

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 392

Introduced by Crawford, 45.

Read first time January 16, 2015

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 79-413,
2 79-528, 79-1007.18, 79-1008.02, 79-1022, 79-1036, 79-1041,
3 79-10,120, 79-10,126, 79-1241.03, 79-2104, 79-2104.02, 79-2107,
4 79-2111, and 79-2404, Reissue Revised Statutes of Nebraska, and
5 sections 70-651.04, 77-1736.06, and 77-3442, Revised Statutes
6 Cumulative Supplement, 2014; to provide and eliminate certain taxing
7 authority of learning communities as prescribed; to change
8 provisions relating to distribution of core services funds as
9 prescribed; to change provisions relating to state aid calculations;
10 to harmonize provisions; to provide an operative date; to repeal the
11 original sections; and to outright repeal sections 79-1073,
12 79-1073.01, and 79-10,126.01, Reissue Revised Statutes of Nebraska.
13 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 70-651.04, Revised Statutes Cumulative
2 Supplement, 2014, is amended to read:

3 70-651.04 All payments which are based on retail revenue from each
4 incorporated city or village shall be divided and distributed by the
5 county treasurer to that city or village, to the school districts located
6 in that city or village, ~~to any learning community located in that city~~
7 ~~or village,~~ and to the county in which may be located any such
8 incorporated city or village in the proportion that their respective
9 property tax levies in the preceding year bore to the total of such
10 levies, ~~except that the only learning community levies to be included are~~
11 ~~the common levies for which the proceeds are distributed to member school~~
12 ~~districts pursuant to sections 79-1073 and 79-1073.01.~~

13 Sec. 2. Section 77-1736.06, Revised Statutes Cumulative Supplement,
14 2014, is amended to read:

15 77-1736.06 The following procedure shall apply when making a
16 property tax refund:

17 (1) Within thirty days of the entry of a final nonappealable order,
18 an unprotested determination of a county assessor, an unappealed decision
19 of a county board of equalization, or other final action requiring a
20 refund of real or personal property taxes paid or, for property valued by
21 the state, within thirty days of a recertification of value by the
22 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
23 county assessor shall determine the amount of refund due the person
24 entitled to the refund, certify that amount to the county treasurer, and
25 send a copy of such certification to the person entitled to the refund.
26 Within thirty days from the date the county assessor certifies the amount
27 of the refund, the county treasurer shall notify each political
28 subdivision, ~~including any school district receiving a distribution~~
29 ~~pursuant to section 79-1073 or 79-1073.01~~ and any land bank receiving
30 real property taxes pursuant to subdivision (3)(a) of section 19-5211, of
31 its respective share of the refund, except that for any political

1 subdivision whose share of the refund is two hundred dollars or less, the
2 county board may waive this notice requirement. Notification shall be by
3 first-class mail, postage prepaid, to the last-known address of record of
4 the political subdivision. The county treasurer shall pay the refund from
5 funds in his or her possession belonging to any political subdivision,
6 including ~~any school district receiving a distribution pursuant to~~
7 ~~section 79-1073 or 79-1073.01~~ and any land bank receiving real property
8 taxes pursuant to subdivision (3)(a) of section 19-5211, which received
9 any part of the tax or penalty being refunded. If sufficient funds are
10 not available or the political subdivision, within thirty days of the
11 mailing of the notice by the county treasurer if applicable, certifies to
12 the county treasurer that a hardship would result and create a serious
13 interference with its governmental functions if the refund of the tax or
14 penalty is paid, the county treasurer shall register the refund or
15 portion thereof which remains unpaid as a claim against such political
16 subdivision and shall issue the person entitled to the refund a receipt
17 for the registration of the claim. The certification by a political
18 subdivision declaring a hardship shall be binding upon the county
19 treasurer;

20 (2) The refund of a tax or penalty or the receipt for the
21 registration of a claim made or issued pursuant to this section shall be
22 satisfied in full as soon as practicable and in no event later than five
23 years from the date the final order or other action approving a refund is
24 entered. The governing body of the political subdivision shall make
25 provisions in its budget for the amount of any refund or claim to be
26 satisfied pursuant to this section. If a receipt for the registration of
27 a claim is given:

28 (a) Such receipt shall be applied to satisfy any tax levied or
29 assessed by that political subdivision next falling due from the person
30 holding the receipt after the sixth next succeeding levy is made on
31 behalf of the political subdivision following the final order or other

1 action approving the refund; and

2 (b) To the extent the amount of such receipt exceeds the amount of
3 such tax liability, the unsatisfied balance of the receipt shall be paid
4 and satisfied within the five-year period prescribed in this subdivision
5 from a combination of a credit against taxes anticipated to be due to the
6 political subdivision during such period and cash payment from any funds
7 expected to accrue to the political subdivision pursuant to a written
8 plan to be filed by the political subdivision with the county treasurer
9 no later than thirty days after the claim against the political
10 subdivision is first reduced by operation of a credit against taxes due
11 to such political subdivision.

12 If a political subdivision fails to fully satisfy the refund or
13 claim prior to the sixth next succeeding levy following the entry of a
14 final nonappealable order or other action approving a refund, interest
15 shall accrue on the unpaid balance commencing on the sixth next
16 succeeding levy following such entry or action at the rate set forth in
17 section 45-103;

18 (3) The county treasurer shall mail the refund or the receipt by
19 first-class mail, postage prepaid, to the last-known address of the
20 person entitled thereto. Multiple refunds to the same person may be
21 combined into one refund or credit. If a refund is not claimed by June 1
22 of the year following the year of mailing, the refund shall be canceled
23 and the resultant amount credited to the various funds originally
24 charged;

25 (4) When the refund involves property valued by the state, the Tax
26 Commissioner shall be authorized to negotiate a settlement of the amount
27 of the refund or claim due pursuant to this section on behalf of the
28 political subdivision from which such refund or claim is due. Any
29 political subdivision which does not agree with the settlement terms as
30 negotiated may reject such terms, and the refund or claim due from the
31 political subdivision then shall be satisfied as set forth in this

1 section as if no such negotiation had occurred;

2 (5) In the event that the Legislature appropriates state funds to be
3 disbursed for the purposes of satisfying all or any portion of any refund
4 or claim, the Tax Commissioner shall order the county treasurer to
5 disburse such refund amounts directly to the persons entitled to the
6 refund in partial or total satisfaction of such persons' claims. The
7 county treasurer shall disburse such amounts within forty-five days after
8 receipt thereof; and

9 (6) If all or any portion of the refund is reduced by way of
10 settlement or forgiveness by the person entitled to the refund, the
11 proportionate amount of the refund that was paid by an appropriation of
12 state funds shall be reimbursed by the county treasurer to the State
13 Treasurer within forty-five days after receipt of the settlement
14 agreement or receipt of the forgiven refund. The amount so reimbursed
15 shall be credited to the General Fund.

16 Sec. 3. Section 77-3442, Revised Statutes Cumulative Supplement,
17 2014, is amended to read:

18 77-3442 (1) Property tax levies for the support of local governments
19 for fiscal years beginning on or after July 1, 1998, shall be limited to
20 the amounts set forth in this section except as provided in section
21 77-3444.

