

E AND R AMENDMENTS TO LB 1066

Introduced by Hansen, 26, Chairman Enrollment and Review

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

3 Section 1. Section 71-1958, Revised Statutes Cumulative Supplement,
4 2014, is amended to read:

5 71-1958 (1) Quality rating criteria shall be used as provided in
6 this section to assign a quality scale rating to each applicable child
7 care or early childhood education program if the program applies under
8 section 71-1957 to participate in the quality rating and improvement
9 system developed pursuant to section 71-1955.

10 (2) Licensure under the Child Care Licensing Act for a program which
11 serves children from birth to kindergarten-entrance age shall be
12 sufficient criteria to be rated at step one.

13 (3) Meeting criteria established by the State Department of
14 Education for a prekindergarten service or prekindergarten program
15 established pursuant to section 79-1104 and reporting to the Nebraska
16 Early Childhood Professional Record System created under section 71-1962
17 shall be sufficient criteria to be rated at step three.

18 (4) Meeting performance standards required by the federal government
19 for a federal Head Start program or Early Head Start program and
20 reporting to the Nebraska Early Childhood Professional Record System
21 created under section 71-1962 shall be sufficient criteria to be rated at
22 step three.

23 (5) Accreditation by a nationally recognized accrediting body
24 approved by the State Department of Education and reporting to the
25 Nebraska Early Childhood Professional Record System created under section
26 71-1962 shall be sufficient criteria to be rated at step three.

27 (6) A participating applicable child care or early childhood

1 education program operating under a provisional license shall have a
2 quality scale rating at step one even if it meets other quality rating
3 criteria. If a participating applicable child care or early childhood
4 education program is at a quality scale rating higher than step one and
5 the program's license is placed on ~~corrective action status~~, disciplinary
6 limitation, probation, or suspension, such program shall have its quality
7 scale rating changed to step one. If an applicable child care or early
8 childhood education program's license is revoked, the program is not
9 eligible to participate in or receive a quality scale rating under the
10 quality rating and improvement system until the program has an operating
11 license which is in full force and effect.

12 Sec. 2. Section 79-234, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 79-234 (1) An enrollment option program is hereby established to
15 enable any kindergarten through twelfth grade Nebraska student to attend
16 a school in a Nebraska public school district in which the student does
17 not reside subject to the limitations prescribed in section 79-238. The
18 option shall be available only once to each student prior to graduation,
19 except that the option does not count toward such limitation if such
20 option meets, or met at the time of the option, one of the following
21 criteria: (a) The student relocates to a different resident school
22 district, (b) the option school district merges with another district,
23 (c) the option school district is a Class I district, (d) the student
24 will have completed either the grades offered in the school building
25 originally attended in the option school district or the grades
26 immediately preceding the lowest grade offered in the school building for
27 which a new option is sought, (e) the option would allow the student to
28 continue current enrollment in a school district, or (f) the option would
29 allow the student to enroll in a school district in which the student was
30 previously enrolled as a ~~resident~~ student. Sections 79-232 to 79-246 do
31 not relieve a parent or guardian from the compulsory attendance

1 requirements in section 79-201.

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

6 Sec. 3. Section 79-237, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-237 (1) For a student to begin attendance as an option student in
9 an option school district which is not in a learning community in which
10 the student resides, the student's parent or legal guardian shall submit
11 an application to the school board of the option school district between
12 September 1 and March 15 for attendance during the following and
13 subsequent school years. Except as provided in subsection (2) of this
14 section, applications submitted after March 15 shall contain a release
15 approval from the resident school district on the application form
16 prescribed and furnished by the State Department of Education pursuant to
17 subsection (8) of this section. A district may not accept or approve any
18 applications submitted after such date without such a release approval.
19 The option school district shall provide the resident school district
20 with the name of the applicant on or before April 1 or, in the case of an
21 application submitted after March 15, within sixty days after submission.
22 The option school district shall notify, in writing, the parent or legal
23 guardian of the student and the resident school district whether the
24 application is accepted or rejected on or before April 1 or, in the case
25 of an application submitted after March 15, within sixty days after
26 submission.

27 (2) A student who relocates to a different resident school district
28 after February 1 ~~or~~ whose option school district merges with another
29 district effective after February 1, ~~or whose qualification for the~~
30 ~~option for school year 2013-14 is changed pursuant to the changes made to~~
31 ~~subsection (1) of section 79-234 by Laws 2013, LB410,~~ may submit an

1 application to the school board of an option school district for
2 attendance during the immediately following and subsequent school years.
3 Such application does not require the release approval of the resident
4 school district. The option school district shall accept or reject such
5 application within forty-five days.

6 (3) For a student who resides in a learning community to begin
7 attendance in an option school district which is a member of such
8 learning community, the student's parent or legal guardian shall submit
9 an application to the school board of the option school district (a) for
10 any learning community established prior to February 13, 2009, between
11 February 13, 2009, and April 1, 2009, or (b) for any learning community
12 established thereafter, between September 1 and March 15. Applications
13 submitted after such deadlines shall be accompanied by a written release
14 from the resident school district. Students who reside in a learning
15 community shall only begin attendance in an option school district which
16 is a member of such learning community prior to the end of the first full
17 school year for which the option school district is a member of such
18 learning community. The option school district shall provide the resident
19 school district with the name of the applicant within five days after the
20 applicable deadline. The option school district shall notify, in writing,
21 the parent or legal guardian of the student and the resident school
22 district whether the application is accepted or rejected on or before
23 April 1. A parent or guardian may provide information on the application
24 regarding the applicant's potential qualification for free or reduced-
25 price lunches. Any such information provided shall be subject to
26 verification and shall only be used for the purposes of subsection (4) of
27 section 79-238. Nothing in this subsection requires a parent or guardian
28 to provide such information. Determinations about an applicant's
29 qualification for free or reduced-price lunches for purposes of
30 subsection (4) of section 79-238 shall be based on any verified
31 information provided on the application. If no such information is

1 provided, the student shall be presumed not to qualify for free or
2 reduced-price lunches for the purposes of subsection (4) of section
3 79-238.

4 (4) Applications for students who do not actually attend the option
5 school district may be withdrawn in good standing upon mutual agreement
6 by both the resident and option school districts.

7 (5) No option student shall attend an option school district for
8 less than one school year unless the student relocates to a different
9 resident school district, completes requirements for graduation prior to
10 the end of his or her senior year, transfers to a private or parochial
11 school, or upon mutual agreement of the resident and option school
12 districts cancels the enrollment option and returns to the resident
13 school district.

14 (6) Except as provided in subsection (5) of this section, the option
15 student shall attend the option school district until graduation unless
16 the student relocates in a different resident school district, transfers
17 to a private or parochial school, or chooses to return to the resident
18 school district.

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

25 (8) The application and cancellation forms shall be prescribed and
26 furnished by the State Department of Education.

27 (9) An option student who subsequently chooses to attend a private
28 or parochial school shall be automatically accepted to return to either
29 the resident school district or option school district upon the
30 completion of the grade levels offered at the private or parochial
31 school. If such student chooses to return to the option school district,

1 the student's parent or legal guardian shall submit another application
2 to the school board of the option school district which shall be
3 automatically accepted, and the deadlines prescribed in this section
4 shall be waived.

5 Sec. 4. Section 79-238, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 79-238 (1) Except as provided in section 79-240, the school board of
8 the option school district shall adopt by resolution specific standards
9 for acceptance and rejection of applications. Standards may include the
10 capacity of a program, class, grade level, or school building or the
11 availability of appropriate special education programs operated by the
12 option school district. Capacity shall be determined by setting a maximum
13 number of option students that a district will accept in any program,
14 class, grade level, or school building, based upon available staff,
15 facilities, projected enrollment of resident students, projected number
16 of students with which the option school district will contract based on
17 existing contractual arrangements, and availability of appropriate
18 special education programs. The school board of the option school
19 district may by resolution declare a program, a class, or a school
20 unavailable to option students due to lack of capacity. Standards shall
21 not include previous academic achievement, athletic or other
22 extracurricular ability, disabilities, proficiency in the English
23 language, or previous disciplinary proceedings except as provided in
24 section 79-266.01. False or substantively misleading information
25 submitted by a parent or guardian on an application to an option school
26 district may be cause for the option school district to reject a
27 previously accepted application if the rejection occurs prior to the
28 student's attendance as an option student.

