

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 528**

Introduced by Sullivan, 41.

Read first time January 21, 2015

Committee: Education

1 A BILL FOR AN ACT relating to learning communities; to amend sections  
2 79-413, 79-4,119, 79-4,121, 79-4,122, 79-4,124, 79-4,125, 79-4,126,  
3 79-611, 79-1003, 79-1008.02, 79-1013, 79-1014, 79-1022, 79-1241.03,  
4 79-2104, 79-2104.02, and 79-2117, Reissue Revised Statutes of  
5 Nebraska, and section 9-812, Revised Statutes Cumulative Supplement,  
6 2014; to change provisions relating to transfers of parcels of land  
7 as prescribed; to provide for grants for certain purposes as  
8 prescribed; to change provide and change provisions relating to  
9 transportation of students; to redefine a term; to change and  
10 eliminate provisions relating to state aid and core services  
11 funding; to change and eliminate provisions relating to coordinating  
12 councils; to eliminate an advisory committee; to provide a duty for  
13 the Revisor of Statutes; to provide operative dates; to repeal the  
14 original sections; and to outright repeal sections 79-1007.22,  
15 79-2104.01, and 79-2104.03, Reissue Revised Statutes of Nebraska.  
16 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Cumulative Supplement,  
2 2014, is amended to read:

3 9-812 (1) All money received from the operation of lottery games  
4 conducted pursuant to the State Lottery Act in Nebraska shall be credited  
5 to the State Lottery Operation Trust Fund, which fund is hereby created.  
6 All payments of the costs of establishing and maintaining the lottery  
7 games shall be made from the State Lottery Operation Cash Fund. In  
8 accordance with legislative appropriations, money for payments for  
9 expenses of the division shall be transferred from the State Lottery  
10 Operation Trust Fund to the State Lottery Operation Cash Fund, which fund  
11 is hereby created. All money necessary for the payment of lottery prizes  
12 shall be transferred from the State Lottery Operation Trust Fund to the  
13 State Lottery Prize Trust Fund, which fund is hereby created. The amount  
14 used for the payment of lottery prizes shall not be less than forty  
15 percent of the dollar amount of the lottery tickets which have been sold.

16 (2) A portion of the dollar amount of the lottery tickets which have  
17 been sold on an annualized basis shall be transferred from the State  
18 Lottery Operation Trust Fund to the Education Innovation Fund, the  
19 Nebraska Opportunity Grant Fund, the Nebraska Education Improvement Fund,  
20 the Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and  
21 the Compulsive Gamblers Assistance Fund as provided in subsection (3) of  
22 this section. The dollar amount transferred pursuant to this subsection  
23 shall equal the greater of (a) the dollar amount transferred to the funds  
24 in fiscal year 2002-03 or (b) any amount which constitutes at least  
25 twenty-two percent and no more than twenty-five percent of the dollar  
26 amount of the lottery tickets which have been sold on an annualized  
27 basis. To the extent that funds are available, the Tax Commissioner and  
28 director may authorize a transfer exceeding twenty-five percent of the  
29 dollar amount of the lottery tickets sold on an annualized basis.

30 (3) Of the money available to be transferred to the Education  
31 Innovation Fund, the Nebraska Opportunity Grant Fund, the Nebraska

1 Education Improvement Fund, the Nebraska Environmental Trust Fund, the  
2 Nebraska State Fair Board, and the Compulsive Gamblers Assistance Fund:

3 (a) The first five hundred thousand dollars shall be transferred to  
4 the Compulsive Gamblers Assistance Fund to be used as provided in section  
5 9-1006;

6 (b) Beginning July 1, 2016, forty-four and one-half percent of the  
7 money remaining after the payment of prizes and operating expenses and  
8 the initial transfer to the Compulsive Gamblers Assistance Fund shall be  
9 transferred to the Nebraska Education Improvement Fund;

10 (c) Through June 30, 2016, nineteen and three-fourths percent of the  
11 money remaining after the payment of prizes and operating expenses and  
12 the initial transfer to the Compulsive Gamblers Assistance Fund shall be  
13 transferred to the Education Innovation Fund;

14 (d) Through June 30, 2016, twenty-four and three-fourths percent of  
15 the money remaining after the payment of prizes and operating expenses  
16 and the initial transfer to the Compulsive Gamblers Assistance Fund shall  
17 be transferred to the Nebraska Opportunity Grant Fund;

18 (e) Forty-four and one-half percent of the money remaining after the  
19 payment of prizes and operating expenses and the initial transfer to the  
20 Compulsive Gamblers Assistance Fund shall be transferred to the Nebraska  
21 Environmental Trust Fund to be used as provided in the Nebraska  
22 Environmental Trust Act;

23 (f) Ten percent of the money remaining after the payment of prizes  
24 and operating expenses and the initial transfer to the Compulsive  
25 Gamblers Assistance Fund shall be transferred to the Nebraska State Fair  
26 Board if the most populous city within the county in which the fair is  
27 located provides matching funds equivalent to ten percent of the funds  
28 available for transfer. Such matching funds may be obtained from the city  
29 and any other private or public entity, except that no portion of such  
30 matching funds shall be provided by the state. If the Nebraska State Fair  
31 ceases operations, ten percent of the money remaining after the payment

1 of prizes and operating expenses and the initial transfer to the  
2 Compulsive Gamblers Assistance Fund shall be transferred to the General  
3 Fund; and

4 (g) One percent of the money remaining after the payment of prizes  
5 and operating expenses and the initial transfer to the Compulsive  
6 Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers  
7 Assistance Fund to be used as provided in section 9-1006.

8 (4)(a) The Education Innovation Fund is created. At least seventy-  
9 five percent of the lottery proceeds allocated to the Education  
10 Innovation Fund shall be available for disbursement.

11 (b) For fiscal year 2013-14, the Education Innovation Fund shall be  
12 allocated as follows: (i) The first one million dollars shall be  
13 transferred to the Excellence in Teaching Cash Fund to fund the  
14 Excellence in Teaching Act; (ii) the next allocation shall be distributed  
15 to local systems as grants for approved accelerated or differentiated  
16 curriculum programs for students identified as learners with high ability  
17 pursuant to section 79-1108.02 in an aggregated amount up to the amount  
18 distributed in the prior fiscal year for such purposes increased by the  
19 basic allowable growth rate pursuant to section 79-1025; (iii) up to the  
20 next one hundred sixty thousand dollars shall be used by the State  
21 Department of Education to implement section 79-759; (iv) the next one  
22 million seven hundred fifty thousand dollars shall be allocated to early  
23 childhood education grants awarded by the department pursuant to section  
24 79-1103; (v) the next one million dollars shall be transferred to the  
25 Early Childhood Education Endowment Cash Fund for use pursuant to section  
26 79-1104.02; (vi) the next two hundred thousand dollars shall be used to  
27 provide grants to establish bridge programs pursuant to sections 79-1189  
28 to 79-1195; (vii) the next ten thousand dollars shall be used to fund the  
29 Interstate Compact on Educational Opportunity for Military Children;  
30 (viii) the next eighty-five thousand five hundred fifty dollars shall be  
31 allocated to the State Department of Education for distribution pursuant

1 to section 79-2306; and (ix) the amount remaining shall be allocated,  
2 after administrative expenses, for distance education equipment and  
3 incentives pursuant to sections 79-1336 and 79-1337. No funds received as  
4 allocations from the Education Innovation Fund pursuant to this  
5 subdivision may be obligated for payment to be made after June 30, 2016.

