

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 525**

FINAL READING

Introduced by Sullivan, 41.

Read first time January 21, 2015

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 79-101,  
2 79-215, 79-2,144, 79-301, 79-308, 79-309.01, 79-318, 79-420,  
3 79-760.01, 79-760.02, 79-760.06, 79-761, 79-8,137, 79-8,137.04,  
4 79-1003, 79-1003.01, 79-1007.06, 79-1007.07, 79-1013, 79-1018.01,  
5 79-1028.01, 79-1035, 79-1205, 79-1315, 79-2110, 79-2113, 79-2115,  
6 79-2120, 79-2204, 79-2205, 85-2102, and 85-2104, Reissue Revised  
7 Statutes of Nebraska, and section 71-1962, Revised Statutes  
8 Cumulative Supplement, 2014; to change provisions relating to the  
9 Nebraska Early Childhood Professional Record System, state aid for  
10 school districts, admission of homeless students, duties of the  
11 state school security director, deputy commissioners of education,  
12 duties of the State Board of Education, reorganization of school  
13 districts, academic content standards, the statewide assessment and  
14 reporting system, the mentor teacher program, the Attracting  
15 Excellence to Teaching Program, the Enhancing Excellence in Teaching  
16 Program, adjustment of educational service unit boundaries, the  
17 Nebraska Educational Telecommunications Commission, learning  
18 communities, the State Council on Educational Opportunity for  
19 Military Children, and the Access to College Early Scholarship  
20 Program Act; to provide requirements for free or reduced-price  
21 lunches; to provide for an educator-effectiveness system; to define  
22 and redefine terms; to eliminate provisions relating to school lands

- 1           and annual school meetings as prescribed; to harmonize provisions;
- 2           and to repeal the original sections.
- 3   Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 71-1962, Revised Statutes Cumulative Supplement,  
2 2014, is amended to read:

3 71-1962 (1) Not later than March 1, 2014, the State Department of  
4 Education shall create and operate the Nebraska Early Childhood  
5 Professional Record System. The system shall be designed in order to:

6 (a) Establish a data base of Nebraska's early childhood education  
7 workforce;

8 (b) Verify educational degrees and professional credentials held and  
9 relevant training completed by employees of participating applicable  
10 child care and early childhood education programs; and

11 (c) Provide such information to the Department of Health and Human  
12 Services for use in evaluating applications to be rated at a step above  
13 step one under section 71-1959.

14 (2) When an applicable child care or early childhood education  
15 program participating in the quality rating and improvement system  
16 developed pursuant to section 71-1955 applies under section 71-1959 to be  
17 rated at a step above step one, the child care or early childhood  
18 education program shall report the educational degrees and professional  
19 credentials held and relevant training completed by its child care and  
20 early childhood education employees to the Nebraska Early Childhood  
21 Professional Record System for the program to be eligible for a quality  
22 scale rating above step one.

23 (3) Any child care or early childhood education provider residing or  
24 working in Nebraska may report his or her educational degrees and  
25 professional credentials held, relevant training completed, and work  
26 history to the Nebraska Early Childhood Professional Record System.

27 Sec. 2. Section 79-101, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 79-101 For purposes of Chapter 79:

30 (1) School district means the territory under the jurisdiction of a  
31 single school board authorized by Chapter 79;

1           (2) School means a school under the jurisdiction of a school board  
2 authorized by Chapter 79;

3           (3) Legal voter means a registered voter as defined in section  
4 32-115 who is domiciled in a precinct or ward in which he or she is  
5 registered to vote and which precinct or ward lies in whole or in part  
6 within the boundaries of a school district for which the registered voter  
7 chooses to exercise his or her right to vote at a school district  
8 election or at an annual or special meeting of a Class I school district;

9           (4) Prekindergarten programs means all early childhood programs  
10 provided for children who have not reached the age of five by the date  
11 provided in section 79-214 for kindergarten entrance;

12           (5) Elementary grades means grades kindergarten through eight,  
13 inclusive;

14           (6) High school grades means all grades above the eighth grade;

15           (7) School year means (a) for elementary grades other than  
16 kindergarten, the time equivalent to at least one thousand thirty-two  
17 instructional hours and (b) for high school grades, the time equivalent  
18 to at least one thousand eighty instructional hours;

19           (8) Instructional hour means a period of time, at least sixty  
20 minutes, which is actually used for the instruction of students;

21           (9) Teacher means any certified employee who is regularly employed  
22 for the instruction of pupils in the public schools;

23           (10) Administrator means any certified employee such as  
24 superintendent, assistant superintendent, principal, assistant principal,  
25 school nurse, or other supervisory or administrative personnel who do not  
26 have as a primary duty the instruction of pupils in the public schools;

27           (11) School board means the governing body of any school district.  
28 Board of education has the same meaning as school board;

29           (12) Teach means and includes, but is not limited to, the following  
30 responsibilities: (a) The organization and management of the classroom or  
31 the physical area in which the learning experiences of pupils take place;

1 (b) the assessment and diagnosis of the individual educational needs of  
2 the pupils; (c) the planning, selecting, organizing, prescribing, and  
3 directing of the learning experiences of pupils; (d) the planning of  
4 teaching strategies and the selection of available materials and  
5 equipment to be used; and (e) the evaluation and reporting of student  
6 progress;

7 (13) Permanent school fund means the fund described in section  
8 79-1035.01;

9 (14) Temporary school fund means the fund described in section  
10 79-1035.02; ~~and~~

11 (15) School lands means the lands described in section 79-1035.03.  
12 Educational lands has the same meaning as school lands; ~~-~~

13 (16) Community eligibility provision means the alternative to  
14 household applications for free and reduced-price meals in high-poverty  
15 schools enacted in section 104(a) of the federal Healthy, Hunger-Free  
16 Kids Act of 2010, section 11(a)(1) of the Richard B. Russell National  
17 School Lunch Act, 42 U.S.C. 1759a(a)(1), as such act and section existed  
18 on January 1, 2015, and administered by the United States Department of  
19 Agriculture; and

20 (17) Certificate, certificated, or certified, when referring to an  
21 individual holding a certificate to teach, administer, or provide special  
22 services, also includes an individual who holds a permit issued by the  
23 Commissioner of Education pursuant to sections 79-806 to 79-815.

24 The State Board of Education may adopt and promulgate rules and  
25 regulations to define school day and other appropriate units of the  
26 school calendar.

27 Sec. 3. A parent or guardian of any student enrolled in, or in the  
28 process of enrolling in, any school district in the state may voluntarily  
29 provide information on any application submitted pursuant to Nebraska  
30 law, rules, and regulations regarding the applicant's potential to meet  
31 the qualifications for free or reduced-price lunches without regard to

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

17       Sec. 4. Section 79-215, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19       79-215 (1) Except as otherwise provided in this section, a student  
20 is a resident of the school district where he or she resides and shall be  
21 admitted to any such school district upon request without charge.

22       (2) A school board shall admit a student upon request without charge  
23 if at least one of the student's parents resides in the school district.

24       (3) A school board shall admit any homeless student upon request  
25 without charge if the district is the district in which the student (a)  
26 is currently located, (b) attended when permanently housed, or (c) was  
27 last enrolled.

28       (4) A school board may allow a student whose residency in the  
29 district ceases during a school year to continue attending school in such  
30 district for the remainder of that school year.

31       (5) A school board may admit nonresident students to the school

1 district pursuant to a contract with the district where the student is a  
2 resident and shall collect tuition pursuant to the contract.

3 (6) A school board may admit nonresident students to the school  
4 district pursuant to the enrollment option program as authorized by  
5 sections 79-232 to 79-246, and such admission shall be without charge.

6 (7) A school board of any school district that is a member of a  
7 learning community shall admit nonresident students to the school  
8 district pursuant to the open enrollment provisions of a diversity plan  
9 in a learning community as authorized by section 79-2110, and such  
10 admission shall be without charge.

11 (8) A school board may admit a student who is a resident of another  
12 state to the school district and collect tuition in advance at a rate  
13 determined by the school board.

14 (9) When a student as a ward of the state or as a ward of any court  
15 (a) has been placed in a school district other than the district in which  
16 he or she resided at the time he or she became a ward and such ward does  
17 not reside in a foster family home licensed or approved by the Department  
18 of Health and Human Services or a foster home maintained or used pursuant  
19 to section 83-108.04 or (b) has been placed in any institution which  
20 maintains a special education program which has been approved by the  
21 State Department of Education and such institution is not owned or  
22 operated by the district in which he or she resided at the time he or she  
23 became a ward, the cost of his or her education and the required  
24 transportation costs associated with the student's education shall be  
25 paid by the state, but not in advance, to the receiving school district  
26 or approved institution under rules and regulations prescribed by the  
27 Department of Health and Human Services and the student shall remain a  
28 resident of the district in which he or she resided at the time he or she  
29 became a ward. Any student who is a ward of the state or a ward of any  
30 court who resides in a foster family home licensed or approved by the  
31 Department of Health and Human Services or a foster home maintained or

1 used pursuant to section 83-108.04 shall be deemed a resident of the  
2 district in which he or she resided at the time he or she became a foster  
3 child, unless it is determined under section 43-1311 or 43-1312 that he  
4 or she will not attend such district in which case he or she shall be  
5 deemed a resident of the district in which the foster family home or  
6 foster home is located.

7 (10)(a) When a student is not a ward of the state or a ward of any  
8 court and is residing in a residential setting located in Nebraska for  
9 reasons other than to receive an education and the residential setting is  
10 operated by a service provider which is certified or licensed by the  
11 Department of Health and Human Services or is enrolled in the medical  
12 assistance program established pursuant to the Medical Assistance Act and  
13 Title XIX or XXI of the federal Social Security Act, as amended, the  
14 student shall remain a resident of the district in which he or she  
15 resided immediately prior to residing in such residential setting. The  
16 resident district for a student who is not a ward of the state or a ward  
17 of any court does not change when the student moves from one residential  
18 setting to another.

19 (b) If a student is residing in a residential setting as described  
20 in subdivision (10)(a) of this section and such residential setting does  
21 not maintain an interim-program school as defined in section 79-1119.01  
22 or an approved or accredited school, the resident school district shall  
23 contract with the district in which such residential setting is located  
24 for the provision of all educational services, including all special  
25 education services and support services as defined in section 79-1125.01,  
26 unless a parent or guardian and the resident school district agree that  
27 an appropriate education will be provided by the resident school district  
28 while the student is residing in such residential setting. If the  
29 resident school district is required to contract, the district in which  
30 such residential setting is located shall contract with the resident  
31 district and provide all educational services, including all special

1 education services, to the student. If the two districts cannot agree on  
2 the amount of the contract, the State Department of Education shall  
3 determine the amount to be paid by the resident district to the district  
4 in which such residential setting is located based on the needs of the  
5 student, approved special education rates, the department's general  
6 experience with special education budgets, and the cost per student in  
7 the district in which such residential setting is located. Once the  
8 contract has been entered into, all legal responsibility for special  
9 education and related services shall be transferred to the school  
10 district in which the residential setting is located.

11 (c) If a student is residing in a residential setting as described  
12 in subdivision (10)(a) of this section and such residential setting  
13 maintains an interim-program school as defined in section 79-1119.01 or  
14 an approved or accredited school, the department shall reimburse such  
15 residential setting for the provision of all educational services,  
16 including all special education services and support services, with the  
17 amount of payment for all educational services determined pursuant to the  
18 average per pupil cost of the service agency as defined in section  
19 79-1116. The resident school district shall retain responsibility for  
20 such student's individualized education plan, if any. The educational  
21 services may be provided through (i) such interim-program school or  
22 approved or accredited school, (ii) a contract between the residential  
23 setting and the school district in which such residential setting is  
24 located, (iii) a contract between the residential setting and another  
25 service agency as defined in section 79-1124, or (iv) a combination of  
26 such educational service providers.

