

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 377**

FINAL READING

Introduced by Education Committee: Groene, 42, Chairperson; Ebke, 32; Erdman, 47; Kolowski, 31; Linehan, 39; Morfeld, 46; Pansing Brooks, 28; Walz, 15.

Read first time January 13, 2017

Committee: Education

1 A BILL FOR AN ACT relating to schools; to amend sections 32-570, 32-606,  
2 32-1007, 32-1303, 48-303, 72-2304, 77-3444, 79-102, 79-104, 79-203,  
3 79-413, 79-415, 79-418, 79-419, 79-434, 79-443, 79-447, 79-451,  
4 79-458, 79-470, 79-473, 79-479, 79-4,108, 79-4,129, 79-501, 79-506,  
5 79-524, 79-525, 79-526, 79-547, 79-550, 79-554, 79-559, 79-564,  
6 79-569, 79-570, 79-572, 79-577, 79-578, 79-579, 79-580, 79-581,  
7 79-586, 79-587, 79-588, 79-594, 79-598, 79-5,104, 79-605, 79-728,  
8 79-828, 79-850, 79-1029, 79-1030, 79-1045, 79-1065.02, 79-1072,  
9 79-1089, 79-1090, 79-1098, 79-10,100, 79-10,101, 79-10,103,  
10 79-10,114, 79-10,117, 79-10,118, 79-1217, and 79-1504, Reissue  
11 Revised Statutes of Nebraska, sections 79-101, 79-234, 79-499,  
12 79-4,123, 79-528, 79-576, 79-611, 79-1036, 79-1075, 79-10,110,  
13 79-10,110.02, and 79-10,120, Revised Statutes Cumulative Supplement,  
14 2016, and sections 13-508, 79-407, 79-1003, and 79-1108.02, Revised  
15 Statutes Supplement, 2017; to change provisions relating to  
16 classification of school districts; to harmonize provisions; to  
17 provide an operative date; to repeal the original sections; and to  
18 outright repeal sections 10-704, 10-716.01, 23-3302, 32-541, 32-542,  
19 32-546, 79-401, 79-402, 79-403, 79-404, 79-406, 79-410, 79-411,  
20 79-416, 79-417, 79-423, 79-424, 79-425, 79-426, 79-427, 79-431,  
21 79-452, 79-453, 79-454, 79-455, 79-472, 79-477, 79-478, 79-492,

1 79-493, 79-494, 79-495, 79-4,100, 79-4,101, 79-4,102, 79-4,103,  
2 79-4,104, 79-4,109, 79-4,110, 79-4,111, 79-519, 79-523, 79-540,  
3 79-541, 79-542, 79-548, 79-553, 79-556, 79-557, 79-558, 79-563,  
4 79-565, 79-568, 79-585, 79-5,107, 79-5,108, 79-716, 79-717,  
5 79-8,110, 79-1027.01, 79-1077, 79-1078, 79-1083.02, 79-1099,  
6 79-10,111, 79-10,113, 79-10,121, 79-10,122, 79-10,123, 79-10,124,  
7 and 79-10,125, Reissue Revised Statutes of Nebraska.

8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-508, Revised Statutes Supplement, 2017, is  
2 amended to read:

3 13-508 (1) After publication and hearing thereon and within the time  
4 prescribed by law, each governing body, ~~except as provided in subsection~~  
5 ~~(3) of this section,~~ shall file with and certify to the levying board or  
6 boards on or before September 20 of each year or September 20 of the  
7 final year of a biennial period and file with the auditor a copy of the  
8 adopted budget statement which complies with sections 13-518 to 13-522 or  
9 79-1023 to 79-1030, together with the amount of the tax required to fund  
10 the adopted budget, setting out separately (a) the amount to be levied  
11 for the payment of principal or interest on bonds issued by the governing  
12 body and (b) the amount to be levied for all other purposes. Proof of  
13 publication shall be attached to the statements. For fiscal years prior  
14 to fiscal year 2017-18, learning communities shall also file a copy of  
15 such adopted budget statement with member school districts on or before  
16 September 1 of each year. If the prime rate published by the Federal  
17 Reserve Board is ten percent or more at the time of the filing and  
18 certification required under this subsection, the governing body, in  
19 certifying the amount required, may make allowance for delinquent taxes  
20 not exceeding five percent of the amount required plus the actual  
21 percentage of delinquent taxes for the preceding tax year or biennial  
22 period and for the amount of estimated tax loss from any pending or  
23 anticipated litigation which involves taxation and in which tax  
24 collections have been or can be withheld or escrowed by court order. For  
25 purposes of this section, anticipated litigation shall be limited to the  
26 anticipation of an action being filed by a taxpayer who or which filed a  
27 similar action for the preceding year or biennial period which is still  
28 pending. Except for such allowances, a governing body shall not certify  
29 an amount of tax more than one percent greater or lesser than the amount  
30 determined under section 13-505.

31 (2) Each governing body shall use the certified taxable values as

1 provided by the county assessor pursuant to section 13-509 for the  
2 current year in setting or certifying the levy. Each governing body may  
3 designate one of its members to perform any duty or responsibility  
4 required of such body by this section.

5 ~~(3)(a) A Class I school district shall do the filing and~~  
6 ~~certification required by subsection (1) of this section on or before~~  
7 ~~August 1 of each year.~~

8 ~~(b) For fiscal years prior to fiscal year 2017-18, learning~~  
9 ~~communities shall do such filing and certification on or before September~~  
10 ~~1 of each year.~~

11 Sec. 2. Section 32-570, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 32-570 (1) A vacancy in the membership of a school board shall occur  
14 as set forth in section 32-560 or in the case of absences, unless excused  
15 by a majority of the remaining members of the board, when a member is  
16 absent from the district for a continuous period of sixty days at one  
17 time or from more than two consecutive regular meetings of the board. The  
18 resignation of a member or any other reason for a vacancy shall be made a  
19 part of the minutes of the school board. The school board shall give  
20 notice of the date the vacancy occurred, the office vacated, and the  
21 length of the unexpired term (a) in writing to the election commissioner  
22 or county clerk and (b) by a notice published in a newspaper of general  
23 circulation in the school district.

24 ~~(2) A person appointed to fill a vacancy on the school board of a~~  
25 ~~Class I school district by the remaining members of the board shall hold~~  
26 ~~office until the beginning of the next school year. A board member of a~~  
27 ~~Class I school district elected to fill a vacancy at a regular or special~~  
28 ~~school district meeting shall serve for the remainder of the unexpired~~  
29 ~~term or until a successor is elected and qualified.~~

30 (2) ~~(3)~~ Except as provided in subsection (3) ~~(4)~~ of this section, a  
31 vacancy in the membership of a school board of a Class II, III, IV, V, or

1 ~~VI school district~~ resulting from any cause other than the expiration of  
2 a term shall be filled by appointment of a qualified registered voter by  
3 the remaining members of the board for the remainder of the unexpired  
4 term. A registered voter appointed pursuant to this subsection shall meet  
5 the same requirements as the member whose office is vacant.

6 (3) ~~(4)~~ Any vacancy in the membership of a school board of a school  
7 district described in section 79-549 which does not nominate candidates  
8 at a primary election and elect members at the following general election  
9 shall be filled by appointment of a qualified registered voter by the  
10 remaining members of the board for the remainder of the unexpired term.

11 (4) ~~(5)~~ If any school board fails to fill a vacancy on the board,  
12 the vacancy may be filled by election at a special election or school  
13 district meeting called for that purpose. Such election or meeting shall  
14 be called in the same manner and subject to the same procedures as other  
15 special elections or school district meetings.

16 (5) ~~(6)~~ If there are vacancies in the offices of one-half or more of  
17 the members of a school board, the Secretary of State shall conduct a  
18 special school district election to fill such vacancies.

19 Sec. 3. Section 32-606, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 32-606 (1) Any candidate may place his or her name on the primary  
22 election ballot by filing a candidate filing form prescribed by the  
23 Secretary of State as provided in section 32-607. If a candidate for an  
24 elective office is an incumbent of any elective office, the filing period  
25 for filing the candidate filing form shall be between December 1 and  
26 February 15 prior to the date of the primary election, except for  
27 candidates for election in 2013 to the board of education of a Class V  
28 school district. No incumbent who resigns from elective office prior to  
29 the expiration of his or her term shall file for any office after  
30 February 15 of that election year. Incumbent and nonincumbent candidates  
31 for election in 2013 to the board of education of a Class V school

1 district and all other candidates shall file for office between December  
2 1 and March 1 prior to the date of the primary election. A candidate  
3 filing form may be transmitted by facsimile for the offices listed in  
4 subdivision (1) of section 32-607 if (a) the transmission is received in  
5 the office of the filing officer by the filing deadline and (b) the  
6 original filing form is mailed to the filing officer with a legible  
7 postmark bearing a date on or prior to the filing deadline and is in the  
8 office of the filing officer no later than seven days after the filing  
9 deadline.

10 (2) Any candidate for a township office in a county under township  
11 organization, the board of trustees of a village, the board of directors  
12 of a reclamation district, the county weed district board, the board of  
13 directors of a public power district receiving annual gross revenue of  
14 less than forty million dollars, ~~the school board of a Class II school~~  
15 ~~district,~~ or the board of an educational service unit may place his or  
16 her name on the general election ballot by filing a candidate filing form  
17 prescribed by the Secretary of State as provided in section 32-607. If a  
18 candidate for an elective office is an incumbent of any elective office,  
19 the filing period for filing the candidate filing form shall be between  
20 December 1 and July 15 prior to the date of the general election. No  
21 incumbent who resigns from elective office prior to the expiration of his  
22 or her term shall file for any office after July 15 of that election  
23 year. All other candidates shall file for office between December 1 and  
24 August 1 prior to the date of the general election. A candidate filing  
25 form may be transmitted by facsimile for the offices listed in  
26 subdivision (1) of section 32-607 if (a) the transmission is received in  
27 the office of the filing officer by the filing deadline and (b) the  
28 original filing form is mailed to the filing officer with a legible  
29 postmark bearing a date on or prior to the filing deadline and is in the  
30 office of the filing officer no later than seven days after the filing  
31 deadline.

1 (3) Any city having a home rule charter may provide for filing  
2 deadlines for any person desiring to be a candidate for the office of  
3 council member or mayor.

4 Sec. 4. Section 32-1007, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 32-1007 For members of a village board of trustees or ~~or~~ township  
7 officers, ~~or members of the school board of Class I or II school~~  
8 ~~districts,~~ if a first or generally recognized name and last name of a  
9 person is filled in on a line provided for that purpose and the square or  
10 oval opposite such line has been marked with a cross or other clear,  
11 intelligible mark, the vote shall be valid and the ballot shall be  
12 counted. If only the last name of a person is in the write-in space on  
13 the ballot and there is more than one person in the county having the  
14 same last name, the counting board shall reject the ballot for that  
15 office unless the last name is reasonably close to the proper spelling of  
16 the last name of a candidate engaged in or pursuing a write-in campaign  
17 pursuant to section 32-615. The counting board shall make the following  
18 notation on the rejected ballot: Rejected for the office of .....,  
19 no first or generally recognized name.

