
25 of the member;

1 (13) Records or portions of records kept by public bodies
2 which would reveal the location, character, or ownership of any known
3 archaeological, historical, or paleontological site in Nebraska when
4 necessary to protect the site from a reasonably held fear of theft,
5 vandalism, or trespass. This section shall not apply to the release
6 of information for the purpose of scholarly research, examination by
7 other public bodies for the protection of the resource or by
8 recognized tribes, the Unmarked Human Burial Sites and Skeletal
9 Remains Protection Act, or the federal Native American Graves
10 Protection and Repatriation Act;

11 (14) Records or portions of records kept by public bodies
12 which maintain collections of archaeological, historical, or
13 paleontological significance which reveal the names and addresses of
14 donors of such articles of archaeological, historical, or
15 paleontological significance unless the donor approves disclosure,
16 except as the records or portions thereof may be needed to carry out
17 the purposes of the Unmarked Human Burial Sites and Skeletal Remains
18 Protection Act or the federal Native American Graves Protection and
19 Repatriation Act;

20 (15) Job application materials submitted by applicants,
21 other than finalists, who have applied for employment by any public
22 body as defined in section 84-1409. For purposes of this subdivision,
23 (a) job application materials means employment applications, resumes,
24 reference letters, and school transcripts and (b) finalist means any
25 applicant (i) who reaches the final pool of applicants, numbering

1 four or more, from which the successful applicant is to be selected,
2 (ii) who is an original applicant when the final pool of applicants
3 numbers less than four, or (iii) who is an original applicant and
4 there are four or fewer original applicants;

5 (16) Records obtained by the Public Employees Retirement
6 Board pursuant to section 84-1512;

7 (17) Social security numbers; credit card, charge card,
8 or debit card numbers and expiration dates; and financial account
9 numbers supplied to state and local governments by citizens; and

10 (18) Information exchanged between a jurisdictional
11 utility and city pursuant to section 66-1867.

12 Sec. 20. Section 85-1603, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 85-1603 For purposes of the Private Postsecondary Career
15 School Act:

16 (1) Agent means any person who owns any interest in, is
17 employed by, or regularly represents for remuneration a private
18 postsecondary career school located within or outside this state who
19 (a) by solicitation made in this state enrolls or seeks to enroll a
20 resident of this state for education offered by such school, (b)
21 offers to award educational credentials for remuneration on behalf of
22 any such school, or (c) holds himself or herself out to residents of
23 this state as representing such a school;

24 (2) Agent's permit means a nontransferable, written
25 authorization issued to a natural person by the department which

1 allows that person to solicit or enroll any resident of this state
2 for education in a private postsecondary career school;

3 (3) Authorization to operate means approval by the
4 department to operate a private postsecondary career school in this
5 state;

6 (4) Board means the State Board of Education;

7 (5) Branch facility means a facility (a) which is
8 separate from a principal facility, (b) which offers a full program
9 and full student services, (c) which is under the supervision of an
10 onsite director or administrator, and (d)(i) the ownership,
11 management, and control of which are the same as the principal
12 facility, which principal facility is responsible for the delivery of
13 all services, or (ii) at which education is offered by a franchisee
14 of a franchisor authorized to operate as a private postsecondary
15 career school pursuant to the act if the franchisor establishes the
16 course curriculum and guidelines for teaching at the franchisee's
17 facility;

18 (6) Commission means the Coordinating Commission for
19 Postsecondary Education;

20 (7) Commissioner means the Commissioner of Education;

21 (8) Course of study or instruction means a program of
22 study, training, or instruction consisting of a series of lessons or
23 classes which are coordinated as a curriculum or program of
24 instruction to prepare or qualify individuals or improve or upgrade
25 the skills needed for employment, career opportunities, or any

1 specific occupation;

2 (9) Department means the State Department of Education;

3 (10) Education or educational services means any class,
4 course, or program of occupational training, instruction, or study;

5 (11) Entity means any individual, company, firm, society,
6 group, association, partnership, limited liability company,
7 corporation, trust, or other person;

8 (12) Grant, with respect to educational credentials,
9 means award, sell, confer, bestow, or give;

10 (13) Home study school means a school which provides
11 correspondence lesson materials prepared in a sequential and logical
12 order for study and completion by a student on his or her own, with
13 completed lessons returned by the student to the school for
14 evaluation and subsequent return to the student, including those
15 schools which offer instruction by home study in combination with in-
16 residence training;

17 (14) Offer includes, in addition to its usual meaning,
18 advertising, publicizing, soliciting, or encouraging any person,
19 directly or indirectly, in any form, to perform a described act;

20 (15) Out-of-state school means any private postsecondary
21 career school which has its place of instruction or its principal
22 location outside the boundaries of this state and which offers or
23 conducts courses of instruction or subjects on the premises of the
24 school, or provides correspondence or home study lesson materials, or
25 offers or provides Nebraska students with courses of instruction or

1 subjects through activities engaged in or conducted outside the
2 boundaries of Nebraska;

3 (16) Principal facility or main school means a private
4 postsecondary career school located in the State of Nebraska;

5 (17) Private postsecondary career school means any
6 organization or business enterprise which is not specifically exempt
7 under section 85-1604, and which offers courses or subjects a course
8 of study or instruction for which tuition is charged, ~~and at the~~
9 ~~place of business of which a course of instruction is available~~
10 ~~through classroom instruction, home study, or both to a person for~~
11 ~~the purpose of training, preparing, or improving the person for an~~
12 ~~occupation~~ even though the organization's or business enterprise's
13 principal efforts may not be exclusively educational in nature;

14 (18) Resident school means any school offering courses of
15 instruction to its students on the school's premises;

16 (19) Separate classroom means a supplemental training
17 space (a) which is located near the main school for the purpose of
18 expanding the educational offerings or for training an overflow of
19 students who cannot be accommodated at the main school, (b) which is
20 close enough to the main school to assure immediate supervision and
21 administration of all essential student services by the main school
22 and ready access by students to the student services available, and
23 (c) in which the only required onsite service is teaching; and

24 (20) Short-term training means classes, courses, or
25 programs of instruction or study that are offered for the purpose of

1 training, preparing, or improving a person for an occupation when (a)
2 the total hours of instruction required for completion is sixteen
3 clock hours or less and (b) no final course grade is given to persons
4 enrolled.