27 (d) If a school district pays a school district in which a  
28 residential setting is located for educational services provided pursuant  
29 to subdivision (10)(b) of this section and it is later determined that a  
30 different school district was the resident school district for such  
31 student at the time such educational services were provided, the school

1 district that was later determined to be the resident school district  
2 shall reimburse the school district that initially paid for the  
3 educational services one hundred ten percent of the amount paid.

4 (e) A student residing in a residential setting described in this  
5 subsection shall be defined as a student with a handicap pursuant to  
6 Article VII, section 11, of the Constitution of Nebraska, and as such the  
7 state and any political subdivision may contract with institutions not  
8 wholly owned or controlled by the state or any political subdivision to  
9 provide the educational services to the student if such educational  
10 services are nonsectarian in nature.

11 (11) In the case of any individual eighteen years of age or younger  
12 who is a ward of the state or any court and who is placed in a county  
13 detention home established under section 43-2,110, the cost of his or her  
14 education shall be paid by the state, regardless of the district in which  
15 he or she resided at the time he or she became a ward, to the agency or  
16 institution which: (a) Is selected by the county board with jurisdiction  
17 over such detention home; (b) has agreed or contracted with such county  
18 board to provide educational services; and (c) has been approved by the  
19 State Department of Education pursuant to rules and regulations  
20 prescribed by the State Board of Education.

21 (12) No tuition shall be charged for students who may be by law  
22 allowed to attend the school without charge.

23 (13) On a form prescribed by the State Department of Education, an  
24 adult with legal or actual charge or control of a student shall provide  
25 the name of the student, the name of the adult with legal or actual  
26 charge or control of the student, the address where the student is  
27 residing, and the telephone number and address where the adult may  
28 generally be reached during the school day. If the student is homeless or  
29 if the adult does not have a telephone number and address where he or she  
30 may generally be reached during the school day, those parts of the form  
31 may be left blank and a box may be marked acknowledging that these are

1 the reasons these parts of the form were left blank. The adult with legal  
2 or actual charge or control of the student shall also sign the form.

3 (14) The department may adopt and promulgate rules and regulations  
4 to carry out the department's responsibilities under this section.

5 Sec. 5. Section 79-2,144, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 79-2,144 The state school security director appointed pursuant to  
8 section 79-2,143 shall be responsible for providing leadership and  
9 support for safety and security for the public schools. Duties of the  
10 director include, but are not limited to:

11 (1) Collecting safety and security plans, required pursuant to rules  
12 and regulations of the State Department of Education relating to  
13 accreditation of schools, and other school security information from each  
14 school system in Nebraska. School districts shall provide the state  
15 school security director with the safety and security plans of the school  
16 district and any other security information requested by the director,  
17 but any plans or information submitted by a school district may be  
18 withheld by the department pursuant to subdivision (8) of section  
19 84-712.05;

20 (2) Recommending minimum standards for school security on or before  
21 January 1, 2016, to the State Board of Education;

22 (3) Conducting an assessment of the security of each public school  
23 building, which assessment shall be completed by August 31, 2017;

24 (4) Identifying deficiencies in school security based on the minimum  
25 standards adopted by the State Board of Education and making  
26 recommendations to school boards for remedying such deficiencies;

27 (5) Establishing security awareness and preparedness tools and  
28 training programs for public school staff;

29 (6) Establishing research-based model instructional programs for  
30 staff, students, and parents to address the underlying causes for violent  
31 attacks on schools;

1 (7) Overseeing suicide awareness and prevention training in public  
2 schools pursuant to section 79-2,146;

3 (8) Establishing tornado preparedness standards which shall include,  
4 but not be limited to, ensuring that every school conduct at least two  
5 tornado drills per year;~~and~~

6 (9) Responding to inquiries and requests for assistance relating to  
7 school security from private, denominational, and parochial schools;  
8 and -

9 (10) Recommending curricular and extracurricular materials to assist  
10 school districts in preventing and responding to cyberbullying and  
11 digital citizenship issues.

12 Sec. 6. Section 79-301, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 79-301 (1) The State Department of Education provided for in Article  
15 VII, section 2, of the Constitution of Nebraska shall consist of a State  
16 Board of Education and a Commissioner of Education. The State Department  
17 of Education shall have general supervision and administration of the  
18 school system of the state and of such other activities as the  
19 Legislature may direct.

20 (2) The State Board of Education, acting as a unit, shall be the  
21 policy-forming, planning, and evaluative body for the state school  
22 program. Except in the appointment of a Commissioner of Education, the  
23 board shall deliberate and take action with the professional advice and  
24 counsel of the Commissioner of Education.

25 (3) The Commissioner of Education shall be the executive officer of  
26 the State Board of Education and the administrative head of the  
27 professional, technical, and clerical staff of the State Department of  
28 Education. The commissioner shall act under the authority of the State  
29 Board of Education. The commissioner shall have the responsibility for  
30 carrying out the requirements of law and of board policies, standards,  
31 rules, and regulations and for providing the educational leadership and

1 services deemed necessary by the board for the proper conduct of the  
2 state school program. In the event of vacancy in office or the absence or  
3 incapacity of the Commissioner of Education, ~~a the~~ deputy commissioner  
4 shall carry out any all the duties imposed by law upon the commissioner.

5 Sec. 7. Section 79-308, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 79-308 (1) The Commissioner of Education shall organize institutes  
8 and conferences at such times and places as he or she deems practicable.  
9 He or she shall, as far as practicable, attend such institutes and  
10 conferences, provide proper instructors for the same, and in other ways  
11 seek to improve the efficiency of teachers and advance the cause of  
12 education in the state.

13 (2) The Legislature finds that (a) an educator-effectiveness system  
14 includes a quality evaluation system with the primary goal of improving  
15 instruction and learning in every school district and (b) school  
16 districts have an opportunity to receive training on the quality  
17 evaluation models.

18 (3) Beginning with the 2016-17 school year through the 2019-20  
19 school year, school districts may apply to the State Department of  
20 Education for grant funding for a period of up to two years to implement  
21 an evaluation model for effective educators and to obtain the necessary  
22 training for administrators and teachers for such model.

23 (4) The State Board of Education may adopt and promulgate rules and  
24 regulations to carry out this section.

25 Sec. 8. Section 79-309.01, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 79-309.01 ~~(1)(a) Beginning in 2016, the Commissioner of Education~~  
28 ~~shall annually collect data from each school district prior to February~~  
29 ~~25 and determine whether at least seventy-five percent of the school~~  
30 ~~districts have included a system for distributing apportionment funds~~  
31 ~~attributable to income from solar or wind agreements on school lands for~~

1 ~~teacher performance pay within such districts' local collective-~~  
2 ~~bargaining agreements for the ensuing school fiscal year.~~

3       ~~The (b)(i) If the seventy-five percent requirement has been met for~~  
4 ~~the year, the Commissioner of Education shall use the separate accounting~~  
5 ~~provided by the State Treasurer under subdivision (1)(b) of section~~  
6 ~~79-1035 to determine the amount of the apportionment to each school~~  
7 ~~district under section 79-1035 that is attributable to income from solar~~  
8 ~~or wind agreements on school lands. This amount shall provide funds for~~  
9 ~~the grants described in section 79-308 through the 2019-20 school year~~  
10 ~~The commissioner shall notify each school district of such amount within~~  
11 ~~five days after certification of the apportionment required pursuant to~~  
12 ~~subsection (3) of section 79-1035. Each school district shall use the~~  
13 ~~amount of apportionment funds specified in the notice provided by the~~  
14 ~~commissioner for the purpose of teacher performance pay. Such amount~~  
15 ~~shall be used as a supplement to the salary schedule as provided in local~~  
16 ~~collective-bargaining agreements. For purposes of distribution of such~~  
17 ~~funds only, the Legislature finds that teacher performance pay~~  
18 ~~measurements, criteria, and payout amounts are mandatory topics of~~  
19 ~~collective bargaining. If a school district has not included a system for~~  
20 ~~distributing apportionment funds attributable to income from solar or~~  
21 ~~wind agreements on school lands for teacher performance pay within its~~  
22 ~~local collective-bargaining agreement, the amount of apportionment funds~~  
23 ~~specified in the notice provided by the commissioner shall be returned to~~  
24 ~~the State Treasurer within one month of receipt of such funds. The State~~  
25 ~~Treasurer shall immediately credit any funds returned under this section~~  
26 ~~to the temporary school fund. Any funds returned under this section shall~~  
27 ~~be redistributed from the temporary school fund in the following year and~~  
28 ~~shall no longer be designated as income attributable to solar or wind~~  
29 ~~agreements on school lands.~~

30       ~~(ii) If the seventy-five percent requirement has not been met for~~  
31 ~~the year, then subdivision (1)(b)(i) of this section shall not apply for~~

1 that year.

2 ~~(2) If the seventy five percent requirement has not been met in~~  
3 ~~2016, 2017, or 2018, then this section shall not apply in 2019 or any~~  
4 ~~year thereafter.~~

5 ~~(3) For purposes of this section, agreement ÷~~

6 ~~(a) Agreement means any lease, easement, covenant, or other such~~  
7 ~~contractual arrangement. ÷ and~~

8 ~~(b) Teacher performance pay means a systematic process for measuring~~  
9 ~~teachers' performance and linking the measurements to changes in teacher~~  
10 ~~pay. Indicators of teacher performance may include improving professional~~  
11 ~~skills and knowledge, classroom performance or instructional behavior,~~  
12 ~~and instructional outcomes. Teacher performance pay may include~~  
13 ~~predetermined bonus amounts and payout criteria.~~

14 Sec. 9. Section 79-318, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-318 The State Board of Education shall:

17 (1) Appoint and fix the compensation of the Commissioner of  
18 Education;

19 (2) Remove the commissioner from office at any time for conviction  
20 of any crime involving moral turpitude or felonious act, for  
21 inefficiency, or for willful and continuous disregard of his or her  
22 duties as commissioner or of the directives of the board;

23 (3) Upon recommendation of the commissioner, appoint and fix the  
24 compensation of all new professional positions in the department,  
25 including any deputy commissioners a deputy commissioner and all  
26 professional employees of the board;

27 (4) Organize the State Department of Education into such divisions,  
28 branches, or sections as may be necessary or desirable to perform all its  
29 proper functions and to render maximum service to the board and to the  
30 state school system;