20 Sec. 5. Section 32-1303, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 32-1303 (1) A petition demanding that the question of removing an  
23 elected official or member of a governing body listed in section 32-1302  
24 be submitted to the registered voters shall be signed by registered  
25 voters equal in number to at least thirty-five percent of the total vote  
26 cast for that office in the last general election, except that (a) for an  
27 office for which more than one candidate is chosen, the petition shall be  
28 signed by registered voters equal in number to at least thirty-five  
29 percent of the number of votes cast for the person receiving the most  
30 votes for such office in the last general election, ~~(b) for a member of a~~  
31 ~~board of a Class I school district, the petition shall be signed by~~

1 ~~registered voters of the school district equal in number to at least~~  
2 ~~twenty-five percent of the total number of registered voters residing in~~  
3 ~~the district on the date that the recall petitions are first checked out~~  
4 ~~from the filing clerk by the principal circulator, and (b) (c) for a~~  
5 member of a governing body of a village, the petition shall be signed by  
6 registered voters equal in number to at least forty-five percent of the  
7 total vote cast for the person receiving the most votes for that office  
8 in the last general election. The signatures shall be affixed to petition  
9 papers and shall be considered part of the petition.

10 (2) Petition circulators shall conform to the requirements of  
11 sections 32-629 and 32-630.

12 (3) The petition papers shall be procured from the filing clerk.  
13 Prior to the issuance of such petition papers, an affidavit shall be  
14 signed and filed with the filing clerk by at least one registered voter.  
15 Such voter or voters shall be deemed to be the principal circulator or  
16 circulators of the recall petition. The affidavit shall state the name  
17 and office of the official sought to be removed, shall include in  
18 typewritten form in concise language of sixty words or less the reason or  
19 reasons for which recall is sought, and shall request that the filing  
20 clerk issue initial petition papers to the principal circulator for  
21 circulation. The filing clerk shall notify the official sought to be  
22 removed by any method specified in section 25-505.01 or, if notification  
23 cannot be made with reasonable diligence by any of the methods specified  
24 in section 25-505.01, by leaving a copy of the affidavit at the  
25 official's usual place of residence and mailing a copy by first-class  
26 mail to the official's last-known address. If the official chooses, he or  
27 she may submit a defense statement in typewritten form in concise  
28 language of sixty words or less for inclusion on the petition. Any such  
29 defense statement shall be submitted to the filing clerk within twenty  
30 days after the official receives the copy of the affidavit. The principal  
31 circulator or circulators shall gather the petition papers within twenty

1 days after the receipt of the official's defense statement. The filing  
2 clerk shall notify the principal circulator or circulators that the  
3 necessary signatures must be gathered within thirty days from the date of  
4 issuing the petitions.

5 (4) The filing clerk, upon issuing the initial petition papers or  
6 any subsequent petition papers, shall enter in a record, to be kept in  
7 his or her office, the name of the principal circulator or circulators to  
8 whom the papers were issued, the date of issuance, and the number of  
9 papers issued. The filing clerk shall certify on the papers the name of  
10 the principal circulator or circulators to whom the papers were issued  
11 and the date they were issued. No petition paper shall be accepted as  
12 part of the petition unless it bears such certificate. The principal  
13 circulator or circulators who check out petitions from the filing clerk  
14 may distribute such petitions to persons who may act as circulators of  
15 such petitions.

16 (5) Petition signers shall conform to the requirements of sections  
17 32-629 and 32-630. Each signer of a recall petition shall be a registered  
18 voter and qualified by his or her place of residence to vote for the  
19 office in question.

20 Sec. 6. Section 48-303, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 48-303 Except as otherwise provided in this section, an employment  
23 certificate shall be approved only by the superintendent of the ~~primary~~  
24 ~~high~~ school district in which the child resides or by a person authorized  
25 by him or her in writing or, when there is no superintendent, by a person  
26 authorized by the school district officers, except that no school  
27 district officer or other person authorized by this section may approve  
28 such certificate for any child then in or about to enter his or her own  
29 employment or the employment of a firm or corporation of which he or she  
30 is a member, officer, or employee or in whose business he or she is  
31 interested. If a child who resides in an adjoining state seeks to work in

1 Nebraska, the Department of Labor may approve the employment certificate.  
2 The officer or person approving such certificate may administer the oath  
3 provided for therein or in any investigation or examination necessary for  
4 the approval thereof. No fee shall be charged for approving any such  
5 certificate or for administering any oath or rendering any services  
6 related thereto. The school board or board of education of each school  
7 district approving the employment certificate, or the department if the  
8 department has approved the employment certificate, shall establish and  
9 maintain proper records where copies of all such certificates and all  
10 documents connected therewith shall be filed and preserved and shall  
11 provide the necessary clerical services for carrying out sections 48-302  
12 to 48-313. The person who issued the employment certificate shall report  
13 to the department any complaint concerning the conditions of employment  
14 of a child for whom a certificate is in force. Upon receipt of the  
15 report, the department shall make such investigation as it deems  
16 advisable to protect an individual child or to promote the youth-work  
17 program.

18 Sec. 7. Section 72-2304, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 72-2304 (1) In addition to any other borrowing powers provided for  
21 by law, a qualified public agency shall have the power to issue its  
22 negotiable bonds to any joint entity as defined in section 13-803 or to  
23 any joint public agency as defined in section 13-2503 in connection with  
24 any joint project which is to be owned, operated, or financed by the  
25 joint entity or joint public agency for the benefit of the qualified  
26 public agency. The bonds may be issued only if the second largest  
27 participant in the joint project has a financial contribution in the  
28 joint project of at least twenty-five percent of the debt service. Such  
29 bonds may be issued after the qualified public agency has conducted a  
30 public hearing on the issuance of bonds. Notice of such public hearing  
31 shall be given by publication in a newspaper of general circulation

1 within the territory of the qualified public agency by at least one  
2 publication occurring not less than ten days prior to the time of  
3 hearing. After the public hearing, the governing body of the qualified  
4 public agency may proceed to adopt a bond measure authorizing bonds.

5 (2) Notice of any such bond measure shall be given by publication of  
6 notice of intention to issue bonds in a newspaper of general circulation  
7 within the territory of the qualified public agency at least twice after  
8 the adoption of the bond measure. Such publications shall be at least  
9 three weeks apart. The notice shall state:

10 (a) The name of the qualified public agency;

11 (b) The purpose of the issue;

12 (c) The principal amount of the issue;

13 (d) The amount of annual debt service payment anticipated for the  
14 bonds, which may be stated as an approximation or estimate, and the  
15 anticipated duration for such debt service payments; and

16 (e) The time and place where a copy of the form of the bond measure  
17 may be examined for a period of at least thirty days.

18 (3) No election shall be required prior to the issuance of bonds  
19 under the Public Facilities Construction and Finance Act unless, within  
20 sixty days after the first publication of the notice of intention to  
21 issue bonds, a remonstrance petition against the issuance of bonds is  
22 filed with the clerk or secretary of the qualified public agency. Such  
23 remonstrance petition shall be signed by registered voters of the  
24 qualified public agency equal in number to at least five percent of the  
25 number of registered voters of the qualified public agency at the time  
26 the remonstrance petition is filed or at least the number of signatures  
27 listed in subsection (5) of this section for the applicable qualified  
28 public agency, whichever is less. If a remonstrance petition with the  
29 necessary number of qualified signatures is timely filed, the question  
30 shall be submitted to the voters of the qualified public agency at a  
31 general election or a special election called for the purpose of

1 approving the bonds proposed to be issued. Any joint project for which  
2 bonds are issued in accordance with the procedures of the act shall not  
3 require any other approval or proceeding by the governing body or the  
4 voters of the qualified public agency.

5 (4) No election shall be required for any qualified public agency  
6 not issuing bonds to participate in such joint project unless, within  
7 sixty days after the governing body of the qualified public agency adopts  
8 the measure approving the interlocal or cooperative agreement related to  
9 the joint project, a remonstrance petition is filed with the clerk or  
10 secretary of the qualified public agency. Such remonstrance petition  
11 shall be signed by registered voters of the qualified public agency equal  
12 in number to at least five percent of the number of registered voters of  
13 the qualified public agency at the time the remonstrance petition is  
14 filed or at least the number of signatures listed in subsection (5) of  
15 this section for the applicable qualified public agency, whichever is  
16 less. If a remonstrance petition with the necessary number of qualified  
17 signatures is timely filed, the question shall be submitted to the voters  
18 of the qualified public agency at a general election or a special  
19 election called for the purpose of approving the interlocal or  
20 cooperative agreement related to the joint project.

21 (5) The chart in this subsection provides the alternative number of  
22 signatures of registered voters of a qualified public agency which may be  
23 used to submit a remonstrance petition under subsection (3) or (4) of  
24 this section. The classification of counties in section 23-1114.01  
25 applies for purposes of this section.

26 Qualified Public Agency	Number of Signatures
27	of Registered Voters
28 City of the Metropolitan Class	1500
29 City of the Primary Class	1000
30 City of the First Class	750
31 City of the Second Class	250

1	Villages	50
2	Municipal County	1500
3	Class 7 County	1500
4	Class 6 County	1000
5	Class 5 County	750
6	Class 4 County	500
7	Class 3 County	250
8	Class 2 County	100
9	Class 1 County	50
10	<del>Class VI School District</del>	<del>250</del>
11	Class V School District	1500
12	Class IV School District	1000
13	Class III School District	500
14	<del>Class II School District</del>	<del>250</del>
15	<del>Class I School District</del>	<del>250</del>
16	Educational Service Unit	250
17	Community College Area	1500
18	Fire Protection District	500
19	Hospital District	500
20	Sanitary and Improvement District	500

21           Sec. 8. Section 77-3444, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23           77-3444 (1) A political subdivision, ~~other than a Class I school~~  
24 ~~district,~~ may exceed the limits provided in section 77-3442 or a final  
25 levy allocation determination as provided in section 77-3443 by an amount  
26 not to exceed a maximum levy approved by a majority of registered voters  
27 voting on the issue in a primary, general, or special election at which  
28 the issue is placed before the registered voters. A vote to exceed the  
29 limits provided in section 77-3442 or a final levy allocation as provided  
30 in section 77-3443 must be approved prior to October 10 of the fiscal

1 year which is to be the first to exceed the limits or final levy  
2 allocation. The governing body of the political subdivision may call for  
3 the submission of the issue to the voters (a) by passing a resolution  
4 calling for exceeding the limits or final levy allocation by a vote of at  
5 least two-thirds of the members of the governing body and delivering a  
6 copy of the resolution to the county clerk or election commissioner of  
7 every county which contains all or part of the political subdivision or  
8 (b) upon receipt of a petition by the county clerk or election  
9 commissioner of every county containing all or part of the political  
10 subdivision requesting an election signed by at least five percent of the  
11 registered voters residing in the political subdivision. The resolution  
12 or petition shall include the amount of levy which would be imposed in  
13 excess of the limits provided in section 77-3442 or the final levy  
14 allocation as provided in section 77-3443 and the duration of the excess  
15 levy authority. The excess levy authority shall not have a duration  
16 greater than five years. Any resolution or petition calling for a special  
17 election shall be filed with the county clerk or election commissioner no  
18 later than thirty days prior to the date of the election, and the time of  
19 publication and providing a copy of the notice of election required in  
20 section 32-802 shall be no later than twenty days prior to the election.  
21 The county clerk or election commissioner shall place the issue on the  
22 ballot at an election as called for in the resolution or petition which  
23 is at least thirty days after receipt of the resolution or petition. The  
24 election shall be held pursuant to the Election Act. For petitions filed  
25 with the county clerk or election commissioner on or after May 1, 1998,  
26 the petition shall be in the form as provided in sections 32-628 to  
27 32-631. Any excess levy authority approved under this section shall  
28 terminate pursuant to its terms, on a vote of the governing body of the  
29 political subdivision to terminate the authority to levy more than the  
30 limits, at the end of the fourth fiscal year following the first year in  
31 which the levy exceeded the limit or the final levy allocation, or as

1 provided in subsection (4) of this section, whichever is earliest. A  
2 governing body may pass no more than one resolution calling for an  
3 election pursuant to this section during any one calendar year. Only one  
4 election may be held in any one calendar year pursuant to a petition  
5 initiated under this section.