29 (2) The school board of every school district shall also adopt
30 specific standards and conditions for acceptance or rejection of a
31 request for release of a resident or option student submitting an

1 application to an option school district after March 15 under subsection
2 (1) of section 79-237. Standards shall not include that a request
3 occurred after the deadline set forth in this subsection.

4 (3) Any option school district shall give first priority for
5 enrollment to siblings of option students, except that the option school
6 district shall not be required to accept the sibling of an option student
7 if the district is at capacity except as provided in subsection (1) of
8 section 79-240.

9 (4) Any option school district that is in a learning community shall
10 give second priority for enrollment to students who reside in the
11 learning community and who contribute to the socioeconomic diversity of
12 enrollment as defined in section 79-2110 at the school building to which
13 the student will be assigned pursuant to section 79-235.

14 Sec. 5. Section 79-576, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 79-576 The secretary of a Class I, II, III, IV, or VI school
17 district shall be clerk of the school board and of all ~~district~~ meetings
18 when present, but if he or she is not present, the school board legal
19 ~~voters~~ may appoint a clerk for the time being, who shall certify the
20 proceedings to the secretary ~~clerk~~ to be recorded by him or her.

21 Sec. 6. Section 79-607, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 79-607 The State Board of Education shall adopt and promulgate rules
24 and regulations for operators of pupil transportation vehicles as to
25 physical and mental qualities, driving skills and practices, and
26 knowledge of traffic laws, rules, and regulations which relate to school
27 bus transportation. Such traffic rules and regulations shall by reference
28 be made a part of any such contract with a school district. Any officer
29 or employee of any school district who violates any of the traffic rules
30 or regulations or fails to include obligations to comply with the traffic
31 rules and regulations in any contract executed by him or her on behalf of

1 a school district ~~may shall~~ be guilty of a Class V misdemeanor and may
2 ~~shall~~, upon conviction thereof, be subject to removal from office or
3 employment. Any person operating a school bus under contract with a
4 school district who fails to comply with any of such traffic rules and
5 regulations ~~may shall~~ be guilty of breach of contract, and such person
6 may be dismissed or such contract ~~may shall~~ be canceled after notice and
7 hearing by ~~the responsible officers of~~ such school district.

8 Sec. 7. Section 79-734, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 79-734 (1) School boards and boards of education of all classes of
11 school districts shall purchase all textbooks, equipment, and supplies
12 necessary for the schools of such district. The duty to make such
13 purchases may be delegated to employees of the school district.

14 (2) School boards and boards of education shall purchase and loan
15 textbooks to all children who are enrolled in kindergarten to grade
16 twelve of a public school and, upon individual request, to children who
17 are enrolled in kindergarten to grade twelve of a private school which is
18 approved for continued legal operation under rules and regulations
19 established by the State Board of Education pursuant to subdivision (5)
20 (c) of section 79-318. The Legislature may appropriate funds to carry out
21 the provisions of this subsection. A school district is not obligated to
22 spend any money for the purchase and loan of textbooks to children
23 enrolled in private schools other than funds specifically appropriated by
24 the Legislature to be distributed by the State Department of Education
25 for the purpose of purchasing and loaning textbooks as provided in this
26 subsection. Textbooks loaned to children enrolled in kindergarten to
27 grade twelve of such private schools shall be textbooks which are
28 designated for use in the public schools of the school district in which
29 the child resides or the school district in which the private school the
30 child attends is located. Such textbooks shall be loaned free to such
31 children subject to such rules and regulations as are or may be

1 prescribed by such school boards or boards of education. The State
2 Department of Education shall adopt and promulgate rules and regulations
3 to carry out this section. The rules and regulations shall include
4 provisions for the distribution of funds appropriated for textbooks. The
5 rules and regulations shall include a deadline for applications from
6 school districts for distribution of funds. If funds are not appropriated
7 to cover the entire cost of applications, a pro rata reduction shall be
8 made. It is the intent of the Legislature that on or before October 1,
9 2016, the department provide to the Education Committee of the
10 Legislature recommended changes to this subsection that reflect advances
11 in technology and educational content for students.

12 Sec. 8. Section 79-760.03, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 79-760.03 (1) For school year 2009-10 and each school year
15 thereafter, the State Board of Education shall implement a statewide
16 system for the assessment of student learning and for reporting the
17 performance of school districts and learning communities pursuant to this
18 section. The assessment and reporting system shall measure student
19 knowledge of subject matter materials covered by measurable academic
20 content standards selected by the state board.

21 (2) The state board shall adopt a plan for an assessment and
22 reporting system and implement and maintain the assessment and reporting
23 system according to such plan. The plan shall be submitted annually to
24 the State Department of Education, the Governor, the chairperson of the
25 Education Committee of the Legislature, and the Clerk of the Legislature.
26 The plan submitted to the committee and the Clerk of the Legislature
27 shall be submitted electronically. The state board shall select grade
28 levels for assessment and reporting required pursuant to subsections (4)
29 through (7) of this section. The purposes of the system are to:

30 (a) Determine how well public schools are performing in terms of
31 achievement of public school students related to the state academic

1 content standards;

2 (b) Report the performance of public schools based upon the results
3 of state assessment instruments and national assessment instruments;

4 (c) Provide information for the public and policymakers on the
5 performance of public schools; and

6 (d) Provide for the comparison among Nebraska public schools and the
7 comparison of Nebraska public schools to public schools elsewhere.

8 (3) The Governor shall appoint a technical advisory committee to
9 review (a) the statewide assessment plan, (b) and state assessment
10 instruments, and (c) the accountability system developed under the
11 Quality Education Accountability Act. The technical advisory committee
12 shall consist of three nationally recognized experts in educational
13 assessment and measurement, one administrator from a school in Nebraska,
14 and one teacher from a school in Nebraska. The members shall serve terms
15 of three years, except that two of the members shall be appointed for
16 initial terms of two years. Any vacancy shall be filled by the Governor
17 for the remainder of the term. One of the members shall be designated as
18 chairperson by the Governor. Members shall be reimbursed for their actual
19 and necessary expenses as provided in sections 81-1174 to 81-1177. The
20 committee shall advise the Governor, the state board, and the State
21 Department of Education on the development of statewide assessment
22 instruments and the statewide assessment plan. The appointments to the
23 committee shall be confirmed by the Legislature.

24 (4) The state board shall prescribe a statewide assessment of
25 writing that relies on writing samples in each of three grades selected
26 by the state board. Each year at least one of the three selected grades
27 shall participate in the statewide writing assessment with each selected
28 grade level participating at least once every three years.

29 (5) For school year 2009-10 and for each school year thereafter, the
30 state board shall prescribe a statewide assessment of reading. The
31 statewide assessment of reading shall include assessment instruments for

1 each of the grade levels three through eight and for one grade in high
2 school and standards adopted by the state board pursuant to section
3 79-760.01.

4 (6) For no later than school year 2010-11 and for each school year
5 thereafter, the state board shall prescribe a statewide assessment of
6 mathematics. The statewide assessment of mathematics shall include
7 assessment instruments for each of the grade levels three through eight
8 and for one grade in high school and standards adopted by the state board
9 pursuant to section 79-760.01. If no statewide assessment of mathematics
10 is administered in school year 2009-10, school districts shall report
11 mathematics assessment results in the same manner as such information was
12 reported in school year 2008-09.