31 (5) Provide, through the commissioner and his or her professional

1 staff, enlightened professional leadership, guidance, and supervision of  
2 the state school system, including educational service units. In order  
3 that the commissioner and his or her staff may carry out their duties,  
4 the board shall, through the commissioner: (a) Provide supervisory and  
5 consultation services to the schools of the state; (b) issue materials  
6 helpful in the development, maintenance, and improvement of educational  
7 facilities and programs; (c) establish rules and regulations which govern  
8 standards and procedures for the approval and legal operation of all  
9 schools in the state and for the accreditation of all schools requesting  
10 state accreditation. All public, private, denominational, or parochial  
11 schools shall either comply with the accreditation or approval  
12 requirements prescribed in this section and section 79-703 or, for those  
13 schools which elect not to meet accreditation or approval requirements,  
14 the requirements prescribed in subsections (2) through (6) of section  
15 79-1601. Standards and procedures for approval and accreditation shall be  
16 based upon the program of studies, guidance services, the number and  
17 preparation of teachers in relation to the curriculum and enrollment,  
18 instructional materials and equipment, science facilities and equipment,  
19 library facilities and materials, and health and safety factors in  
20 buildings and grounds. Rules and regulations which govern standards and  
21 procedures for private, denominational, and parochial schools which  
22 elect, pursuant to the procedures prescribed in subsections (2) through  
23 (6) of section 79-1601, not to meet state accreditation or approval  
24 requirements shall be as described in such section; (d) institute a  
25 statewide system of testing to determine the degree of achievement and  
26 accomplishment of all the students within the state's school systems if  
27 it determines such testing would be advisable; (e) prescribe a uniform  
28 system of records and accounting for keeping adequate educational and  
29 financial records, for gathering and reporting necessary educational  
30 data, and for evaluating educational progress; (f) cause to be published  
31 laws, rules, and regulations governing the schools and the school lands

1 and funds with explanatory notes for the guidance of those charged with  
2 the administration of the schools of the state; (g) approve teacher  
3 education programs conducted in Nebraska postsecondary educational  
4 institutions designed for the purpose of certificating teachers and  
5 administrators; (h) approve certificated-employee evaluation policies and  
6 procedures developed by school districts and educational service units;  
7 and (i) approve general plans and adopt educational policies, standards,  
8 rules, and regulations for carrying out the board's responsibilities and  
9 those assigned to the State Department of Education by the Legislature;

10 (6) Adopt and promulgate rules and regulations for the guidance,  
11 supervision, accreditation, and coordination of educational service  
12 units. Such rules and regulations for accreditation shall include, but  
13 not be limited to, (a) a requirement that programs and services offered  
14 to school districts by each educational service unit shall be evaluated  
15 on a regular basis, but not less than every seven years, to assure that  
16 educational service units remain responsive to school district needs and  
17 (b) guidelines for the use and management of funds generated from the  
18 property tax levy and from other sources of revenue as may be available  
19 to the educational service units, to assure that public funds are used to  
20 accomplish the purposes and goals assigned to the educational service  
21 units by section 79-1204. The State Board of Education shall establish  
22 procedures to encourage the coordination of activities among educational  
23 service units and to encourage effective and efficient educational  
24 service delivery on a statewide basis;

25 (7) Prepare and distribute reports designed to acquaint school  
26 district officers, teachers, and patrons of the schools with the  
27 conditions and needs of the schools;

28 (8) Provide for consultation with professional educators and lay  
29 leaders for the purpose of securing advice deemed necessary in the  
30 formulation of policies and in the effectual discharge of its duties;

31 (9) Make studies, investigations, and reports and assemble

1 information as necessary for the formulation of policies, for making  
2 plans, for evaluating the state school program, and for making essential  
3 and adequate reports;

4 (10) Submit to the Governor and the Legislature a budget necessary  
5 to finance the state school program under its jurisdiction, including the  
6 internal operation and maintenance of the State Department of Education;

7 (11) Interpret its own policies, standards, rules, and regulations  
8 and, upon reasonable request, hear complaints and disputes arising  
9 therefrom;

10 (12) With the advice of the Department of Motor Vehicles, adopt and  
11 promulgate rules and regulations containing reasonable standards, not  
12 inconsistent with existing statutes, governing: (a) The general design,  
13 equipment, color, operation, and maintenance of any vehicle with a  
14 manufacturer's rated seating capacity of eleven or more passengers used  
15 for the transportation of public, private, denominational, or parochial  
16 school students; and (b) the equipment, operation, and maintenance of any  
17 vehicle with a capacity of ten or less passengers used for the  
18 transportation of public, private, denominational, or parochial school  
19 students, when such vehicles are owned, operated, or owned and operated  
20 by any public, private, denominational, or parochial school or privately  
21 owned or operated under contract with any such school in this state,  
22 except for vehicles owned by individuals operating a school which elects  
23 pursuant to section 79-1601 not to meet accreditation or approval  
24 requirements. Similar rules and regulations shall be adopted and  
25 promulgated for operators of such vehicles as provided in section 79-607;

26 (13) Accept, on behalf of the Nebraska Center for the Education of  
27 Children who are Blind or Visually Impaired, devises of real property or  
28 donations or bequests of other property, or both, if in its judgment any  
29 such devise, donation, or bequest is for the best interest of the center  
30 or the students receiving services from the center, or both, and irrigate  
31 or otherwise improve any such real estate when in the board's judgment it

1 would be advisable to do so;

2 (14) Accept, in order to administer the Interstate Compact on  
3 Educational Opportunity for Military Children, any devise, donation, or  
4 bequest received by the State Department of Education pursuant to section  
5 79-2206; and

6 (15) Upon acceptance of any devise, donation, or bequest as provided  
7 in this section, administer and carry out such devise, donation, or  
8 bequest in accordance with the terms and conditions thereof. If not  
9 prohibited by the terms and conditions of any such devise, donation, or  
10 bequest, the board may sell, convey, exchange, or lease property so  
11 devised, donated, or bequeathed upon such terms and conditions as it  
12 deems best and remit all money derived from any such sale or lease to the  
13 State Treasurer for credit to the State Department of Education Trust  
14 Fund.

15 None of the duties prescribed in this section shall prevent the  
16 board from exercising such other duties as in its judgment may be  
17 necessary for the proper and legal exercise of its obligations.

18 Sec. 10. Section 79-420, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 79-420 Within thirty days after the creation of a new school  
21 district pursuant to sections 79-413 to 79-419, the State Committee for  
22 the Reorganization of School Districts shall appoint from among the legal  
23 voters of the new school district created the number of members necessary  
24 to constitute a school board of the class in which the new school  
25 district has been classified. Members of the first board shall be  
26 appointed so that their terms will expire in accord with provisions of  
27 law governing school districts of the class involved. The board so  
28 appointed shall organize at once in the manner prescribed by law. A  
29 reorganized school district shall be formed, organized, and have a  
30 governing board not later than June ~~April~~ 1 following the last legal  
31 action, as prescribed in section 79-413, necessary to effect the changes

1 in boundaries as set forth in the petition, although the physical  
2 reorganization of such reorganized school district may not take effect  
3 until the commencement of the following school year. At the next ~~annual~~  
4 ~~school meeting or~~ election following the establishment of the new school  
5 district and at subsequent ~~annual meetings or~~ elections, successors shall  
6 be elected in the manner provided by law for election of board members of  
7 the class to which the school district belongs.

8 Sec. 11. Section 79-760.01, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 79-760.01 The State Board of Education shall adopt measurable  
11 academic content standards for at least the grade levels required for  
12 statewide assessment pursuant to section 79-760.03. The standards shall  
13 cover the subject areas of reading, writing, mathematics, science, and  
14 social studies. The standards adopted shall be sufficiently clear and  
15 measurable to be used for testing student performance with respect to  
16 mastery of the content described in the state standards. The State Board  
17 of Education shall develop a plan to review and update standards for each  
18 subject area every seven five years. ~~The state board shall review and~~  
19 ~~update the standards in reading by July 1, 2009, the standards in~~  
20 ~~mathematics by July 1, 2010, and the standards in all other subject areas~~  
21 ~~by July 1, 2013.~~ The state board plan shall include a review of commonly  
22 accepted standards adopted by school districts.

23 Sec. 12. Section 79-760.02, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 79-760.02 In accordance with timelines that are adopted by the State  
26 Board of Education, but in no event later than one year following the  
27 adoption or modification of state standards, each school district shall  
28 adopt measurable quality academic content standards in the subject areas  
29 of reading, writing, mathematics, science, and social studies. The  
30 standards may be the same as, or may be equal to or exceed in rigor, the  
31 measurable academic content standards adopted by the state board and

1 shall cover at least the same grade levels. School districts may work  
2 collaboratively with educational service units, with learning  
3 communities, or through interlocal agreements to develop such standards.  
4 ~~Educational service units and learning communities shall develop a~~  
5 ~~composite set of standards shared by member school districts.~~

6 Sec. 13. Section 79-760.06, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 79-760.06 (1) On or before August 1, 2012, the State Board of  
9 Education shall establish an accountability system to be used to measure  
10 the performance of individual public schools and school districts. The  
11 accountability system shall combine multiple indicators, including, but  
12 not limited to, graduation rates, student growth and student improvement  
13 on the assessment instruments provided in section 79-760.03, and other  
14 indicators of the performance of public schools and school districts as  
15 established by the state board.

16 (2) Beginning with the reporting of data from school year 2014-15,  
17 the indicators selected by the state board for the accountability system  
18 shall be combined into a school performance score and district  
19 performance score. The state board shall establish levels of performance  
20 based upon school performance scores and district performance scores in  
21 order to classify the performance of public schools and school districts  
22 beginning with the reporting of data from school year 2014-15. The state  
23 board shall designate priority schools based on such classification.  
24 Schools designated as priority schools shall be at the lowest performance  
25 level at the time of the initial priority school designation. Schools  
26 designated as priority schools shall remain priority schools until such  
27 designation is removed by the state board. No more than three schools may  
28 have a priority school designation at one time. Schools designated as  
29 priority schools shall be subject to the requirements of section  
30 79-760.07. Progress plans for the initial schools designated as priority  
31 schools shall be approved by the state board no later than August 15 ~~1~~,

1 2016. The State Department of Education shall annually report the  
2 performance level of individual public schools and school districts as  
3 part of the statewide assessment and reporting system.

4 Sec. 14. Section 79-761, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 79-761 The State Board of Education shall develop guidelines for  
7 mentor teacher programs in local systems in order to provide ongoing  
8 support for individuals entering the teaching profession. Mentor teachers  
9 shall not participate in the formal evaluation of beginning teachers  
10 which shall be the responsibility of school administrators. Local systems  
11 The mentor teacher programs shall identify criteria for selecting  
12 excellent, experienced, and qualified teachers to be participants in the  
13 local system mentor teacher program which are consistent with the  
14 guidelines developed by the State Board of Education.

15 Sec. 15. Section 79-8,137, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 79-8,137 (1)(a) Prior to receiving any money from a loan pursuant to  
18 the Attracting Excellence to Teaching Program, an eligible student shall  
19 enter into a contract with the department. Such contract shall provide  
20 notice to the eligible student that funding for loans pursuant to the  
21 Attracting Excellence to Teaching Program terminates on June 30, 2016.  
22 Such contract shall be exempt from the requirements of sections 73-501 to  
23 73-510.

24 (b) For eligible students who applied for the first time prior to  
25 April 23, 2009, the contract shall require that if (i) the borrower is  
26 not employed as a teacher in Nebraska for a time period equal to the  
27 number of years required for loan forgiveness pursuant to subsection (2)  
28 of this section and is not enrolled as a full-time student in a graduate  
29 program within six months after obtaining an undergraduate degree for  
30 which a loan from the program was obtained or (ii) the borrower does not  
31 complete the requirements for graduation within five consecutive years

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

11 (c) For eligible students who apply for the first time on or after  
12 April 23, 2009, the contract shall require that if (i) the borrower is  
13 not employed as a full-time teacher teaching in an approved or accredited  
14 school in Nebraska and teaching at least a portion of the time in the  
15 shortage area for which the loan was received for a time period equal to  
16 the number of years required for loan forgiveness pursuant to subsection  
17 (3) of this section and is not enrolled as a full-time student in a  
18 graduate program within six months after obtaining an undergraduate  
19 degree for which a loan from the program was obtained or (ii) the  
20 borrower does not complete the requirements for graduation within five  
21 consecutive years after receiving the initial loan under the program,  
22 then the loan shall be repaid with interest at the rate fixed pursuant to  
23 section 45-103 accruing as of the date the borrower signed the contract  
24 and actual collection costs as determined by the department. If a  
25 borrower fails to remain enrolled at an eligible institution or otherwise  
26 fails to continue to be an eligible student, repayment of the loan shall  
27 commence within six months after such change in eligibility. The State  
28 Board of Education may by rule and regulation provide for exceptions to  
29 the conditions of repayment pursuant to this subdivision based upon  
30 mitigating circumstances.