6 (2) The ballot question may include any terms and conditions set  
7 forth in the resolution or petition and shall include the following:  
8 "Shall (name of political subdivision) be allowed to levy a property tax  
9 not to exceed ..... cents per one hundred dollars of taxable  
10 valuation in excess of the limits prescribed by law until fiscal  
11 year ..... for the purposes of (general operations; building  
12 construction, remodeling, or site acquisition; or both general operations  
13 and building construction, remodeling, or site acquisition)?" If a  
14 majority of the votes cast upon the ballot question are in favor of such  
15 tax, the county board shall authorize a tax in excess of the limits in  
16 section 77-3442 or the final levy allocation in section 77-3443 but such  
17 tax shall not exceed the amount stated in the ballot question. If a  
18 majority of those voting on the ballot question are opposed to such tax,  
19 the governing body of the political subdivision shall not impose such  
20 tax.

21 (3) In lieu of the election procedures in subsection (1) of this  
22 section, any political subdivision subject to section 77-3443, ~~other than~~  
23 ~~a Class I school district,~~ and villages may approve a levy in excess of  
24 the limits in section 77-3442 or the final levy allocation provided in  
25 section 77-3443 for a period of one year at a meeting of the residents of  
26 the political subdivision or village, called after notice is published in  
27 a newspaper of general circulation in the political subdivision or  
28 village at least twenty days prior to the meeting. At least ten percent  
29 of the registered voters residing in the political subdivision or village  
30 shall constitute a quorum for purposes of taking action to exceed the  
31 limits or final levy allocation. A record shall be made of the registered

1 voters residing in the political subdivision or village who are present  
2 at the meeting. The method of voting at the meeting shall protect the  
3 secrecy of the ballot. If a majority of the registered voters present at  
4 the meeting vote in favor of exceeding the limits or final levy  
5 allocation, a copy of the record of that action shall be forwarded to the  
6 county board prior to October 10 and the county board shall authorize a  
7 levy as approved by the residents for the year. If a majority of the  
8 registered voters present at the meeting vote against exceeding the  
9 limits or final allocation, the limit or allocation shall not be exceeded  
10 and the political subdivision shall have no power to call for an election  
11 under subsection (1) of this section.

12 (4) A political subdivision, ~~other than a Class I school district,~~  
13 may rescind or modify a previously approved excess levy authority prior  
14 to its expiration by a majority of registered voters voting on the issue  
15 in a primary, general, or special election at which the issue is placed  
16 before the registered voters. A vote to rescind or modify must be  
17 approved prior to October 10 of the fiscal year for which it is to be  
18 effective. The governing body of the political subdivision may call for  
19 the submission of the issue to the voters (a) by passing a resolution  
20 calling for the rescission or modification by a vote of at least two-  
21 thirds of the members of the governing body and delivering a copy of the  
22 resolution to the county clerk or election commissioner of every county  
23 which contains all or part of the political subdivision or (b) upon  
24 receipt of a petition by the county clerk or election commissioner of  
25 every county containing all or part of the political subdivision  
26 requesting an election signed by at least five percent of the registered  
27 voters residing in the political subdivision. The resolution or petition  
28 shall include the amount and the duration of the previously approved  
29 excess levy authority and a statement that either such excess levy  
30 authority will be rescinded or such excess levy authority will be  
31 modified. If the excess levy authority will be modified, the amount and

1 duration of such modification shall be stated. The modification shall not  
2 have a duration greater than five years. The county clerk or election  
3 commissioner shall place the issue on the ballot at an election as called  
4 for in the resolution or petition which is at least thirty days after  
5 receipt of the resolution or petition, and the time of publication and  
6 providing a copy of the notice of election required in section 32-802  
7 shall be no later than twenty days prior to the election. The election  
8 shall be held pursuant to the Election Act.

9 (5) For purposes of this section, when the political subdivision is  
10 a sanitary and improvement district, registered voter means a person  
11 qualified to vote as provided in section 31-735. Any election conducted  
12 under this section for a sanitary and improvement district shall be  
13 conducted and counted as provided in sections 31-735 to 31-735.06.

14 (6) For purposes of this section, when the political subdivision is  
15 a school district or a multiple-district school system, registered voter  
16 includes ~~both (a) persons qualified to vote for the members of the school~~  
17 ~~board of the school district which is voting to exceed the maximum levy~~  
18 ~~limits pursuant to this section and (b) persons in those portions of any~~  
19 ~~Class I district which are affiliated with or a part of the school~~  
20 ~~district which is voting pursuant to this section, if such voter is also~~  
21 ~~qualified to vote for the school board of the affected Class I school~~  
22 ~~district.~~

23 Sec. 9. Section 79-101, Revised Statutes Cumulative Supplement,  
24 2016, is amended to read:

25 79-101 For purposes of Chapter 79:

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

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

30 (3) Legal voter means a registered voter as defined in section  
31 32-115 who is domiciled in a precinct or ward in which he or she is

1 registered to vote and which precinct or ward lies in whole or in part  
2 within the boundaries of a school district for which the registered voter  
3 chooses to exercise his or her right to vote at a school district  
4 election ~~or at an annual or special meeting of a Class I school district;~~

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

8 (5) Elementary grades means grades kindergarten through eight,  
9 inclusive;

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

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

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

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

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

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

25 (12) Teach means and includes, but is not limited to, the following  
26 responsibilities: (a) The organization and management of the classroom or  
27 the physical area in which the learning experiences of pupils take place;  
28 (b) the assessment and diagnosis of the individual educational needs of  
29 the pupils; (c) the planning, selecting, organizing, prescribing, and  
30 directing of the learning experiences of pupils; (d) the planning of  
31 teaching strategies and the selection of available materials and

1 equipment to be used; and (e) the evaluation and reporting of student  
2 progress;

3 (13) Permanent school fund means the fund described in section  
4 79-1035.01;

5 (14) Temporary school fund means the fund described in section  
6 79-1035.02;

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

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

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

20 The State Board of Education may adopt and promulgate rules and  
21 regulations to define school day and other appropriate units of the  
22 school calendar.

23 Sec. 10. Section 79-102, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 79-102 School districts in this state are classified as follows:

26 ~~(1) Class I includes any school district that maintains only  
27 elementary grades under the direction of a single school board;~~

28 ~~(2) Class II includes any school district embracing territory having  
29 a population of one thousand inhabitants or less that maintains both  
30 elementary and high school grades under the direction of a single school  
31 board;~~

1           (1) ~~(3)~~ Class III includes any school district embracing territory  
2 having a population of ~~more than one thousand and~~ less than one hundred  
3 fifty thousand inhabitants that maintains both elementary and high school  
4 grades under the direction of a single school board;

5           (2) ~~(4)~~ Class IV includes any school district embracing territory  
6 having a population of one hundred thousand or more inhabitants with a  
7 city of the primary class within the territory of the district that  
8 maintains both elementary and high school grades under the direction of a  
9 single school board; and

10          (3) ~~(5)~~ Class V includes any school district whose employees  
11 participate in a retirement system established pursuant to the Class V  
12 School Employees Retirement Act and which embraces territory having a  
13 city of the metropolitan class within the territory of the district that  
14 maintains both elementary grades and high school grades under the  
15 direction of a single school board and any school district with territory  
16 in a city of the metropolitan class created pursuant to the Learning  
17 Community Reorganization Act and designated as a Class V school district  
18 in the reorganization plan. ~~;~~ and

19          ~~(6) Class VI includes any school district in this state that~~  
20 ~~maintains only a high school, or a high school and grades seven and eight~~  
21 ~~or six through eight as provided in section 79-411, under the direction~~  
22 ~~of a single school board.~~

23          Sec. 11. Section 79-104, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25          79-104 (1)(a) Whenever any Class III ~~II, III,~~ or IV school district  
26 attains the number of inhabitants which requires its reclassification as  
27 a Class IV ~~III, IV,~~ or V school district, respectively, the Commissioner  
28 of Education shall reclassify such district as a district of the next  
29 higher class. ~~A Class III school district may be reclassified as a Class~~  
30 ~~II school district upon application of the board of education of such~~  
31 ~~district if the commissioner finds that the number of inhabitants of such~~

1 ~~district has decreased to the level established for Class II school~~  
2 ~~districts.~~

3 (b) Any reclassification pursuant to subdivision (1)(a) of this  
4 section shall become effective at the beginning of the next fiscal year  
5 after the order of the commissioner.

6 (2) On the operative date of this act, the commissioner shall  
7 reclassify any school district to the classification required by the  
8 changes made to section 79-102 by this legislative bill, which  
9 reclassification shall be effective immediately.

10 (3) Within fifteen days after the reclassification of any school  
11 district pursuant to subsection (1) or (2) of this section, the  
12 commissioner shall notify the county clerk or election commissioner, of  
13 the county in which the greatest number of legal voters in the school  
14 district reside, of such change in classification and the effective date  
15 of such change.

16 Sec. 12. Section 79-203, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 79-203 In case the services or earnings of a child are necessary for  
19 his or her own support or the support of those actually dependent upon  
20 him or her and the child is fourteen years of age or more and not more  
21 than sixteen years of age and has completed the work of the eighth grade,  
22 the person having legal or actual charge of such child may apply to the  
23 superintendent of the ~~primary-high~~ school district in which the child  
24 resides or a person designated in writing by the superintendent. The  
25 superintendent or designee may, in his or her discretion, issue a permit  
26 allowing such child to be employed.

27 Sec. 13. Section 79-234, Revised Statutes Cumulative Supplement,  
28 2016, is amended to read:

29 79-234 (1) An enrollment option program is hereby established to  
30 enable any kindergarten through twelfth grade Nebraska student to attend  
31 a school in a Nebraska public school district in which the student does

1 not reside subject to the limitations prescribed in section 79-238. The  
2 option shall be available only once to each student prior to graduation,  
3 except that the option does not count toward such limitation if such  
4 option meets, or met at the time of the option, one of the following  
5 criteria: (a) The student relocates to a different resident school  
6 district, (b) the option school district merges with another district,  
7 (c) ~~the option school district is a Class I district,~~ (d) the student  
8 will have completed either the grades offered in the school building  
9 originally attended in the option school district or the grades  
10 immediately preceding the lowest grade offered in the school building for  
11 which a new option is sought, (d) ~~(e)~~ the option would allow the student  
12 to continue current enrollment in a school district, (e) ~~(f)~~ the option  
13 would allow the student to enroll in a school district in which the  
14 student was previously enrolled as a student, or (f) ~~(g)~~ the student is  
15 an open enrollment option student. Sections 79-232 to 79-246 do not  
16 relieve a parent or guardian from the compulsory attendance requirements  
17 in section 79-201.