22 (2)(a) Except as provided in subdivision (2)(d e) of this section,
23 school districts and multiple-district school systems, ~~except learning~~
24 ~~communities and school districts that are members of learning~~
25 ~~communities,~~ may levy a maximum levy of one dollar and five cents per one
26 hundred dollars of taxable valuation of property subject to the levy.

27 (b) For each fiscal year, learning communities may levy a maximum
28 ~~levy of two~~ for the general fund budgets of member school districts of
29 ~~ninety-five~~ cents per one hundred dollars of taxable valuation of
30 property subject to the levy. The proceeds from the levy pursuant to this
31 subdivision shall be distributed pursuant to section ~~79-2104.02~~ 79-1073.

1 ~~(c) Except as provided in subdivision (2)(e) of this section, for~~
2 ~~each fiscal year, school districts that are members of learning~~
3 ~~communities may levy for purposes of such districts' general fund budget~~
4 ~~and special building funds a maximum combined levy of the difference of~~
5 ~~one dollar and five cents on each one hundred dollars of taxable property~~
6 ~~subject to the levy minus the learning community levies pursuant to~~
7 ~~subdivisions (2)(b) and (2)(g) of this section for such learning~~
8 ~~community.~~

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

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

27 ~~(f) For school fiscal year 2002-03 through school fiscal year~~
28 ~~2007-08, school districts and multiple-district school systems may, upon~~
29 ~~a three-fourths majority vote of the school board of the school district,~~
30 ~~the board of the unified system, or the school board of the high school~~
31 ~~district of the multiple-district school system that is not a unified~~

1 ~~system, exceed the maximum levy prescribed by subdivision (2)(a) of this~~
2 ~~section in an amount equal to the net difference between the amount of~~
3 ~~state aid that would have been provided under the Tax Equity and~~
4 ~~Educational Opportunities Support Act without the temporary aid~~
5 ~~adjustment factor as defined in section 79-1003 for the ensuing school~~
6 ~~fiscal year for the school district or multiple-district school system~~
7 ~~and the amount provided with the temporary aid adjustment factor. The~~
8 ~~State Department of Education shall certify to the school districts and~~
9 ~~multiple-district school systems the amount by which the maximum levy may~~
10 ~~be exceeded for the next school fiscal year pursuant to this subdivision~~
11 ~~(f) of this subsection on or before February 15 for school fiscal years~~
12 ~~2004-05 through 2007-08.~~

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

18 ~~(e h) For each fiscal year, learning communities may levy a maximum~~
19 ~~levy of one-half cent on each one hundred dollars of taxable property~~
20 ~~subject to the levy for elementary learning center facility leases, for~~
21 ~~remodeling of leased elementary learning center facilities, and for up to~~
22 ~~fifty percent of the estimated cost for focus school or program capital~~
23 ~~projects approved by the learning community coordinating council pursuant~~
24 ~~to section 79-2111.~~

25 ~~(f i) For each fiscal year, learning communities may levy a maximum~~
26 ~~levy of one and one-half cents on each one hundred dollars of taxable~~
27 ~~property subject to the levy for early childhood education programs for~~
28 ~~children in poverty, for elementary learning center employees, for~~
29 ~~contracts with other entities or individuals who are not employees of the~~
30 ~~learning community for elementary learning center programs and services,~~
31 ~~and for pilot projects, except that no more than ten percent of such levy~~

1 may be used for elementary learning center employees.

2 (3)(a) For fiscal years 2011-12 and 2012-13, community college areas
3 may levy a maximum of ten and one-quarter cents per one hundred dollars
4 of taxable valuation of property subject to the levy for operating
5 expenditures and may also levy the additional levies provided in
6 subdivisions (1)(b) and (c) of section 85-1517.

7 (b) For fiscal year 2013-14 and each fiscal year thereafter,
8 community college areas may levy the levies provided in subdivisions (2)
9 (a) through (c) of section 85-1517, in accordance with the provisions of
10 such subdivisions. A community college area may exceed the levy provided
11 in subdivision (2)(b) of section 85-1517 by the amount necessary to
12 retire general obligation bonds assumed by the community college area or
13 issued pursuant to section 85-1515 according to the terms of such bonds
14 or for any obligation pursuant to section 85-1535 entered into prior to
15 January 1, 1997.

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

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

28 (c) In addition, natural resources districts located in a river
29 basin, subbasin, or reach that has been determined to be fully
30 appropriated pursuant to section 46-714 or designated as overappropriated
31 pursuant to section 46-713 by the Department of Natural Resources shall

1 also have the power and authority to levy a tax equal to the dollar
2 amount by which their restricted funds budgeted to administer and
3 implement ground water management activities and integrated management
4 activities under the Nebraska Ground Water Management and Protection Act
5 exceed their restricted funds budgeted to administer and implement ground
6 water management activities and integrated management activities for
7 FY2005-06, not to exceed three cents on each one hundred dollars of
8 taxable valuation on all of the taxable property within the district for
9 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
10 2017-18.

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

15 (6)(a) Incorporated cities and villages which are not within the
16 boundaries of a municipal county may levy a maximum levy of forty-five
17 cents per one hundred dollars of taxable valuation of property subject to
18 the levy plus an additional five cents per one hundred dollars of taxable
19 valuation to provide financing for the municipality's share of revenue
20 required under an agreement or agreements executed pursuant to the
21 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
22 levy shall include amounts levied to pay for sums to support a library
23 pursuant to section 51-201, museum pursuant to section 51-501, visiting
24 community nurse, home health nurse, or home health agency pursuant to
25 section 71-1637, or statue, memorial, or monument pursuant to section
26 80-202.

27 (b) Incorporated cities and villages which are within the boundaries
28 of a municipal county may levy a maximum levy of ninety cents per one
29 hundred dollars of taxable valuation of property subject to the levy. The
30 maximum levy shall include amounts paid to a municipal county for county
31 services, amounts levied to pay for sums to support a library pursuant to

1 section 51-201, a museum pursuant to section 51-501, a visiting community
2 nurse, home health nurse, or home health agency pursuant to section
3 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

4 (7) Sanitary and improvement districts which have been in existence
5 for more than five years may levy a maximum levy of forty cents per one
6 hundred dollars of taxable valuation of property subject to the levy, and
7 sanitary and improvement districts which have been in existence for five
8 years or less shall not have a maximum levy. Unconsolidated sanitary and
9 improvement districts which have been in existence for more than five
10 years and are located in a municipal county may levy a maximum of eighty-
11 five cents per hundred dollars of taxable valuation of property subject
12 to the levy.

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

1 that political subdivision's share of revenue required under an agreement
2 or agreements executed pursuant to the Interlocal Cooperation Act or the
3 Joint Public Agency Act. If an allocation by a county would cause another
4 county to exceed its levy authority under this section, the second county
5 may exceed the levy authority in order to levy the amount allocated.
6 Property tax levies for costs of reassumption of the assessment function
7 pursuant to section 77-1340 or 77-1340.04 are not included in the levy
8 limits established in this subsection for fiscal years 2010-11 through
9 2013-14.

10 (9) Municipal counties may levy or authorize a maximum levy of one
11 dollar per one hundred dollars of taxable valuation of property subject
12 to the levy. The municipal county may allocate levy authority to any
13 political subdivision or entity subject to allocation under section
14 77-3443.