31 (2) If the borrower applied for the first time prior to April 23,

1 2009, and (a) successfully completes the teacher education program and  
2 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes  
3 employed as a teacher in this state within six months of becoming  
4 certified, and (c) otherwise meets the requirements of the contract,  
5 payments shall be suspended for the number of years that the borrower is  
6 required to remain employed as a teacher in this state under the  
7 contract. For each year that the borrower teaches in Nebraska pursuant to  
8 the contract, payments shall be forgiven in an amount equal to the amount  
9 borrowed for one year, except that if the borrower teaches in a school  
10 district that is in a local system classified as very sparse as defined  
11 in section 79-1003 or teaches in a school district in which at least  
12 forty percent of the students are poverty students as defined in section  
13 79-1003, payments shall be forgiven each year in an amount equal to the  
14 amount borrowed for two years.

15 (3) If the borrower applies for the first time on or after April 23,  
16 2009, and (a) successfully completes the teacher education program and  
17 major for which the borrower is receiving a forgivable loan pursuant to  
18 the program and becomes certified pursuant to sections 79-806 to 79-815  
19 with an endorsement in the shortage area for which the loan was received,  
20 (b) becomes employed as a full-time teacher teaching at least a portion  
21 of the time in the shortage area for which the loan was received in an  
22 approved or accredited school in this state within six months of becoming  
23 certified, and (c) otherwise meets the requirements of the contract,  
24 payments shall be suspended for the number of years that the borrower is  
25 required to remain employed as a teacher in this state under the  
26 contract. Beginning after the first two years of teaching full-time in  
27 Nebraska following graduation for the degree for which the loan was  
28 received, for each year that the borrower teaches full-time in Nebraska  
29 pursuant to the contract, the loan shall be forgiven in an amount equal  
30 to three thousand dollars, except that if the borrower teaches full-time  
31 in a school district that is in a local system classified as very sparse

1 as defined in section 79-1003, teaches in a school building in which at  
2 least forty percent of the formula students are poverty students as  
3 defined in section 79-1003, teaches in a school building that provides  
4 free meals to all students pursuant to the community eligibility  
5 provision, or teaches in an accredited or approved private school in  
6 Nebraska in which at least forty percent of the enrolled students  
7 qualified for free lunches as determined by the most recent data  
8 available from the department, payments shall be forgiven each year in an  
9 amount equal to six thousand dollars.

10 Sec. 16. Section 79-8,137.04, Reissue Revised Statutes of Nebraska,  
11 is amended to read:

12 79-8,137.04 (1) Prior to receiving any money from a loan pursuant to  
13 the Enhancing Excellence in Teaching Program, an eligible student shall  
14 enter into a contract with the department. Such contract shall provide  
15 notice to the eligible student that funding for loans pursuant to the  
16 Enhancing Excellence in Teaching Program terminates on June 30, 2016.  
17 Such contract shall be exempt from the requirements of sections 73-501 to  
18 73-510. The contract shall require that if (a) the borrower is not  
19 employed as a full-time teacher teaching in an approved or accredited  
20 school in Nebraska for a time period equal to the number of years  
21 required for loan forgiveness pursuant to subsection (2) of this section  
22 or (b) the borrower does not complete the requirements for graduation  
23 within five consecutive years after receiving the initial loan under the  
24 program, then the loan shall be repaid, with interest at the rate fixed  
25 pursuant to section 45-103 accruing as of the date the borrower signed  
26 the contract and actual collection costs as determined by the department.  
27 If a borrower fails to remain enrolled at an eligible institution or  
28 otherwise fails to meet the requirements of an eligible student,  
29 repayment of the loan shall commence within six months after such change  
30 in eligibility. The State Board of Education may by rules and regulations  
31 provide for exceptions to the conditions of repayment pursuant to this

1 subsection based upon mitigating circumstances.

2 (2) If the borrower (a) successfully completes the eligible graduate  
3 program and major for which the borrower is receiving a forgivable loan  
4 pursuant to the Enhancing Excellence in Teaching Program and maintains  
5 certification pursuant to sections 79-806 to 79-815, (b) maintains  
6 employment as a teacher in an approved or accredited school in this  
7 state, and (c) otherwise meets the requirements of the contract, payments  
8 shall be suspended for the number of years that the borrower is required  
9 to remain employed as a teacher in this state under the contract.  
10 Beginning after the first two years of teaching full-time in Nebraska  
11 following graduation for the degree for which the loan was received, for  
12 each year that the borrower teaches full-time in Nebraska pursuant to the  
13 contract, the loan shall be forgiven in an amount equal to three thousand  
14 dollars, except that if the borrower teaches full-time in a school  
15 district that is in a local system classified as very sparse as defined  
16 in section 79-1003, teaches in a school building in which at least forty  
17 percent of the students are poverty students as defined in section  
18 79-1003, teaches in a school building that provides free meals to all  
19 students pursuant to the community eligibility provision, or teaches in  
20 an accredited or approved private school in Nebraska in which at least  
21 forty percent of the enrolled students qualified for free lunches as  
22 determined by the most recent data available from the department,  
23 payments shall be forgiven each year in an amount equal to six thousand  
24 dollars.

25 Sec. 17. Section 79-1003, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 79-1003 For purposes of the Tax Equity and Educational Opportunities  
28 Support Act:

29 (1) Adjusted general fund operating expenditures means (a) for  
30 school fiscal years 2013-14 through 2015-16, the difference of the  
31 general fund operating expenditures as calculated pursuant to subdivision

1 (23 22) of this section increased by the cost growth factor calculated  
2 pursuant to section 79-1007.10, minus the transportation allowance,  
3 special receipts allowance, poverty allowance, limited English  
4 proficiency allowance, distance education and telecommunications  
5 allowance, elementary site allowance, summer school allowance,  
6 instructional time allowance, teacher education allowance, and focus  
7 school and program allowance, and (b) for school fiscal year 2016-17 and  
8 each school fiscal year thereafter, the difference of the general fund  
9 operating expenditures as calculated pursuant to subdivision (23 22) of  
10 this section increased by the cost growth factor calculated pursuant to  
11 section 79-1007.10, minus the transportation allowance, special receipts  
12 allowance, poverty allowance, limited English proficiency allowance,  
13 distance education and telecommunications allowance, elementary site  
14 allowance, summer school allowance, and focus school and program  
15 allowance;

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

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

29 (4) Average daily membership means the average daily membership for  
30 grades kindergarten through twelve attributable to the local system, as  
31 provided in each district's annual statistical summary, and includes the

1 proportionate share of students enrolled in a public school instructional  
2 program on less than a full-time basis;

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

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

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

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

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

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

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

31 (12) District means any Class I, II, III, IV, V, or VI school

1 district and, beginning with the calculation of state aid for school  
2 fiscal year 2011-12 and each school fiscal year thereafter, a unified  
3 system as defined in section 79-4,108;

4 (13) Ensuing school fiscal year means the school fiscal year  
5 following the current school fiscal year;

6 (14) Equalization aid means the amount of assistance calculated to  
7 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,  
8 79-1007.25, 79-1008.01 to 79-1022, 79-1022.02, 79-1028.02, and  
9 79-1028.04;

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

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

16 (17) Formula students means:

17 (a) For state aid certified pursuant to section 79-1022, the sum of  
18 the product of fall membership from the school fiscal year immediately  
19 preceding the school fiscal year in which the aid is to be paid  
20 multiplied by the average ratio of average daily membership to fall  
21 membership for the second school fiscal year immediately preceding the  
22 school fiscal year in which the aid is to be paid and the prior two  
23 school fiscal years plus sixty percent of the qualified early childhood  
24 education fall membership plus tuitioned students from the school fiscal  
25 year immediately preceding the school fiscal year in which aid is to be  
26 paid minus the product of the number of students enrolled in kindergarten  
27 that is not full-day kindergarten from the fall membership multiplied by  
28 0.5; and

29 (b) For the final calculation of state aid pursuant to section  
30 79-1065, the sum of average daily membership plus sixty percent of the  
31 qualified early childhood education average daily membership plus

1 tuitioned students minus the product of the number of students enrolled  
2 in kindergarten that is not full-day kindergarten from the average daily  
3 membership multiplied by 0.5 from the school fiscal year immediately  
4 preceding the school fiscal year in which aid was paid;

5 (18) Free lunch and free milk calculated student means, for school  
6 fiscal year 2016-17 and each school fiscal year thereafter, using the  
7 most recent data available on November 1 of the school fiscal year  
8 immediately preceding the school fiscal year in which aid is to be paid,  
9 (a) a student who qualified for free lunches or free milk and attended a  
10 school that uses information collected from parents and guardians  
11 pursuant to section 3 of this act to determine such qualifications  
12 pursuant to the federal Richard B. Russell National School Lunch Act, 42  
13 U.S.C 1751 et seq., and the federal Child Nutrition Act of 1966, 42  
14 U.S.C. 1771 et seq., as such acts and sections existed on January 1,  
15 2015, and rules and regulations adopted thereunder, plus (b) the product  
16 of the students who attend a school that provides free meals to all  
17 students pursuant to the community eligibility provision multiplied by  
18 the identified student percentage calculated pursuant to such federal  
19 provision;

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

25 (20 19) Full-day kindergarten means kindergarten offered by a  
26 district for at least one thousand thirty-two instructional hours;

27 (21 20) General fund budget of expenditures means the total budget  
28 of disbursements and transfers for general fund purposes as certified in  
29 the budget statement adopted pursuant to the Nebraska Budget Act, except  
30 that for purposes of the limitation imposed in section 79-1023 and the  
31 calculation pursuant to subdivision (2) of section 79-1027.01, the

1 general fund budget of expenditures does not include any special grant  
2 funds, exclusive of local matching funds, received by a district;

3 (~~22~~ 21) General fund expenditures means all expenditures from the  
4 general fund;

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

1 Education pursuant to section 79-1028.01 that the agreement will result  
2 in a net savings in salary and benefit costs to the school district over  
3 a five-year period, occurring on or after the first day of the 2013-14  
4 school year, (f)(i) expenditures to pay for employer contributions  
5 pursuant to subsection (2) of section 79-958 to the School Employees  
6 Retirement System of the State of Nebraska to the extent that such  
7 expenditures exceed the employer contributions under such subsection that  
8 would have been made at a contribution rate of seven and thirty-five  
9 hundredths percent or (ii) expenditures to pay for school district  
10 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to  
11 the retirement system established pursuant to the Class V School  
12 Employees Retirement Act to the extent that such expenditures exceed the  
13 school district contributions under such subdivision that would have been  
14 made at a contribution rate of seven and thirty-seven hundredths percent,  
15 and (g) any amounts paid by the district for lobbyist fees and expenses  
16 reported to the Clerk of the Legislature pursuant to section 49-1483.