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

22 Sec. 14. Section 79-407, Revised Statutes Supplement, 2017, is  
23 amended to read:

24 79-407 The territory within the corporate limits of each  
25 incorporated municipality in the State of Nebraska that is not in part  
26 within the boundaries of a learning community, together with such  
27 additional territory and additions to such municipality as may be added  
28 thereto, as declared by ordinances to be boundaries of such municipality,  
29 having a population of ~~more than one thousand and~~ less than one hundred  
30 fifty thousand inhabitants as determined by the most recent federal  
31 decennial census or the most recent revised certified count by the United

1 States Bureau of the Census, including such adjacent territory as now is  
2 or hereafter may be attached for school purposes, shall constitute a  
3 Class III school district, except that nothing in this section shall be  
4 construed to change the boundaries of any school district that is a  
5 member of a learning community. The school district shall be a body  
6 corporate and possess all the usual powers of a corporation for public  
7 purposes and may sue and be sued, purchase, hold, and sell such personal  
8 and real property, and control such obligations as are authorized by law.

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

11 79-413 (1) The State Committee for the Reorganization of School  
12 Districts created under section 79-435 may create a new school district  
13 from other districts ~~or~~ ~~,~~ change the boundaries of any district that is  
14 not a member of a learning community, ~~or affiliate a Class I district or~~  
15 ~~portion thereof with one or more existing Class II, III, IV, or V~~  
16 ~~districts~~ upon receipt of petitions signed by sixty percent of the legal  
17 voters of each district affected. If the petitions contain signatures of  
18 at least sixty-five percent of the legal voters of each district  
19 affected, the state committee shall approve the petitions. ~~When area is~~  
20 ~~added to a Class VI district or when a Class I district which is entirely~~  
21 ~~or partially within a Class VI district is taken from the Class VI~~  
22 ~~district, the Class VI district shall be deemed to be an affected~~  
23 ~~district.~~

24 ~~Any petition of the legal voters of a Class I district in which no~~  
25 ~~city or village is situated which is commenced after January 1, 1996, and~~  
26 ~~proposes the dissolution of the Class I district and the attachment of a~~  
27 ~~portion of it to two or more districts shall require signatures of more~~  
28 ~~than fifty percent of the legal voters of such Class I district. If the~~  
29 ~~state committee determines that such petition contains valid signatures~~  
30 ~~of more than fifty percent of the legal voters of such Class I district,~~  
31 ~~the state committee shall grant the petition.~~

1           (2) ~~(2)(a)~~ Petitions proposing to change the boundaries of existing  
2 school districts that are not members of a learning community through the  
3 transfer of a parcel of land, not to exceed six hundred forty acres,  
4 shall be approved by the state committee when the petitions involve the  
5 transfer of land between Class III ~~I, II, III,~~ or IV school districts or  
6 when there would be an exchange of parcels of land between Class III ~~I,~~  
7 ~~II, III,~~ or IV school districts and the petitions have the approval of at  
8 least sixty-five percent of the school board of each affected district.  
9 ~~If the transfer of the parcel of land is from a Class I school district~~  
10 ~~to one or more Class II, III, IV, V, or VI school districts of which the~~  
11 ~~parcel is not a part or with which the parcel is not affiliated, any~~  
12 ~~Class II, III, IV, V, or VI school district of which the parcel is not a~~  
13 ~~part or with which the parcel is affiliated shall be deemed an affected~~  
14 ~~district.~~

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

25           (3)(a) Petitions proposing to create a new school district or ~~,~~ to  
26 change the boundary lines of existing school districts that are not  
27 members of a learning community, ~~to create an affiliated school system,~~  
28 ~~or to affiliate a Class I district in part and to join such district in~~  
29 ~~part with a Class VI district,~~ any of which involves the transfer of more  
30 than six hundred forty acres, shall, when signed by at least sixty  
31 percent of the legal voters in each district affected, be submitted to

1 the state committee. ~~In the case of a petition for affiliation or a~~  
2 ~~petition to affiliate in part and in part to join a Class VI district,~~  
3 ~~the state committee shall review the proposed affiliation subject to~~  
4 ~~sections 79-425 and 79-426.~~ The state committee shall, within forty days  
5 after receipt of the petition, hold one or more public hearings and  
6 review and approve or disapprove such proposal.

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

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

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

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

29 Sec. 16. Section 79-415, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 79-415 ~~(1)~~In addition to the petitions of legal voters pursuant to

1 section 79-413, changes in boundaries and the creation of a new school  
2 district from other districts may be initiated and accepted by the school  
3 board or board of education of any district that is not a member of a  
4 learning community.

5 ~~(2) In addition to the petitions of legal voters pursuant to section~~  
6 ~~79-413, the affiliation of a Class I district or portion thereof with one~~  
7 ~~or more Class II, III, IV, or V districts may be initiated and accepted~~  
8 ~~by:~~

9 ~~(a) The board of education of any Class II, III, IV, or V district;~~  
10 ~~and~~

11 ~~(b) The school board of any Class I district in which is located a~~  
12 ~~city or incorporated village.~~

13 Sec. 17. Section 79-418, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 79-418 Petitions presented pursuant to section 79-415 ~~sections~~  
16 ~~79-415 to 79-417~~ shall be subject to the same requirements for content,  
17 hearings, notice, review, and appeal as petitions submitted pursuant to  
18 section 79-413, except that a petition presented pursuant to section  
19 79-415 shall not become effective unless it is approved by a vote of a  
20 majority of the members of the State Committee for the Reorganization of  
21 School Districts. Any person adversely affected by the disapproval shall  
22 have the right of appeal under section 79-413.

23 Sec. 18. Section 79-419, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 79-419 (1) When a new district is to be created from other districts  
26 as provided in section 79-413, the petition shall contain:

27 (a) A description of the proposed boundaries of the reorganized  
28 districts;

29 (b) A summary of the terms on which reorganization is to be made  
30 between the reorganized districts, which terms may include a provision  
31 for initial school board districts or wards within the proposed district

1 for the appointment of the first school board and also for the first  
2 election as provided in section 79-451, which proposed initial school  
3 board districts or wards shall be determined by the State Committee for  
4 the Reorganization of School Districts taking into consideration  
5 population and valuation, and a determination of the terms of the board  
6 members first appointed to membership of the board of the newly  
7 reorganized district;

8 (c) A map showing the boundaries of established school districts and  
9 the boundaries proposed under any plan or plans of reorganization;

10 (d) A separate statement as to whether the reorganization is  
11 contingent upon the success of a bond election held in conjunction with  
12 the reorganization;

13 (e) An affidavit from the county clerk or election commissioner  
14 regarding the validity of the signatures on the petition; and

15 (f) Such other matters as the petitioners determine proper to be  
16 included. ~~Any petition for the creation of a new Class VI district shall~~  
17 ~~designate whether such district shall include high school grades only,~~  
18 ~~grades seven through twelve, or grades six through twelve.~~

19 (2) A petition under subsection (1) of this section may contain  
20 provisions for the holding of school within existing buildings in the  
21 newly reorganized district and that a school constituted under this  
22 section shall be maintained from the date of reorganization unless the  
23 legal voters served by the school vote by a majority vote for  
24 discontinuance of the school.

25 Sec. 19. Section 79-434, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 79-434 Reorganization of school districts may be accomplished  
28 through or by means of any one or more of the following methods: (1) The  
29 creation of new districts; (2) the uniting of one or more established  
30 districts; (3) the subdivision of one or more established districts; (4)  
31 the transfer and attachment to an established district of a part of the

1 territory of one or more districts; ~~(5) the affiliation of a Class I~~  
2 ~~district or portion thereof with one or more Class II, III, IV, or V~~  
3 ~~districts; (6) the changing of boundaries of a Class VI district; and (5)~~  
4 ~~(7) the dissolution or disorganization of an established district for any~~  
5 of the reasons specified by law.

6 Sec. 20. Section 79-443, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 79-443 After one or more public hearings have been held, the state  
9 committee may approve a plan or plans of reorganization. Such plan shall  
10 contain:

11 (1) A description of the proposed boundaries of the reorganized  
12 districts;

13 (2) A summary of the reasons for each proposed change, realignment,  
14 or adjustment of the boundaries. ~~If such plan provides for the creation~~  
15 ~~of a new Class VI district, it shall designate whether such district~~  
16 ~~shall include high school grades only or be known as a Class VI junior-~~  
17 ~~senior high school district as described in section 79-411;~~

18 (3) A summary of the terms on which reorganization is to be made  
19 between the reorganized districts. Such terms shall include a provision  
20 for initial school board districts or wards within the proposed district,  
21 which proposed initial school board districts or wards shall be  
22 determined by the state committee taking into consideration population  
23 and valuation, a determination of the number of members to be appointed  
24 to the initial school board ~~for Class II and III school districts,~~ and a  
25 determination of the terms of the board members first appointed to  
26 membership on the board of the newly reorganized district;

27 (4) A separate statement as to whether the reorganization is  
28 contingent upon the success of a bond election held in conjunction with  
29 the reorganization;

30 (5) A statement of the findings with respect to the location of  
31 schools, the utilization of existing buildings, the construction of new

1 buildings, and the transportation requirements under the proposed plan of  
2 reorganization. The plan may contain provisions for the holding of school  
3 within existing buildings in the newly reorganized district and that a  
4 school constituted under this section shall be maintained from the date  
5 of reorganization unless the legal voters served by the school vote by a  
6 majority vote for discontinuance of the school;

7 (6) A map showing the boundaries of established school districts and  
8 the boundaries proposed under any plan or plans of reorganization; and

9 (7) Such other matters as the state committee determines proper to  
10 be included.

11 Sec. 21. Section 79-447, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 79-447 (1) Not less than thirty nor more than sixty days after the  
14 designation of a final approved plan under section 79-446, the  
15 proposition of the adoption or rejection of the proposed plan of  
16 reorganization shall be submitted at a special election to all the legal  
17 voters of districts within the county whose boundaries are in any manner  
18 changed by the plan of reorganization, ~~including the boundaries of Class~~  
19 ~~VI school districts if such plan includes a Class I school district which~~  
20 ~~is entirely within a Class VI school district.~~

21 (2) Notice of the special election shall be given by the county  
22 clerk or election commissioner and shall be published in a legal  
23 newspaper of general circulation in the county at least ten days prior to  
24 the election. The election notice shall (a) state that the election has  
25 been called for the purpose of affording the legal voters an opportunity  
26 to approve or reject the plan of reorganization, (b) contain a  
27 description of the boundaries of the proposed district, and (c) contain a  
28 statement of the terms of the adjustment of property, debts, and  
29 liabilities applicable thereto.

30 (3) All ballots shall be prepared and the special election shall be  
31 held and conducted by the county clerk or election commissioner, and the

1 expense of such election shall be paid by the county board or boards if  
2 more than one county is involved as provided in subsection (4) of this  
3 section. The county clerk or election commissioner shall use the duly  
4 appointed election board or appoint two judges and two clerks who shall  
5 be legal voters of the territory of the proposed school district. The  
6 election shall be held at a place or places within the proposed district  
7 determined by the county clerk or election commissioner to be convenient  
8 for the voters.