6 (c) For fiscal year 2014-15, the Education Innovation Fund shall be  
7 allocated, after administrative expenses, as follows: (i) The first one  
8 million two hundred thousand dollars shall be transferred to the  
9 Excellence in Teaching Cash Fund to fund the Excellence in Teaching Act;  
10 (ii) the next allocation shall be distributed to local systems as grants  
11 for approved accelerated or differentiated curriculum programs for  
12 students identified as learners with high ability pursuant to section  
13 79-1108.02 in an aggregated amount up to the amount distributed in the  
14 prior fiscal year for such purposes increased by the basic allowable  
15 growth rate pursuant to section 79-1025; (iii) the next one million eight  
16 hundred fifty thousand dollars shall be allocated to early childhood  
17 education grants awarded by the State Department of Education pursuant to  
18 section 79-1103; (iv) the next one million dollars shall be transferred  
19 to the Early Childhood Education Endowment Cash Fund for use pursuant to  
20 section 79-1104.02; (v) the next two hundred thousand dollars shall be  
21 used to provide grants to establish bridge programs pursuant to sections  
22 79-1189 to 79-1195; (vi) the next ten thousand dollars shall be used to  
23 fund the Interstate Compact on Educational Opportunity for Military  
24 Children; (vii) the next two million dollars shall be allocated for  
25 distance education equipment and incentives pursuant to sections 79-1336  
26 and 79-1337; (viii) the next one million dollars shall be transferred to  
27 the School District Reorganization Fund; (ix) up to the next one hundred  
28 forty-five thousand dollars shall be used by the State Department of  
29 Education to implement section 79-759; and (x) the next three hundred  
30 thirty-five thousand dollars shall be allocated to local systems as  
31 grants awarded by the State Department of Education to assist schools in

1 evaluating and improving career education programs to align such programs  
2 with the state's economic and workforce needs. Except for funds  
3 transferred to the School District Reorganization Fund, the Early  
4 Childhood Education Endowment Cash Fund, or the department for early  
5 childhood education grants pursuant to section 79-1103, no funds received  
6 as allocations from the Education Innovation Fund pursuant to this  
7 subdivision may be obligated for payment to be made after June 30, 2016,  
8 and such funds received as transfers or allocations from the Education  
9 Innovation Fund that have not been used for their designated purpose as  
10 of such date shall be transferred to the Nebraska Education Improvement  
11 Fund on or before August 1, 2016.

12 (d) For fiscal year 2015-16, the Education Innovation Fund shall be  
13 allocated, after administrative expenses, as follows: (i) The first one  
14 million two hundred thousand dollars shall be transferred to the  
15 Excellence in Teaching Cash Fund to fund the Excellence in Teaching Act;  
16 (ii) the next allocation shall be distributed to local systems as grants  
17 for approved accelerated or differentiated curriculum programs for  
18 students identified as learners with high ability pursuant to section  
19 79-1108.02 in an aggregated amount up to the amount distributed in the  
20 prior fiscal year for such purposes increased by the basic allowable  
21 growth rate pursuant to section 79-1025; (iii) the next one million nine  
22 hundred fifty thousand dollars shall be allocated to early childhood  
23 education grants awarded by the State Department of Education pursuant to  
24 section 79-1103; (iv) the next one million dollars shall be transferred  
25 to the Early Childhood Education Endowment Cash Fund for use pursuant to  
26 section 79-1104.02; (v) the next ten thousand dollars shall be used to  
27 fund the Interstate Compact on Educational Opportunity for Military  
28 Children; (vi) the next two million five hundred thousand dollars shall  
29 be allocated for distance education equipment and incentives pursuant to  
30 sections 79-1336 and 79-1337; (vii) the next one million dollars shall be  
31 transferred to the School District Reorganization Fund; (viii) up to the

1 next one hundred forty-five thousand dollars shall be used by the State  
2 Department of Education to implement section 79-759; and (ix) of the  
3 amount remaining, (A) three million dollars shall be retained in the  
4 Education Innovation Fund to transfer to the Nebraska Education  
5 Improvement Fund on June 30, 2016, and (B) the remaining amount shall be  
6 allocated to local systems as grants awarded by the State Department of  
7 Education to assist schools in evaluating and improving career education  
8 programs to align such programs with the state's economic and workforce  
9 needs. Except for funds transferred to the School District Reorganization  
10 Fund, the Early Childhood Education Endowment Cash Fund, or the  
11 department for early childhood education grants pursuant to section  
12 79-1103, no funds received as allocations from the Education Innovation  
13 Fund pursuant to this subdivision may be obligated for payment to be made  
14 after June 30, 2016, and such funds received as transfers or allocations  
15 from the Education Innovation Fund that have not been used for their  
16 designated purpose as of such date shall be transferred to the Nebraska  
17 Education Improvement Fund on or before August 1, 2016.

18 (e) The Education Innovation Fund terminates on June 30, 2016. Any  
19 money in the fund on such date shall be transferred to the Nebraska  
20 Education Improvement Fund on such date.

21 (5) The Nebraska Education Improvement Fund is created. The fund  
22 shall consist of money transferred pursuant to subsections (3) and (4) of  
23 this section, money transferred pursuant to section 85-1920, and any  
24 other funds appropriated by the Legislature. Any money in the fund  
25 available for investment shall be invested by the state investment  
26 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
27 State Funds Investment Act. For fiscal years 2016-17 through 2021-22, the  
28 State Board of Education may allocate (a) up to six hundred thousand  
29 dollars to each learning community coordinating council on an annual  
30 basis for evaluation and research purposes pursuant to section 79-2104.02  
31 upon approval of an evaluation and research plan and (b) up to five

1 hundred thousand dollars annually to school districts that are members of  
2 a learning community for focus school start-up grants pursuant to section  
3 17 of this act.

4 (6) Any money in the State Lottery Operation Trust Fund, the State  
5 Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, or the  
6 Education Innovation Fund available for investment shall be invested by  
7 the state investment officer pursuant to the Nebraska Capital Expansion  
8 Act and the Nebraska State Funds Investment Act.

9 (7) Unclaimed prize money on a winning lottery ticket shall be  
10 retained for a period of time prescribed by rules and regulations. If no  
11 claim is made within such period, the prize money shall be used at the  
12 discretion of the Tax Commissioner for any of the purposes prescribed in  
13 this section.

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

16 79-413 (1) The State Committee for the Reorganization of School  
17 Districts created under section 79-435 may create a new school district  
18 from other districts, change the boundaries of any district that is not a  
19 member of a learning community, or affiliate a Class I district or  
20 portion thereof with one or more existing Class II, III, IV, or V  
21 districts upon receipt of petitions signed by sixty percent of the legal  
22 voters of each district affected. If the petitions contain signatures of  
23 at least sixty-five percent of the legal voters of each district  
24 affected, the state committee shall approve the petitions. When area is  
25 added to a Class VI district or when a Class I district which is entirely  
26 or partially within a Class VI district is taken from the Class VI  
27 district, the Class VI district shall be deemed to be an affected  
28 district.

29 Any petition of the legal voters of a Class I district in which no  
30 city or village is situated which is commenced after January 1, 1996, and  
31 proposes the dissolution of the Class I district and the attachment of a



1 portion of it to two or more districts shall require signatures of more  
2 than fifty percent of the legal voters of such Class I district. If the  
3 state committee determines that such petition contains valid signatures  
4 of more than fifty percent of the legal voters of such Class I district,  
5 the state committee shall grant the petition.

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

19 (b) The state committee shall not approve a change of boundaries  
20 pursuant to this section relating to affiliation of school districts if  
21 twenty percent or more of any tract of land under common ownership which  
22 is proposing to affiliate is not contiguous to the high school district  
23 with which affiliation is proposed unless (i) one or more resident  
24 students of the tract of land under common ownership has attended the  
25 high school program of the high school district within the immediately  
26 preceding ten-year period or (ii) approval of the petition or plan would  
27 allow siblings of such resident students to attend the same school as the  
28 resident students attended.

29 (3)(a) Petitions proposing to create a new school district, to  
30 change the boundary lines of existing school districts that are not  
31 members of a learning community, to create an affiliated school system,

1 or to affiliate a Class I district in part and to join such district in  
2 part with a Class VI district, any of which involves the transfer of more  
3 than six hundred forty acres, shall, when signed by at least sixty  
4 percent of the legal voters in each district affected, be submitted to  
5 the state committee. In the case of a petition for affiliation or a  
6 petition to affiliate in part and in part to join a Class VI district,  
7 the state committee shall review the proposed affiliation subject to  
8 sections 79-425 and 79-426. The state committee shall, within forty days  
9 after receipt of the petition, hold one or more public hearings and  
10 review and approve or disapprove such proposal.