17 For purposes of this subdivision (~~23~~ 22) of this section, receipts  
18 from levy override elections shall equal ninety-nine percent of the  
19 difference of the total general fund levy minus a levy of one dollar and  
20 five cents per one hundred dollars of taxable valuation multiplied by the  
21 assessed valuation for school districts that have voted pursuant to  
22 section 77-3444 to override the maximum levy provided pursuant to section  
23 77-3442;

24 (~~24~~ 23) High school district means a school district providing  
25 instruction in at least grades nine through twelve;

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

29 (~~26~~ 25) Income tax receipts means the amount of income tax collected  
30 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable  
31 credits earned and refunds made;

1           (27 26) Limited English proficiency students means the number of  
2 students with limited English proficiency in a district from the most  
3 recent data available on November 1 of the school fiscal year preceding  
4 the school fiscal year in which aid is to be paid plus the difference of  
5 such students with limited English proficiency minus the average number  
6 of limited English proficiency students for such district, prior to such  
7 addition, for the three immediately preceding school fiscal years if such  
8 difference is greater than zero;

9           (28 27) Local system means a learning community for purposes of  
10 calculation of state aid for the second full school fiscal year after  
11 becoming a learning community and each school fiscal year thereafter, a  
12 unified system, a Class VI district and the associated Class I districts,  
13 or a Class II, III, IV, or V district and any affiliated Class I  
14 districts or portions of Class I districts. The membership, expenditures,  
15 and resources of Class I districts that are affiliated with multiple high  
16 school districts will be attributed to local systems based on the percent  
17 of the Class I valuation that is affiliated with each high school  
18 district;

19           (29 28) Low-income child means (a) for school fiscal years prior to  
20 2016-17, a child under nineteen years of age living in a household having  
21 an annual adjusted gross income for the second calendar year preceding  
22 the beginning of the school fiscal year for which aid is being calculated  
23 equal to or less than the maximum household income that would allow a  
24 student from a family of four people to be a free lunch and free milk  
25 student during the school fiscal year immediately preceding the school  
26 fiscal year for which aid is being calculated and (b) for school fiscal  
27 year 2016-17 and each school fiscal year thereafter, a child under  
28 nineteen years of age living in a household having an annual adjusted  
29 gross income for the second calendar year preceding the beginning of the  
30 school fiscal year for which aid is being calculated equal to or less  
31 than the maximum household income pursuant to sections 9(b)(1) and 17(c)

1 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.  
2 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)  
3 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)  
4 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections  
5 existed on January 1, 2015, for a household of that size that would have  
6 allowed the child to meet the income qualifications for free meals during  
7 the school fiscal year immediately preceding the school fiscal year for  
8 which aid is being calculated;

9       (~~30~~ 29) Low-income students means the number of low-income children  
10 within the district multiplied by the ratio of the formula students in  
11 the district divided by the total children under nineteen years of age  
12 residing in the district as derived from income tax information;

13       (~~31~~ 30) Most recently available complete data year means the most  
14 recent single school fiscal year for which the annual financial report,  
15 fall school district membership report, annual statistical summary,  
16 Nebraska income tax liability by school district for the calendar year in  
17 which the majority of the school fiscal year falls, and adjusted  
18 valuation data are available;

19       (~~32~~ 31) Poverty students means (a) for school fiscal years prior to  
20 2016-17, the number of low-income students or the number of students who  
21 are free lunch and free milk students in a district plus the difference  
22 of the number of low-income students or the number of students who are  
23 free lunch and free milk students in a district, whichever is greater,  
24 minus the average number of poverty students for such district, prior to  
25 such addition, for the three immediately preceding school fiscal years if  
26 such difference is greater than zero and (b) for school fiscal year  
27 2016-17 and each school fiscal year thereafter, the unadjusted poverty  
28 students plus the difference of such unadjusted poverty students minus  
29 the average number of poverty students for such district, prior to such  
30 addition, for the three immediately preceding school fiscal years if such  
31 difference is greater than zero;

1           (33 32) Qualified early childhood education average daily membership  
2 means the product of the average daily membership for school fiscal year  
3 2006-07 and each school fiscal year thereafter of students who will be  
4 eligible to attend kindergarten the following school year and are  
5 enrolled in an early childhood education program approved by the  
6 department pursuant to section 79-1103 for such school district for such  
7 school year multiplied by the ratio of the actual instructional hours of  
8 the program divided by one thousand thirty-two if: (a) The program is  
9 receiving a grant pursuant to such section for the third year; (b) the  
10 program has already received grants pursuant to such section for three  
11 years; or (c) the program has been approved pursuant to subsection (5) of  
12 section 79-1103 for such school year and the two preceding school years,  
13 including any such students in portions of any of such programs receiving  
14 an expansion grant;

15           (34 33) Qualified early childhood education fall membership means  
16 the product of membership on the last Friday in September 2006 and each  
17 year thereafter of students who will be eligible to attend kindergarten  
18 the following school year and are enrolled in an early childhood  
19 education program approved by the department pursuant to section 79-1103  
20 for such school district for such school year multiplied by the ratio of  
21 the planned instructional hours of the program divided by one thousand  
22 thirty-two if: (a) The program is receiving a grant pursuant to such  
23 section for the third year; (b) the program has already received grants  
24 pursuant to such section for three years; or (c) the program has been  
25 approved pursuant to subsection (5) of section 79-1103 for such school  
26 year and the two preceding school years, including any such students in  
27 portions of any of such programs receiving an expansion grant;

28           (35 34) Regular route transportation means the transportation of  
29 students on regularly scheduled daily routes to and from the attendance  
30 center;

31           (36 35) Reorganized district means any district involved in a

1 consolidation and currently educating students following consolidation;

2 (37 36) School year or school fiscal year means the fiscal year of a  
3 school district as defined in section 79-1091;

4 (38 37) Sparse local system means a local system that is not a very  
5 sparse local system but which meets the following criteria:

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

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

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

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

22 (39 38) Special education means specially designed kindergarten  
23 through grade twelve instruction pursuant to section 79-1125, and  
24 includes special education transportation;

25 (40 39) Special grant funds means the budgeted receipts for grants,  
26 including, but not limited to, categorical funds, reimbursements for  
27 wards of the court, short-term borrowings including, but not limited to,  
28 registered warrants and tax anticipation notes, interfund loans,  
29 insurance settlements, and reimbursements to county government for  
30 previous overpayment. The state board shall approve a listing of grants  
31 that qualify as special grant funds;

1           (41 ~~40~~) State aid means the amount of assistance paid to a district  
2 pursuant to the Tax Equity and Educational Opportunities Support Act;

3           (42 ~~41~~) State board means the State Board of Education;

4           (43 ~~42~~) State support means all funds provided to districts by the  
5 State of Nebraska for the general fund support of elementary and  
6 secondary education;

7           (44 ~~43~~) Statewide average basic funding per formula student means  
8 the statewide total basic funding for all districts divided by the  
9 statewide total formula students for all districts;

10          (45 ~~44~~) Statewide average general fund operating expenditures per  
11 formula student means the statewide total general fund operating  
12 expenditures for all districts divided by the statewide total formula  
13 students for all districts;

14          (46 ~~45~~) Teacher has the definition found in section 79-101;

15          (47 ~~46~~) Temporary aid adjustment factor means (a) for school fiscal  
16 years before school fiscal year 2007-08, one and one-fourth percent of  
17 the sum of the local system's transportation allowance, the local  
18 system's special receipts allowance, and the product of the local  
19 system's adjusted formula students multiplied by the average formula cost  
20 per student in the local system's cost grouping and (b) for school fiscal  
21 year 2007-08, one and one-fourth percent of the sum of the local system's  
22 transportation allowance, special receipts allowance, and distance  
23 education and telecommunications allowance and the product of the local  
24 system's adjusted formula students multiplied by the average formula cost  
25 per student in the local system's cost grouping;

26          (48 ~~47~~) Tuition receipts from converted contracts means tuition  
27 receipts received by a district from another district in the most  
28 recently available complete data year pursuant to a converted contract  
29 prior to the expiration of the contract;

30          (49 ~~48~~) Tuitioned students means students in kindergarten through  
31 grade twelve of the district whose tuition is paid by the district to

1 some other district or education agency;~~and~~

2 (50) Unadjusted poverty students means, for school fiscal year  
3 2016-17 and each school fiscal year thereafter, the greater of the number  
4 of low-income students or the free lunch and free milk calculated  
5 students in a district; and

6 (51 49) Very sparse local system means a local system that has:

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

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

18 Sec. 18. Section 79-1003.01, Reissue Revised Statutes of Nebraska,  
19 is amended to read:

20 79-1003.01 (1) The department shall calculate a summer school  
21 allowance for each district which submits the information required for  
22 the calculation on a form prescribed by the department on or before  
23 October 15 of the school fiscal year preceding the school fiscal year for  
24 which aid is being calculated. For aid calculated for school fiscal years  
25 through school fiscal year 2013-14, the summer school allowance shall be  
26 equal to two and one-half percent of the summer school student units for  
27 such district multiplied by eighty-five percent of the statewide average  
28 general fund operating expenditures per formula student. For aid  
29 calculated for school fiscal year 2014-15 and each school fiscal year  
30 thereafter, the summer school allowance shall be equal to the lesser of  
31 two and one-half percent of the product of the summer school student

1 units for such district multiplied by eighty-five percent of the  
2 statewide average general fund operating expenditures per formula student  
3 or the summer school and early childhood summer school expenditures that  
4 are paid for with noncategorical funds generated by state or local taxes  
5 as reported on the annual financial report for the most recently  
6 available data year and that are not included in other allowances.

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

18 (3) Each school district shall receive an additional summer school  
19 student unit for each summer school student unit attributed to remedial  
20 math or reading programs. Each school district shall also receive an  
21 additional summer school student unit for each summer school student unit  
22 attributed to a free lunch and free milk student who in the school year  
23 immediately preceding summer school either (a) qualified for free lunches  
24 or free milk and attended a school that uses information collected from  
25 parents and guardians to determine such qualifications or (b) attended a  
26 school that provides free meals to all students pursuant to the community  
27 eligibility provision.

28 (4) Beginning with state aid calculated for school fiscal year  
29 2012-13, summer school student units shall be calculated for each student  
30 who was both enrolled in the most recently available complete data year  
31 in a summer session of an early childhood education program for which a

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

17 (5) Each school district shall receive an additional six-tenths of a  
18 summer school student unit for each early childhood education student  
19 unit attributed to ~~an a free lunch and free milk~~ early childhood  
20 education student who is either qualified for free lunches or free milk  
21 based on information collected from parents and guardians to determine  
22 such qualifications or is registered to attend a school in the school  
23 year immediately following such summer that provides free meals to all  
24 students pursuant to the community eligibility provision.

25 (6) This section does not prevent school districts from requiring  
26 and collecting fees for summer school or summer sessions of early  
27 childhood education programs, except that summer school student units  
28 shall not be calculated for school districts which collect fees for  
29 summer school from students who qualify for free or reduced-price lunches  
30 under United States Department of Agriculture child nutrition programs or  
31 who attended, or are registered to attend, a school in the school year

1 immediately following such summer that provides free meals to all  
2 students pursuant to the community eligibility provision.