9 (4) If the proposed plan of reorganization involves a district under  
10 the jurisdiction of another county, the county clerk or election  
11 commissioner of the county which has the largest number of pupils  
12 residing in the proposed joint district shall give the notice required by  
13 subsection (2) of this section in a newspaper of general circulation in  
14 the territory of the proposed district and prepare the ballots and such  
15 election shall be held and conducted by the county clerk or election  
16 commissioner of each county involved in the proposed reorganization in  
17 accordance with the Election Act. Each county board shall bear a share of  
18 the total election expense in the same proportion that the number of  
19 legal voters residing in the proposed district in one county stands to  
20 the whole number of legal voters in the proposed district.

21 (5) In any election held as provided in this section, all districts  
22 of like class shall vote as a unit, ~~except that Class I school districts~~  
23 ~~within the boundaries of which are located an incorporated village or~~  
24 ~~city shall constitute a separate voting unit and Class I school districts~~  
25 ~~which do not have within their boundaries an incorporated village or city~~  
26 ~~shall constitute a separate voting unit.~~

27 (6) Approval of the plan at the special election shall require a  
28 majority of all legal voters voting within each voting unit included in  
29 the proposed plan.

30 Sec. 22. Section 79-451, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           79-451 Within thirty days after the classification of the  
2 reorganized school districts by the county clerk under section 79-450,  
3 the state committee shall appoint from among the legal voters of each new  
4 school district created the number of school board members specified in  
5 the plan of reorganization. A reorganized school district shall be formed  
6 and organized and shall have a school board not later than April 1  
7 following the last legal action, as prescribed in section 79-450,  
8 necessary to effect the changes in boundaries as set forth in the plan of  
9 reorganization, although the physical reorganization of such reorganized  
10 school district may not take effect until June 1. The first board shall  
11 be appointed on an at-large basis, and all boards shall be elected at  
12 large until such time as school districts are established as provided in  
13 section 32-554.

14           ~~In appointing the first school board of a Class II school district,~~  
15 ~~the members shall be appointed so that the terms of approximately one-~~  
16 ~~half of the members expire on the date of the first regular meeting of~~  
17 ~~the board in January after the first even-numbered year following their~~  
18 ~~appointment and the terms of the remaining members expire on the date of~~  
19 ~~the first regular meeting of the board in January after the second even-~~  
20 ~~numbered year following their appointment. At the statewide general~~  
21 ~~election in the first even-numbered year after the reorganization,~~  
22 ~~approximately one-half of the board members in each Class II school~~  
23 ~~district shall be elected to terms of four years, and thereafter all~~  
24 ~~candidates shall be elected to terms of four years. Each member's term~~  
25 ~~shall begin on the date of the first regular meeting of the board in~~  
26 ~~January following his or her election.~~

27           In appointing the first school board of a Class III school district,  
28 the terms of approximately one-half of the members shall expire on the  
29 first Thursday after the first Tuesday in January after the first even-  
30 numbered year following their appointment and the terms of the remaining  
31 members shall expire on the first Thursday after the first Tuesday in

1 January after the second even-numbered year following their appointment.

2 The school board so appointed shall proceed at once to organize in  
3 the manner prescribed by law.

4 Sec. 23. Section 79-458, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 79-458 (1) Any freeholder or freeholders, person in possession or  
7 constructive possession as vendee pursuant to a contract of sale of the  
8 fee, holder of a school land lease under section 72-232, or entrant upon  
9 government land who has not yet received a patent therefor may file a  
10 petition on or before June 1 for all other years with a board consisting  
11 of the county assessor, county clerk, and county treasurer, asking to  
12 have any tract or tracts of land described in the petition set off from  
13 an existing school district in which the land is situated and attached to  
14 a different school district which is contiguous to such tract or tracts  
15 of land if:

16 (a)(i) The school district in which the land is situated is a Class  
17 ~~II~~ or III school district which has had an average daily membership in  
18 grades nine through twelve of less than sixty for the two consecutive  
19 school fiscal years immediately preceding the filing of the petition;

20 (ii) Such Class ~~II~~ or III school district has voted pursuant to  
21 section 77-3444 to exceed the maximum levy established pursuant to  
22 subdivision (2)(a) of section 77-3442, which vote is effective for the  
23 school fiscal year in which the petition is filed or for the following  
24 school fiscal year;

25 (iii) The high school in such Class ~~II~~ or III school district is  
26 within fifteen miles on a maintained public highway or maintained public  
27 road of another public high school; and

28 (iv) Neither school district is a member of a learning community; or

29 (b) Except as provided in subsection (7) of this section, the school  
30 district in which the land is situated, regardless of the class of school  
31 district, has approved a budget for the school fiscal year in which the

1 petition is filed that will cause the combined levies for such school  
2 fiscal year, except levies for bonded indebtedness approved by the voters  
3 of such school district and levies for the refinancing of such bonded  
4 indebtedness, to exceed the greater of (i) one dollar and twenty cents  
5 per one hundred dollars of taxable valuation of property subject to the  
6 levy or (ii) the maximum levy authorized by a vote pursuant to section  
7 77-3444.

8 For purposes of determining whether a tract of land is contiguous,  
9 all petitions currently being considered by the board shall be considered  
10 together as a whole.

11 (2) The petition shall state the reasons for the proposed change and  
12 shall show with reference to the land of each petitioner: (a) That (i)  
13 the land described in the petition is either owned by the petitioner or  
14 petitioners or that he, she, or they hold a school land lease under  
15 section 72-232, are in possession or constructive possession as vendee  
16 under a contract of sale of the fee simple interest, or have made an  
17 entry on government land but have not yet received a patent therefor and  
18 (ii) such tract of land includes all such contiguous land owned or  
19 controlled by each petitioner; (b) that the conditions of subdivision (1)  
20 (a) or (1)(b) of this section have been met; and (c) that such petition  
21 is approved by a majority of the members of the school board of the  
22 district to which such land is sought to be attached.

23 (3) The petition shall be verified by the oath of each petitioner.  
24 Notice of the filing of the petition and of the hearing on such petition  
25 before the board constituted as prescribed in subsection (1) or (4) of  
26 this section shall be given at least ten days prior to the date of such  
27 hearing by one publication in a legal newspaper of general circulation in  
28 each district and by posting a notice on the outer door of the  
29 schoolhouse in each district affected thereby, and such notice shall  
30 designate the territory to be transferred. Following the filing of a  
31 petition pursuant to this section, such board shall hold a public hearing

1 on the petition and shall approve or disapprove the petition on or before  
2 July 15 following the filing of the petition based on a determination of  
3 whether the petitioner has complied with all requirements of this  
4 section. If such board approves the petition, such board shall change the  
5 boundaries of the school districts so as to set off the land described in  
6 the petition and attach it to such district pursuant to the petition with  
7 an effective date of August 15 following the filing of the petition,  
8 which actions shall cause such transfer to be in effect for levies set  
9 for the year in which such transfer takes effect.

10 (4) Petitions requesting transfers of property across county lines  
11 shall be addressed jointly to the county clerks of the counties  
12 concerned, and the petitions shall be acted upon by the county assessors,  
13 county clerks, and county treasurers of the counties involved as one  
14 board, with the county clerk of the county from which the land is sought  
15 to be transferred acting as chairperson of the board.

16 (5) Appeals may be taken from the action of such board or, when such  
17 board fails to act on the petition, on or before August 1 following the  
18 filing of the petition, to the district court of the county in which the  
19 land is located on or before August 10 following the filing of the  
20 petition, in the same manner as appeals are now taken from the action of  
21 the county board in the allowance or disallowance of claims against the  
22 county. If an appeal is taken from the action of the board approving the  
23 petition or failing to act on the petition, the transfer shall occur  
24 effective August 15 following the filing of the petition, which actions  
25 shall cause such transfer to be in effect for levies set for the year in  
26 which such transfer takes effect, unless action by the district court  
27 prevents such transfer.

28 (6) This section does not apply to any school district located on an  
29 Indian reservation and substantially or totally financed by the federal  
30 government.

31 (7) For school districts that have approved a budget for school

1 fiscal year 2007-08 that will cause the combined levies, except levies  
2 for bonded indebtedness approved by the voters of the school district and  
3 levies for the refinancing of such bonded indebtedness, to exceed the  
4 greater of (a) one dollar and twenty cents per one hundred dollars of  
5 taxable valuation of property subject to the levy or (b) the maximum levy  
6 authorized by a vote pursuant to section 77-3444, the school boards of  
7 such school districts may adopt a binding resolution stating that the  
8 combined levies, except levies for bonded indebtedness approved by the  
9 voters of the school district and levies for the refinancing of such  
10 bonded indebtedness, for school fiscal year 2008-09 shall not exceed the  
11 greater of (i) one dollar and twenty cents per one hundred dollars of  
12 taxable valuation of property subject to the levy or (ii) the maximum  
13 levy authorized by a vote pursuant to section 77-3444. On or before May  
14 9, 2008, such binding resolutions shall be filed with the Auditor of  
15 Public Accounts and the county assessors, county clerks, and county  
16 treasurers for all counties in which the school district has territory.  
17 If such binding resolution is filed on or before May 9, 2008, land shall  
18 not be set off and attached to another district pursuant to subdivision  
19 (2)(b) of this section in 2008.

20 (8) Nothing in this section shall be construed to detach obligations  
21 for voter-approved bonds from any tract of land.

22 Sec. 24. Section 79-470, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 79-470 ~~(1) No Class I school district which contracts for the~~  
25 ~~instruction of all of its pupils with a Class I, II, III, IV, or V school~~  
26 ~~district shall merge with another Class I school district unless such~~  
27 ~~other Class I school district with which it is merging is included in the~~  
28 ~~area which makes up a Class VI school district.~~

29 (1) ~~(2)~~ No district shall contract for the instruction of all of its  
30 pupils with a Class ~~II~~<sub>7</sub>, III, IV, or V school district for more than two  
31 consecutive years.

1           (2) ~~(3)~~ The State Committee for the Reorganization of School  
2 Districts shall dissolve and attach to a neighboring school district or  
3 districts any school district which, for two consecutive years, contracts  
4 for the instruction of all of its pupils with a Class ~~II~~, III, IV, or V  
5 school district.

6           (3) ~~(4)~~ The dissolution of any school district pursuant to this  
7 section shall be effected in the manner prescribed in section 79-498.  
8 When such dissolution would create extreme hardships on the pupils or the  
9 school district affected, the State Board of Education may, on  
10 application by the school board of the school district, waive the  
11 dissolution of the school district on an annual basis.

12           (4) ~~(5)~~ Nothing in this section shall be construed as an extension  
13 of the limitations on contracting for the instruction of the pupils of a  
14 school district contained in section 79-598.

15           Sec. 25. Section 79-473, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17           79-473 (1) If the territory annexed by a change of boundaries of a  
18 city or village which lies within a Class III school district as provided  
19 in section 79-407 has been part of a Class IV or Class V school district  
20 prior to such annexation, a merger of the annexed territory with the  
21 Class III school district shall become effective only if the merger is  
22 approved by a majority of the members of the school board of the Class IV  
23 or V school district and a majority of the members of the school board of  
24 the Class III school district within ninety days after the effective date  
25 of the annexation ordinance, except that a merger shall not become  
26 effective pursuant to this section if such merger involves a school  
27 district that is a member of a learning community.