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

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

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

28 (5) A signing petitioner may withdraw his or her name from a  
29 petition and a legal voter may add his or her name to a petition at any  
30 time prior to the end of the period when the petition is held by the  
31 state committee. Additions and withdrawals of signatures shall be by

1 notarized affidavit filed with the state committee.

2 Sec. 3. Section 79-4,119, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 79-4,119 Any reorganization of school districts that affects a  
5 school district that is a member of a learning community, except  
6 transfers of parcels of land not to exceed six hundred forty acres  
7 pursuant to subsection (2) of section 79-413 and dissolutions pursuant to  
8 section 79-470, 79-498, 79-499, or 79-598, shall only be accomplished  
9 pursuant to the Learning Community Reorganization Act, based on a plan  
10 submitted to the state committee by the affected school districts after a  
11 public hearing in each affected school district and approval by the  
12 majority of members of the school board for each affected school district  
13 learning community coordinating council.

14 Sec. 4. Section 79-4,121, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-4,121 In the review of a plan for the reorganization of school  
17 districts pursuant to the Learning Community Reorganization Act, the  
18 state committee shall give due consideration to (1) the educational needs  
19 of students in the learning community, (2) economies in administration  
20 costs, (3) the future use of existing satisfactory school buildings,  
21 sites, and play fields, (4) the convenience and welfare of pupils, (5)  
22 transportation requirements, (6) the equalization of the educational  
23 opportunity of pupils, (7) the amount of outstanding indebtedness of each  
24 district and proposed disposition thereof, (8) the equitable adjustment  
25 of all property, debts, and liabilities among the districts involved, (9)  
26 any additional statutory requirements for learning community  
27 organization, and (10) any other matters which, in its judgment, are of  
28 importance. ~~The learning community coordinating council proposing the~~  
29 ~~plan of reorganization, in preparation or review of a plan for~~  
30 ~~reorganization, shall take into consideration any advice or suggestions~~  
31 ~~offered by the state committee.~~

1           Sec. 5. Section 79-4,122, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           79-4,122 Before any plan of reorganization submitted by the affected  
4 school boards ~~a learning community coordinating council~~ is approved by  
5 the state committee pursuant to the Learning Community Reorganization  
6 Act, the state committee shall hold one or more public hearings. At such  
7 hearings, the state committee shall hear any and all persons interested  
8 with respect to the areas of consideration listed in section 79-4,121.  
9 The state committee shall keep a record of all hearings in the  
10 formulation or approval of plans for the reorganization of school  
11 districts. Notice of such public hearings of the state committee shall be  
12 given by publication in a legal newspaper of general circulation in the  
13 county or counties in which the affected districts are located at least  
14 ten days prior to such hearing.

15           Sec. 6. Section 79-4,124, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17           79-4,124 The state committee shall, within thirty days after holding  
18 the hearings provided for in section 79-4,122, notify the school boards  
19 of the affected school districts ~~learning community~~ whether or not it  
20 approves or disapproves such plan or plans.

21           Sec. 7. Section 79-4,125, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23           79-4,125 If the state committee disapproves the plan pursuant to the  
24 Learning Community Reorganization Act, it shall be considered a  
25 disapproved plan and returned to the school boards of the affected school  
26 districts ~~learning community coordinating council~~ as a disapproved plan.

27           Sec. 8. Section 79-4,126, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29           79-4,126 When a plan of reorganization or any part thereof has been  
30 approved by the state committee pursuant to the Learning Community  
31 Reorganization Act, it shall be designated as the final approved plan and

1 shall be returned to the ~~learning community coordinating council to be~~  
2 ~~submitted to the school boards of the affected school districts for~~  
3 ~~approval or rejection by such school boards within forty-five days.~~

4 Sec. 9. Section 79-611, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 79-611 (1) The school board of any school district shall provide  
7 free transportation, partially provide free transportation, or pay an  
8 allowance for transportation in lieu of free transportation as follows:

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

14 (b) When a student is required to attend an elementary school  
15 outside of his or her own district and lives more than four miles from  
16 such elementary school as measured by the shortest route that must  
17 actually and necessarily be traveled by motor vehicle to reach the  
18 student's residence;

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

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

1           (2)(a) The school board of any school district that is a member of a  
2 learning community shall provide free transportation for a student who  
3 resides in such learning community and attends school in such school  
4 district if (i) the student is initially transferred into a school  
5 building in such school district transferring pursuant to the open  
6 enrollment provisions of section 79-2110 prior to July 1, 2016, qualifies  
7 for free or reduced-price lunches, lives more than one mile from the  
8 school to which he or she transfers, and is not otherwise disqualified  
9 under subdivision (2)(c) of this section, (ii) the student is initially  
10 transferred into a school building in such school district transferring  
11 pursuant to the open enrollment provisions of section 79-2110 prior to  
12 July 1, 2016, is a student who contributes to the socioeconomic diversity  
13 of enrollment at the school building he or she attends, lives more than  
14 one mile from the school to which he or she transfers, and is not  
15 otherwise disqualified under subdivision (2)(c) of this section, (iii)  
16 the student is attending a focus school or program, initially attended  
17 such focus school or program prior to July 1, 2016, and lives more than  
18 one mile from the school building housing the focus school or program, or  
19 (iv) the student is attending a magnet school or program, initially  
20 attended such magnet school or program prior to July 1, 2016, and lives  
21 more than one mile from the magnet school or the school housing the  
22 magnet program.

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

28           (c) For any student who resides within a learning community and  
29 transfers to another school building pursuant to the open enrollment  
30 provisions of section 79-2110 and who had not been accepted for open  
31 enrollment into any school building within such district prior to

1 September 6, 2013, the school board is exempt from the requirement of  
2 subdivision (2)(a) of this section if (i) the student is transferring to  
3 another school building within his or her home school district or (ii)  
4 the student is transferring to a school building in a school district  
5 that does not share a common border with his or her home school district.

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

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

20 (a) To the parent, custodial parent, or guardian providing  
21 transportation for students from other families, one hundred percent of  
22 the amount prescribed in subsection (3) of this section for the  
23 transportation of students of such parent's, custodial parent's, or  
24 guardian's own family and an additional five percent for students of each  
25 other family not to exceed a maximum of one hundred twenty-five percent  
26 of the amount determined pursuant to subsection (3) of this section; and

27 (b) To the parent, custodial parent, or guardian not providing  
28 transportation for students of other families, two hundred eighty-five  
29 percent of the mileage rate provided in section 81-1176 multiplied by  
30 each mile actually and necessarily traveled, on each day of attendance,  
31 from the residence of the student to the pick-up point at which students

1 transfer to the vehicle of a parent, custodial parent, or guardian  
2 described in subdivision (a) of this subsection.

3 (5) When a student who qualifies under the mileage requirements of  
4 subsection (1) of this section lives more than three miles from the  
5 location where the student must be picked up and dropped off in order to  
6 access school-provided free transportation, as measured by the shortest  
7 route that must actually and necessarily be traveled by motor vehicle  
8 between his or her residence and such location, such school-provided  
9 transportation shall be deemed partially provided free transportation.  
10 School districts partially providing free transportation shall pay an  
11 allowance to the student's parent or guardian equal to two hundred  
12 eighty-five percent of the mileage rate provided in section 81-1176  
13 multiplied by each mile actually and necessarily traveled, on each day of  
14 attendance, beyond which the one-way distance from the residence of the  
15 student to the location where the student must be picked up and dropped  
16 off exceeds three miles.

17 (6) The board may authorize school-provided transportation to any  
18 student who does not qualify under the mileage requirements of subsection  
19 (1) of this section and may charge a fee to the parent or guardian of the  
20 student for such service. An affiliated high school district may provide  
21 free transportation or pay the allowance described in this section for  
22 high school students residing in an affiliated Class I district. No  
23 transportation payments shall be made to a family for mileage not  
24 actually traveled by such family. The number of days the student has  
25 attended school shall be reported monthly by the teacher to the board of  
26 such public school district.