15 (10) Property tax levies (a) for judgments, except judgments or
16 orders from the Commission of Industrial Relations, obtained against a
17 political subdivision which require or obligate a political subdivision
18 to pay such judgment, to the extent such judgment is not paid by
19 liability insurance coverage of a political subdivision, (b) for
20 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
21 for bonds as defined in section 10-134 approved according to law and
22 secured by a levy on property except as provided in section 44-4317 for
23 bonded indebtedness issued by educational service units and school
24 districts, and (d) for payments by a public airport to retire interest-
25 free loans from the Department of Aeronautics in lieu of bonded
26 indebtedness at a lower cost to the public airport are not included in
27 the levy limits established by this section.

28 (11) The limitations on tax levies provided in this section are to
29 include all other general or special levies provided by law.
30 Notwithstanding other provisions of law, the only exceptions to the
31 limits in this section are those provided by or authorized by sections

1 77-3442 to 77-3444.

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

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

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

21 Sec. 4. Section 79-413, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 79-413 (1) The State Committee for the Reorganization of School
24 Districts created under section 79-435 may create a new school district
25 from other districts, change the boundaries of any district ~~that is not a~~
26 ~~member of a learning community~~, or affiliate a Class I district or
27 portion thereof with one or more existing Class II, III, IV, or V
28 districts upon receipt of petitions signed by sixty percent of the legal
29 voters of each district affected. If the petitions contain signatures of
30 at least sixty-five percent of the legal voters of each district
31 affected, the state committee shall approve the petitions. When area is

1 added to a Class VI district or when a Class I district which is entirely
2 or partially within a Class VI district is taken from the Class VI
3 district, the Class VI district shall be deemed to be an affected
4 district.

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

13 (2)(a) Petitions proposing to change the boundaries of existing
14 school districts ~~that are not members of a learning community~~ through the
15 transfer of a parcel of land, not to exceed six hundred forty acres,
16 shall be approved by the state committee when the petitions involve the
17 transfer of land between Class I, II, III, or IV school districts or when
18 there would be an exchange of parcels of land between Class I, II, III,
19 or IV school districts and the petitions have the approval of at least
20 sixty-five percent of the school board of each affected district. If the
21 transfer of the parcel of land is from a Class I school district to one
22 or more Class II, III, IV, V, or VI school districts of which the parcel
23 is not a part or with which the parcel is not affiliated, any Class II,
24 III, IV, V, or VI school district of which the parcel is not a part or
25 with which the parcel is affiliated shall be deemed an affected district.

26 (b) The state committee shall not approve a change of boundaries
27 pursuant to this section relating to affiliation of school districts if
28 twenty percent or more of any tract of land under common ownership which
29 is proposing to affiliate is not contiguous to the high school district
30 with which affiliation is proposed unless (i) one or more resident
31 students of the tract of land under common ownership has attended the

1 high school program of the high school district within the immediately
2 preceding ten-year period or (ii) approval of the petition or plan would
3 allow siblings of such resident students to attend the same school as the
4 resident students attended.

5 (3)(a) Petitions proposing to create a new school district, to
6 change the boundary lines of existing school districts ~~that are not~~
7 ~~members of a learning community~~, to create an affiliated school system,
8 or to affiliate a Class I district in part and to join such district in
9 part with a Class VI district, any of which involves the transfer of more
10 than six hundred forty acres, shall, when signed by at least sixty
11 percent of the legal voters in each district affected, be submitted to
12 the state committee. In the case of a petition for affiliation or a
13 petition to affiliate in part and in part to join a Class VI district,
14 the state committee shall review the proposed affiliation subject to
15 sections 79-425 and 79-426. The state committee shall, within forty days
16 after receipt of the petition, hold one or more public hearings and
17 review and approve or disapprove such proposal.

18 (b) If there is a bond election to be held in conjunction with the
19 petition, the state committee shall hold the petition until the bond
20 election has been held, during which time names may be added to or
21 withdrawn from the petitions. The results of the bond election shall be
22 certified to the state committee.

23 (c) If the bond election held in conjunction with the petition is
24 unsuccessful, no further action on the petition is required. If the bond
25 election is successful, within fifteen days after receipt of the
26 certification of the bond election results, the state committee shall
27 approve the petition and notify the county clerk to effect the changes in
28 district boundary lines as set forth in the petitions.

29 (4) Any person adversely affected by the changes made by the state
30 committee may appeal to the district court of any county in which the
31 real estate or any part thereof involved in the dispute is located. If

1 the real estate is located in more than one county, the court in which an
2 appeal is first perfected shall obtain jurisdiction to the exclusion of
3 any subsequent appeal.

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

9 Sec. 5. Section 79-528, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 79-528 (1)(a) On or before July 20 in all school districts, the
12 superintendent shall file with the State Department of Education a report
13 showing the number of children from five through eighteen years of age
14 belonging to the school district according to the census taken as
15 provided in sections 79-524 and 79-578. On or before August 31, the
16 department shall issue to each learning community coordinating council a
17 report showing the number of children from five through eighteen years of
18 age belonging to the learning community based on the member school
19 districts according to the school district reports filed with the
20 department.

21 (b) Each Class I school district which is part of a Class VI school
22 district offering instruction (i) in grades kindergarten through five
23 shall report children from five through ten years of age, (ii) in grades
24 kindergarten through six shall report children from five through eleven
25 years of age, and (iii) in grades kindergarten through eight shall report
26 children from five through thirteen years of age.

27 (c) Each Class VI school district offering instruction (i) in grades
28 six through twelve shall report children who are eleven through eighteen
29 years of age, (ii) in grades seven through twelve shall report children
30 who are twelve through eighteen years of age, and (iii) in grades nine
31 through twelve shall report children who are fourteen through eighteen

1 years of age.

2 (d) Each Class I district which has affiliated in whole or in part
3 shall report children from five through thirteen years of age.

4 (e) Each Class II, III, IV, or V district shall report children who
5 are fourteen through eighteen years of age residing in Class I districts
6 or portions thereof which have affiliated with such district.

7 (f) The board of any district neglecting to take and report the
8 enumeration shall be liable to the school district for all school money
9 which such district may lose by such neglect.

10 (2) On or before June 30 the superintendent of each school district
11 shall file with the Commissioner of Education a report described as an
12 end-of-the-school-year annual statistical summary showing (a) the number
13 of children attending school during the year under five years of age, (b)
14 the length of time the school has been taught during the year by a
15 qualified teacher, (c) the length of time taught by each substitute
16 teacher, and (d) such other information as the Commissioner of Education
17 directs. On or before July 31, the commissioner shall issue to each
18 learning community coordinating council an end-of-the-school-year annual
19 statistical summary for the learning community based on the member school
20 districts according to the school district reports filed with the
21 commissioner.

22 (3)(a) On or before November 1 the superintendent of each school
23 district shall submit to the Commissioner of Education a report described
24 as the annual financial report showing (i) the amount of money received
25 from all sources during the year and the amount of money expended by the
26 school district during the year, (ii) the amount of bonded indebtedness,
27 (iii) such other information as shall be necessary to fulfill the
28 requirements of the Tax Equity and Educational Opportunities Support Act
29 and section 79-1114, and (iv) such other information as the Commissioner
30 of Education directs.