28           (2) Notwithstanding subsection (1) of this section, when territory  
29 which lies within a Class III school district, ~~Class VI school district,~~  
30 ~~or Class I school district which is attached to a Class VI school~~  
31 ~~district~~ or which does not lie within a Class IV or V school district is

1 annexed by a city or village pursuant to section 79-407, the affected  
2 school board of the city or village school district and the affected  
3 school board or boards serving the territory subject to the annexation  
4 ordinance shall meet within thirty days after the effective date of the  
5 annexation ordinance if neither school district is a member of a learning  
6 community and negotiate in good faith as to which school district shall  
7 serve the annexed territory and the effective date of any transfer.  
8 During the process of negotiation, the affected boards shall consider the  
9 following criteria:

10 (a) The educational needs of the students in the affected school  
11 districts;

12 (b) The economic impact upon the affected school districts;

13 (c) Any common interests between the annexed or platted area and the  
14 affected school districts and the community which has zoning jurisdiction  
15 over the area; and

16 (d) Community educational planning.

17 If no agreement has been reached within ninety days after the  
18 effective date of the annexation ordinance, the territory shall transfer  
19 to the school district of the annexing city or village ten days after the  
20 expiration of such ninety-day period unless an affected school district  
21 petitions the district court within the ten-day period and obtains an  
22 order enjoining the transfer and requiring the boards of the affected  
23 school districts to continue negotiation. The court shall issue the order  
24 upon a finding that the affected board or boards have not negotiated in  
25 good faith based on one or more of the criteria listed in this  
26 subsection. The district court shall require no bond or other surety as a  
27 condition for any preliminary injunctive relief. If no agreement is  
28 reached after such order by the district court and additional  
29 negotiations, the annexed territory shall become a part of the school  
30 district of the annexing city or village.

31 ~~(3) If, within the boundaries of the annexed territory, there exists~~

1 ~~a Class VI school, the school building, facilities, and land owned by the~~  
2 ~~school district shall remain a part of the Class VI school district. If~~  
3 ~~the Class VI school district from which territory is being annexed wishes~~  
4 ~~to dispose of such school building, facilities, or land to any individual~~  
5 ~~or political subdivision, including a Class I school district, the~~  
6 ~~question of such disposition shall be placed on the ballot for the next~~  
7 ~~primary or general election. All legal voters of such Class VI school~~  
8 ~~district shall then vote on the question at such election. A simple~~  
9 ~~majority of the votes cast shall resolve the issue.~~

10 (3) ~~(4)~~ Whenever an application for approval of a final plat or  
11 replat is filed for territory which lies within the zoning jurisdiction  
12 of a city of the first or second class and does not lie within the  
13 boundaries of a Class IV or V school district, the boundaries of a school  
14 district that is a member of a learning community, the boundaries of any  
15 county in which a city of the metropolitan class is located, or the  
16 boundaries of any county that has a contiguous border with a city of the  
17 metropolitan class, the affected school board of the school district  
18 within the city of the first or second class or its representative and  
19 the affected board or boards serving the territory subject to the final  
20 plat or replat or their representative shall meet within thirty days  
21 after such application and negotiate in good faith as to which school  
22 district shall serve the platted or replatted territory and the effective  
23 date of any transfer based upon the criteria prescribed in subsection (2)  
24 of this section.

25 If no agreement has been reached prior to the approval of the final  
26 plat or replat, the territory shall transfer to the school district of  
27 the city of the first or second class upon the filing of the final plat  
28 unless an affected school district petitions the district court within  
29 ten days after approval of the final plat or replat and obtains an order  
30 enjoining the transfer and requiring the affected boards to continue  
31 negotiation. The court shall issue the order upon a finding that the

1 affected board or boards have not negotiated in good faith based on one  
2 or more of the criteria listed in subsection (2) of this section. The  
3 district court shall require no bond or other surety as a condition for  
4 any preliminary injunctive relief. If no agreement is reached after such  
5 order by the district court and additional negotiations, the platted or  
6 replatted territory shall become a part of the school district of the  
7 city of the first or second class.

8 For purposes of this subsection, plat and replat apply only to (a)  
9 vacant land, (b) land under cultivation, or (c) any plat or replat of  
10 land involving a substantive change in the size or configuration of any  
11 lot or lots.

12 (4) ~~(5)~~ Notwithstanding any other provisions of this section, all  
13 negotiated agreements relative to boundaries or to real or personal  
14 property of school districts reached by the affected school boards shall  
15 be valid and binding, except that such agreements shall not be binding on  
16 reorganization plans pursuant to the Learning Community Reorganization  
17 Act.

18 Sec. 26. Section 79-479, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 79-479 (1)(a) Beginning January 1, 1992, any school district  
21 boundaries changed by the means provided by Nebraska law, but excluding  
22 the method provided by sections 79-407 and 79-473 to 79-475, shall be  
23 made only upon an order issued by the State Committee for the  
24 Reorganization of School Districts or county clerk. ~~The state committee  
25 shall not issue an order changing boundaries relating to affiliation of  
26 school districts if twenty percent or more of any tract of land under  
27 common ownership which is proposing to affiliate is not contiguous to the  
28 high school district with which affiliation is proposed unless (i) one or  
29 more resident students of the tract of land under common ownership has  
30 attended the high school program of the high school district within the  
31 immediately preceding ten-year period or (ii) approval of the petition or~~

1 ~~plan would allow siblings of such resident students to attend the same~~  
2 ~~school as the resident students attended.~~

3 (b) The order issued by the state committee shall be certified to  
4 the county clerk of each county in which boundaries are changed and shall  
5 also be certified to the State Department of Education. Whenever the  
6 order changes the boundaries of a school district due to the transfer of  
7 land, the county assessor, the Property Tax Administrator, and the State  
8 Department of Education shall be provided with the legal description and  
9 a map of the parcel of land which is transferred. Such order shall be  
10 issued no later than June 1 and shall have an effective date no later  
11 than August 1 of the same year. For purposes of determining school  
12 district counts pursuant to sections 79-524 and 79-578 and calculating  
13 state aid allocations pursuant to the Tax Equity and Educational  
14 Opportunities Support Act, any change in school district boundaries with  
15 an effective date between June 1 and August 1 of any year shall be  
16 considered effective July 1 of such year.

17 (2) Unless otherwise provided by state law or by the terms of a ~~an~~  
18 ~~affiliation or~~ reorganization plan or petition which is consistent with  
19 state law, all assets, including budget authority as provided in sections  
20 79-1023 to 79-1030, and liabilities, except bonded obligations, of school  
21 districts merged, dissolved, or annexed shall be transferred to the  
22 receiving district or districts on the basis of the proportionate share  
23 of assessed valuation received at the time of reorganization. ~~When a~~  
24 ~~Class II, III, IV, or V school district becomes a Class I school~~  
25 ~~district:~~

26 ~~(a) which becomes part of a Class VI district which offers~~  
27 ~~instruction in grades six through twelve, 37.9310 percent of the Class~~  
28 ~~II, III, IV, or V district's assets and liabilities shall be transferred~~  
29 ~~to the new Class I district and the remainder shall be transferred to the~~  
30 ~~Class VI district or districts of which the Class I district becomes a~~  
31 ~~part on the basis of the proportionate share of assessed valuation each~~

1 ~~high school district received at the time of such change in class of~~  
2 ~~district;~~

3 ~~(b) Which becomes part of a Class VI district which offers~~  
4 ~~instruction in grades seven through twelve, 44.8276 percent of the Class~~  
5 ~~II, III, IV, or V district's assets and liabilities shall be transferred~~  
6 ~~to the new Class I district and the remainder shall be transferred to the~~  
7 ~~Class VI district or districts of which the Class I district becomes a~~  
8 ~~part on the basis of the proportionate share of assessed valuation each~~  
9 ~~high school district received at the time of such change in class of~~  
10 ~~district; or~~

11 ~~(c) Which is affiliated or becomes part of a Class VI district which~~  
12 ~~offers instruction in grades nine through twelve, 61.3793 percent of the~~  
13 ~~Class II, III, IV, or V school district's assets and liabilities shall be~~  
14 ~~transferred to the new Class I district and the remainder shall be~~  
15 ~~transferred to the Class VI district or districts of which the Class I~~  
16 ~~district becomes a part and to the high school district or districts with~~  
17 ~~which the Class I district is affiliated on the basis of the~~  
18 ~~proportionate share of assessed valuation each high school district~~  
19 ~~received at the time of such change in class of district.~~

20 Sec. 27. Section 79-499, Revised Statutes Cumulative Supplement,  
21 2016, is amended to read:

22 79-499 (1) ~~If Commencing with the 1992-93 school year, if the fall~~  
23 ~~school district membership or the average daily membership of an existing~~  
24 ~~Class II or III school district shows less than thirty-five students in~~  
25 ~~grades nine through twelve, the district shall submit a plan for~~  
26 ~~developing cooperative programs with other high schools, including the~~  
27 ~~sharing of curriculum and certificated and noncertificated staff, to the~~  
28 ~~State Committee for the Reorganization of School Districts. The~~  
29 ~~cooperative program plan shall be submitted by the school district by~~  
30 ~~September 1 of the year following such fall school district membership or~~  
31 ~~average daily membership report. A cooperative program plan shall not be~~

1 required if there is no high school within fifteen miles from such  
2 district on a reasonably improved highway. The state committee shall  
3 review the plan and provide advice and communication to such school  
4 district and other high schools.

5 (2) If for two consecutive years the fall school district  
6 membership, or for two consecutive years the average daily membership, of  
7 an existing Class ~~II~~ or III school district is less than twenty-five  
8 pupils in grades nine through twelve as determined by the Commissioner of  
9 Education or if for one year an existing Class ~~II~~ or III school district  
10 contracts with a neighboring school district or districts to provide  
11 educational services for all of its pupils in grades nine through twelve,  
12 such school district shall, except as provided in subsection (3) or (4)  
13 of this section, be dissolved pursuant to the procedures described in  
14 subdivision (4)(b) of this section ~~become a Class I school district~~  
15 through the order of the state committee if the high school is within  
16 fifteen miles on a reasonably improved highway of another high school.

17 This subsection does not apply to any school district located on an  
18 Indian reservation and substantially or totally financed by the federal  
19 government.

20 (3) Any Class ~~II~~ or III school district ~~maintaining a four-year high~~  
21 ~~school~~ which has a fall school district membership or an average daily  
22 membership of less than twenty-five students in grades nine through  
23 twelve may contract with another school district to provide educational  
24 services for its pupils in grades nine through twelve. Such contract may  
25 continue for a period not to exceed one year. At the end of such one-year  
26 period, the school district may resume educational services for grades  
27 nine through twelve if the average daily membership in grades nine  
28 through twelve for such school district has reached at least fifty  
29 students. If the school district has not achieved such fall school  
30 district membership or average daily membership, it shall be dissolved  
31 pursuant to the procedures described in subdivision (4)(b) of this

1 ~~section become a Class I school district~~ by order of the state committee  
2 entered after thirty days' notice to the district but without a hearing,  
3 notwithstanding the distance on a reasonably improved highway to the  
4 nearest school district conducting a high school.

5 (4)(a) Any Class ~~II~~ or III school district maintaining the only  
6 public high school in the county may continue to operate the high school  
7 with a fall school district membership or an average daily membership of  
8 less than twenty-five students in grades nine through twelve if:

9 (i) The plan submitted pursuant to subsection (1) of this section  
10 provides a broad-based curriculum as determined by the state committee;  
11 and

12 (ii) At a districtwide election held the second Tuesday of November  
13 by whatever means the county conducts balloting, in the second  
14 consecutive school year that the fall school district membership for  
15 grades nine through twelve is less than twenty-five students and for each  
16 succeeding school year unless such membership is at least thirty-five  
17 students for such school year, a majority of voters approve a ballot  
18 issue to continue to operate the high school for the immediately  
19 following school year.