27 (7) No more than one allowance shall be made to a family  
28 irrespective of the number of students in a family being transported to  
29 school. If a family resides in a Class I district which is part of a  
30 Class VI district and has students enrolled in any of the grades offered  
31 by the Class I district and in any of the non-high-school grades offered



1 by the Class VI district, such family shall receive not more than one  
2 allowance for the distance actually traveled when both districts are on  
3 the same direct travel route with one district being located a greater  
4 distance from the residence than the other. In such cases, the travel  
5 allowance shall be prorated among the school districts involved.

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

8 Sec. 10. Section 79-1003, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 79-1003 For purposes of the Tax Equity and Educational Opportunities  
11 Support Act:

12 (1) Adjusted general fund operating expenditures means (a) for  
13 school fiscal years 2013-14 through 2015-16, the difference of the  
14 general fund operating expenditures as calculated pursuant to subdivision  
15 (22) of this section increased by the cost growth factor calculated  
16 pursuant to section 79-1007.10, minus the transportation allowance,  
17 special receipts allowance, poverty allowance, limited English  
18 proficiency allowance, distance education and telecommunications  
19 allowance, elementary site allowance, summer school allowance,  
20 instructional time allowance, teacher education allowance, and focus  
21 school and program allowance, and (b) for school fiscal year 2016-17 and  
22 each school fiscal year thereafter, the difference of the general fund  
23 operating expenditures as calculated pursuant to subdivision (22) of this  
24 section increased by the cost growth factor calculated pursuant to  
25 section 79-1007.10, minus the transportation allowance, special receipts  
26 allowance, poverty allowance, limited English proficiency allowance,  
27 distance education and telecommunications allowance, elementary site  
28 allowance, summer school allowance, and focus school and program  
29 allowance;

30 (2) Adjusted valuation means the assessed valuation of taxable  
31 property of each local system in the state, adjusted pursuant to the

1 adjustment factors described in section 79-1016. Adjusted valuation means  
2 the adjusted valuation for the property tax year ending during the school  
3 fiscal year immediately preceding the school fiscal year in which the aid  
4 based upon that value is to be paid. For purposes of determining the  
5 local effort rate yield pursuant to section 79-1015.01, adjusted  
6 valuation does not include the value of any property which a court, by a  
7 final judgment from which no appeal is taken, has declared to be  
8 nontaxable or exempt from taxation;

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

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

17 (5) Base fiscal year means the first school fiscal year following  
18 the school fiscal year in which the reorganization or unification  
19 occurred;

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

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

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

30 (9) Converted contract means an expired contract that was in effect  
31 for at least fifteen school years beginning prior to school year 2012-13

1 for the education of students in a nonresident district in exchange for  
2 tuition from the resident district when the expiration of such contract  
3 results in the nonresident district educating students, who would have  
4 been covered by the contract if the contract were still in effect, as  
5 option students pursuant to the enrollment option program established in  
6 section 79-234;

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

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

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

18 (13) Ensuing school fiscal year means the school fiscal year  
19 following the current school fiscal year;

20 (14) Equalization aid means the amount of assistance calculated to  
21 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,  
22 79-1007.25, 79-1008.01 to 79-1022, 79-1022.02, 79-1028.02, and  
23 79-1028.04;

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

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

30 (17) Formula students means:

31 (a) For state aid certified pursuant to section 79-1022, the sum of

1 the product of fall membership from the school fiscal year immediately  
2 preceding the school fiscal year in which the aid is to be paid  
3 multiplied by the average ratio of average daily membership to fall  
4 membership for the second school fiscal year immediately preceding the  
5 school fiscal year in which the aid is to be paid and the prior two  
6 school fiscal years plus sixty percent of the qualified early childhood  
7 education fall membership plus tuitioned students from the school fiscal  
8 year immediately preceding the school fiscal year in which aid is to be  
9 paid minus the product of the number of students enrolled in kindergarten  
10 that is not full-day kindergarten from the fall membership multiplied by  
11 0.5; and

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

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

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

25 (20) General fund budget of expenditures means the total budget of  
26 disbursements and transfers for general fund purposes as certified in the  
27 budget statement adopted pursuant to the Nebraska Budget Act, except that  
28 for purposes of the limitation imposed in section 79-1023 and the  
29 calculation pursuant to subdivision (2) of section 79-1027.01, the  
30 general fund budget of expenditures does not include any special grant  
31 funds, exclusive of local matching funds, received by a district;

1           (21) General fund expenditures means all expenditures from the  
2 general fund;

3           (22) General fund operating expenditures means for state aid  
4 calculated for school fiscal years 2012-13 and each school fiscal year  
5 thereafter, as reported on the annual financial report for the second  
6 school fiscal year immediately preceding the school fiscal year in which  
7 aid is to be paid, the total general fund expenditures minus (a) the  
8 amount of all receipts to the general fund, to the extent that such  
9 receipts are not included in local system formula resources, from early  
10 childhood education tuition, summer school tuition, educational entities  
11 as defined in section 79-1201.01 for providing distance education courses  
12 through the Educational Service Unit Coordinating Council to such  
13 educational entities, private foundations, individuals, associations,  
14 charitable organizations, the textbook loan program authorized by section  
15 79-734, federal impact aid, and levy override elections pursuant to  
16 section 77-3444, (b) the amount of expenditures for categorical funds,  
17 tuition paid, transportation fees paid to other districts, adult  
18 education, community services, redemption of the principal portion of  
19 general fund debt service, retirement incentive plans authorized by  
20 section 79-855, and staff development assistance authorized by section  
21 79-856, (c) the amount of any transfers from the general fund to any bond  
22 fund and transfers from other funds into the general fund, (d) any legal  
23 expenses in excess of fifteen-hundredths of one percent of the formula  
24 need for the school fiscal year in which the expenses occurred, (e)  
25 expenditures to pay for sums agreed to be paid by a school district to  
26 certificated employees in exchange for a voluntary termination occurring  
27 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
28 school year and prior to the first day of the 2013-14 school year, or, to  
29 the extent that a district has demonstrated to the State Board of  
30 Education pursuant to section 79-1028.01 that the agreement will result  
31 in a net savings in salary and benefit costs to the school district over

1 a five-year period, occurring on or after the first day of the 2013-14  
2 school year, (f)(i) expenditures to pay for employer contributions  
3 pursuant to subsection (2) of section 79-958 to the School Employees  
4 Retirement System of the State of Nebraska to the extent that such  
5 expenditures exceed the employer contributions under such subsection that  
6 would have been made at a contribution rate of seven and thirty-five  
7 hundredths percent or (ii) expenditures to pay for school district  
8 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to  
9 the retirement system established pursuant to the Class V School  
10 Employees Retirement Act to the extent that such expenditures exceed the  
11 school district contributions under such subdivision that would have been  
12 made at a contribution rate of seven and thirty-seven hundredths percent,  
13 and (g) any amounts paid by the district for lobbyist fees and expenses  
14 reported to the Clerk of the Legislature pursuant to section 49-1483.