31 (b) On or before December 15, the commissioner shall issue to each

1 learning community coordinating council an annual financial report for
2 the learning community based on the member school districts according to
3 the annual financial reports filed with the commissioner, showing (i) the
4 aggregate amount of money received from all sources during the year for
5 all member school districts and the aggregate amount of money expended by
6 member school districts during the year, (ii) the aggregate amount of
7 bonded indebtedness for all member school districts, (iii) such other
8 aggregate information as shall be necessary to fulfill the requirements
9 of the Tax Equity and Educational Opportunities Support Act and section
10 79-1114 for all member school districts, and (iv) such other aggregate
11 information as the Commissioner of Education directs for all member
12 school districts.

13 (4)(a) On or before October 15 of each year, the superintendent of
14 each school district shall file with the commissioner the fall school
15 district membership report, which report shall include the number of
16 children from birth through twenty years of age enrolled in the district
17 on the last Friday in September of a given school year. The report shall
18 enumerate (i) students by grade level, (ii) school district levies and
19 total assessed valuation for the current fiscal year, and (iii) such
20 other information as the Commissioner of Education directs.

21 ~~(b) On or before October 15 of each year, each learning community~~
22 ~~coordinating council shall issue to the department a report which~~
23 ~~enumerates the learning community levies pursuant to subdivisions (2)(b)~~
24 ~~and (g) of section 77-3442 and total assessed valuation for the current~~
25 ~~fiscal year.~~

26 (b e) On or before November 15 of each year, the department shall
27 issue to each learning community coordinating council the fall learning
28 community membership report, which report shall include the aggregate
29 number of children from birth through twenty years of age enrolled in the
30 member school districts on the last Friday in September of a given school
31 year for all member school districts. The report shall enumerate (i) the

1 aggregate students by grade level for all member school districts, (ii)
2 school district levies and total assessed valuation for the current
3 fiscal year, and (iii) such other information as the Commissioner of
4 Education directs for all member school districts.

5 (c) When any school district fails to submit its fall membership
6 report by November 1, the commissioner shall, after notice to the
7 district and an opportunity to be heard, direct that any state aid
8 granted pursuant to the Tax Equity and Educational Opportunities Support
9 Act be withheld until such time as the report is received by the
10 department. In addition, the commissioner shall direct the county
11 treasurer to withhold all school money belonging to the school district
12 until such time as the commissioner notifies the county treasurer of
13 receipt of such report. The county treasurer shall withhold such money.

14 Sec. 6. Section 79-1007.18, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 79-1007.18 (1) The department shall calculate an averaging
17 adjustment for districts if the basic funding per formula student is less
18 than the averaging adjustment threshold and the general fund levy for the
19 school fiscal year immediately preceding the school fiscal year for which
20 aid is being calculated was at least one dollar per one hundred dollars
21 of taxable valuation. ~~For school districts that are members of a learning~~
22 ~~community, the general fund levy for purposes of this section includes~~
23 ~~both the common general fund levy and the school district general fund~~
24 ~~levy authorized pursuant to subdivisions (2)(b) and (2)(c) of section~~
25 ~~77-3442.~~ The averaging adjustment shall equal the district's formula
26 students multiplied by the percentage specified in this section for such
27 district of the difference between the averaging adjustment threshold
28 minus such district's basic funding per formula student.

29 (2)(a) For school fiscal years 2012-13 and 2013-14, the averaging
30 adjustment threshold shall equal the lesser of (i) the averaging
31 adjustment threshold for the school fiscal year immediately preceding the

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

5 (b) For school fiscal year 2014-15 and each school fiscal year
6 thereafter, the averaging adjustment threshold shall equal the aggregate
7 basic funding for all districts with nine hundred or more formula
8 students divided by the aggregate formula students for all districts with
9 nine hundred or more formula students for the school fiscal year for
10 which aid is being calculated.

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

15 (4) The percentages to be used in the calculation of averaging
16 adjustments shall be as follows:

17 (a) If such levy was at least one dollar per one hundred dollars of
18 taxable valuation but less than one dollar and one cent per one hundred
19 dollars of taxable valuation, the percentage shall be fifty percent;

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

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

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

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

4 Sec. 7. Section 79-1008.02, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-1008.02 A minimum levy adjustment shall be calculated and applied
7 to any local system that has a general fund common levy for the fiscal
8 year during which aid is certified that is less than the maximum levy,
9 for such fiscal year for such local system, allowed pursuant to
10 subdivision (2)(a) ~~or (b)~~ of section 77-3442 without a vote pursuant to
11 section 77-3444 ~~less five cents for learning communities and less ten~~
12 ~~cents for all other local systems.~~ To calculate the minimum levy
13 adjustment, the department shall subtract the local system general fund
14 common levy for such fiscal year for such local system from the maximum
15 levy allowed pursuant to subdivision (2)(a) ~~or (b)~~ of section 77-3442
16 without a vote pursuant to section 77-3444 ~~less five cents for learning~~
17 ~~communities and less ten cents for all other local systems~~ and multiply
18 the result by the local system's adjusted valuation divided by one
19 hundred. The minimum levy adjustment shall be added to the formula
20 resources of the local system for the determination of equalization aid
21 pursuant to section 79-1008.01. If the minimum levy adjustment is greater
22 than or equal to the allocated income tax funds calculated pursuant to
23 section 79-1005.01, the local system shall not receive allocated income
24 tax funds. If the minimum levy adjustment is less than the allocated
25 income tax funds calculated pursuant to section 79-1005.01, the local
26 system shall receive allocated income tax funds in the amount of the
27 difference between the allocated income tax funds calculated pursuant to
28 section 79-1005.01 and the minimum levy adjustment. ~~This section does not~~
29 ~~apply to the calculation of aid for a local system containing a learning~~
30 ~~community for the first school fiscal year for which aid is calculated~~
31 ~~for such local system.~~

1 Sec. 8. Section 79-1022, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-1022 (1) On or before April 10, 2014, and on or before March 1 of
4 each year thereafter for each ensuing fiscal year, the department shall
5 determine the amounts to be distributed to each local system and each
6 district for the ensuing school fiscal year pursuant to the Tax Equity
7 and Educational Opportunities Support Act and shall certify the amounts
8 to the Director of Administrative Services, the Auditor of Public
9 Accounts, ~~each learning community,~~ and each district. The amount to be
10 distributed to each district ~~that is not a member of a learning community~~
11 from the amount certified for a local system shall be proportional based
12 on the formula students attributed to each district in the local system.
13 ~~The amount to be distributed to each district that is a member of a~~
14 ~~learning community from the amount certified for the local system shall~~
15 ~~be proportional based on the formula needs calculated for each district~~
16 ~~in the local system.~~ On or before April 10, 2014, and on or before March
17 1 of each year thereafter for each ensuing fiscal year, the department
18 shall report the necessary funding level for the ensuing school fiscal
19 year to the Governor, the Appropriations Committee of the Legislature,
20 and the Education Committee of the Legislature. The report submitted to
21 the committees of the Legislature shall be submitted electronically.
22 Except as otherwise provided in this subsection, certified state aid
23 amounts, including adjustments pursuant to section 79-1065.02, shall be
24 shown as budgeted non-property-tax receipts and deducted prior to
25 calculating the property tax request in the district's general fund
26 budget statement as provided to the Auditor of Public Accounts pursuant
27 to section 79-1024.