13 (7) For no later than school year 2011-12 and each school year
14 thereafter, the state board shall prescribe a statewide assessment of
15 science. The statewide assessment of science shall include assessment
16 instruments for each of the grade levels selected by the state board and
17 standards adopted by the state board pursuant to section 79-760.01. The
18 grade levels shall include at least one grade in elementary school, one
19 grade in middle school or junior high school, and one grade in high
20 school.

21 (8) The department shall conduct studies to verify the technical
22 quality of assessment instruments and demonstrate the comparability of
23 assessment instrument results required by the act. The department shall
24 annually report such findings to the Governor, the Legislature, and the
25 state board. The report submitted to the Legislature shall be submitted
26 electronically.

27 (9) The state board shall recommend national assessment instruments
28 for the purpose of national comparison. Each school district shall report
29 individual student data for scores and sub-scores according to procedures
30 established by the state board and the department pursuant to section
31 79-760.05.

1 (10) The aggregate results of assessment instruments and national
2 assessment instruments shall be reported by the district on a building
3 basis to the public in that district, to the learning community
4 coordinating council if such district is a member of a learning
5 community, and to the department. Each learning community shall also
6 report the aggregate results of any assessment instruments and national
7 assessment instruments to the public in that learning community and to
8 the department. The department shall report the aggregate results of any
9 assessment instruments and national assessment instruments on a learning
10 community, district, and building basis as part of the statewide
11 assessment and reporting system.

12 (11)(a) The assessment and reporting plan shall:

13 (i) Provide for the confidentiality of the results of individual
14 students; and

15 (ii) Include all public schools and all public school students.

16 (b) The state board shall adopt criteria for the inclusion of
17 students with disabilities, students entering the school for the first
18 time, and students with limited English proficiency.

19 The department may determine appropriate accommodations for the
20 assessment of students with disabilities or any student receiving special
21 education programs and services pursuant to section 79-1139. Alternate
22 academic achievement standards in reading, mathematics, and science and
23 alternate assessment instruments aligned with the standards may be among
24 the accommodations for students with severe cognitive disabilities.

25 (12) The state board may select additional grade levels, ~~and~~
26 ~~additional~~ subject areas, or assessment instruments for statewide
27 assessment consistent instruments to comply with federal requirements.

28 (13) The state board shall not require school districts to
29 administer assessments or assessment instruments other than as prescribed
30 by the act.

31 (14) The state board shall appoint committees of teachers, from each

1 appropriate subject area, and administrators to assist in the development
2 of statewide assessment instruments required by the act.

3 Sec. 9. Section 79-772, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 79-772 Sections 79-772 to 79-775 shall be known and may be cited as
6 the Center for Student Leadership and Expanded ~~Extended~~ Learning Act.

7 Sec. 10. Section 79-773, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 79-773 (1) The Legislature finds that:

10 (a) Since 1928, Nebraska students have benefited from participation
11 in career education student organizations ~~such as Nebraska FFA, Family~~
12 ~~Career and Community Leaders of America (FCCLA), Future Business Leaders~~
13 ~~of America (FBLA), Skills USA, Nebraska DECA, and Health Occupations~~
14 ~~Students of America (HOSA);~~

15 (b) Research conducted in 2007 by the National Research Center for
16 Career and Technical Education has documented a positive association
17 between career education student organizations participation and academic
18 motivation, academic engagement, grades, career self-efficacy, college
19 aspirations, and employability skills;

20 (c) Long-term sustainability of the state associations of career
21 education student organizations has a positive impact on Nebraska
22 students and is in the best interests of the economic well-being of the
23 State of Nebraska;

24 (d) Students in Nebraska schools should have opportunities to
25 acquire academic, technical, and employability knowledge and skills
26 needed to meet the demands of a global economy;

27 (e) Students benefit from the opportunities provided by career
28 education student organizations to develop and demonstrate leadership
29 skills that prepare them for civic, economic, and entrepreneurial
30 leadership roles;

31 (f) Students benefit from engaging in expanded-learning ~~extended-~~

1 ~~learning~~ experiences outside their normal classrooms that allow them to
2 apply their knowledge and skill in authentic real-world situations;

3 (g) There is a need to establish and expand strategies and programs
4 that enable young people to be college-ready and career-ready, build
5 assets, and remain as productive citizens in their communities; and

6 (h) There is a need to establish a statewide structure that supports
7 existing and emerging curriculum and program offerings with student
8 leadership development opportunities and experiences.

9 (2) The Legislature recognizes that Nebraska must provide
10 opportunities to educate young people with leadership and employability
11 skills to (a) meet the needs of business and industry and remain
12 economically viable, (b) educate and nurture future entrepreneurs for
13 successful business ventures to diversify and strengthen our economic
14 base, (c) foster rewarding personal development experiences that involve
15 students in their communities and encourage them to return to their
16 communities after completing postsecondary education, and (d) invest in
17 and support the leadership development of our future state and community
18 civic leaders.

19 Sec. 11. Section 79-774, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-774 For purposes of the Center for Student Leadership and
22 Expanded ~~Extended~~ Learning Act:

23 (1) Career and technical education means educational programs that
24 support the development of knowledge and skill in the following areas:
25 Agriculture, food, and natural resources; architecture and construction;
26 arts, audiovisual, technology, and communication; business management and
27 administration; education and training; finance; government and public
28 administration; health science; hospitality and tourism; human services;
29 information technology; law, public safety, and security; marketing;
30 manufacturing; science, technology, engineering, and mathematics; and
31 transportation, distribution, and logistics;

1 (2) Career education student organization means an organization for
2 individuals enrolled in a career and technical education program that
3 engages career and technical education activities as an integral part of
4 the instructional program; and

5 (3) Expanded ~~Extended~~ learning means school-based or school-linked
6 activities and programs that utilize school-community partnerships to
7 expand opportunities for students to participate in educational
8 activities outside the normal classroom.

9 Sec. 12. Section 79-775, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 79-775 The purpose of the Center for Student Leadership and Expanded
12 ~~Extended~~ Learning Act is to provide state support for establishing and
13 maintaining within the State Department of Education the Center for
14 Student Leadership and Expanded ~~Extended~~ Learning. The center shall
15 provide ongoing financial and administrative support for state leadership
16 and administration of Nebraska career education student organizations,
17 create and coordinate opportunities for students to participate in
18 educational activities outside the normal classroom, and partner with
19 state and local organizations to share research and identify best
20 practices that can be disseminated to schools and community
21 organizations.

22 Sec. 13. Section 79-8,137.01, Revised Statutes Supplement, 2015, is
23 amended to read:

24 79-8,137.01 The Enhancing Excellence in Teaching Program is created.
25 For purposes of the Enhancing Excellence in Teaching Program:

26 (1) Department means the State Department of Education;

27 (2) Eligible graduate program means a program of study offered by an
28 eligible institution which results in obtaining a graduate degree or a
29 graduate course of study leading to an endorsement in a shortage area
30 specified by the State Board of Education;

31 (3) Eligible institution means a not-for-profit college or

1 university which (a) is located in Nebraska, (b) is accredited by a
2 regional accrediting agency recognized by the United States Department of
3 Education as determined to be acceptable by the State Board of Education,
4 (c) has a teacher education program, and (d) if a privately funded
5 college or university, has not opted out of the Enhancing Excellence in
6 Teaching Program pursuant to rules and regulations;

7 (4) Eligible student means an individual who (a) is a certificated
8 teacher employed to teach in an approved or accredited school in
9 Nebraska, (b) is enrolled in an eligible graduate program, ~~including a~~
10 ~~course of study leading to an endorsement in a shortage area specified by~~
11 ~~the State Board of Education,~~ (c) if enrolled at a state-funded eligible
12 institution, is a resident student as described in section 85-502 or, if
13 enrolled in a privately funded eligible institution, would be deemed a
14 resident student if enrolled in a state-funded eligible institution, (d)
15 is majoring in a shortage area, curriculum and instruction, a subject
16 area in which the individual already holds a secular teaching
17 endorsement, or a subject area that will result in an additional secular
18 teaching endorsement which the superintendent of the school district or
19 head administrator of the private, denominational, or parochial school
20 employing the individual believes will be beneficial to the students of
21 such school district or school as evidenced by a statement signed by the
22 superintendent or head administrator, and (e) is applying for a loan
23 pursuant to the Enhancing Excellence in Teaching Program to be received
24 at a time other than during fiscal year 2011-12 or 2012-13;

25 (5) Majoring in a shortage area or subject area means pursuing a
26 degree or course of study which will allow an individual to be properly
27 endorsed to teach in such shortage area or subject area; and

28 (6) Shortage area means a secular field of teaching or endorsement
29 area for which there is a shortage, as determined by the department, of
30 properly endorsed teachers at the time the borrower first receives funds
31 pursuant to the Enhancing Excellence in Teaching Program.