20 (b) If such ballot issue as provided in subdivision (4)(a)(ii) of  
21 this section fails, or if a school district falls within the provisions  
22 of subsection (2) or (3) of this section fails, the state committee shall  
23 dissolve the school district and attach the territory to other school  
24 districts based on the preferences of each landowner if such preference  
25 is provided in the time and manner required by the state committee and  
26 would transfer such parcels to a school district with a boundary  
27 contiguous to the school district being dissolved. Landowners submitting  
28 such preferences shall sign a statement that the district of preference  
29 is the district which children who might reside on the property, at the  
30 time of the dissolution or in the future, would be expected to attend.  
31 For property for which a preference is not provided in the time and

1 manner required by the state committee, the state committee shall  
2 transfer such property to one or more of the school districts with  
3 boundaries contiguous to the district being dissolved in a manner that  
4 will best serve children who might reside on such property, at the time  
5 of the dissolution or in the future, and that will, to the extent  
6 possible, create compact and contiguous districts.

7 (c) This subsection shall not apply to any school district if the  
8 fall school district membership or an average daily membership falls to  
9 less than fifteen students in grades nine through twelve.

10 (5) For purposes of this section, when calculating fall school  
11 district membership or average daily membership, a resident school  
12 district as defined in section 79-233 shall not count students attending  
13 an option district as defined in such section and a Class ~~II or~~ III  
14 school district shall not count foreign exchange students and nonresident  
15 students who are wards of the court or state.

16 Sec. 28. Section 79-4,108, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 79-4,108 (1) Unified system means two or more Class ~~II or~~ III school  
19 districts participating in an interlocal agreement under the Interlocal  
20 Cooperation Act with approval from the State Committee for the  
21 Reorganization of School Districts. ~~The interlocal agreement may include~~  
22 ~~Class I districts if the entire valuation is included in the unified~~  
23 ~~system.~~ The interlocal agreement shall provide:

24 (a) For a minimum term of three school years;

25 (b) That all property tax and state aid resources shall be shared by  
26 the unified system;

27 (c) That a board composed of school board members, with at least one  
28 school board member from each district, shall determine the general fund  
29 levy, within the limitations placed on school districts and multiple-  
30 district school systems pursuant to section 77-3442, to be applied in all  
31 participating districts and shall determine the distribution of property

1 tax and state aid resources within the unified system. For purposes of  
2 section 77-3442, the multiple-district school system shall include all of  
3 the ~~Class I, II, and III~~ districts participating in the unified system  
4 ~~and the Class I districts or portions thereof affiliated with any of the~~  
5 ~~participating Class II and III districts;~~

6 (d) That certificated staff will be employees of the unified system.  
7 For any certificated staff employed by the unified system, tenure and  
8 seniority as of the effective date of the interlocal agreement shall be  
9 transferred to the unified system and tenure and seniority provisions  
10 shall continue in the unified system except as provided in sections  
11 79-850 to 79-858. If a district withdraws from the unified system or if  
12 the interlocal agreement expires and is not renewed, certificated staff  
13 employed by a participating district immediately prior to the unification  
14 shall be reemployed by the original district and tenure and seniority as  
15 of the effective date of the withdrawal or expiration shall be  
16 transferred to the original district. The certificated staff hired by the  
17 unified system but not employed by a participating district immediately  
18 prior to the unification shall be subject to the reduction-in-force  
19 policy of the unified system;

20 (e) That the participating districts shall pay obligations of the  
21 unified system pursuant to sections 79-850 to 79-858 on a pro rata basis  
22 based on the adjusted valuations if a district withdraws from the unified  
23 system or if the interlocal agreement expires and is not renewed; and

24 (f) The permissible method or methods for accomplishing the partial  
25 or complete termination of the interlocal agreement and for disposing of  
26 assets and liabilities upon such partial or complete termination.

27 Additional provisions in the interlocal agreement shall be  
28 determined by the participating districts and shall encourage cooperation  
29 within the unified system.

30 (2) Application for unification shall be made to the state  
31 committee. The application shall contain a copy of the interlocal

1 agreement signed by the president of each participating school board. The  
2 state committee shall approve or disapprove applications for unification  
3 within forty days after receipt of the application. If the interlocal  
4 agreement complies with subsection (1) of this section and all school  
5 boards of the participating districts have approved the interlocal  
6 agreement, the state committee shall approve the application. Unification  
7 agreements shall be effective on June 1 following approval from the state  
8 committee for status as a unified system or on the date specified in the  
9 interlocal agreement, except that the date shall be on or after June 1  
10 and on or before September 1 for a specified year. The board established  
11 in the interlocal agreement may begin meeting any time after the  
12 application has been approved by the state committee.

13 (3) Upon granting the application for unification, the State  
14 Department of Education shall recognize the unified system as a single  
15 Class ~~II~~ or III district for state aid, budgeting, accreditation,  
16 enrollment of students, state programs, and reporting. Except as  
17 otherwise required by the department, the unified system shall submit a  
18 single report document for each of the reports required of school  
19 districts pursuant to Chapter 79 and shall submit a single budget  
20 document pursuant to the Nebraska Budget Act and sections 13-518 to  
21 13-522. ~~The class of district shall be the same as the majority of~~  
22 ~~participating districts, excluding Class I districts. If there are an~~  
23 ~~equal number of Class II and Class III districts in the unified system,~~  
24 ~~the unified system shall be recognized by the department as a Class III~~  
25 ~~district.~~

26 (4) The school districts participating in a unified system shall  
27 retain their separate identities for all purposes except those specified  
28 in this section, and participation in a unified system shall not be  
29 considered a reorganization.

30 Sec. 29. Section 79-4,123, Revised Statutes Cumulative Supplement,  
31 2016, is amended to read:

1           79-4,123 After one or more public hearings have been held, the state  
2 committee may approve a plan or plans of reorganization pursuant to the  
3 Learning Community Reorganization Act. Such plan shall contain:

4           (1) A description of the proposed boundaries of the reorganized  
5 districts and a designation of the class for each district;

6           (2) A summary of the reasons for each proposed change, realignment,  
7 or adjustment of the boundaries which shall include, but not be limited  
8 to, an explanation of how the plan complies with any statutory  
9 requirements for learning community organization and an assurance that  
10 the plan does not increase the geographic size of any school district  
11 that has more than twenty-five thousand formula students for the most  
12 recent certification of state aid pursuant to section 79-1022;

13           (3) A summary of the terms on which reorganization is to be made  
14 between the reorganized districts. Such terms shall include a provision  
15 for initial school board districts or wards within the proposed district,  
16 which proposed initial school board districts or wards shall be  
17 determined by the state committee taking into consideration population  
18 and valuation, a determination of the number of members to be appointed  
19 to the initial school board ~~for Class II and III school districts~~, and a  
20 determination of the terms of the board members first appointed to  
21 membership on the board of the newly reorganized district;

22           (4) A statement of the findings with respect to the location of  
23 schools, the utilization of existing buildings, the construction of new  
24 buildings, and the transportation requirements under the proposed plan of  
25 reorganization;

26           (5) A map showing the boundaries of established school districts and  
27 the boundaries proposed under any plan or plans of reorganization; and

28           (6) Such other matters as the state committee determines proper to  
29 be included.

30           Sec. 30. Section 79-4,129, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           79-4,129 (1) Within thirty days after the classification of the  
2 reorganized school districts by the county clerk under section 79-4,128,  
3 the state committee shall appoint from among the legal voters of each new  
4 school district created the number of school board members specified in  
5 the plan of reorganization. A reorganized school district shall be formed  
6 and organized and shall have a school board not later than April 1  
7 following the last legal action, as prescribed in section 79-4,128,  
8 necessary to effect the changes in boundaries as set forth in the plan of  
9 reorganization, although the physical reorganization of such reorganized  
10 school district shall take effect July 1 following the classification of  
11 the reorganized school districts under section 79-4,128. The first board  
12 shall be appointed on an at-large basis, and all boards shall be elected  
13 at large until such time as election districts are established as  
14 provided in section 32-554.

15           ~~(2) In appointing the first school board of a Class II school~~  
16 ~~district, the members shall be appointed so that the terms of~~  
17 ~~approximately one-half of the members expire on the date of the first~~  
18 ~~regular meeting of the board in January after the first even-numbered~~  
19 ~~year following their appointment and the terms of the remaining members~~  
20 ~~expire on the date of the first regular meeting of the board in January~~  
21 ~~after the second even-numbered year following their appointment. At the~~  
22 ~~statewide general election in the first even-numbered year after the~~  
23 ~~reorganization, approximately one-half of the board members in each Class~~  
24 ~~II school district shall be elected to terms of four years. Thereafter~~  
25 ~~all candidates shall be elected to terms of four years. Each member's~~  
26 ~~term shall begin on the date of the first regular meeting of the board in~~  
27 ~~January following his or her election.~~

28           (2) ~~(3)~~ In appointing the first school board of a Class III school  
29 district, the terms of approximately one-half of the members shall expire  
30 on the first Thursday after the first Tuesday in January after the first  
31 even-numbered year following their appointment and the terms of the

1 remaining members shall expire on the first Thursday after the first  
2 Tuesday in January after the second even-numbered year following their  
3 appointment. Thereafter all Class III district school boards shall be  
4 elected to terms of four years.

5 ~~(3) (4)~~ In appointing the first school board of a Class IV school  
6 district, the members shall be appointed so that the terms of three  
7 members shall expire on the third Monday in May of the first odd-numbered  
8 year following their appointment and the terms of four members shall  
9 expire on the third Monday in May of the second odd-numbered year  
10 following their appointment. Thereafter all Class IV district school  
11 boards shall be elected to terms of four years.

12 ~~(4) (5)~~ In appointing the first school board of a Class V school  
13 district after a reorganization under this section with a nine-member  
14 board serving terms of four years, the terms of the members shall expire  
15 as provided in section 32-545. All Class V district school boards shall  
16 be elected to terms of four years.

17 ~~(5) (6)~~ The school boards appointed under this section shall proceed  
18 at once to organize in the manner prescribed by law.

19 Sec. 31. Section 79-501, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 79-501 The school board or board of education of a Class III or IV  
22 ~~I, II, III, IV, or VI~~ school district shall have the care and custody of  
23 the schoolhouse and other property of the district and shall have  
24 authority to hire a superintendent and the required number of teachers  
25 and other necessary personnel.

26 Sec. 32. Section 79-506, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 79-506 The school board or board of education of any ~~Class I, II,~~  
29 ~~III, IV, V, or VI~~ school district may permit its members to participate  
30 in the school district's hospitalization, medical, surgical, accident,  
31 sickness, or term life insurance coverage or any one or more of such

1 coverages. A board member electing to participate in the insurance  
2 program of the school district shall pay both the employee and the  
3 employer portions of the premium for such coverage.

4 A school board or board of education which opts to permit its  
5 members to participate in insurance coverage under this section shall  
6 report quarterly at a board meeting the board members who have elected  
7 such coverage. Such a report shall be made available in the school  
8 district office for review by the public upon request.