28 (2) Except as provided in this subsection, subsection (8) of section
29 79-1016, and sections 79-1033 and 79-1065.02, the amounts certified
30 pursuant to subsection (1) of this section shall be distributed in ten as
31 nearly as possible equal payments on the last business day of each month

1 beginning in September of each ensuing school fiscal year and ending in
2 June of the following year, except that when a school district is to
3 receive a monthly payment of less than one thousand dollars, such payment
4 shall be one lump-sum payment on the last business day of December during
5 the ensuing school fiscal year.

6 Sec. 9. Section 79-1036, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-1036 (1) In making the apportionment under section 79-1035, the
9 Commissioner of Education shall distribute from the school fund for
10 school purposes, to any and all ~~learning communities and~~ school districts
11 ~~which are not members of a learning community,~~ in which there are
12 situated school lands which have not been sold and transferred by deed or
13 saline lands owned by the state, which lands are being used for a public
14 purpose, an amount in lieu of tax money that would be raised by school
15 district levies ~~and learning community common levies for which the~~
16 ~~proceeds are distributed to member school districts pursuant to sections~~
17 ~~79-1073 and 79-1073.01~~ if such lands were taxable, to be ascertained in
18 accordance with subsection (2) of this section, except that:

19 (a) For Class I districts or portions thereof which are affiliated
20 and in which there are situated school or saline lands, 38.6207 percent
21 of the in lieu of land tax money calculated pursuant to subsection (2) of
22 this section, based on the affiliated school system tax levy computed
23 pursuant to section 79-1077, shall be distributed to the affiliated high
24 school district and the remainder shall be distributed to the Class I
25 district;

26 (b) For Class I districts or portions thereof which are part of a
27 Class VI district which offers instruction in grades nine through twelve
28 and in which there are situated school or saline lands, 38.6207 percent
29 of the in lieu of land tax money calculated pursuant to subsection (2) of
30 this section, based on the Class VI school system levy computed pursuant
31 to section 79-1078, shall be distributed to the Class VI district and the

1 remainder shall be distributed to the Class I district;

2 (c) For Class I districts or portions thereof which are part of a
3 Class VI district which offers instruction in grades seven through twelve
4 and in which there are situated school or saline lands, 55.1724 percent
5 of the in lieu of land tax money calculated pursuant to subsection (2) of
6 this section, based on the Class VI school system levy computed pursuant
7 to section 79-1078, shall be distributed to the Class VI district and the
8 remainder shall be distributed to the Class I district; and

9 (d) For Class I districts or portions thereof which are part of a
10 Class VI district which offers instruction in grades six through twelve
11 and in which there are situated school or saline lands, 62.0690 percent
12 of the in lieu of land tax money calculated pursuant to subsection (2) of
13 this section, based on the Class VI school system levy computed pursuant
14 to section 79-1078, shall be distributed to the Class VI district and the
15 remainder shall be distributed to the Class I district.

16 (2) The county assessor shall certify to the Commissioner of
17 Education the tax levies of each school district ~~and learning community~~
18 in which school land or saline land is located and the last appraised
19 value of such school land, which value shall be the same percentage of
20 the appraised value as the percentage of the assessed value is of market
21 value in subsection (2) of section 77-201 for the purpose of applying the
22 applicable tax levies for each district ~~and learning community~~ in
23 determining the distribution to the districts of such amounts. The school
24 board of any school district ~~and the learning community coordinating~~
25 ~~council of any learning community~~ in which there is located any leased or
26 undeeded school land or saline land subject to this section may appeal to
27 the Board of Educational Lands and Funds for a reappraisalment of such
28 school land if such school board ~~or learning community coordinating~~
29 ~~council~~ deems the land not appraised in proportion to the value of
30 adjoining land of the same or similar value. The Board of Educational
31 Lands and Funds shall proceed to investigate the facts involved in such

1 appeal and, if the contention of the school board or ~~learning community~~
2 ~~coordinating council~~ is correct, make the proper reappraisalment. The
3 value calculation in this subsection shall be used by the Commissioner of
4 Education for making distributions in each school fiscal year.

5 Sec. 10. Section 79-1041, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 79-1041 ~~Each county treasurer of a county with territory in a~~
8 ~~learning community shall distribute any funds collected by such county~~
9 ~~treasurer from the common general fund levy and the common building fund~~
10 ~~levy of such learning community to each member school district pursuant~~
11 ~~to sections 79-1073 and 79-1073.01 at least once each month.~~

12 Each county treasurer shall, upon request of a majority of the
13 members of the school board or board of education in any school district,
14 at least once each month distribute to the district any funds collected
15 by such county treasurer for school purposes.

16 Sec. 11. Section 79-10,120, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 79-10,120 The school board or board of education of a Class II, III,
19 IV, V, or VI school district may establish a special fund for purposes of
20 acquiring sites for school buildings or teacherages, purchasing existing
21 buildings for use as school buildings or teacherages, including the sites
22 upon which such buildings are located, and the erection, alteration,
23 equipping, and furnishing of school buildings or teacherages and
24 additions to school buildings for elementary and high school grades and
25 for no other purpose. The ~~For school districts that are not members of~~
26 ~~learning communities,~~ the fund shall be established from the proceeds of
27 an annual levy, to be determined by the board, of not to exceed fourteen
28 cents on each one hundred dollars upon the taxable value of all taxable
29 property in the district which shall be in addition to any other taxes
30 authorized to be levied for school purposes. Such tax shall be levied and
31 collected as are other taxes for school purposes. ~~For school districts~~

1 ~~that are members of a learning community, such fund shall be established~~
2 ~~from the proceeds of the learning community special building funds levy~~
3 ~~directed to the school district for such purpose pursuant to subdivision~~
4 ~~(2)(g) of section 77-3442 and the proceeds of any school district special~~
5 ~~building fund levy pursuant to subdivision (2)(c) of section 77-3442.~~

6 Sec. 12. Section 79-10,126, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 79-10,126 A Class V school district ~~that is not a member of a~~
9 ~~learning community~~ shall establish (1) for the general operation of the
10 schools, such fund as will result from an annual levy of such rate of tax
11 upon the taxable value of all the taxable property in such school
12 district as the board of education determines to be necessary for such
13 purpose, (2) a fund resulting from an annual amount of tax to be
14 determined by the board of education of not to exceed fourteen cents on
15 each one hundred dollars upon the taxable value of all the taxable
16 property in the district for the purpose of acquiring sites of school
17 buildings and the erection, alteration, equipping, and furnishing of
18 school buildings and additions to school buildings, which tax levy shall
19 be used for no other purposes, and (3) a further fund resulting from an
20 annual amount of tax to be determined by the board of education to pay
21 interest on and retiring, funding, or servicing of bonded indebtedness of
22 the district.

23 Sec. 13. Section 79-1241.03, Reissue Revised Statutes of Nebraska,
24 is amended to read:

25 79-1241.03 (1) Two percent of the funds appropriated for core
26 services and technology infrastructure shall be transferred to the
27 Educational Service Unit Coordinating Council. The remainder of such
28 funds shall be distributed pursuant to subsections (2) through (6) of
29 this section.