1 Sec. 14. Section 79-8,137.03, Revised Statutes Supplement, 2015, is
2 amended to read:

3 79-8,137.03 (1) The department shall administer the Enhancing
4 Excellence in Teaching Program either directly or by contracting with
5 public or private entities.

6 (2) To be eligible for the program, an eligible student shall:

7 (a) Agree to complete an eligible graduate ~~or endorsement~~ program at
8 an eligible institution and to complete the program on which the
9 applicant's eligibility is based as determined by the department; and

10 (b) Commit to teach in an accredited or approved public or private
11 school in Nebraska upon successful completion of the eligible graduate ~~or~~
12 ~~endorsement~~ program for which the applicant is applying to the Enhancing
13 Excellence in Teaching Program and to maintaining certification pursuant
14 to sections 79-806 to 79-815.

15 (3) Eligible students may apply on an annual basis for loans in an
16 amount of not more than one hundred seventy-five dollars per credit hour.
17 Loans awarded to individual students shall not exceed a cumulative period
18 exceeding five consecutive years. Loans shall only be awarded through the
19 department. Loans shall be funded pursuant to section 79-8,137.05.

20 Sec. 15. Section 79-8,137.04, Revised Statutes Supplement, 2015, is
21 amended to read:

22 79-8,137.04 (1) Prior to receiving any money from a loan pursuant to
23 the Enhancing Excellence in Teaching Program, an eligible student shall
24 enter into a contract with the department. Such contract shall be exempt
25 from the requirements of sections 73-501 to 73-510. The contract shall
26 require that if (a) the borrower is not employed as a full-time teacher
27 teaching in an approved or accredited school in Nebraska for a time
28 period equal to the number of years required for loan forgiveness
29 pursuant to subsection (2) of this section or (b) the borrower does not
30 complete the requirements for graduation within five consecutive years
31 after receiving the initial loan under the program, then the loan shall

1 be repaid, with interest at the rate fixed pursuant to section 45-103
2 accruing as of the date the borrower signed the contract and actual
3 collection costs as determined by the department. If a borrower fails to
4 remain enrolled at an eligible institution or otherwise fails to meet the
5 requirements of an eligible student, repayment of the loan shall commence
6 within six months after such change in eligibility. The State Board of
7 Education may by rules and regulations provide for exceptions to the
8 conditions of repayment pursuant to this subsection based upon mitigating
9 circumstances.

10 (2)(a) If the borrower (i) successfully completes the eligible
11 graduate ~~or endorsement~~ program for which the borrower is receiving a
12 forgivable loan pursuant to the Enhancing Excellence in Teaching Program
13 and maintains certification pursuant to sections 79-806 to 79-815, (ii)
14 maintains employment as a teacher in an approved or accredited school in
15 this state, and (iii) otherwise meets the requirements of the contract,
16 payments shall be suspended for the number of years that the borrower is
17 required to remain employed as a teacher in this state under the
18 contract.

19 (b) For recipients who received funds for the first time funds
20 ~~received~~ prior to July 1, 2016, beginning after the first two years of
21 teaching full-time in Nebraska following graduation for the degree for
22 which the loan was received, for each year that the borrower teaches
23 full-time in Nebraska pursuant to the contract, the loan shall be
24 forgiven in an amount equal to three thousand dollars, except that if the
25 borrower teaches full-time in a school district that is in a local system
26 classified as very sparse as defined in section 79-1003, teaches in a
27 school building that provides free meals to all students pursuant to the
28 community eligibility provision, teaches in a school building in which at
29 least forty percent of the students are poverty students as defined in
30 section 79-1003, or teaches in an accredited or approved private school
31 in Nebraska in which at least forty percent of the enrolled students

1 qualified for free lunches as determined by the most recent data
2 available from the department, payments shall be forgiven each year in an
3 amount equal to six thousand dollars.

4 (c) For recipients who received funds for the first time funds
5 ~~received~~ on or after July 1, 2016, beginning after the first two years of
6 teaching full-time in Nebraska following completion of the eligible
7 graduate program graduation for the degree for which the loan was
8 received, for each year that the borrower teaches full-time in Nebraska
9 pursuant to the contract, the loan shall be forgiven in an amount equal
10 to one thousand five hundred dollars, except that if the borrower teaches
11 full-time in a school district that is in a local system classified as
12 very sparse as defined in section 79-1003, teaches in a school building
13 in which at least forty percent of the ~~formula~~ students are poverty
14 students as defined in section 79-1003, teaches in a school building that
15 provides free meals to all students pursuant to the community eligibility
16 provision, or teaches in an accredited private school or educational
17 service unit or an approved private school in Nebraska in which at least
18 forty percent of the enrolled students qualified for free lunches as
19 determined by the most recent data available from the department,
20 payments shall be forgiven each year in an amount equal to one thousand
21 five hundred dollars for the first year of loan forgiveness and three
22 thousand dollars for each year of loan forgiveness thereafter.

23 Sec. 16. Section 79-1003, Revised Statutes Supplement, 2015, is
24 amended to read:

25 79-1003 For purposes of the Tax Equity and Educational Opportunities
26 Support Act:

27 (1) Adjusted general fund operating expenditures means (a) for
28 school fiscal years 2013-14 through 2015-16, the difference of the
29 general fund operating expenditures as calculated pursuant to subdivision
30 (23) of this section increased by the cost growth factor calculated
31 pursuant to section 79-1007.10, minus the transportation allowance,

1 special receipts allowance, poverty allowance, limited English
2 proficiency allowance, distance education and telecommunications
3 allowance, elementary site allowance, summer school allowance,
4 instructional time allowance, teacher education allowance, and focus
5 school and program allowance, and (b) for school fiscal year 2016-17 and
6 each school fiscal year thereafter, the difference of the general fund
7 operating expenditures as calculated pursuant to subdivision (23) of this
8 section increased by the cost growth factor calculated pursuant to
9 section 79-1007.10, minus the transportation allowance, special receipts
10 allowance, poverty allowance, limited English proficiency allowance,
11 distance education and telecommunications allowance, elementary site
12 allowance, summer school allowance, best practices allowance, and focus
13 school and program allowance;

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

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

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

1 (5) Base fiscal year means the first school fiscal year following
2 the school fiscal year in which the reorganization or unification
3 occurred;

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

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

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

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

22 (10) Converted contract option student means a student who will be
23 an option student pursuant to the enrollment option program established
24 in section 79-234 for the school fiscal year for which aid is being
25 calculated and who would have been covered by a converted contract if the
26 contract were still in effect and such school fiscal year is the first
27 school fiscal year for which such contract is not in effect;

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

29 (12) District means any Class I, II, III, IV, V, or VI school
30 district and, beginning with the calculation of state aid for school
31 fiscal year 2011-12 and each school fiscal year thereafter, a unified

1 system as defined in section 79-4,108;

2 (13) Ensuing school fiscal year means the school fiscal year
3 following the current school fiscal year;

4 (14) Equalization aid means the amount of assistance calculated to
5 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
6 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02,~~79-1028.02,~~ and
7 ~~79-1028.04~~;

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

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

14 (17) Formula students means:

15 (a) For state aid certified pursuant to section 79-1022, the sum of
16 the product of fall membership from the school fiscal year immediately
17 preceding the school fiscal year in which the aid is to be paid
18 multiplied by the average ratio of average daily membership to fall
19 membership for the second school fiscal year immediately preceding the
20 school fiscal year in which the aid is to be paid and the prior two
21 school fiscal years plus sixty percent of the qualified early childhood
22 education fall membership plus tuitioned students from the school fiscal
23 year immediately preceding the school fiscal year in which aid is to be
24 paid minus the product of the number of students enrolled in kindergarten
25 that is not full-day kindergarten from the fall membership multiplied by
26 0.5; and

27 (b) For the final calculation of state aid pursuant to section
28 79-1065, the sum of average daily membership plus sixty percent of the
29 qualified early childhood education average daily membership plus
30 tuitioned students minus the product of the number of students enrolled
31 in kindergarten that is not full-day kindergarten from the average daily

1 membership multiplied by 0.5 from the school fiscal year immediately
2 preceding the school fiscal year in which aid was paid;

3 (18) Free lunch and free milk calculated students ~~student~~ means, for
4 ~~school fiscal year 2016-17 and each school fiscal year thereafter,~~ using
5 the most recent data available on November 1 of the school fiscal year
6 immediately preceding the school fiscal year in which aid is to be paid,
7 (a) for schools that did not provide free meals to all students pursuant
8 to the community eligibility provision, students who individually a
9 student who qualified for free lunches or free milk and ~~attended a school~~
10 ~~that uses information collected from parents and guardians pursuant to~~
11 ~~section 79-10,143 to determine such qualifications pursuant to the~~
12 federal Richard B. Russell National School Lunch Act, 42 U.S.C. 1751 et
13 seq., and the federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et
14 seq., as such acts and sections existed on January 1, 2015, and rules and
15 regulations adopted thereunder, plus (b) for schools that provided free
16 meals to all students pursuant to the community eligibility provision,
17 (i) for school fiscal year 2016-17, the product of the students who
18 attended such school ~~the product of the students who attend a school that~~
19 ~~provides free meals to all students pursuant to the community eligibility~~
20 ~~provision~~ multiplied by the identified student percentage calculated
21 pursuant to such federal provision or (ii) for school fiscal year 2017-18
22 and each school fiscal year thereafter, the greater of the number of
23 students in such school who individually qualified for free lunch or free
24 milk using the most recent school fiscal year for which the school did
25 not provide free meals to all students pursuant to the community
26 eligibility provision or one hundred ten percent of the product of the
27 students who qualified for free meals at such school pursuant to the
28 community eligibility provision multiplied by the identified student
29 percentage calculated pursuant to such federal provision, except that the
30 free lunch and free milk students calculated for any school pursuant to
31 subdivision (18)(b)(ii) of this section shall not exceed one hundred

1 percent of the students qualified for free meals at such school pursuant
2 to the community eligibility provision;

3 (19) Free lunch and free milk student means, for school fiscal years
4 prior to school fiscal year 2016-17, a student who qualified for free
5 lunches or free milk from the most recent data available on November 1 of
6 the school fiscal year immediately preceding the school fiscal year in
7 which aid is to be paid;

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

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

17 (22) General fund expenditures means all expenditures from the
18 general fund;

19 (23) General fund operating expenditures means for state aid
20 calculated for school fiscal years 2012-13 and each school fiscal year
21 thereafter, as reported on the annual financial report for the second
22 school fiscal year immediately preceding the school fiscal year in which
23 aid is to be paid, the total general fund expenditures minus (a) the
24 amount of all receipts to the general fund, to the extent that such
25 receipts are not included in local system formula resources, from early
26 childhood education tuition, summer school tuition, educational entities
27 as defined in section 79-1201.01 for providing distance education courses
28 through the Educational Service Unit Coordinating Council to such
29 educational entities, private foundations, individuals, associations,
30 charitable organizations, the textbook loan program authorized by section
31 79-734, federal impact aid, and levy override elections pursuant to

1 section 77-3444, (b) the amount of expenditures for categorical funds,
2 tuition paid, transportation fees paid to other districts, adult
3 education, community services, redemption of the principal portion of
4 general fund debt service, retirement incentive plans authorized by
5 section 79-855, and staff development assistance authorized by section
6 79-856, (c) the amount of any transfers from the general fund to any bond
7 fund and transfers from other funds into the general fund, (d) any legal
8 expenses in excess of fifteen-hundredths of one percent of the formula
9 need for the school fiscal year in which the expenses occurred, (e)
10 expenditures to pay for sums agreed to be paid by a school district to
11 certificated employees in exchange for a voluntary termination occurring
12 prior to July 1, 2009, occurring on or after the last day of the 2010-11
13 school year and prior to the first day of the 2013-14 school year, or, to
14 the extent that a district has demonstrated to the State Board of
15 Education pursuant to section 79-1028.01 that the agreement will result
16 in a net savings in salary and benefit costs to the school district over
17 a five-year period, occurring on or after the first day of the 2013-14
18 school year, (f)(i) expenditures to pay for employer contributions
19 pursuant to subsection (2) of section 79-958 to the School Employees
20 Retirement System of the State of Nebraska to the extent that such
21 expenditures exceed the employer contributions under such subsection that
22 would have been made at a contribution rate of seven and thirty-five
23 hundredths percent or (ii) expenditures to pay for school district
24 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to
25 the retirement system established pursuant to the Class V School
26 Employees Retirement Act to the extent that such expenditures exceed the
27 school district contributions under such subdivision that would have been
28 made at a contribution rate of seven and thirty-seven hundredths percent,
29 and (g) any amounts paid by the district for lobbyist fees and expenses
30 reported to the Clerk of the Legislature pursuant to section 49-1483.

31 For purposes of this subdivision (23) of this section, receipts from

1 levy override elections shall equal ninety-nine percent of the difference
2 of the total general fund levy minus a levy of one dollar and five cents
3 per one hundred dollars of taxable valuation multiplied by the assessed
4 valuation for school districts that have voted pursuant to section
5 77-3444 to override the maximum levy provided pursuant to section
6 77-3442;

7 (24) High school district means a school district providing
8 instruction in at least grades nine through twelve;

9 (25) Income tax liability means the amount of the reported income
10 tax liability for resident individuals pursuant to the Nebraska Revenue
11 Act of 1967 less all nonrefundable credits earned and refunds made;

12 (26) Income tax receipts means the amount of income tax collected
13 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
14 credits earned and refunds made;

15 (27) Limited English proficiency students means the number of
16 students with limited English proficiency in a district from the most
17 recent data available on November 1 of the school fiscal year preceding
18 the school fiscal year in which aid is to be paid plus the difference of
19 such students with limited English proficiency minus the average number
20 of limited English proficiency students for such district, prior to such
21 addition, for the three immediately preceding school fiscal years if such
22 difference is greater than zero;

23 (28) Local system means a learning community for purposes of
24 calculation of state aid for the second full school fiscal year after
25 becoming a learning community and each school fiscal year thereafter, a
26 unified system, a Class VI district and the associated Class I districts,
27 or a Class II, III, IV, or V district and any affiliated Class I
28 districts or portions of Class I districts. The membership, expenditures,
29 and resources of Class I districts that are affiliated with multiple high
30 school districts will be attributed to local systems based on the percent
31 of the Class I valuation that is affiliated with each high school

1 district;

2 (29) Low-income child means (a) for school fiscal years prior to
3 2016-17, a child under nineteen years of age living in a household having
4 an annual adjusted gross income for the second calendar year preceding
5 the beginning of the school fiscal year for which aid is being calculated
6 equal to or less than the maximum household income that would allow a
7 student from a family of four people to be a free lunch and free milk
8 student during the school fiscal year immediately preceding the school
9 fiscal year for which aid is being calculated and (b) for school fiscal
10 year 2016-17 and each school fiscal year thereafter, a child under
11 nineteen years of age living in a household having an annual adjusted
12 gross income for the second calendar year preceding the beginning of the
13 school fiscal year for which aid is being calculated equal to or less
14 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
15 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
16 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
17 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
18 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
19 existed on January 1, 2015, for a household of that size that would have
20 allowed the child to meet the income qualifications for free meals during
21 the school fiscal year immediately preceding the school fiscal year for
22 which aid is being calculated;