3       Sec. 19. Section 79-1007.06, Reissue Revised Statutes of Nebraska,  
4 is amended to read:

5       79-1007.06 (1) For school fiscal year 2008-09 and each school fiscal  
6 year thereafter, the department shall determine the poverty allowance for  
7 each school district that meets the requirements of this section and ~~has~~  
8 ~~not been disqualified pursuant to~~ section 79-1007.07. Each school  
9 district shall designate a maximum poverty allowance on a form prescribed  
10 by the department on or before October 15 of the school fiscal year  
11 immediately preceding the school fiscal year for which aid is being  
12 calculated. The school district may decline to participate in the poverty  
13 allowance by providing the department with a maximum poverty allowance of  
14 zero dollars on such form on or before October 15 of the school fiscal  
15 year immediately preceding the school fiscal year for which aid is being  
16 calculated. Each school district designating a maximum poverty allowance  
17 greater than zero dollars shall submit a poverty plan pursuant to section  
18 79-1013.

19       (2) The poverty allowance for each school district ~~that has not been~~  
20 ~~disqualified pursuant to section 79-1007.07~~ shall equal the lesser of:

21       (a) The maximum amount designated pursuant to subsection (1) of this  
22 section by the school district in the local system, if such school  
23 district designated a maximum amount, for the school fiscal year for  
24 which aid is being calculated; or

25       (b) The sum of:

26       (i) The statewide average general fund operating expenditures per  
27 formula student multiplied by 0.0375 then multiplied by the poverty  
28 students comprising more than five percent and not more than ten percent  
29 of the formula students in the school district; plus

30       (ii) The statewide average general fund operating expenditures per  
31 formula student multiplied by 0.0750 then multiplied by the poverty

1 students comprising more than ten percent and not more than fifteen  
2 percent of the formula students in the school district; plus

3 (iii) The statewide average general fund operating expenditures per  
4 formula student multiplied by 0.1125 then multiplied by the poverty  
5 students comprising more than fifteen percent and not more than twenty  
6 percent of the formula students in the school district; plus

7 (iv) The statewide average general fund operating expenditures per  
8 formula student multiplied by 0.1500 then multiplied by the poverty  
9 students comprising more than twenty percent and not more than twenty-  
10 five percent of the formula students in the school district; plus

11 (v) The statewide average general fund operating expenditures per  
12 formula student multiplied by 0.1875 then multiplied by the poverty  
13 students comprising more than twenty-five percent and not more than  
14 thirty percent of the formula students in the school district; plus

15 (vi) The statewide average general fund operating expenditures per  
16 formula student multiplied by 0.2250 then multiplied by the poverty  
17 students comprising more than thirty percent of the formula students in  
18 the school district.

19 Sec. 20. Section 79-1007.07, Reissue Revised Statutes of Nebraska,  
20 is amended to read:

21 79-1007.07 (1)(a) The annual financial report required pursuant to  
22 section 79-528 shall include:

23 (i) The amount of the poverty allowance used in the certification of  
24 state aid pursuant to section 79-1022 for such school fiscal year;

25 (ii) The amount of federal funds received based on poverty as  
26 defined by the federal program providing the funds;

27 (iii) The expenditures and sources of funding for each program  
28 related to poverty with a narrative description of the program, the  
29 method used to allocate money to the program and within the program, and  
30 the program's relationship to the poverty plan submitted pursuant to  
31 section 79-1013 for such school fiscal year;

1 (iv) The expenditures and sources of funding for support costs  
2 directly attributable to implementing the district's poverty plan; and

3 (v) An explanation of how any required elements of the poverty plan  
4 for such school fiscal year were met.

5 (b) The department shall set up accounting codes for the receipts  
6 and expenditures required to be reported on the annual financial report  
7 pursuant to this subsection.

8 (2) The department shall determine the poverty allowance  
9 expenditures using the reported expenditures on the annual financial  
10 report for the most recently available complete data year that would  
11 include in the poverty allowance expenditures only those expenditures  
12 that are not included in other allowances, that were used to specifically  
13 address issues related to the education of students living in poverty or  
14 to the implementation of the poverty plan, that do not replace  
15 expenditures that would have occurred if the students involved in the  
16 program did not live in poverty, and that are paid for with  
17 noncategorical funds generated by state or local taxes or funds  
18 distributed through the Tax Equity and Educational Opportunities Support  
19 Act pursuant to the federal American Recovery and Reinvestment Act of  
20 2009 or the federal Education Jobs Fund created pursuant to Public Law  
21 111-226. The department shall establish a procedure to allow school  
22 districts to receive preapproval for categories of expenditures that  
23 could be included in poverty allowance expenditures.

24 (3) If the poverty allowance expenditures do not equal 117.65  
25 percent or more of the poverty allowance for the most recently available  
26 complete data year, the department shall calculate a poverty allowance  
27 correction. The poverty allowance correction shall equal the poverty  
28 allowance minus eighty-five percent of the poverty allowance  
29 expenditures. For aid calculated for school fiscal years prior to school  
30 fiscal year 2016-17, if ~~If~~ the poverty allowance expenditures do not  
31 equal fifty percent or more of the allowance for such school fiscal year,

1 the school district shall also be disqualified from receiving a poverty  
2 allowance for the school fiscal year for which aid is being calculated.

3 (4)(a)(i) For aid calculated for school fiscal years prior to school  
4 fiscal year 2016-17, if If the department determines that the school  
5 district did not meet the required elements of the poverty plan for the  
6 most recently available complete data year, the department shall  
7 calculate a poverty allowance correction equal to fifty percent of the  
8 poverty allowance for such school fiscal year and the school district  
9 shall also be disqualified from receiving a poverty allowance for the  
10 school fiscal year for which aid is being calculated.

11 (ii) For aid calculated for school fiscal year 2016-17 and each  
12 school fiscal year thereafter, if the department determines that the  
13 school district did not meet the required elements of the poverty plan  
14 for the most recently available complete data year, the department shall  
15 calculate a poverty allowance correction equal to five percent of the  
16 poverty allowance for such school fiscal year.

17 (b) Any poverty allowance correction calculated pursuant to this  
18 subsection shall be added to any poverty allowance correction calculated  
19 pursuant to subsection (3) of this section to arrive at the total poverty  
20 allowance correction.

21 (5) The department may request additional information from any  
22 school district to assist with calculations and determinations pursuant  
23 to this section. If the school district does not provide information upon  
24 the request of the department pursuant to this section, the school  
25 district shall be disqualified from receiving a poverty allowance for the  
26 school fiscal year for which aid is being calculated.

27 (6) The department shall provide electronically an annual report to  
28 the Legislature containing a general description of the expenditures and  
29 funding sources for programs related to poverty statewide and specific  
30 descriptions of the expenditures and funding sources for programs related  
31 to poverty for each school district.

1 (7) The state board shall establish a procedure for appeal of  
2 decisions of the department to the state board for a final determination.

3 Sec. 21. Section 79-1013, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 79-1013 (1) On or before October 15 of each year, each school  
6 district designating a maximum poverty allowance greater than zero  
7 dollars shall submit a poverty plan for the next school fiscal year to  
8 the department and to the learning community coordinating council of any  
9 learning community of which the school district is a member. On or before  
10 the immediately following December 1, (a) the department shall approve or  
11 disapprove such plan for school districts that are not members of a  
12 learning community based on the inclusion of the elements required  
13 pursuant to this section and (b) the learning community coordinating  
14 council and, as to the applicable portions thereof, each achievement  
15 subcouncil, shall approve or disapprove such plan for school districts  
16 that are members of such learning community based on the inclusion of  
17 such elements. On or before the immediately following December 5, each  
18 learning community coordinating council shall certify to the department  
19 the approval or disapproval of the poverty plan for each member school  
20 district.

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

24 (a) Attendance, including absence followup and transportation for  
25 students qualifying for free or reduced-price lunches, regardless of the  
26 method of qualification, who reside more than one mile from the  
27 attendance center;

28 (b) Student mobility, including transportation to allow a student to  
29 continue attendance at the same school if the student moves to another  
30 attendance area within the same school district or within the same  
31 learning community;

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

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

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

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

11 (g) Access to early childhood education programs for children in  
12 poverty;

13 (h) Student access to social workers;

14 (i) Access to summer school, extended-school-day programs, or  
15 extended-school-year programs;

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

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

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

22 (m) An evaluation to determine the effectiveness of the elements of  
23 the poverty plan.

24 (3) The state board shall establish a procedure for appeal of  
25 decisions of the department and of learning community coordinating  
26 councils to the state board for a final determination.

27 Sec. 22. Section 79-1018.01, Reissue Revised Statutes of Nebraska,  
28 is amended to read:

29 79-1018.01 Except as otherwise provided in this section, local  
30 system formula resources include other actual receipts available for the  
31 funding of general fund operating expenditures as determined by the

1 department for the second school fiscal year immediately preceding the  
2 school fiscal year in which aid is to be paid. Other actual receipts  
3 include:

4 (1) Public power district sales tax revenue;

5 (2) Fines and license fees;

6 (3) Tuition receipts from individuals, other districts, or any other  
7 source except receipts derived from adult education, receipts derived  
8 from summer school tuition, receipts derived from early childhood  
9 education tuition, tuition receipts from converted contracts beginning  
10 with the calculation of state aid to be distributed in school fiscal year  
11 2011-12, and receipts from educational entities as defined in section  
12 79-1201.01 for providing distance education courses through the  
13 Educational Service Unit Coordinating Council to such educational  
14 entities;

15 (4) Transportation receipts;

16 (5) Interest on investments;

17 (6) Other miscellaneous noncategorical local receipts, not including  
18 receipts from private foundations, individuals, associations, or  
19 charitable organizations;

20 (7) Special education receipts;

21 (8) Special education receipts and non-special education receipts  
22 from the state for wards of the court and wards of the state;

23 (9) All receipts from the temporary school fund. Receipts from the  
24 temporary school fund shall only include (a) receipts pursuant to section  
25 ~~79-1035, to the extent that such receipts for the calculation of aid for~~  
26 ~~school fiscal year 2018-19 and each school fiscal year thereafter are not~~  
27 ~~returned to the temporary school fund pursuant to section 79-309.01, and~~  
28 (b) the receipt of funds pursuant to section 79-1036 for property leased  
29 for a public purpose as set forth in subdivision (1)(a) of section  
30 77-202;

31 (10) Motor vehicle tax receipts received;

1 (11) Pro rata motor vehicle license fee receipts;

2 (12) Other miscellaneous state receipts excluding revenue from the  
3 textbook loan program authorized by section 79-734;

4 (13) Impact aid entitlements for the school fiscal year which have  
5 actually been received by the district to the extent allowed by federal  
6 law;

7 (14) All other noncategorical federal receipts;

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

10 (16) Receipts under the federal Medicare Catastrophic Coverage Act  
11 of 1988, as such act existed on January 1, 2014, as authorized pursuant  
12 to sections 43-2510 and 43-2511 for services to school-age children,  
13 excluding amounts designated as reimbursement for costs associated with  
14 the implementation and administration of the billing system pursuant to  
15 section 43-2511;

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

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

20 Sec. 23. Section 79-1028.01, Reissue Revised Statutes of Nebraska,  
21 is amended to read:

22 79-1028.01 (1) For each school fiscal year, a school district may  
23 exceed its budget authority for the general fund budget of expenditures  
24 as calculated pursuant to section 79-1023 for such school fiscal year by  
25 a specific dollar amount for the following exclusions:

26 (a) Expenditures for repairs to infrastructure damaged by a natural  
27 disaster which is declared a disaster emergency pursuant to the Emergency  
28 Management Act;

29 (b) Expenditures for judgments, except judgments or orders from the  
30 Commission of Industrial Relations, obtained against a school district  
31 which require or obligate a school district to pay such judgment, to the

1 extent such judgment is not paid by liability insurance coverage of a  
2 school district;

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

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

10 (e) Expenditures to pay for employer contributions pursuant to  
11 subsection (2) of section 79-958 to the School Employees Retirement  
12 System of the State of Nebraska to the extent that such expenditures  
13 exceed the employer contributions under such subsection that would have  
14 been made at a contribution rate of seven and thirty-five hundredths  
15 percent;

16 (f) Expenditures to pay for school district contributions pursuant  
17 to subdivision (1)(c)(i) of section 79-9,113 to the retirement system  
18 established pursuant to the Class V School Employees Retirement Act to  
19 the extent that such expenditures exceed the school district  
20 contributions under such subdivision that would have been made at a  
21 contribution rate of seven and thirty-seven hundredths percent;

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

31 ~~(h) Any expenditures in school fiscal years 2016-17 and 2017-18 of~~

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

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

4       (i ~~ñ~~) Expenditures of special grant funds.