15 For purposes of this subdivision (22) of this section, receipts from  
16 levy override elections shall equal ninety-nine percent of the difference  
17 of the total general fund levy minus a levy of one dollar and five cents  
18 per one hundred dollars of taxable valuation multiplied by the assessed  
19 valuation for school districts that have voted pursuant to section  
20 77-3444 to override the maximum levy provided pursuant to section  
21 77-3442;

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

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

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

30 (26) Limited English proficiency students means the number of  
31 students with limited English proficiency in a district from the most

1 recent data available on November 1 of the school fiscal year preceding  
2 the school fiscal year in which aid is to be paid plus the difference of  
3 such students with limited English proficiency minus the average number  
4 of limited English proficiency students for such district, prior to such  
5 addition, for the three immediately preceding school fiscal years if such  
6 difference is greater than zero;

7 (27) Local system means (a) for school fiscal years prior to school  
8 fiscal year 2016-17, a learning community for purposes of calculation of  
9 state aid for the second full school fiscal year after becoming a  
10 learning community and each school fiscal year thereafter, a unified  
11 system, a Class VI district and the associated Class I districts, or a  
12 Class II, III, IV, or V district and any affiliated Class I districts or  
13 portions of Class I districts and (b) for school fiscal year 2016-17 and  
14 each school fiscal year thereafter, a unified system, a Class VI district  
15 and the associated Class I districts, or a Class II, III, IV, or V  
16 district and any affiliated Class I districts or portions of Class I  
17 districts. The membership, expenditures, and resources of Class I  
18 districts that are affiliated with multiple high school districts will be  
19 attributed to local systems based on the percent of the Class I valuation  
20 that is affiliated with each high school district;

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

29 (29) Low-income students means the number of low-income children  
30 within the district multiplied by the ratio of the formula students in  
31 the district divided by the total children under nineteen years of age

1 residing in the district as derived from income tax information;

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

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

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

30 (33) Qualified early childhood education fall membership means the  
31 product of membership on the last Friday in September 2006 and each year



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

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

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

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

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

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

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

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

1 miles in the local system; or

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

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

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

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

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

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

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

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

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

30 (46) Temporary aid adjustment factor means (a) for school fiscal  
31 years before school fiscal year 2007-08, one and one-fourth percent of

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

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

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

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

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

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

29 Sec. 11. Section 79-1007.11, Reissue Revised Statutes of Nebraska,  
30 is amended to read:

31 79-1007.11 (1) Except as otherwise provided in this section, for

1 school fiscal years 2013-14 through 2015-16, each school district's  
2 formula need shall equal the difference of the sum of the school  
3 district's basic funding, poverty allowance, limited English proficiency  
4 allowance, focus school and program allowance, summer school allowance,  
5 special receipts allowance, transportation allowance, elementary site  
6 allowance, instructional time allowance, teacher education allowance,  
7 distance education and telecommunications allowance, averaging  
8 adjustment, new learning community transportation adjustment, student  
9 growth adjustment, any positive student growth adjustment correction, and  
10 new school adjustment, minus the sum of the limited English proficiency  
11 allowance correction, poverty allowance correction, and any negative  
12 student growth adjustment correction.

13 (2) Except as otherwise provided in this section, for school fiscal  
14 year 2016-17 and each school fiscal year thereafter, each school  
15 district's formula need shall equal the difference of the sum of the  
16 school district's basic funding, poverty allowance, limited English  
17 proficiency allowance, focus school and program allowance, summer school  
18 allowance, special receipts allowance, transportation allowance,  
19 elementary site allowance, distance education and telecommunications  
20 allowance, averaging adjustment, ~~new learning community transportation~~  
21 ~~adjustment~~, student growth adjustment, any positive student growth  
22 adjustment correction, and new school adjustment, minus the sum of the  
23 limited English proficiency allowance correction, poverty allowance  
24 correction, and any negative student growth adjustment correction.

25 (3) If the formula need calculated for a school district pursuant to  
26 subsections (1) and (2) of this section is less than one hundred percent  
27 of the formula need for such district for the school fiscal year  
28 immediately preceding the school fiscal year for which aid is being  
29 calculated, the formula need for such district shall equal one hundred  
30 percent of the formula need for such district for the school fiscal year  
31 immediately preceding the school fiscal year for which aid is being

1 calculated.

2 (4) Except as provided in subsection (6) of this section, if the  
3 formula need calculated for a school district pursuant to subsections (1)  
4 and (2) of this section is more than one hundred twelve percent of the  
5 formula need for such district for the school fiscal year immediately  
6 preceding the school fiscal year for which aid is being calculated, the  
7 formula need for such district shall equal one hundred twelve percent of  
8 the formula need for such district for the school fiscal year immediately  
9 preceding the school fiscal year for which aid is being calculated,  
10 except that the formula need shall not be reduced pursuant to this  
11 subsection for any district receiving a student growth adjustment for the  
12 school fiscal year for which aid is being calculated.

13 (5) For purposes of subsections (3) and (4) of this section, the  
14 formula need for the school fiscal year immediately preceding the school  
15 fiscal year for which aid is being calculated shall be the formula need  
16 used in the final calculation of aid pursuant to section 79-1065 and for  
17 districts that were affected by a reorganization with an effective date  
18 in the calendar year preceding the calendar year in which aid is  
19 certified for the school fiscal year for which aid is being calculated,  
20 the formula need for the school fiscal year immediately preceding the  
21 school fiscal year for which aid is being calculated shall be attributed  
22 to the affected school districts based on information provided to the  
23 department by the school districts or proportionally based on the  
24 adjusted valuation transferred if sufficient information has not been  
25 provided to the department.

26 (6) For state aid calculated for the first full school fiscal year  
27 of a new learning community, if the formula need calculated for a member  
28 school district pursuant to subsections (1) through (3) of this section  
29 is less than the sum of the school district's state aid certified for the  
30 school fiscal year immediately preceding the first full school fiscal  
31 year of the learning community plus the school district's other actual

1 receipts included in local system formula resources pursuant to section  
2 79-1018.01 for such school fiscal year plus the product of the school  
3 district's general fund levy for such school fiscal year up to one dollar  
4 and five cents multiplied by the school district's assessed valuation for  
5 such school fiscal year, the formula need for such school district for  
6 the school fiscal year for which aid is being calculated shall equal such  
7 sum.

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

10 79-1008.02 (1) A minimum levy adjustment shall be calculated and  
11 applied to any local system that has a general fund common levy for the  
12 fiscal year during which aid is certified that is less than the maximum  
13 levy, for such fiscal year for such local system, allowed pursuant to  
14 subdivision (2)(a) or (b) of section 77-3442 without a vote pursuant to  
15 section 77-3444 less five cents for learning community general fund  
16 common levies communities and less ten cents for all other general fund  
17 common levies local systems.

18 (2) To calculate the minimum levy adjustment, the department shall  
19 subtract the local system general fund common levy for such fiscal year  
20 for such local system from the maximum levy allowed pursuant to  
21 subdivision (2)(a) or (b) of section 77-3442 without a vote pursuant to  
22 section 77-3444 less five cents for learning community general fund  
23 common levies communities and less ten cents for all other general fund  
24 common levies local systems and multiply the result by either the school  
25 district's adjusted valuation divided by one hundred for local systems  
26 that consist of only one school district or the local system's adjusted  
27 valuation divided by one hundred for local systems that consist of more  
28 than one school district.

29 (3) The minimum levy adjustment shall be added to the formula  
30 resources of the local system for the determination of equalization aid  
31 pursuant to section 79-1008.01. If the minimum levy adjustment is greater

1 than or equal to the allocated income tax funds calculated pursuant to  
2 section 79-1005.01, the local system shall not receive allocated income  
3 tax funds. If the minimum levy adjustment is less than the allocated  
4 income tax funds calculated pursuant to section 79-1005.01, the local  
5 system shall receive allocated income tax funds in the amount of the  
6 difference between the allocated income tax funds calculated pursuant to  
7 section 79-1005.01 and the minimum levy adjustment.

8 (4) This section does not apply to the calculation of aid for a  
9 local system containing a learning community for the first school fiscal  
10 year for which aid is calculated for such local system.

11 Sec. 13. Section 79-1013, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 79-1013 (1) On or before October 15 of each year, each school  
14 district designating a maximum poverty allowance greater than zero  
15 dollars shall submit a poverty plan for the next school fiscal year to  
16 the department and, for school fiscal years prior to school fiscal year  
17 2016-17, to the learning community coordinating council of any learning  
18 community of which the school district is a member. On or before the  
19 immediately following December 1, ~~(a)~~ the department shall approve or  
20 disapprove such plan ~~for school districts that are not members of a~~  
21 ~~learning community~~ based on the inclusion of the elements required  
22 pursuant to this section, except that such approval shall not be required  
23 for school districts that are members of a learning community for aid  
24 calculated for school fiscal years prior to school fiscal year 2016-17.  
25 For school fiscal years prior to school fiscal year 2016-17, and (b) the  
26 learning community coordinating council and, as to the applicable  
27 portions thereof, each achievement subcouncil, shall approve or  
28 disapprove such plan for school districts that are members of such  
29 learning community based on the inclusion of such elements. For school  
30 fiscal years prior to school fiscal year 2016-17, on ~~or~~ or before the  
31 immediately following December 5, each learning community coordinating

1 council shall certify to the department the approval or disapproval of  
2 the poverty plan for each member school district. For school fiscal year  
3 2016-17 and each school fiscal year thereafter, on or before December 1  
4 of each year, the department shall forward any approved poverty plans for  
5 school districts that are members of a learning community to the  
6 applicable learning community coordinating council for informational  
7 purposes only.