30 (2)(a) The distance education and telecommunications allowance for
31 each educational service unit shall equal eighty-five percent of the

1 difference of the costs for telecommunications services, for access to
2 data transmission networks that transmit data to and from the educational
3 service unit, and for the transmission of data on such networks paid by
4 the educational service unit as reported on the annual financial report
5 for the most recently available complete data year minus the receipts
6 from the federal Universal Service Fund pursuant to 47 U.S.C. 254, as
7 such section existed on January 1, 2007, for the educational service unit
8 as reported on the annual financial report for the most recently
9 available complete data year and minus any receipts from school districts
10 or other educational entities for payment of such costs as reported on
11 the annual financial report of the educational service unit.

12 (b) The base allocation of each educational service unit shall equal
13 two and one-half percent of the funds appropriated for distribution
14 pursuant to this section.

15 (c) The satellite office allocation for each educational service
16 unit shall equal one percent of the funds appropriated for distribution
17 pursuant to this section for each office of the educational service unit,
18 except the educational service unit headquarters, up to the maximum
19 number of satellite offices. The maximum number of satellite offices used
20 for the calculation of the satellite office allocation for any
21 educational service unit shall equal the difference of the ratio of the
22 number of square miles within the boundaries of the educational service
23 unit divided by four thousand minus one with the result rounded to the
24 closest whole number.

25 (d) The statewide adjusted valuation shall equal the total adjusted
26 valuation for all member districts of educational service units pursuant
27 to section 79-1016 used for the calculation of state aid for school
28 districts pursuant to the Tax Equity and Educational Opportunities
29 Support Act for the school fiscal year for which the distribution is
30 being calculated pursuant to this section.

31 (e) The adjusted valuation for each educational service unit shall

1 equal the total adjusted valuation of the member school districts
2 pursuant to section 79-1016 used for the calculation of state aid for
3 school districts pursuant to the act for the school fiscal year for which
4 the distribution is being calculated pursuant to this section, ~~except~~
5 ~~that such adjusted valuation for member school districts that are also~~
6 ~~member districts of a learning community shall be reduced by fifty~~
7 ~~percent for school fiscal years 2008-09 and 2009-10, thirty percent for~~
8 ~~school fiscal year 2010-11, and ten percent for each school fiscal year~~
9 ~~thereafter. The adjusted valuation for each learning community shall~~
10 ~~equal fifty percent, for school fiscal years 2008-09 and 2009-10, thirty~~
11 ~~percent, for school fiscal year 2010-11, and ten percent, for each school~~
12 ~~fiscal year thereafter, of the total adjusted valuation of the member~~
13 ~~school districts pursuant to section 79-1016 used for the calculation of~~
14 ~~state aid for school districts pursuant to the act for the school fiscal~~
15 ~~year for which the distribution is being calculated pursuant to this~~
16 ~~section.~~

17 (f) The local effort rate shall equal \$0.0135 per one hundred
18 dollars of adjusted valuation.

19 (g) The statewide student allocation shall equal the difference of
20 the sum of the amount appropriated for distribution pursuant to this
21 section plus the product of the statewide adjusted valuation multiplied
22 by the local effort rate minus the distance education and
23 telecommunications allowance, base allocation, and satellite office
24 allocation for all educational service units and minus any adjustments
25 required by subsection (5) of this section.

26 (h) The sparsity adjustment for each educational service unit ~~and~~
27 ~~learning community~~ shall equal the sum of one plus one-tenth of the ratio
28 of the square miles within the boundaries of the educational service unit
29 divided by the fall membership of the member school districts for the
30 school fiscal year immediately preceding the school fiscal year for which
31 the distribution is being calculated pursuant to this section.

1 (i) The adjusted students for each multidistrict educational service
2 unit shall equal the fall membership for the school fiscal year
3 immediately preceding the school fiscal year for which aid is being
4 calculated of the member school districts ~~that will not be members of a~~
5 ~~learning community and ninety percent of the fall membership for such~~
6 ~~school fiscal year of the member school districts that will be members of~~
7 ~~a learning community~~ pursuant to this section, multiplied by the sparsity
8 adjustment for the educational service unit. The adjusted students for
9 each single-district educational service unit shall equal ninety-five
10 percent of the fall membership for the school fiscal year immediately
11 preceding the school fiscal year for which aid is being calculated ~~if the~~
12 ~~member school district will not be a member of a learning community and~~
13 ~~eighty-five percent of the fall membership for such school fiscal year if~~
14 ~~the member school district will be a member of a learning community~~
15 pursuant to this section, multiplied by the sparsity adjustment for the
16 educational service unit. ~~The adjusted students for each learning~~
17 ~~community shall equal ten percent of the fall membership for such school~~
18 ~~fiscal year of the member school districts multiplied by the sparsity~~
19 ~~adjustment for the learning community.~~

20 (j) The per student allocation shall equal the statewide student
21 allocation divided by the total adjusted students for all educational
22 service units ~~and learning communities.~~

23 (k) The student allocation for each educational service unit ~~and~~
24 ~~learning community~~ shall equal the per student allocation multiplied by
25 the adjusted students for the educational service unit ~~or learning~~
26 ~~community.~~

27 (l) The needs for each educational service unit shall equal the sum
28 of the distance education and telecommunications allowance, base
29 allocation, satellite office allocation, and student allocation for the
30 educational service unit ~~and the needs for each learning community shall~~
31 ~~equal the student allocation for the learning community.~~

1 (m) The distribution of core services and technology infrastructure
2 funds for each educational service unit ~~and learning community~~ shall
3 equal the needs for each educational service unit ~~or learning community~~
4 minus the product of the adjusted valuation for the educational service
5 unit ~~or learning community~~ multiplied by the local effort rate.

6 (3) If an educational service unit is the result of a merger or
7 received new member school districts from another educational service
8 unit, the educational service unit shall be considered a new educational
9 service unit for purposes of this section. For each new educational
10 service unit, the needs minus the distance education and
11 telecommunications allowance for such new educational service unit shall,
12 for each of the three fiscal years following the fiscal year in which the
13 merger takes place or the new member school districts are received, equal
14 an amount not less than the needs minus the distance education and
15 telecommunications allowance for the portions of the educational service
16 units transferred to the new educational service unit for the fiscal year
17 immediately preceding the merger or receipt of new member school
18 districts, except that if the total amount available to be distributed
19 pursuant to subsections (2) through (6) of this section for the year for
20 which needs are being calculated is less than the total amount
21 distributed pursuant to such subsections for the fiscal year immediately
22 preceding the merger or receipt of new member school districts, the
23 minimum needs minus the distance education and telecommunications
24 allowance for each educational service unit pursuant to this subsection
25 shall be reduced by a percentage equal to the ratio of such difference
26 divided by the total amount distributed pursuant to subsections (2)
27 through (6) of this section for the fiscal year immediately preceding the
28 merger or receipt of new member school districts. The needs minus the
29 distance education and telecommunications allowance for the portions of
30 educational service units transferred to the new educational service unit
31 for the fiscal year immediately preceding a merger or receipt of new

1 member school districts shall equal the needs minus the distance
2 education and telecommunications allowance calculated for such fiscal
3 year pursuant to subsections (2) through (6) of this section for any
4 educational service unit affected by the merger or the transfer of school
5 districts multiplied by a ratio equal to the valuation that was
6 transferred to the new educational service unit for which the minimum is
7 being calculated divided by the total valuation of the educational
8 service unit transferring the territory.