23 (30) Low-income students means the number of low-income children
24 within the district multiplied by the ratio of the formula students in
25 the district divided by the total children under nineteen years of age
26 residing in the district as derived from income tax information;

27 (31) Most recently available complete data year means the most
28 recent single school fiscal year for which the annual financial report,
29 fall school district membership report, annual statistical summary,
30 Nebraska income tax liability by school district for the calendar year in
31 which the majority of the school fiscal year falls, and adjusted

1 valuation data are available;

2 (32) Poverty students means (a) for school fiscal years prior to
3 2016-17, the number of low-income students or the number of students who
4 are free lunch and free milk students in a district plus the difference
5 of the number of low-income students or the number of students who are
6 free lunch and free milk students in a district, whichever is greater,
7 minus the average number of poverty students for such district, prior to
8 such addition, for the three immediately preceding school fiscal years if
9 such difference is greater than zero and (b) for school fiscal year
10 2016-17 and each school fiscal year thereafter, the unadjusted poverty
11 students plus the difference of such unadjusted poverty students minus
12 the average number of poverty students for such district, prior to such
13 addition, for the three immediately preceding school fiscal years if such
14 difference is greater than zero;

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

29 (34) Qualified early childhood education fall membership means the
30 product of membership on the last Friday in September 2006 and each year
31 thereafter of students who will be eligible to attend kindergarten the

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

11 (35) Regular route transportation means the transportation of
12 students on regularly scheduled daily routes to and from the attendance
13 center;

14 (36) Reorganized district means any district involved in a
15 consolidation and currently educating students following consolidation;

16 (37) School year or school fiscal year means the fiscal year of a
17 school district as defined in section 79-1091;

18 (38) Sparse local system means a local system that is not a very
19 sparse local system but which meets the following criteria:

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

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

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

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

5 (39) Special education means specially designed kindergarten through
6 grade twelve instruction pursuant to section 79-1125, and includes
7 special education transportation;

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

15 (41) State aid means the amount of assistance paid to a district
16 pursuant to the Tax Equity and Educational Opportunities Support Act;

17 (42) State board means the State Board of Education;

18 (43) State support means all funds provided to districts by the
19 State of Nebraska for the general fund support of elementary and
20 secondary education;

21 (44) Statewide average basic funding per formula student means the
22 statewide total basic funding for all districts divided by the statewide
23 total formula students for all districts;

24 (45) Statewide average general fund operating expenditures per
25 formula student means the statewide total general fund operating
26 expenditures for all districts divided by the statewide total formula
27 students for all districts;

28 (46) Teacher has the definition found in section 79-101;

29 (47) Temporary aid adjustment factor means (a) for school fiscal
30 years before school fiscal year 2007-08, one and one-fourth percent of
31 the sum of the local system's transportation allowance, the local

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

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

13 (49) Tuitioned students means students in kindergarten through grade
14 twelve of the district whose tuition is paid by the district to some
15 other district or education agency;

16 (50) Unadjusted poverty students means, for school fiscal year
17 2016-17 and each school fiscal year thereafter, the greater of the number
18 of low-income students or the free lunch and free milk calculated
19 students in a district; and

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

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

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

1 Sec. 17. Section 79-1005.01, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 79-1005.01 (1) One hundred two million two hundred eighty-nine
4 thousand eight hundred seventeen dollars which is ~~An amount~~ equal to the
5 amount appropriated to the School District Income Tax Fund for
6 distribution in school fiscal year 1992-93 shall be disbursed as option
7 payments as determined under section 79-1009 and as allocated income tax
8 funds as determined in this section and sections 79-1008.01, 79-1015.01,
9 79-1017.01, and 79-1018.01, except as provided in section 79-1008.02.
10 Funds not distributed as allocated income tax funds due to minimum levy
11 adjustments shall not increase the amount available to local systems for
12 distribution as allocated income tax funds.

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

20 (3) Using the data certified by the Tax Commissioner pursuant to
21 subsection (2) of this section, the department shall calculate the
22 allocation percentage and each local system's allocated income tax funds.
23 The allocation percentage shall be ~~an amount equal to the amount stated~~
24 ~~in subsection (1) of this section appropriated to the School District~~
25 ~~Income Tax Fund for distribution in school fiscal year 1992-93~~ minus the
26 total amount paid for option students pursuant to section 79-1009, ~~and~~
27 ~~(a) for aid calculated for school fiscal year 2010-11, minus twenty~~
28 ~~million dollars and (b) for aid calculated for school fiscal years~~
29 ~~2011-12 and 2012-13, minus twenty one million dollars~~ with the difference
30 divided by the aggregate statewide income tax liability of all resident
31 individuals certified pursuant to subsection (2) of this section. Each

1 local system's allocated income tax funds shall be calculated by
2 multiplying the allocation percentage times the local system's income tax
3 liability certified pursuant to subsection (2) of this section.

4 Sec. 18. Section 79-1028.01, Revised Statutes Supplement, 2015, is
5 amended to read:

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

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

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

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

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

25 (e) Expenditures to pay for employer contributions pursuant to
26 subsection (2) of section 79-958 to the School Employees Retirement
27 System of the State of Nebraska to the extent that such expenditures
28 exceed the employer contributions under such subsection that would have
29 been made at a contribution rate of seven and thirty-five hundredths
30 percent;

31 (f) Expenditures to pay for school district contributions pursuant

1 to subdivision (1)(c)(i) of section 79-9,113 to the retirement system
2 established pursuant to the Class V School Employees Retirement Act to
3 the extent that such expenditures exceed the school district
4 contributions under such subdivision that would have been made at a
5 contribution rate of seven and thirty-seven hundredths percent;

6 (g) Expenditures for sums agreed to be paid by a school district to
7 certificated employees in exchange for a voluntary termination occurring
8 prior to July 1, 2009, occurring on or after the last day of the 2010-11
9 school year and prior to the first day of the 2013-14 school year, or, to
10 the extent that a district demonstrates to the State Board of Education
11 pursuant to subsection (3) of this section that the agreement will result
12 in a net savings in salary and benefit costs to the school district over
13 a five-year period, occurring on or after the first day of the 2013-14
14 school year;

15 (h) The special education budget of expenditures; ~~and~~

16 (i) Expenditures of special grant funds; ~~and~~ -

17 (j) Expenditures of funds received as federal impact aid pursuant to
18 20 U.S.C. 7701 to 7714, as such sections existed on January 1, 2016, due
19 to a district having land within its boundaries that is federal property
20 classified as Indian lands under 20 U.S.C. 7713(7), as such section
21 existed on January 1, 2016, and funds received as impact aid due to
22 children in attendance who resided on Indian lands in accordance with 20
23 U.S.C. 7703(a)(1)(C), as such section existed on January 1, 2016.