8 (2) In order to be approved pursuant to this section, a poverty plan  
9 shall include an explanation of how the school district will address the  
10 following issues for such school fiscal year:

11 (a) Attendance, including absence followup and transportation for  
12 students qualifying for free or reduced-price lunches who reside more  
13 than one mile from the attendance center;

14 (b) Student mobility, including transportation to allow a student to  
15 continue attendance at the same school if the student moves to another  
16 attendance area within the same school district or within the same  
17 learning community;

18 (c) Parental involvement at the school-building level with a focus  
19 on the involvement of parents in poverty and from other diverse  
20 backgrounds;

21 (d) Parental involvement at the school-district level with a focus  
22 on the involvement of parents in poverty and from other diverse  
23 backgrounds;

24 (e) Class size reduction or maintenance of small class sizes in  
25 elementary grades;

26 (f) Scheduled teaching time on a weekly basis that will be free from  
27 interruptions;

28 (g) Access to early childhood education programs for children in  
29 poverty;

30 (h) Student access to social workers;

31 (i) Access to summer school, extended-school-day programs, or



1 extended-school-year programs;

2 (j) Mentoring for new and newly reassigned teachers;

3 (k) Professional development for teachers and administrators,  
4 focused on addressing the educational needs of students in poverty and  
5 students from other diverse backgrounds;

6 (l) Coordination with elementary learning centers if the school  
7 district is a member of a learning community; and

8 (m) An evaluation to determine the effectiveness of the elements of  
9 the poverty plan.

10 (3) The state board shall establish a procedure for appeal of  
11 decisions of the department and, for school fiscal years prior to school  
12 fiscal year 2016-17, of learning community coordinating councils to the  
13 state board for a final determination.

14 Sec. 14. Section 79-1014, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-1014 (1) On or before October 15 of each year, each school  
17 district designating a maximum limited English proficiency allowance  
18 greater than zero dollars shall submit a limited English proficiency plan  
19 for the next school fiscal year to the department and, for school fiscal  
20 years prior to school fiscal year 2016-17, to the learning community  
21 coordinating council of any learning community of which the school  
22 district is a member. On or before the immediately following December 1,  
23 ~~(a) the department shall approve or disapprove such plans for school~~  
24 ~~districts that are not members of a learning community,~~ based on the  
25 inclusion of the elements required pursuant to this section, except that  
26 such approval shall not be required for school districts that are members  
27 of a learning community for aid calculated for school fiscal years prior  
28 to school fiscal year 2016-17. For school fiscal years prior to school  
29 fiscal year 2016-17, and ~~(b) the learning community coordinating council,~~  
30 and, as to the applicable portions thereof, each achievement subcouncil,  
31 shall approve or disapprove such plan for school districts that are

1 members of such learning community, based on the inclusion of such  
2 elements. For school fiscal years prior to school fiscal year 2016-17, on  
3 ~~or~~ or before the immediately following December 5, each learning  
4 community coordinating council shall certify to the department the  
5 approval or disapproval of the limited English proficiency plan for each  
6 member school district. For school fiscal year 2016-17 and each school  
7 fiscal year thereafter, on or before December 1 of each year, the  
8 department shall forward any approved limited English proficiency plans  
9 for school districts that are members of a learning community to the  
10 applicable learning community coordinating council for informational  
11 purposes only.

12 (2) In order to be approved pursuant to this section, a limited  
13 English proficiency plan must include an explanation of how the school  
14 district will address the following issues for such school fiscal year:

- 15 (a) Identification of students with limited English proficiency;
- 16 (b) Instructional approaches;
- 17 (c) Assessment of such students' progress toward mastering the  
18 English language; and
- 19 (d) An evaluation to determine the effectiveness of the elements of  
20 the limited English proficiency plan.

21 (3) The state board shall establish a procedure for appeal of  
22 decisions of the department and, for school fiscal years prior to school  
23 fiscal year 2016-17, of learning community coordinating councils to the  
24 state board for a final determination.

25 Sec. 15. Section 79-1022, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 79-1022 (1) On or before ~~April 10, 2014, and on or before~~ March 1 of  
28 each year ~~thereafter~~ for each ensuing fiscal year, the department shall  
29 determine the amounts to be distributed to each local system and each  
30 district for the ensuing school fiscal year pursuant to the Tax Equity  
31 and Educational Opportunities Support Act and shall certify the amounts

1 to the Director of Administrative Services, the Auditor of Public  
2 Accounts, each learning community, and each district. The amount to be  
3 distributed to each district that is not a member of a learning community  
4 from the amount calculated ~~certified~~ for a local system shall be  
5 proportional based on the formula students attributed to each district in  
6 the local system. For school fiscal years prior to school fiscal year  
7 2016-17, the ~~The~~ amount to be distributed to each district that is a  
8 member of a learning community from the amount calculated ~~certified~~ for  
9 the local system shall be proportional based on the formula needs  
10 calculated for each district in the local system. For school fiscal year  
11 2016-17 and each school fiscal year thereafter, the amount to be  
12 distributed to each district that is a member of a learning community  
13 shall be the amount calculated for such district as a single district  
14 local system. ~~On or before April 10, 2014, and on or before~~ March 1 of  
15 each year ~~thereafter~~ for each ensuing fiscal year, the department shall  
16 report the necessary funding level for the ensuing school fiscal year to  
17 the Governor, the Appropriations Committee of the Legislature, and the  
18 Education Committee of the Legislature. The report submitted to the  
19 committees of the Legislature shall be submitted electronically. Except  
20 as otherwise provided in this subsection, certified state aid amounts,  
21 including adjustments pursuant to section 79-1065.02, shall be shown as  
22 budgeted non-property-tax receipts and deducted prior to calculating the  
23 property tax request in the district's general fund budget statement as  
24 provided to the Auditor of Public Accounts pursuant to section 79-1024.

25 (2) Except as provided in this subsection, subsection (8) of section  
26 79-1016, and sections 79-1033 and 79-1065.02, the amounts certified  
27 pursuant to subsection (1) of this section shall be distributed in ten as  
28 nearly as possible equal payments on the last business day of each month  
29 beginning in September of each ensuing school fiscal year and ending in  
30 June of the following year, except that when a school district is to  
31 receive a monthly payment of less than one thousand dollars, such payment

1 shall be one lump-sum payment on the last business day of December during  
2 the ensuing school fiscal year.

3 Sec. 16. Section 79-1241.03, Reissue Revised Statutes of Nebraska,  
4 is amended to read:

5 79-1241.03 (1) Two percent of the funds appropriated for core  
6 services and technology infrastructure shall be transferred to the  
7 Educational Service Unit Coordinating Council. The remainder of such  
8 funds shall be distributed pursuant to subsections (2) through (6) of  
9 this section.

10 (2)(a) The distance education and telecommunications allowance for  
11 each educational service unit shall equal eighty-five percent of the  
12 difference of the costs for telecommunications services, for access to  
13 data transmission networks that transmit data to and from the educational  
14 service unit, and for the transmission of data on such networks paid by  
15 the educational service unit as reported on the annual financial report  
16 for the most recently available complete data year minus the receipts  
17 from the federal Universal Service Fund pursuant to 47 U.S.C. 254, as  
18 such section existed on January 1, 2007, for the educational service unit  
19 as reported on the annual financial report for the most recently  
20 available complete data year and minus any receipts from school districts  
21 or other educational entities for payment of such costs as reported on  
22 the annual financial report of the educational service unit.