9 (4) For fiscal years 2010-11 through 2013-14, each educational
10 service unit shall have needs minus the distance education and
11 telecommunications allowance equal to an amount not less than ninety-five
12 percent of the needs minus the distance education and telecommunications
13 allowance for the immediately preceding fiscal year, except that if the
14 total amount available to be distributed pursuant to subsections (2)
15 through (6) of this section for the year for which needs are being
16 calculated is less than the total amount distributed pursuant to such
17 subsections for the immediately preceding fiscal year, the minimum needs
18 minus the distance education and telecommunications allowance for each
19 educational service unit pursuant to this subsection shall be reduced by
20 a percentage equal to the ratio of such difference divided by the total
21 amount distributed pursuant to subsections (2) through (6) of this
22 section.

23 (5) If the minimum needs minus the distance education and
24 telecommunications allowance pursuant to subsection (3) or (4) of this
25 section for any educational service unit exceeds the amount that would
26 otherwise be calculated for such educational service unit pursuant to
27 subsection (2) of this section, the statewide student allocation shall be
28 reduced such that the total amount to be distributed pursuant to this
29 section equals the appropriation for core services and technology
30 infrastructure funds and no educational service unit has needs minus the
31 distance education and telecommunications allowance less than the greater

1 of any minimum amounts calculated for such educational service unit
2 pursuant to subsections (3) and (4) of this section.

3 (6) The State Department of Education shall certify the distribution
4 of core services and technology infrastructure funds pursuant to
5 subsections (2) through (6) of this section to each educational service
6 unit ~~and learning community~~ on or before July 1 of each year for the
7 following school fiscal year. Except as otherwise provided in this
8 subsection, any funds appropriated for distribution pursuant to this
9 section shall be distributed in ten as nearly as possible equal payments
10 on the first business day of each month beginning in September of each
11 school fiscal year and ending in June. ~~Funds to be distributed to a~~
12 ~~learning community in school fiscal year 2010-11 shall be distributed in~~
13 ~~ten payments on the first business day of each month beginning in~~
14 ~~September 2010 and ending in June 2011, with each of the first five~~
15 ~~payments equal as nearly as possible to seventeen percent of the amount~~
16 ~~to be distributed and with each of the last five payments equal as nearly~~
17 ~~as possible to three percent of the amount to be distributed.~~ Funds
18 distributed to educational service units pursuant to this section shall
19 be used for core services and technology infrastructure with the approval
20 of representatives of two-thirds of the member school districts of the
21 educational service unit, representing a majority of the adjusted
22 students in the member school districts used in calculations pursuant to
23 this section for such funds. The valuation of individual school districts
24 shall not be considered in the utilization of such core services or
25 technology infrastructure funds by member school districts for funds
26 received after July 1, 2010. ~~Funds distributed to learning communities on~~
27 ~~or before January 15, 2011, shall be used for learning community purposes~~
28 ~~with the approval of the learning community coordinating council.~~ Funds
29 distributed to learning communities after January 15, 2011, shall be used
30 for evaluation and research pursuant to section 79-2104.02 with the
31 approval of the learning community coordinating council.

1 (7) For purposes of this section, the determination of whether or
2 not a school district will be a member of an educational service unit ~~or~~
3 ~~a learning community~~ shall be based on the information available May 1
4 for the following school fiscal year.

5 (8) It is the intent of the Legislature that:

6 (a) Funding for core services and technology infrastructure for each
7 educational service unit consist of both amounts received pursuant to
8 this section and an amount greater than or equal to the product of the
9 adjusted valuation for the educational service unit multiplied by the
10 local effort rate; and

11 (b) Each multidistrict educational service unit use an amount equal
12 to at least five percent of such funding for core services and technology
13 infrastructure for cooperative projects between member school districts
14 and that each such educational service unit use an amount equal to at
15 least five percent of such funding for core services and technology
16 infrastructure for statewide projects managed by the Educational Service
17 Unit Coordinating Council.

18 Sec. 14. Section 79-2104, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 79-2104 A learning community coordinating council shall have the
21 authority to:

22 (1) Levy a maximum levy as provided in subdivision (2)(b) of section
23 77-3442, the proceeds of which shall only be used for purposes of section
24 79-2104.02;

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

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

29 (2 ~~3~~) Levy for elementary learning center facility leases, for
30 remodeling of leased elementary learning center facilities, and for up to
31 fifty percent of the estimated cost for focus school or program capital

1 projects approved by the learning community coordinating council pursuant
2 to subdivision (2)(~~e~~ ~~h~~) of section 77-3442 and section 79-2111;

3 (~~3~~ ~~4~~) Levy for early childhood education programs for children in
4 poverty, for elementary learning center employees, for contracts with
5 other entities or individuals who are not employees of the learning
6 community for elementary learning center programs and services, and for
7 pilot projects pursuant to subdivision (2)(~~f~~ ~~i~~) of section 77-3442,
8 except that not more than ten percent of such levy may be used for
9 elementary learning center employees;

10 (~~4~~ ~~5~~) Collect, analyze, and report data and information, including,
11 but not limited to, information provided by a school district pursuant to
12 subsection (5) of section 79-201;

13 (~~5~~ ~~6~~) Approve focus schools and focus programs to be operated by
14 member school districts;

15 (~~6~~ ~~7~~) Adopt, approve, and implement a diversity plan which shall
16 include open enrollment and may include focus schools, focus programs,
17 magnet schools, and pathways pursuant to section 79-2110;

18 (~~7~~ ~~8~~) Administer the open enrollment provisions in section 79-2110
19 for the learning community as part of a diversity plan developed by the
20 council to provide educational opportunities which will result in
21 increased diversity in schools across the learning community;

22 (~~8~~ ~~9~~) Annually conduct school fairs to provide students and parents
23 the opportunity to explore the educational opportunities available at
24 each school in the learning community and develop other methods for
25 encouraging access to such information and promotional materials;

26 (~~9~~ ~~10~~) Develop and approve reorganization plans for submission
27 pursuant to the Learning Community Reorganization Act;

28 (~~10~~ ~~11~~) Establish and administer elementary learning centers through
29 achievement subcouncils pursuant to sections 79-2112 to 79-2114;

30 (~~11~~ ~~12~~) Administer the learning community funds distributed to the
31 learning community pursuant to section 79-2111;

1 (12 ~~13~~) Approve or disapprove poverty plans and limited English
2 proficiency plans for member school districts through achievement
3 subcouncils established under section 79-2117;

4 (13 ~~14~~) Establish a procedure for receiving community input and
5 complaints regarding the learning community;

6 (14 ~~15~~) Establish a procedure to assist parents, citizens, and
7 member school districts in accessing an approved center pursuant to the
8 Dispute Resolution Act to resolve disputes involving member school
9 districts or the learning community. Such procedure may include payment
10 by the learning community for some mediation services;

11 (15 ~~16~~) Establish and administer pilot projects related to enhancing
12 the academic achievement of elementary students, particularly students
13 who face challenges in the educational environment due to factors such as
14 poverty, limited English skills, and mobility;

15 (16 ~~17~~) Provide funding to public or private entities engaged in the
16 juvenile justice system providing pre-filing and diversion programming
17 designed to reduce excessive absenteeism and unnecessary involvement with
18 the juvenile justice system; and

19 (17 ~~18~~) Hold public hearings at its discretion in response to issues
20 raised by residents regarding the learning community, a member school
21 district, and academic achievement.