5 Sec. 21. Section 85-1604, Revised Statutes Cumulative
6 Supplement, 2012, is amended to read:

7 85-1604 The following education and schools are exempted
8 from the Private Postsecondary Career School Act:

9 (1) Schools exclusively offering instruction at any or
10 all levels from preschool through the twelfth grade;

11 (2) Education sponsored by a bona fide trade, business,
12 professional, or fraternal organization which is offered solely for
13 that organization's membership or offered without charge;

14 (3) Education provided by or funded by an employer and
15 offered solely to its employees for the purpose of improving such
16 persons in such employment;

17 (4) Education solely avocational or recreational in
18 nature as determined by the department;

19 (5) Educational programs offered by a charitable
20 institution, organization, or agency as long as such education or
21 training is not advertised or promoted as leading toward occupational
22 objectives;

23 (6) Public postsecondary schools established, operated,
24 and governed by this state or its political subdivisions or similar
25 entities in other states as determined by the department;

1 (7) Schools or organizations offering education or
2 instruction that is not part of a degree program leading to an
3 associate, a baccalaureate, a graduate, or a professional degree
4 which are licensed and regulated by agencies of this state other than
5 the department, except that such schools or organizations shall not
6 be exempt from the act with respect to agents' permits and the
7 Tuition Recovery Cash Fund;

8 (8) Schools or organizations which offer education or
9 instruction and which are licensed and regulated solely by an agency
10 of the federal government with respect to curriculum and
11 qualifications of instructional staff;

12 (9) Any postsecondary institution offering or proposing
13 to offer courses or programs leading to a baccalaureate, graduate, or
14 professional degree, but whose offerings may include associate degree
15 programs, diplomas, and other certificates based on the award of
16 college credit, including any such institutions that were regulated
17 prior to May 5, 2011, as private postsecondary career schools
18 pursuant to the Private Postsecondary Career School Act; and

19 (10) Entities exclusively offering short-term training.

20 Sec. 22. Section 85-1644, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 85-1644 If any private postsecondary career school now or
23 hereafter operating in this state proposes to discontinue its
24 operation, the chief administrative officer of such school shall
25 cause to be filed with the department the original or legible true

1 copies of all academic and financial aid transcripts and such other
2 records of the school as may be specified by the department. If there
3 is a change of ownership, the records shall be transferred intact and
4 in good condition to the new owner and the transfer shall be verified
5 by the department. The department shall maintain or cause to be
6 maintained a permanent file of such records coming into its
7 possession. A student requesting a copy of his or her transcripts
8 ~~which are on file~~ may be charged a fee of ten dollars for each copy
9 requested.

10 Sec. 23. Section 85-1656, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 85-1656 (1) The board shall annually assess each private
13 postsecondary career school one-tenth of one percent of the prior
14 school year's gross tuition revenue until the Tuition Recovery Cash
15 Fund reaches the minimum fund level. The fund shall be maintained at
16 a minimum of ~~one~~two hundred fifty thousand dollars and a maximum of
17 ~~three~~five hundred thousand dollars. At any time when the fund drops
18 below the minimum level, the board may resume the assessment. Funds
19 in excess of the maximum level shall be used as directed by the board
20 to provide grants or scholarships for students attending private
21 postsecondary career schools.

22 (2) The board shall require documentation from each
23 private postsecondary career school to verify the tuition revenue
24 collected by the school and to determine the amount of the assessment
25 under this section.

1 (3) Any private postsecondary career school applying for
2 authorization to operate from the commissioner or any other agency
3 after September 9, 1993, shall not be assessed under this section for
4 the first year of operation but shall be assessed each year
5 thereafter for four years or until the fund reaches the minimum level
6 required by this section, whichever occurs last, and shall maintain
7 the surety bond or other security required by section 85-1639 until
8 such time.

9 (4) The authorization to operate of any private
10 postsecondary career school which fails to comply with this section
11 shall be subject to revocation.

12 Sec. 24. (1) When the superintendent of a school district
13 fails to file the annual financial report on or before the date
14 required by subdivision (3)(a) of section 79-528, the State
15 Department of Education shall use the annual financial report from
16 the immediately preceding fiscal year for purposes of the Tax Equity
17 and Educational Opportunities Support Act.

18 (2) For purposes of the final calculation of state aid
19 pursuant to section 79-1065, the annual financial report for the most
20 recently available complete data year shall be used.

21 Sec. 25. Original sections 43-2507.02, 79-241, 79-605,
22 79-1104.02, 79-1118.01, 79-1336, 85-1603, 85-1644, and 85-1656,
23 Reissue Revised Statutes of Nebraska, and sections 79-214, 79-234,
24 79-237, 79-527, 79-527.01, 79-611, 79-1003, 79-1007.20, 79-1028.01,
25 79-1204, 79-2104.02, 79-2118, 84-712.05, and 85-1604, Revised

1 Statutes Cumulative Supplement, 2012, are repealed.

2 Sec. 26. The following section is outright repealed:

3 Section 79-756, Reissue Revised Statutes of Nebraska.

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