24 (2) For each school fiscal year, a school district may exceed its
25 budget authority for the general fund budget of expenditures as
26 calculated pursuant to section 79-1023 for such school fiscal year by a
27 specific dollar amount and include such dollar amount in the budget of
28 expenditures used to calculate budget authority for the general fund
29 budget of expenditures pursuant to section 79-1023 for future years for
30 the following exclusions:

31 ~~(a) Expenditures of support grants to be received in such school~~

1 ~~fiscal year pursuant to section 79-1011;~~

2 (a ~~b~~) The first school fiscal year the district will be
3 participating in Network Nebraska for the full school fiscal year, for
4 the difference of the estimated expenditures for such school fiscal year
5 for telecommunications services, access to data transmission networks
6 that transmit data to and from the school district, and the transmission
7 of data on such networks as such expenditures are defined by the
8 department for purposes of the distance education and telecommunications
9 allowance minus the dollar amount of such expenditures for the second
10 school fiscal year preceding the first full school fiscal year the
11 district participates in Network Nebraska;

12 (b ~~c~~) Expenditures for new elementary attendance sites in the first
13 year of operation or the first year of operation after being closed for
14 at least one school year if such elementary attendance site will most
15 likely qualify for the elementary site allowance in the immediately
16 following school fiscal year as determined by the state board;

17 (c ~~d~~) For the first school fiscal year for which early childhood
18 education membership is included in formula students for the calculation
19 of state aid, expenditures for early childhood education equal to the
20 amount the school district received in early childhood education grants
21 pursuant to section 79-1103 for the prior school fiscal year, increased
22 by the basic allowable growth rate; and

23 (d ~~e~~) For school fiscal year 2013-14, an amount not to exceed two
24 percent over the previous school year if such increase is approved by a
25 seventy-five percent majority vote of the school board of such district.

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

29 Sec. 19. Section 79-1065.01, Reissue Revised Statutes of Nebraska,
30 is amended to read:

31 79-1065.01 If the adjustment under section 79-1065 results in a

1 school district being entitled to the payment of additional funds, the
2 State Department of Education shall automatically make a lump-sum payment
3 to the school district if the payment is less than one thousand dollars.
4 For amounts equal to or greater than one thousand dollars, the district
5 may apply to the State Department of Education for a lump-sum payment for
6 any amount up to one hundred percent of the adjustment, except that when
7 a school district is to receive a lump-sum payment pursuant to section
8 79-1022, one hundred percent of the adjustment shall be paid as one lump-
9 sum payment on the last business day of December during the ensuing
10 school fiscal year. The department shall notify the Director of
11 Administrative Services of the amount of funds to be paid in a lump sum
12 and the reduced amount of the monthly payments pursuant to section
13 79-1022. The department shall make such payment in a lump sum not later
14 than the last business day of September of the year in which the final
15 determination under this section is made.

16 Sec. 20. Section 79-10,143, Revised Statutes Supplement, 2015, is
17 amended to read:

18 79-10,143 A parent or guardian of any student enrolled in, or in the
19 process of enrolling in, any school district in the state may voluntarily
20 provide information on any application submitted pursuant to Nebraska
21 law, rules, and regulations regarding the applicant's potential to meet
22 the qualifications for free or reduced-price lunches solely for
23 determining eligibility pursuant to subsection (4) of section 79-238,
24 subsection (2) of section 79-241, section 79-2,131, section 79-2,133,
25 subsection (2) of section 79-611, subdivision (1)(c) and subsection (3)
26 of section 79-2110, or section 85-2104 ~~without regard to whether the~~
27 ~~school the child attends, or will attend, is a school that uses such~~
28 ~~information to qualify students for free or reduced-price meals or a~~
29 ~~school that provides free meals to all students pursuant to the community~~
30 ~~eligibility provision.~~ Each school district shall process information
31 provided pursuant to this section ~~for students who attend a school that~~

1 ~~provides free meals to all students pursuant to the community eligibility~~
2 ~~provision in the same manner as the district would to determine the~~
3 ~~qualification status of the student as the information for students who~~
4 ~~attend school in a school building that uses such information to qualify~~
5 ~~students for free or reduced-price meals. Each school district shall~~
6 ~~comply with the federal Family Educational Rights and Privacy Act of~~
7 ~~1974, 20 U.S.C. 1232g, as such act and section existed on January 1,~~
8 ~~2015, and regulations adopted thereunder with regard to any information~~
9 ~~collected pursuant to this section. If no such information is provided~~
10 ~~pursuant to this section or on an application for free or reduced-price~~
11 ~~meals, the student shall be presumed not to qualify for free or reduced-~~
12 ~~price lunches for the purposes of the application.~~

13 Sec. 21. Section 79-2110, Revised Statutes Supplement, 2015, is
14 amended to read:

15 79-2110 (1)(a) Each diversity plan shall provide for open enrollment
16 in all school buildings in the learning community, subject to specific
17 limitations necessary to bring about diverse enrollments in each school
18 building in the learning community. Such limitations, for school
19 buildings other than focus schools and programs other than focus
20 programs, shall include giving preference at each school building first
21 to siblings of students who will be enrolled as continuing students in
22 such school building or program for the first school year for which
23 enrollment is sought in such school building and then to students that
24 contribute to the socioeconomic diversity of enrollment at each building
25 and may include establishing zone limitations in which students may
26 access several schools other than their home attendance area school.
27 Notwithstanding the limitations necessary to bring about diversity, open
28 enrollment shall include providing access to students who do not
29 contribute to the socioeconomic diversity of a school building, if,
30 subsequent to the open enrollment selection process that is subject to
31 limitations necessary to bring about diverse enrollments, capacity

1 remains in a school building. In such a case, students who have applied
2 to attend such school building shall be selected to attend such school
3 building on a random basis up to the remaining capacity of such building.
4 A student who has otherwise been disqualified from the school building
5 pursuant to the school district's code of conduct or related school
6 discipline rules shall not be eligible for open enrollment pursuant to
7 this section. Any student who attended a particular school building in
8 the prior school year and who is seeking education in the grades offered
9 in such school building shall be allowed to continue attending such
10 school building as a continuing student.

11 (b) To facilitate the open enrollment provisions of this subsection,
12 each school year each member school district in a learning community
13 shall establish a maximum capacity for each school building under such
14 district's control pursuant to procedures and criteria established by the
15 learning community coordinating council. Each member school district
16 shall also establish attendance areas for each school building under the
17 district's control, except that the school board shall not establish
18 attendance areas for focus schools or focus programs. The attendance
19 areas shall be established such that all of the territory of the school
20 district is within an attendance area for each grade. Students residing
21 in a school district shall be allowed to attend a school building in such
22 school district.

23 (c) For purposes of this section and sections 79-238 and 79-611,
24 student who contributes to the socioeconomic diversity of enrollment
25 means (i) a student who does not qualify for free or reduced-price
26 lunches when, based upon the certification pursuant to section 79-2120,
27 the school building the student will attend either has more students
28 qualifying for free or reduced-price lunches than the average percentage
29 of such students in all school buildings in the learning community or
30 provides free meals to all students pursuant to the community eligibility
31 provision or (ii) a student who qualifies for free or reduced-price

1 lunches based on information collected from parents and guardians when,
2 based upon the certification pursuant to section 79-2120, the school
3 building the student will attend has fewer students qualifying for free
4 or reduced-price lunches than the average percentage of such students in
5 all school buildings in the learning community and does not provide free
6 meals to all students pursuant to the community eligibility provision.

7 (2)(a) On or before March 15 of each year beginning with the year
8 immediately following the year in which the initial coordinating council
9 for the learning community takes office, a parent or guardian of a
10 student residing in a member school district in a learning community may
11 submit an application to any school district in the learning community on
12 behalf of a student who is applying to attend a school building for the
13 following school year that is not in an attendance area where the
14 applicant resides or a focus school, focus program, or magnet school as
15 such terms are defined in section 79-769. On or before April 1 of each
16 year beginning with the year immediately following the year in which the
17 initial coordinating council for the learning community takes office, the
18 school district shall accept or reject such applications based on the
19 capacity of the school building, the eligibility of the applicant for the
20 school building or program, the number of such applicants that will be
21 accepted for a given school building, and whether or not the applicant
22 contributes to the socioeconomic diversity of the school or program to
23 which he or she has applied and for which he or she is eligible. The
24 school district shall notify such parent or guardian in writing of the
25 acceptance or rejection.