22 Sec. 15. Section 79-2104.02, Reissue Revised Statutes of Nebraska,
23 is amended to read:

24 79-2104.02 Each learning community coordinating council shall use
25 any funds received ~~after January 15, 2011,~~ pursuant to the levy
26 authorized under subdivision (2)(b) of section 77-3442 ~~section 79-1241.03~~
27 for evaluation and research pursuant to plans developed by the learning
28 community coordinating council ~~with assistance from the Educational~~
29 ~~Service Unit Coordinating Council~~ and adjusted on an ongoing basis. The
30 evaluation shall be conducted by one or more other entities or
31 individuals who are not employees of the learning community and shall

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

12 Sec. 16. Section 79-2107, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 79-2107 The boundaries of all school districts for which the
15 principal office of the school district is located in a county in which a
16 city of the metropolitan class is located and all school districts for
17 which the principal office of the school district is located in a county
18 that has a contiguous border of at least five miles in the aggregate with
19 such city of the metropolitan class shall remain as depicted on the map
20 kept by the county clerk pursuant to section 79-490 as of March 1, 2006,
21 for cities of the metropolitan class designated as such prior to January
22 2008 or as of March 1 immediately preceding the designation as a city of
23 the metropolitan class for cities designated as such on or after January
24 1, 2008, until a learning community has been established for such city of
25 the metropolitan class, except that such districts may transfer property
26 to other such districts with the agreement of the school board of each
27 affected district. If the property in question is agricultural land
28 within the extraterritorial jurisdiction of a city of the first class
29 within a school district which is a member of the learning community and
30 the affected school districts are unable to reach agreement after ninety
31 days of negotiation, any of the affected school districts may petition

1 the district court for a determination as to whether the parties have
2 negotiated in good faith. If the court determines that either or both of
3 the parties have not negotiated in good faith, the court may order that
4 the affected school districts continue negotiating. In determining
5 whether the parties have negotiated in good faith, the court shall
6 consider one or more of the following criteria: (1) The educational needs
7 of the students in the affected school districts; (2) the economic impact
8 on the affected school districts; (3) any common interests between the
9 affected school districts and the community which has zoning jurisdiction
10 over the property in question; and (4) community educational planning. If
11 the court orders the affected school districts to continue negotiating
12 and no agreement is reached after ninety days following such order, the
13 court shall issue an order transferring the property in question to the
14 school district containing such city of the first class and determining
15 an amount of fair consideration to be paid by the receiving school
16 district to the transferring school district prior to the effective date
17 for such learning community.

18 Sec. 17. Section 79-2111, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 79-2111 (1) A learning community may levy a maximum levy pursuant to
21 subdivision (2)(~~e~~ ~~h~~) of section 77-3442 for elementary learning center
22 facility leases, for remodeling of leased elementary learning center
23 facilities, and for up to fifty percent of the estimated costs for focus
24 school or program capital projects approved pursuant to this section. The
25 proceeds from such levy shall be used for elementary learning center
26 facility leases, for remodeling of leased elementary learning center
27 facilities, and to reduce the bonded indebtedness required for approved
28 projects by up to fifty percent of the estimated cost of the approved
29 project. The funds used for reductions of bonded indebtedness shall be
30 transferred to the school district for which the project was approved and
31 shall be deposited in such school district's special building fund for

1 use on such project.

2 (2) The learning community may approve pursuant to this section
3 funding for capital projects which will include the purchase,
4 construction, or remodeling of facilities for a focus school or program
5 designed to meet the requirements of section 79-769. Such approval shall
6 include an estimated cost for the project and shall state the amount that
7 will be provided by the learning community for such project.

8 (3) If, within the ten years following receipt of the funding for a
9 capital project pursuant to this section, a school district receiving
10 such funding uses the facility purchased, constructed, or remodeled with
11 such funding for purposes other than those stated to qualify for the
12 funds, the school district shall repay such funds to the learning
13 community with interest at the rate prescribed in section 45-104.02
14 accruing from the date the funds were transferred to the school
15 district's building fund as of the last date the facility was used for
16 such purpose as determined by the learning community coordinating council
17 or the date that the learning community coordinating council determines
18 that the facility will not be used for such purpose or that such facility
19 will not be purchased, constructed, or remodeled for such purpose.
20 Interest shall continue to accrue on outstanding balances until the
21 repayment has been completed. The remaining terms of repayment shall be
22 determined by the learning community coordinating council. The learning
23 community coordinating council may waive such repayment if the facility
24 is used for a different focus school or program for a period of time that
25 will result in the use of the facility for qualifying purposes for a
26 total of at least ten years.

27 Sec. 18. Section 79-2404, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 79-2404 If the school board of any school district or the board of
30 any educational service unit fails to timely file a copy of an approved
31 contract, or contract amendment, for superintendent services or

1 educational service unit administrator services with the State Department
2 of Education as required in section 79-2403, the Commissioner of
3 Education, after notice to the board president and either the
4 superintendent or educational service unit administrator and an
5 opportunity to be heard, shall direct that any state aid granted pursuant
6 to the Tax Equity and Educational Opportunities Support Act to the school
7 district or core services and technology infrastructure funds granted
8 pursuant to section 79-1241.03 to the educational service unit be
9 withheld until such time as the contract or amendment is received by the
10 department. In addition, the commissioner shall direct each county
11 treasurer of a county with territory in the school district or
12 educational service unit to withhold all money belonging to the school
13 district or educational service unit until such time as the commissioner
14 notifies such county treasurer of receipt of such contract or amendment.
15 Each such county treasurer shall withhold such money. ~~For school~~
16 ~~districts that are members of learning communities, a determination of~~
17 ~~school money belonging to the school district shall be based on the~~
18 ~~proportionate share of property tax receipts allocated to the school~~
19 ~~district pursuant to section 79-1073 in addition to the other property~~
20 ~~tax receipts belonging to the school district.~~ If the board does not
21 comply with this section prior to October 1 following the school fiscal
22 year for which the state aid or core services and technology
23 infrastructure funding was calculated, the funds shall revert to the
24 General Fund. The amount of any reverted funds shall be included in data
25 provided to the Governor, the Appropriations Committee of the
26 Legislature, and the Education Committee of the Legislature in accordance
27 with section 79-1031.

28 Sec. 19. This act becomes operative on July 1, 2016.

29 Sec. 20. Original sections 79-413, 79-528, 79-1007.18, 79-1008.02,
30 79-1022, 79-1036, 79-1041, 79-10,120, 79-10,126, 79-1241.03, 79-2104,
31 79-2104.02, 79-2107, 79-2111, and 79-2404, Reissue Revised Statutes of

1 Nebraska, and sections 70-651.04, 77-1736.06, and 77-3442, Revised
2 Statutes Cumulative Supplement, 2014, are repealed.

3 Sec. 21. The following sections are outright repealed: Sections
4 79-1073, 79-1073.01, and 79-10,126.01, Reissue Revised Statutes of
5 Nebraska.