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

26 (c) The satellite office allocation for each educational service  
27 unit shall equal one percent of the funds appropriated for distribution  
28 pursuant to this section for each office of the educational service unit,  
29 except the educational service unit headquarters, up to the maximum  
30 number of satellite offices. The maximum number of satellite offices used  
31 for the calculation of the satellite office allocation for any

1 educational service unit shall equal the difference of the ratio of the  
2 number of square miles within the boundaries of the educational service  
3 unit divided by four thousand minus one with the result rounded to the  
4 closest whole number.

5 (d) The statewide adjusted valuation shall equal the total adjusted  
6 valuation for all member districts of educational service units pursuant  
7 to section 79-1016 used for the calculation of state aid for school  
8 districts pursuant to the Tax Equity and Educational Opportunities  
9 Support Act for the school fiscal year for which the distribution is  
10 being calculated pursuant to this section.

11 (e) The adjusted valuation for each educational service unit shall  
12 equal the total adjusted valuation of the member school districts  
13 pursuant to section 79-1016 used for the calculation of state aid for  
14 school districts pursuant to the act for the school fiscal year for which  
15 the distribution is being calculated pursuant to this section, except  
16 that, for school fiscal years prior to school fiscal year 2016-17, such  
17 adjusted valuation for member school districts that are also member  
18 districts of a learning community shall be ten percent. For school fiscal  
19 years prior to school fiscal year 2016-17, the reduced by fifty percent  
20 for school fiscal years 2008-09 and 2009-10, thirty percent for school  
21 fiscal year 2010-11, and ten percent for each school fiscal year  
22 thereafter. The adjusted valuation for each learning community shall  
23 equal fifty percent, for school fiscal years 2008-09 and 2009-10, thirty  
24 percent, for school fiscal year 2010-11, and ten percent, for each school  
25 fiscal year thereafter, of the total adjusted valuation of the member  
26 school districts pursuant to section 79-1016 used for the calculation of  
27 state aid for school districts pursuant to the act for the school fiscal  
28 year for which the distribution is being calculated pursuant to this  
29 section.

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

1 (g) The statewide student allocation shall equal the difference of  
2 the sum of the amount appropriated for distribution pursuant to this  
3 section plus the product of the statewide adjusted valuation multiplied  
4 by the local effort rate minus the distance education and  
5 telecommunications allowance, base allocation, and satellite office  
6 allocation for all educational service units and minus any adjustments  
7 required by subsection (5) of this section.

8 (h) The sparsity adjustment for each educational service unit and,  
9 for school fiscal years prior to school fiscal year 2016-17, learning  
10 community shall equal the sum of one plus one-tenth of the ratio of the  
11 square miles within the boundaries of the educational service unit  
12 divided by the fall membership of the member school districts for the  
13 school fiscal year immediately preceding the school fiscal year for which  
14 the distribution is being calculated pursuant to this section.

15 (i) The adjusted students for each multidistrict educational service  
16 unit shall equal the fall membership of member school districts for the  
17 school fiscal year immediately preceding the school fiscal year for which  
18 aid is being calculated, except that for school fiscal years prior to  
19 school fiscal year 2016-17, the adjusted students shall equal ~~of the~~  
20 ~~member school districts that will not be members of a learning community~~  
21 ~~and~~ ninety percent of the fall membership ~~for such school fiscal year~~ of  
22 the member school districts that will be members of a learning community  
23 for such school fiscal year pursuant to this section multiplied by the  
24 sparsity adjustment for the educational service unit. The adjusted  
25 students for each single-district educational service unit shall equal  
26 ninety-five percent of the fall membership for the school fiscal year  
27 immediately preceding the school fiscal year for which aid is being  
28 calculated, except that for school fiscal years prior to school fiscal  
29 year 2016-17, if the member school district will ~~not~~ be a member of a  
30 learning community, ~~and~~ eighty-five percent of the fall membership for  
31 such school fiscal year ~~if the member school district will be a member of~~

1 ~~a learning community pursuant to this section~~, multiplied by the sparsity  
2 adjustment for the educational service unit. For school fiscal years  
3 prior to school fiscal year 2016-17, the The adjusted students for each  
4 learning community shall equal ten percent of the fall membership for  
5 such school fiscal year of the member school districts multiplied by the  
6 sparsity adjustment for the learning community.

7 (j) The per student allocation shall equal the statewide student  
8 allocation divided by the total adjusted students for all educational  
9 service units and, for school fiscal years prior to school fiscal year  
10 2016-17, learning communities.

11 (k) The student allocation for each educational service unit and,  
12 for school fiscal years prior to school fiscal year 2016-17, learning  
13 community shall equal the per student allocation multiplied by the  
14 adjusted students for the educational service unit or learning community.

15 (l) The needs for each educational service unit shall equal the sum  
16 of the distance education and telecommunications allowance, base  
17 allocation, satellite office allocation, and student allocation for the  
18 educational service unit and, for school fiscal years prior to school  
19 fiscal year 2016-17, the needs for each learning community shall equal  
20 the student allocation for the learning community.

21 (m) The distribution of core services and technology infrastructure  
22 funds for each educational service unit and, for school fiscal years  
23 prior to school fiscal year 2016-17, learning community shall equal the  
24 needs for each educational service unit or learning community minus the  
25 product of the adjusted valuation for the educational service unit or  
26 learning community multiplied by the local effort rate.

27 (3) If an educational service unit is the result of a merger or  
28 received new member school districts from another educational service  
29 unit, the educational service unit shall be considered a new educational  
30 service unit for purposes of this section. For each new educational  
31 service unit, the needs minus the distance education and

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

30 (4) For fiscal years 2010-11 through 2013-14, each educational  
31 service unit shall have needs minus the distance education and



1 telecommunications allowance equal to an amount not less than ninety-five  
2 percent of the needs minus the distance education and telecommunications  
3 allowance for the immediately preceding fiscal year, except that if the  
4 total amount available to be distributed pursuant to subsections (2)  
5 through (6) of this section for the year for which needs are being  
6 calculated is less than the total amount distributed pursuant to such  
7 subsections for the immediately preceding fiscal year, the minimum needs  
8 minus the distance education and telecommunications allowance for each  
9 educational service unit pursuant to this subsection shall be reduced by  
10 a percentage equal to the ratio of such difference divided by the total  
11 amount distributed pursuant to subsections (2) through (6) of this  
12 section.

13 (5) If the minimum needs minus the distance education and  
14 telecommunications allowance pursuant to subsection (3) or (4) of this  
15 section for any educational service unit exceeds the amount that would  
16 otherwise be calculated for such educational service unit pursuant to  
17 subsection (2) of this section, the statewide student allocation shall be  
18 reduced such that the total amount to be distributed pursuant to this  
19 section equals the appropriation for core services and technology  
20 infrastructure funds and no educational service unit has needs minus the  
21 distance education and telecommunications allowance less than the greater  
22 of any minimum amounts calculated for such educational service unit  
23 pursuant to subsections (3) and (4) of this section.

24 (6) The State Department of Education shall certify the distribution  
25 of core services and technology infrastructure funds pursuant to  
26 subsections (2) through (6) of this section to each educational service  
27 unit and, for school fiscal years prior to school fiscal year 2016-17,  
28 learning community on or before July 1 of each year for the following  
29 school fiscal year. Except as otherwise provided in this subsection, any  
30 funds appropriated for distribution pursuant to this section shall be  
31 distributed in ten as nearly as possible equal payments on the first

1 business day of each month beginning in September of each school fiscal  
2 year and ending in June. ~~Funds to be distributed to a learning community~~  
3 ~~in school fiscal year 2010-11 shall be distributed in ten payments on the~~  
4 ~~first business day of each month beginning in September 2010 and ending~~  
5 ~~in June 2011, with each of the first five payments equal as nearly as~~  
6 ~~possible to seventeen percent of the amount to be distributed and with~~  
7 ~~each of the last five payments equal as nearly as possible to three~~  
8 ~~percent of the amount to be distributed.~~ Funds distributed to educational  
9 service units pursuant to this section shall be used for core services  
10 and technology infrastructure with the approval of representatives of  
11 two-thirds of the member school districts of the educational service  
12 unit, representing a majority of the adjusted students in the member  
13 school districts used in calculations pursuant to this section for such  
14 funds. The valuation of individual school districts shall not be  
15 considered in the utilization of such core services or technology  
16 infrastructure funds by member school districts for funds received after  
17 July 1, 2010. For school fiscal years prior to school fiscal year  
18 2016-17, funds ~~Funds distributed to learning communities on or before~~  
19 ~~January 15, 2011, shall be used for learning community purposes with the~~  
20 ~~approval of the learning community coordinating council.~~ Funds  
21 distributed to learning communities after January 15, 2011, shall be used  
22 for evaluation and research pursuant to section 79-2104.02 with the  
23 approval of the learning community coordinating council.