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

12       (a) Expenditures of support grants to be received in such school  
13 fiscal year pursuant to section 79-1011;

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

24       (c) Expenditures for new elementary attendance sites in the first  
25 year of operation or the first year of operation after being closed for  
26 at least one school year if such elementary attendance site will most  
27 likely qualify for the elementary site allowance in the immediately  
28 following school fiscal year as determined by the state board;

29       (d) For the first school fiscal year for which early childhood  
30 education membership is included in formula students for the calculation  
31 of state aid, expenditures for early childhood education equal to the

1 amount the school district received in early childhood education grants  
2 pursuant to section 79-1103 for the prior school fiscal year, increased  
3 by the basic allowable growth rate; and

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

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

10 Sec. 24. Section 79-1035, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 79-1035 (1)(a) The State Treasurer shall, each year on or before the  
13 third Monday in January, make a complete exhibit of all money belonging  
14 to the permanent school fund and the temporary school fund as returned to  
15 him or her from the several counties, together with the amount derived  
16 from other sources, and deliver such exhibit duly certified to the  
17 Commissioner of Education.

18 (b) Beginning in 2016 and each year thereafter, the exhibit required  
19 in subdivision (1)(a) of this section shall include a separate  
20 accounting, not to exceed an amount of ten million dollars, of the income  
21 from solar and wind agreements on school lands. The amount of income from  
22 solar and wind agreements on school lands shall be used to fund the  
23 grants described in section 79-308. The Board of Educational Lands and  
24 Funds shall provide the State Treasurer with the information necessary to  
25 make the exhibit required by this subsection. Separate accounting shall  
26 not be made for income from solar or wind agreements on school lands that  
27 exceeds the sum of ten million dollars.

28 (2) On or before February 25 following receipt of the exhibit from  
29 the State Treasurer pursuant to subsection (1) of this section, the  
30 Commissioner of Education shall make the apportionment of the temporary  
31 school fund to each school district as follows: From the whole amount,

1 less the amount of income from solar and wind agreements on school lands,  
2 there shall be paid to those districts in which there are school or  
3 saline lands, which lands are used for a public purpose, an amount in  
4 lieu of tax money that would be raised if such lands were taxable, to be  
5 fixed in the manner prescribed in section 79-1036; and the remainder  
6 shall be apportioned to the districts according to the pro rata  
7 enumeration of children who are five through eighteen years of age in  
8 each district last returned from the school district. The calculation of  
9 apportionment for each school fiscal year shall include any corrections  
10 to the prior school fiscal year's apportionment.

11 (3) The Commissioner of Education shall certify the amount of the  
12 apportionment of the temporary school fund as provided in subsection (2)  
13 of this section to the Director of Administrative Services. The Director  
14 of Administrative Services shall draw a warrant on the State Treasurer in  
15 favor of the various districts for the respective amounts so certified by  
16 the Commissioner of Education.

17 (4) For purposes of this section, agreement means any lease,  
18 easement, covenant, or other such contractual arrangement.

19 Sec. 25. Section 79-1205, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 79-1205 On or before August 1 ~~July 31, 2007, and on or before July~~  
22 ~~31~~ of each year ~~thereafter~~, the State Board of Education shall adjust the  
23 boundaries of any educational service unit the boundaries of which do not  
24 align with the boundaries of the member school districts on August ~~July 1~~  
25 of such year. Such boundary adjustments shall align the boundaries of the  
26 educational service unit with the boundaries of the member school  
27 districts as the boundaries of the member school districts existed on  
28 August ~~July 1~~ of such year. Such boundary adjustments shall be referred  
29 to the appropriate county and educational service unit officials, and  
30 such officials shall implement the adjustments and make the necessary  
31 changes in the educational service unit maps and tax records.

1           Sec. 26. Section 79-1315, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           79-1315 (1) The Nebraska Educational Telecommunications Commission  
4 shall be composed of eleven members, as follows: (a) The Commissioner of  
5 Education or his or her designee; (b) the President of the University of  
6 Nebraska or his or her designee; (c) a representative of the state  
7 colleges; (d) a representative of the community colleges; (e) a  
8 representative of private educational institutions of the State of  
9 Nebraska; and (f) six members of the general public, none of whom shall  
10 be associated with any of the institutions listed in subdivisions (a)  
11 through (e) of this subsection and two of whom shall be from each  
12 congressional district. No more than four of the members shall be  
13 actively engaged in the teaching profession or administration of an  
14 educational institution.

15           (2) The members described in subdivisions (1)(c) through (1)(f) of  
16 this section shall be appointed by the Governor with the approval of the  
17 Legislature for terms of four years, and the term of the member described  
18 in subdivision (1)(d) of this section shall be the same as the term of  
19 the member described in subdivision (1)(c) of this section. Vacancies  
20 shall be filled by the Governor for the unexpired term. The commission  
21 shall be nonpolitical in character, and selection of the members of the  
22 commission shall be made on a nonpolitical basis. No member of the  
23 commission shall receive any compensation for his or her services.  
24 Reimbursement shall be provided for reasonable and necessary expenses  
25 incurred in attending scheduled meetings of the commission as provided in  
26 sections 81-1174 to 81-1177.

27           If the Commissioner of Education is unable to attend a commission  
28 meeting, ~~the deputy commissioner of education or~~ his or her designee is  
29 authorized to act on ~~his or her~~ behalf of the commissioner, and if the  
30 President of the University of Nebraska or his or her designee is unable  
31 to attend a commission meeting, the Executive Vice President and Provost

1 for academic affairs is authorized to act on his or her behalf.

2 Sec. 27. Section 79-2110, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 79-2110 (1)(a) Each diversity plan shall provide for open enrollment  
5 in all school buildings in the learning community, subject to specific  
6 limitations necessary to bring about diverse enrollments in each school  
7 building in the learning community. Such limitations, for school  
8 buildings other than focus schools and programs other than focus  
9 programs, shall include giving preference at each school building first  
10 to siblings of students who will be enrolled as continuing students in  
11 such school building or program for the first school year for which  
12 enrollment is sought in such school building and then to students that  
13 contribute to the socioeconomic diversity of enrollment at each building  
14 and may include establishing zone limitations in which students may  
15 access several schools other than their home attendance area school.  
16 Notwithstanding the limitations necessary to bring about diversity, open  
17 enrollment shall include providing access to students who do not  
18 contribute to the socioeconomic diversity of a school building, if,  
19 subsequent to the open enrollment selection process that is subject to  
20 limitations necessary to bring about diverse enrollments, capacity  
21 remains in a school building. In such a case, students who have applied  
22 to attend such school building shall be selected to attend such school  
23 building on a random basis up to the remaining capacity of such building.  
24 A student who has otherwise been disqualified from the school building  
25 pursuant to the school district's code of conduct or related school  
26 discipline rules shall not be eligible for open enrollment pursuant to  
27 this section. Any student who attended a particular school building in  
28 the prior school year and who is seeking education in the grades offered  
29 in such school building shall be allowed to continue attending such  
30 school building as a continuing student.

31 (b) To facilitate the open enrollment provisions of this subsection,

1 each school year each member school district in a learning community  
2 shall establish a maximum capacity for each school building under such  
3 district's control pursuant to procedures and criteria established by the  
4 learning community coordinating council. Each member school district  
5 shall also establish attendance areas for each school building under the  
6 district's control, except that the school board shall not establish  
7 attendance areas for focus schools or focus programs. The attendance  
8 areas shall be established such that all of the territory of the school  
9 district is within an attendance area for each grade. Students residing  
10 in a school district shall be allowed to attend a school building in such  
11 school district.

12 (c) For purposes of this section and sections 79-238 and 79-611,  
13 student who contributes to the socioeconomic diversity of enrollment  
14 means (i) a student who does not qualify for free or reduced-price  
15 lunches when, based upon the certification pursuant to section 79-2120,  
16 the school building the student will attend either has more students  
17 qualifying for free or reduced-price lunches than the average percentage  
18 of such students in all school buildings in the learning community or  
19 provides free meals to all students pursuant to the community eligibility  
20 provision or (ii) a student who qualifies for free or reduced-price  
21 lunches based on information collected from parents and guardians when,  
22 based upon the certification pursuant to section 79-2120, the school  
23 building the student will attend has fewer students qualifying for free  
24 or reduced-price lunches than the average percentage of such students in  
25 all school buildings in the learning community and does not provide free  
26 meals to all students pursuant to the community eligibility provision.

27 (2)(a) On or before March 15 of each year beginning with the year  
28 immediately following the year in which the initial coordinating council  
29 for the learning community takes office, a parent or guardian of a  
30 student residing in a member school district in a learning community may  
31 submit an application to any school district in the learning community on

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

15 (b) A parent or guardian may provide information on the application  
16 regarding the applicant's potential qualification for free or reduced-  
17 price lunches. Any such information provided shall be subject to  
18 verification and shall only be used for the purposes of this section.  
19 Nothing in this section requires a parent or guardian to provide such  
20 information. Determinations about an applicant's qualification for free  
21 or reduced-price lunches for purposes of this section shall be based on  
22 any verified information provided on the application. If no such  
23 information is provided the student shall be presumed not to qualify for  
24 free or reduced-price lunches for the purposes of this section.

25 (c) A student may not apply to attend a school building in the  
26 learning community for any grades that are offered by another school  
27 building for which the student had previously applied and been accepted  
28 pursuant to this section, absent a hardship exception as established by  
29 the individual school district. On or before September 1 of each year  
30 beginning with the year immediately following the year in which the  
31 initial coordinating council for the learning community takes office,

1 each school district shall provide to the learning community coordinating  
2 council a complete and accurate report of all applications received,  
3 including the number of students who applied at each grade level at each  
4 building, the number of students accepted at each grade level at each  
5 building, the number of such students that contributed to the  
6 socioeconomic diversity that applied and were accepted, the number of  
7 applicants denied and the rationales for denial, and other such  
8 information as requested by the learning community coordinating council.