26 ~~(b) A parent or guardian may provide information on the application~~
27 ~~regarding the applicant's potential qualification for free or reduced-~~
28 ~~price lunches. Any such information provided shall be subject to~~
29 ~~verification and shall only be used for the purposes of this section.~~
30 ~~Nothing in this section requires a parent or guardian to provide such~~
31 ~~information. Determinations about an applicant's qualification for free~~

~~1 or reduced-price lunches for purposes of this section shall be based on
2 any verified information provided on the application. If no such
3 information is provided the student shall be presumed not to qualify for
4 free or reduced-price lunches for the purposes of this section.~~

5 (b e) A student may not apply to attend a school building in the
6 learning community for any grades that are offered by another school
7 building for which the student had previously applied and been accepted
8 pursuant to this section, absent a hardship exception as established by
9 the individual school district. On or before September 1 of each year
10 beginning with the year immediately following the year in which the
11 initial coordinating council for the learning community takes office,
12 each school district shall provide to the learning community coordinating
13 council a complete and accurate report of all applications received,
14 including the number of students who applied at each grade level at each
15 building, the number of students accepted at each grade level at each
16 building, the number of such students that contributed to the
17 socioeconomic diversity that applied and were accepted, the number of
18 applicants denied and the rationales for denial, and other such
19 information as requested by the learning community coordinating council.

20 (3) Each diversity plan may also include establishment of one or
21 more focus schools or focus programs and the involvement of every member
22 school district in one or more pathways across member school districts.
23 Enrollment in each focus school or focus program shall be designed to
24 reflect the socioeconomic diversity of the learning community as a whole.
25 School district selection of students for focus schools or focus programs
26 shall be on a random basis from two pools of applicants, those who
27 qualify for free and reduced-price lunches and those who do not qualify
28 for free and reduced-price lunches. The percentage of students selected
29 for focus schools from the pool of applicants who qualify for free and
30 reduced-price lunches shall be as nearly equal as possible to the
31 percentage of the student body of the learning community who qualify for

1 free and reduced-price lunches. The percentage of students selected for
2 focus schools from the pool of applicants who do not qualify for free and
3 reduced-price lunches shall be as nearly equal as possible to the
4 percentage of the student body of the learning community who do not
5 qualify for free and reduced-price lunches. If more capacity exists in a
6 focus school or program than the number of applicants for such focus
7 school or program that contribute to the socioeconomic diversity of the
8 focus school or program, the school district shall randomly select
9 applicants up to the number of applicants that will be accepted for such
10 building. A student who will complete the grades offered at a focus
11 program, focus school, or magnet school that is part of a pathway shall
12 be allowed to attend the focus program, focus school, or magnet school
13 offering the next grade level as part of the pathway as a continuing
14 student. A student who completes the grades offered at a focus program,
15 focus school, or magnet school shall be allowed to attend a school
16 offering the next grade level in the school district responsible for the
17 focus program, focus school, or magnet school as a continuing student. A
18 student who attended a program or school in the school year immediately
19 preceding the first school year for which the program or school will
20 operate as a focus program or focus school approved by the learning
21 community and meeting the requirements of section 79-769 and who has not
22 completed the grades offered at the focus program or focus school shall
23 be a continuing student in the program or school.

24 (4) On or before February 15 of each year beginning with the year
25 immediately following the year in which the initial coordinating council
26 for the learning community takes office, a parent or guardian of a
27 student who is currently attending a school building or program, except a
28 magnet school, focus school, or focus program, outside of the attendance
29 area where the student resides and who will complete the grades offered
30 at such school building prior to the following school year shall provide
31 notice, on a form provided by the school district, to the school board of

1 the school district containing such school building if such student will
2 attend another school building within such district as a continuing
3 student and which school building such student would prefer to attend. On
4 or before March 1, such school board shall provide a notice to such
5 parent or guardian stating which school building or buildings the student
6 shall be allowed to attend in such school district as a continuing
7 student for the following school year. If the student resides within the
8 school district, the notice shall include the school building offering
9 the grade the student will be entering for the following school year in
10 the attendance area where the student resides. This subsection shall not
11 apply to focus schools or programs.

12 (5) A parent or guardian of a student who moves to a new residence
13 in the learning community after April 1 may apply directly to a school
14 board within the learning community within ninety days after moving for
15 the student to attend a school building outside of the attendance area
16 where the student resides. Such school board shall accept or reject such
17 application within fifteen days after receiving the application, based on
18 the number of applications and qualifications pursuant to subsection (2)
19 or (3) of this section for all other students.

20 (6) A parent or guardian of a student who wishes to change school
21 buildings for emergency or hardship reasons may apply directly to a
22 school board within the learning community at any time for the student to
23 attend a school building outside of the attendance area where the student
24 resides. Such application shall state the emergency or hardship and shall
25 be kept confidential by the school board. Such school board shall accept
26 or reject such application within fifteen days after receiving the
27 application. Applications shall only be accepted if an emergency or
28 hardship was presented which justifies an exemption from the procedures
29 in subsection (4) of this section based on the judgment of such school
30 board, and such acceptance shall not exceed the number of applications
31 that will be accepted for the school year pursuant to subsection (2) or

1 (3) of this section for such building.

2 Sec. 22. Section 79-2120, Revised Statutes Supplement, 2015, is
3 amended to read:

4 79-2120 On or before March 1, 2009, and February 1 of each year
5 thereafter, for purposes of determining socioeconomic diversity of
6 enrollment as defined in section subsection (3) of section 79-238 and
7 sections 79-611 and 79-2110, the State Department of Education shall
8 certify to each learning community and each member school district the
9 average percentage of students qualifying for free or reduced-price
10 lunches in each school building in each member school district and in the
11 aggregate for all school buildings in the learning community based on the
12 most current information available to the department on the immediately
13 preceding January 1. For purposes of this section, the average percentage
14 of students qualifying for free or reduced-price lunches in school
15 buildings that provide free meals to all students pursuant to the
16 community eligibility provision shall equal the identified student
17 percentage, multiplied by 1.6, calculated pursuant to the community
18 eligibility provision. The State Board of Education may adopt and
19 promulgate rules and regulations to carry out this section.

20 Sec. 23. The State Department of Education shall promote the
21 community eligibility provision to schools and school districts eligible
22 to participate, and such promotion shall include, but is not limited to,
23 providing official departmental guidance regarding the options available
24 to schools and school districts for implementation and options for school
25 districts in maintaining state aid and federal funds.

26 Sec. 24. Original sections 79-234, 79-237, 79-238, 79-576, 79-607,
27 79-734, 79-760.03, 79-772, 79-773, 79-774, 79-775, 79-1005.01, and
28 79-1065.01, Reissue Revised Statutes of Nebraska, section 71-1958,
29 Revised Statutes Cumulative Supplement, 2014, and sections 79-8,137.01,
30 79-8,137.03, 79-8,137.04, 79-1003, 79-1028.01, 79-10,143, 79-2110, and
31 79-2120, Revised Statutes Supplement, 2015, are repealed.

1 Sec. 25. The following sections are outright repealed: Sections
2 79-1011, 79-1012, 79-1028.02, and 79-1028.04, Reissue Revised Statutes of
3 Nebraska.

4 2. On page 1, strike beginning with "79-1031" in line 3 through
5 "act" in line 10 and insert "and 79-1065.01, Reissue Revised Statutes of
6 Nebraska, section 71-1958, Revised Statutes Cumulative Supplement, 2014,
7 and sections 79-8,137.01, 79-8,137.03, 79-8,137.04, 79-1003, 79-1028.01,
8 79-10,143, 79-2110, and 79-2120, Revised Statutes Supplement, 2015; to
9 change provisions relating to the Step Up to Quality Child Care Act, the
10 enrollment option program, school district secretaries, penalties
11 involving school transportation, the textbook loan program, state
12 assessments, expanded-learning experiences, student loan repayment
13 assistance, the Excellence in Teaching Act, the Tax Equity and
14 Educational Opportunities Support Act, free and reduced-price lunches,
15 and learning communities; to rename an act; to provide duties for the
16 State Department of Education".