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

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

29 (a) Funding for core services and technology infrastructure for each  
30 educational service unit consist of both amounts received pursuant to  
31 this section and an amount greater than or equal to the product of the

1 adjusted valuation for the educational service unit multiplied by the  
2 local effort rate; and

3 (b) Each multidistrict educational service unit use an amount equal  
4 to at least five percent of such funding for core services and technology  
5 infrastructure for cooperative projects between member school districts  
6 and that each such educational service unit use an amount equal to at  
7 least five percent of such funding for core services and technology  
8 infrastructure for statewide projects managed by the Educational Service  
9 Unit Coordinating Council.

10 Sec. 17. (1) School districts that are members of a learning  
11 community may apply to the State Board of Education for focus school  
12 start-up grants up to five hundred dollars funded from the Nebraska  
13 Education Improvement Fund created pursuant to section 9-812. To qualify,  
14 the focus school and the application shall both be approved by the  
15 applicable learning community coordinating council. The application shall  
16 provide information demonstrating:

17 (a) That the costs to be covered are outside of the standard cost of  
18 educating students in the district and are related to planning and  
19 starting the new approved focus school; and

20 (b) That the grant funds will be matched by at least the amount of  
21 the grant, with other funds from either the school district or the  
22 learning community coordinating council.

23 (2) The state board may adopt and promulgate rules and regulations  
24 to implement and administer this section, including, but not limited to,  
25 provisions regarding the accounting for the grant funds and returning  
26 unused or misused funds to the Nebraska Education Improvement Fund.

27 Sec. 18. (1) Except as provided in subsection (2) of section  
28 79-611, section 79-611 does not apply to the transportation of an open  
29 enrollment student.

30 (2) The parent or legal guardian of an open enrollment student shall  
31 be responsible for required transportation. A school district may, upon

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

6 (3) Parents or guardians of open enrollment students who qualify for  
7 free lunches shall be eligible for transportation reimbursement as  
8 described in section 79-611, except that they shall be reimbursed at the  
9 rate of one hundred forty-two and one-half percent of the mandatorily  
10 established mileage rate provided in section 81-1176 for each mile  
11 actually and necessarily traveled on each day of attendance by which the  
12 distance traveled one way from the residence of such student to the  
13 schoolhouse exceeds three miles.

14 (4) For open enrollment students verified as having a disability as  
15 defined in section 79-1118.01, the transportation services set forth in  
16 section 79-1129 shall be provided by the resident school district. The  
17 State Department of Education shall reimburse the resident school  
18 district for the cost of transportation in accordance with section  
19 79-1144.

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

22 79-2104 A learning community coordinating council shall have the  
23 authority to:

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

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

28 (3) Levy for elementary learning center facility leases, for  
29 remodeling of leased elementary learning center facilities, and for up to  
30 fifty percent of the estimated cost for focus school or program capital  
31 projects approved by the learning community coordinating council pursuant

1 to subdivision (2)(h) of section 77-3442 and section 79-2111;

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

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

12 (6) Approve focus schools and focus programs to be operated by  
13 member school districts and applications for focus school start-up grants  
14 pursuant to section 17 of this act;

15 (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 (8) Administer the open enrollment provisions in section 79-2110 for  
19 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 (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 (10) Develop and approve reorganization plans for submission  
27 pursuant to the Learning Community Reorganization Act;

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

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

1           (13) For school fiscal years prior to school fiscal year 2016-17,  
2 approve ~~Approve~~ or disapprove poverty plans and limited English  
3 proficiency plans for member school districts through achievement  
4 subcouncils established under section 79-2117;

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

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

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

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

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

23           Sec. 20. Section 79-2104.02, Reissue Revised Statutes of Nebraska,  
24 is amended to read:

25           79-2104.02 Each learning community coordinating council shall use  
26 any funds received ~~after January 15, 2011,~~ pursuant to section 79-1241.03  
27 or from the Nebraska Education Improvement Fund created pursuant to  
28 section 9-812 for evaluation and research pursuant to plans developed by  
29 the learning community coordinating council with assistance from the  
30 Educational Service Unit Coordinating Council and adjusted on an ongoing  
31 basis. The evaluation shall be conducted by one or more other entities or

1 individuals who are not employees of the learning community and shall  
2 measure progress toward the goals and objectives of the learning  
3 community, which goals and objectives shall include reduction of  
4 excessive absenteeism of students in the member school districts of the  
5 learning community and closing academic achievement gaps based on  
6 socioeconomic status, and the effectiveness of the approaches used by the  
7 learning community or pilot project to reach such goals and objectives.  
8 Any research conducted pursuant to this section shall also be related to  
9 such goals and objectives. After the first full year of operation, each  
10 learning community shall report evaluation and research results  
11 electronically to the Education Committee of the Legislature on or before  
12 January 1 of each year.

13 Sec. 21. Section 79-2117, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 79-2117 Each learning community coordinating council shall have an  
16 achievement subcouncil for each subcouncil district. Each achievement  
17 subcouncil shall consist of the three voting coordinating council members  
18 representing the subcouncil district plus any nonvoting coordinating  
19 council members choosing to participate who represent a school district  
20 that has territory within the subcouncil district. The voting  
21 coordinating council members shall also be the voting members on the  
22 achievement subcouncil. Each achievement subcouncil shall meet as  
23 necessary but shall meet and conduct a public hearing within its  
24 subcouncil district at least once each school year. Each achievement  
25 subcouncil shall:

26 (1) Develop a diversity plan recommendation for the territory in its  
27 subcouncil district that will provide educational opportunities which  
28 will result in increased diversity in schools in the subcouncil district;

29 (2) Administer elementary learning centers in cooperation with the  
30 elementary learning center executive director;

31 (3) Review and approve or disapprove of the poverty plans and

1 limited English proficiency plans for the schools located in its  
2 subcouncil district;

3 (4) For school fiscal years prior to school fiscal year 2016-17,  
4 receive Receive community input and complaints regarding the learning  
5 community and academic achievement in the subcouncil district; and

6 (5) Hold public hearings at its discretion in its subcouncil  
7 district in response to issues raised by residents of the subcouncil  
8 district regarding the learning community, a member school district, and  
9 academic achievement in the subcouncil district.

10 Sec. 22. The Revisor of Statutes shall assign sections 17 and 18 of  
11 this act within sections 79-2101 to 79-2121.

12 Sec. 23. Sections 11, 24, and 26 of this act become operative on  
13 July 1, 2016. The other sections of this act become operative on their  
14 effective date.

15 Sec. 24. Original section 79-1007.11, Reissue Revised Statutes of  
16 Nebraska, is repealed.

17 Sec. 25. Original sections 79-413, 79-4,119, 79-4,121, 79-4,122,  
18 79-4,124, 79-4,125, 79-4,126, 79-611, 79-1003, 79-1008.02, 79-1013,  
19 79-1014, 79-1022, 79-1241.03, 79-2104, 79-2104.02, and 79-2117, Reissue  
20 Revised Statutes of Nebraska, and section 9-812, Revised Statutes  
21 Cumulative Supplement, 2014, are repealed.

22 Sec. 26. The following section is outright repealed: Section  
23 79-1007.22, Reissue Revised Statutes of Nebraska.

24 Sec. 27. The following sections are outright repealed: Sections  
25 79-2104.01 and 79-2104.03, Reissue Revised Statutes of Nebraska.