9 (3) Each diversity plan may also include establishment of one or  
10 more focus schools or focus programs and the involvement of every member  
11 school district in one or more pathways across member school districts.  
12 Enrollment in each focus school or focus program shall be designed to  
13 reflect the socioeconomic diversity of the learning community as a whole.  
14 School district selection of students for focus schools or focus programs  
15 shall be on a random basis from two pools of applicants, those who  
16 qualify for free and reduced-price lunches and those who do not qualify  
17 for free and reduced-price lunches. The percentage of students selected  
18 for focus schools from the pool of applicants who qualify for free and  
19 reduced-price lunches shall be as nearly equal as possible to the  
20 percentage of the student body of the learning community who qualify for  
21 free and reduced-price lunches. The percentage of students selected for  
22 focus schools from the pool of applicants who do not qualify for free and  
23 reduced-price lunches shall be as nearly equal as possible to the  
24 percentage of the student body of the learning community who do not  
25 qualify for free and reduced-price lunches. If more capacity exists in a  
26 focus school or program than the number of applicants for such focus  
27 school or program that contribute to the socioeconomic diversity of the  
28 focus school or program, the school district shall randomly select  
29 applicants up to the number of applicants that will be accepted for such  
30 building. A student who will complete the grades offered at a focus  
31 program, focus school, or magnet school that is part of a pathway shall

1 be allowed to attend the focus program, focus school, or magnet school  
2 offering the next grade level as part of the pathway as a continuing  
3 student. A student who completes the grades offered at a focus program,  
4 focus school, or magnet school shall be allowed to attend a school  
5 offering the next grade level in the school district responsible for the  
6 focus program, focus school, or magnet school as a continuing student. A  
7 student who attended a program or school in the school year immediately  
8 preceding the first school year for which the program or school will  
9 operate as a focus program or focus school approved by the learning  
10 community and meeting the requirements of section 79-769 and who has not  
11 completed the grades offered at the focus program or focus school shall  
12 be a continuing student in the program or school.

13 (4) On or before February 15 of each year beginning with the year  
14 immediately following the year in which the initial coordinating council  
15 for the learning community takes office, a parent or guardian of a  
16 student who is currently attending a school building or program, except a  
17 magnet school, focus school, or focus program, outside of the attendance  
18 area where the student resides and who will complete the grades offered  
19 at such school building prior to the following school year shall provide  
20 notice, on a form provided by the school district, to the school board of  
21 the school district containing such school building if such student will  
22 attend another school building within such district as a continuing  
23 student and which school building such student would prefer to attend. On  
24 or before March 1, such school board shall provide a notice to such  
25 parent or guardian stating which school building or buildings the student  
26 shall be allowed to attend in such school district as a continuing  
27 student for the following school year. If the student resides within the  
28 school district, the notice shall include the school building offering  
29 the grade the student will be entering for the following school year in  
30 the attendance area where the student resides. This subsection shall not  
31 apply to focus schools or programs.

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

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

22 Sec. 28. Section 79-2113, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 79-2113 (1) On or before the second June 1 immediately following the  
25 establishment of a new learning community, the learning community  
26 coordinating council shall establish at least one elementary learning  
27 center for each twenty-five elementary schools in which either at least  
28 thirty-five percent of the students attending the school who reside in  
29 the attendance area of such school qualify for free or reduced-price  
30 lunches or free meals are provided to all students pursuant to the  
31 community eligibility provision. The council shall determine how many of

1 the initial elementary learning centers shall be located in each  
2 subcouncil district on or before September 1 immediately following the  
3 establishment of a new learning community.

4 (2) Each achievement subcouncil shall submit a plan to the learning  
5 community coordinating council for any elementary learning center in its  
6 subcouncil district and the services to be provided by such elementary  
7 learning center. In developing the plan, the achievement subcouncil shall  
8 seek input from community resources and collaborate with such resources  
9 in order to maximize the available opportunities and the participation of  
10 elementary students and their families. An achievement subcouncil may, as  
11 part of such plan, recommend services be provided through contracts with,  
12 or grants to, entities other than school districts to provide some or all  
13 of the services. Such entities may include collaborative groups which may  
14 include the participation of a school district. An achievement subcouncil  
15 may also, as part of such plan, recommend that the elementary learning  
16 center serve as a clearinghouse for recommending programs provided by  
17 school districts or other entities and that the elementary learning  
18 center assist students in accessing such programs. The plans for the  
19 initial elementary learning centers shall be submitted by the achievement  
20 subcouncils to the coordinating council on or before January 1  
21 immediately following the establishment of a new learning community.

22 (3) Each elementary learning center shall have at least one facility  
23 that is located in an area with a high concentration of poverty. Such  
24 facility may be owned or leased by the learning community, or the use of  
25 the facility may be donated to the learning community. Programs offered  
26 by the elementary learning center may be offered in such facility or in  
27 other facilities, including school buildings.

28 Sec. 29. Section 79-2115, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 79-2115 (1) Learning community funds distributed pursuant to section  
31 79-2103 may be used by the learning community coordinating council

1 receiving the funds for:

2 (a) The administration and operation of the learning community;

3 (b) The administration, operations, and programs of elementary  
4 learning centers pursuant to sections 79-2112 to 79-2114;

5 (c) Supplements for extended hours to teachers in elementary schools  
6 in which at least thirty-five percent of the students attending the  
7 school who reside in the attendance area of such school qualify for free  
8 or reduced-price lunches and elementary schools that provide free meals  
9 to all students pursuant to the community eligibility provision;

10 (d) Transportation to elementary school functions for parents of  
11 elementary students who qualify for free or reduced-price lunches or who  
12 attend an elementary school that provides free meals to all students  
13 pursuant to the community eligibility provision ~~to school functions of~~  
14 ~~such students in elementary schools;~~

15 (e) Up to six social workers to provide services through the  
16 elementary learning centers; and

17 (f) Pilot projects authorized pursuant to section 79-2104.

18 (2) Each learning community coordinating council shall adopt  
19 policies and procedures for granting supplements for extended hours and  
20 for providing transportation for parents if any such funds are to be used  
21 for such purposes. An example of a pilot project that could receive such  
22 funds would be a school designated as Jump Start Center focused on  
23 providing intensive literacy services for elementary students with low  
24 reading scores.

25 (3) Each learning community coordinating council shall provide for  
26 financial audits of elementary learning centers and pilot projects. A  
27 learning community coordinating council shall serve as the recipient of  
28 private funds donated to support any elementary learning center or pilot  
29 project receiving funds from such learning community coordinating council  
30 and shall assure that the use of such private funds is included in the  
31 financial audits required pursuant to this section.

1           Sec. 30. Section 79-2120, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

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

18           Sec. 31. Section 79-2204, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20           79-2204 (1) The State Council on Educational Opportunity for  
21 Military Children is created within the department. The council shall  
22 consist of:

23           (a) The following ex officio members:

24           (i) The Commissioner of Education;

25           (ii) The chairperson of the Education Committee of the Legislature,  
26 who shall serve as a nonvoting member of the council;

27           (iii) The compact commissioner appointed pursuant to section  
28 79-2205; and

29           (iv) The military family education liaison, who shall serve as a  
30 member of the council after his or her appointment pursuant to subsection  
31 (3) of this section; and

1 (b) The following members appointed by the State Board of Education:

2 (i) The superintendent of a school district that has a high  
3 concentration of children of military families; and

4 (ii) A representative of a military installation located in this  
5 state.

6 (2) The members of the council appointed by the State Board of  
7 Education shall serve three-year terms. Vacancies in the council shall be  
8 filled in the same manner as the initial appointments. The members of the  
9 council shall be reimbursed for their actual and necessary expenses as  
10 provided in sections 81-1174 to 81-1177.

11 (3) The council shall have the following duties:

12 (a) To advise the department with regard to the state's  
13 participation in and compliance with the Interstate Compact on  
14 Educational Opportunity for Military Children; and

15 (b) To appoint a military family education liaison to assist  
16 families and the state in implementing the compact.

17 (4) When the council holds a single meeting in a calendar year, that  
18 meeting may be held by videoconferencing notwithstanding subdivision (2)  
19 (e) of section 84-1411.

20 Sec. 32. Section 79-2205, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 79-2205 A ~~The~~ deputy commissioner of education as designated by the  
23 Commissioner of Education shall serve as the compact commissioner and  
24 shall be responsible for administering the state's participation in the  
25 Interstate Compact on Educational Opportunity for Military Children.

26 Sec. 33. Section 85-2102, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 85-2102 For purposes of the Access College Early Scholarship Program  
29 Act:

30 (1) Career program of study means a sequence of at least three high  
31 school courses that (a) may include dual-credit or college credit

1 courses, (b) are part of a career pathway program of study aligned with  
2 (i) the rules and regulations of the State Department of Education  
3 adopted and promulgated pursuant to section 79-777, (ii) a professional  
4 certification requirement, or (iii) the requirements for a postsecondary  
5 certification or diploma, and (c) have at least one local member of  
6 business or industry partnering as an official advisor to the program;

7 (2 1) Commission means the Coordinating Commission for Postsecondary  
8 Education;

9 (3 2) Extreme hardship means any event, including fire, illness,  
10 accident, or job loss, that has recently resulted in a significant  
11 financial difficulty for a student or the student's parent or legal  
12 guardian;

13 (4 3) Postsecondary educational institution means a two-year or  
14 four-year college or university which is a member institution of an  
15 accrediting body recognized by the United States Department of Education;

16 (5 4) Qualified postsecondary educational institution means a  
17 postsecondary educational institution located in Nebraska which has  
18 agreed, on a form developed and provided by the commission, to comply  
19 with the requirements of the act; and

20 (6 5) Student means a student attending a Nebraska high school with  
21 a reasonable expectation that such student will meet the residency  
22 requirements of section 85-502 upon graduation from a Nebraska high  
23 school.

24 Sec. 34. Section 85-2104, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 85-2104 Applications for the Access College Early Scholarship  
27 Program shall be prioritized for students qualifying pursuant to  
28 subdivision (1) or (2) of this section, and applications for students  
29 qualifying only pursuant to subdivision (3) of this section shall only be  
30 considered if funds are available after fulfilling the applications for  
31 students qualifying pursuant to subdivision (1) or (2) of this section.

1 Priority dates shall be determined by the commission on a term basis. A  
2 student who is applying to take one or more courses for credit from a  
3 qualified postsecondary educational institution is eligible for the  
4 Access College Early Scholarship Program if:

5 (1) Such student or the student's parent or legal guardian is  
6 eligible to receive:

7 (a) Supplemental Security Income;

8 (b) Supplemental Nutrition Assistance Program benefits;

9 (c) Free or reduced-price lunches under United States Department of  
10 Agriculture child nutrition programs;

11 (d) Aid to families with dependent children; or

12 (e) Assistance under the Special Supplemental Nutrition Program for  
13 Women, Infants, and Children; ~~or~~

14 (2) The student or the student's parent or legal guardian has  
15 experienced an extreme hardship; or ~~-~~

16 (3) Such student is requesting assistance pursuant to the program to  
17 cover the cost of tuition and fees for a course that is part of a career  
18 plan of study, up to two hundred fifty dollars per term, and the  
19 student's family has an annual household income at or below two hundred  
20 percent of the federal poverty level.

21 Sec. 35. Original sections 79-101, 79-215, 79-2,144, 79-301,  
22 79-308, 79-309.01, 79-318, 79-420, 79-760.01, 79-760.02, 79-760.06,  
23 79-761, 79-8,137, 79-8,137.04, 79-1003, 79-1003.01, 79-1007.06,  
24 79-1007.07, 79-1013, 79-1018.01, 79-1028.01, 79-1035, 79-1205, 79-1315,  
25 79-2110, 79-2113, 79-2115, 79-2120, 79-2204, 79-2205, 85-2102, and  
26 85-2104, Reissue Revised Statutes of Nebraska, and section 71-1962,  
27 Revised Statutes Cumulative Supplement, 2014, are repealed.