9 Sec. 33. Section 79-524, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 79-524 The school board of any Class III or IV ~~I, II, III, IV, or VI~~  
12 school district shall establish a permanent and continuing census or  
13 enumeration of school children in the school district. The list in  
14 writing of the names of the children and taxpayers shall not be required  
15 to be reported, but the names of all of the children belonging to such  
16 school district, from birth through twenty years of age, shall instead be  
17 kept in a depository maintained by such school district and subject to  
18 inspection at all times. Such record shall not or need not include the  
19 names of all the taxpayers in the district.

20 Sec. 34. Section 79-525, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 79-525 The school board or board of education of a Class III or IV  
23 ~~I, II, III, IV, or VI~~ school district shall (1) provide the necessary  
24 appendages for the schoolhouse, (2) keep the same in good condition and  
25 repair during the time school is taught in the schoolhouse, and (3) keep  
26 an accurate account of all expenses incurred. Such account shall be  
27 prepared by the secretary, audited by the president and treasurer, and,  
28 on their written order, paid out of the general school fund.

29 Sec. 35. Section 79-526, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 79-526 (1) The school board or board of education of a Class III or

1 ~~IV I, II, III, IV, or VI~~ school district has responsibility for the  
2 general care and upkeep of the schools, shall provide the necessary  
3 supplies and equipment, and, except as otherwise provided, has the power  
4 to cause pupils to be taught in such branches and classified in such  
5 grades or departments as may seem best adapted to a course of study which  
6 the board shall establish with the consent and advice of the State  
7 Department of Education. The board shall make provision for pupils that  
8 may enter at any time during the school year. The board shall have a  
9 record kept of the advancement of all pupils in each branch of study. The  
10 board shall make rules and regulations as it deems necessary for the  
11 government and health of the pupils and devise any means as may seem best  
12 to secure the regular attendance and progress of children at school.

13 (2) The school board may make expenditures for supplies, equipment,  
14 travel, meals, and lodging for school programs and activities, including  
15 extracurricular and interscholastic activities, appropriate for the  
16 benefit, government, and health of pupils enrolled in the school  
17 district.

18 Sec. 36. Section 79-528, Revised Statutes Cumulative Supplement,  
19 2016, is amended to read:

20 79-528 (1)(a) On or before July 20 in all school districts, the  
21 superintendent shall file with the State Department of Education a report  
22 showing the number of children from five through eighteen years of age  
23 belonging to the school district according to the census taken as  
24 provided in sections 79-524 and 79-578. On or before August 31, the  
25 department shall issue to each learning community coordinating council a  
26 report showing the number of children from five through eighteen years of  
27 age belonging to the learning community based on the member school  
28 districts according to the school district reports filed with the  
29 department.

30 ~~(b) Each Class I school district which is part of a Class VI school~~  
31 ~~district offering instruction (i) in grades kindergarten through five~~

1 shall report children from five through ten years of age, (ii) in grades  
2 kindergarten through six shall report children from five through eleven  
3 years of age, and (iii) in grades kindergarten through eight shall report  
4 children from five through thirteen years of age.

5 ~~(c) Each Class VI school district offering instruction (i) in grades~~  
6 ~~six through twelve shall report children who are eleven through eighteen~~  
7 ~~years of age, (ii) in grades seven through twelve shall report children~~  
8 ~~who are twelve through eighteen years of age, and (iii) in grades nine~~  
9 ~~through twelve children who are fourteen through eighteen years of age.~~

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

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

15 ~~(b) (f)~~ The board of any district neglecting to take and report the  
16 enumeration shall be liable to the school district for all school money  
17 which such district may lose by such neglect.

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

30 (3)(a) On or before November 1 the superintendent of each school  
31 district shall submit to the Commissioner of Education a report described

1 as the annual financial report showing (i) the amount of money received  
2 from all sources during the year and the amount of money expended by the  
3 school district during the year, (ii) the amount of bonded indebtedness,  
4 (iii) such other information as shall be necessary to fulfill the  
5 requirements of the Tax Equity and Educational Opportunities Support Act  
6 and section 79-1114, and (iv) such other information as the Commissioner  
7 of Education directs.

8 (b) On or before December 15, the commissioner shall issue to each  
9 learning community coordinating council an annual financial report for  
10 the learning community based on the member school districts according to  
11 the annual financial reports filed with the commissioner, showing (i) the  
12 aggregate amount of money received from all sources during the year for  
13 all member school districts and the aggregate amount of money expended by  
14 member school districts during the year, (ii) the aggregate amount of  
15 bonded indebtedness for all member school districts, (iii) such other  
16 aggregate information as shall be necessary to fulfill the requirements  
17 of the Tax Equity and Educational Opportunities Support Act and section  
18 79-1114 for all member school districts, and (iv) such other aggregate  
19 information as the Commissioner of Education directs for all member  
20 school districts.

21 (4)(a) On or before October 15 of each year, the superintendent of  
22 each school district shall file with the commissioner the fall school  
23 district membership report, which report shall include the number of  
24 children from birth through twenty years of age enrolled in the district  
25 on the last Friday in September of a given school year. The report shall  
26 enumerate (i) students by grade level, (ii) school district levies and  
27 total assessed valuation for the current fiscal year, (iii) students  
28 enrolled in the district as option students, resident students enrolled  
29 in another district as option students, students enrolled in the district  
30 as open enrollment students, and resident students enrolled in another  
31 district as open enrollment students, and (iv) such other information as

1 the Commissioner of Education directs.

2 (b) On or before October 15 of each year prior to 2017, each  
3 learning community coordinating council shall issue to the department a  
4 report which enumerates the learning community levies pursuant to  
5 subdivision (2)(b) of section 77-3442 and total assessed valuation for  
6 the current fiscal year.

7 (c) On or before November 15 of each year, the department shall  
8 issue to each learning community coordinating council the fall learning  
9 community membership report, which report shall include the aggregate  
10 number of children from birth through twenty years of age enrolled in the  
11 member school districts on the last Friday in September of a given school  
12 year for all member school districts. The report shall enumerate (i) the  
13 aggregate students by grade level for all member school districts, (ii)  
14 school district levies and total assessed valuation for the current  
15 fiscal year, (iii) students enrolled in the district as option students,  
16 resident students enrolled in another district as option students,  
17 students enrolled in the district as open enrollment students, and  
18 resident students enrolled in another district as open enrollment  
19 students, and (iv) such other information as the Commissioner of  
20 Education directs for all member school districts.

21 (d) When any school district fails to submit its fall membership  
22 report by November 1, the commissioner shall, after notice to the  
23 district and an opportunity to be heard, direct that any state aid  
24 granted pursuant to the Tax Equity and Educational Opportunities Support  
25 Act be withheld until such time as the report is received by the  
26 department. In addition, the commissioner shall direct the county  
27 treasurer to withhold all school money belonging to the school district  
28 until such time as the commissioner notifies the county treasurer of  
29 receipt of such report. The county treasurer shall withhold such money.

30 Sec. 37. Section 79-547, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           79-547 (1) Except as otherwise provided in section 79-550, the  
2 school board or board of education of a Class III school district shall  
3 consist of six members. ~~the following members:~~

4           ~~(a) In a Class II district, six members; and~~

5           ~~(b) In a Class III district, six members.~~

6           (2) In addition to the members specified in subsection (1) of this  
7 section, such school boards or boards of education may include one or  
8 more student members selected pursuant to section 79-559.

9           Sec. 38. Section 79-550, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11           79-550 (1) The school board of a Class ~~II~~ or III school district  
12 may, by resolution adopted in an odd-numbered year, provide for a change  
13 in the number of members on the school board to a minimum of five members  
14 and a maximum of nine members to be effective at the beginning of the  
15 term of office for school board members elected at the next statewide  
16 general election. The school board shall include in the resolution:

17           (a) A statement of the change in number of members to be added to or  
18 eliminated from the school board;

19           (b) A statement that the change does not take effect until the  
20 beginning of the term of office for school board members elected at the  
21 next statewide general election;

22           (c) If the members are not nominated or elected by district or ward  
23 in the school district:

24           (i) If the change in number adds members to the school board, a  
25 statement of the number of members to be elected at the next statewide  
26 general election, including the members whose terms are expiring and the  
27 additional members, and the number of such members to be elected to four-  
28 year terms and the number of such members to be elected to two-year terms  
29 so that approximately one-half of the total number of members are elected  
30 at each statewide general election. The members receiving the highest  
31 number of votes shall be elected to four-year terms, and the members

1 receiving the next highest number of votes shall be elected to two-year  
2 terms; and

3 (ii) If the change in number decreases the number of members on the  
4 school board, a statement of the number of members to be elected at the  
5 next statewide general election, if any, and at the subsequent statewide  
6 general election, if necessary, and the number of such members to be  
7 elected at such elections to four-year terms and the number of such  
8 members to be elected at such elections to two-year terms so that  
9 approximately one-half of the total number of members are elected at each  
10 statewide general election. The members receiving the highest number of  
11 votes shall be elected to four-year terms, and the members receiving the  
12 next highest number of votes shall be elected to two-year terms; and

13 (d) If the members are nominated or elected by district or ward in  
14 the school district:

15 (i) The changes to the boundaries of districts or wards;

16 (ii) A statement that the changes to the boundaries are effective  
17 for purposes of nominating or electing, as applicable, members to the  
18 school board beginning with the next statewide primary and general  
19 elections but that the changes in boundaries are not effective for  
20 purposes of representation until the beginning of the term of office for  
21 school board members elected at the next statewide general election;

22 (iii) A statement of which districts or wards, as changed, are on  
23 the ballot at the next statewide primary or general election, as  
24 applicable, and whether the members elected from such districts or wards  
25 are being elected for four-year terms or two-year terms;

26 (iv) A statement specifying the newly established districts which  
27 each member will represent for the remainder of his or her term, if  
28 necessary;

29 (v) If the change in number adds members to the school board, a  
30 statement of the number of members to be elected at the next statewide  
31 general election, including the members whose terms are expiring and the

1 additional members, and the districts or wards of such members to be  
2 elected to four-year terms and the districts or wards of such members to  
3 be elected to two-year terms so that approximately one-half of the total  
4 number of members are elected at each statewide general election; and

5 (vi) If the change in number decreases the number of members on the  
6 school board, a statement of the number of members to be elected at the  
7 next statewide general election, if any, and at the subsequent statewide  
8 general election, if necessary, and the districts or wards of such  
9 members to be elected at such elections to four-year terms and the  
10 districts or wards of such members to be elected at such elections to  
11 two-year terms so that approximately one-half of the total number of  
12 members are elected at each statewide general election.

13 (2) If the members of the school board of a Class III school  
14 district are nominated and elected by district or ward, the board may by  
15 resolution provide for the nomination of the members by district or ward  
16 and the election of the members at large. If the members are nominated by  
17 district or ward and elected at large, the board may by resolution  
18 provide for the nomination and election of the members by district or  
19 ward.

20 (3) Any Class III school district which has a nine-member school  
21 board on January 1, 2015, may continue to have a nine-member school board  
22 without complying with the requirements of this section.

23 Sec. 39. Section 79-554, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 79-554 In all meetings of a school board of a Class III ~~I, II, III,~~  
26 ~~or VI~~ school district, a majority of the members shall constitute a  
27 quorum for the transaction of business. Regular meetings shall be held on  
28 or before the third Monday of every month. All meetings of the board  
29 shall be subject to the Open Meetings Act. Special meetings may be called  
30 by the president or any two members, but all members shall have notice of  
31 the time and place of meeting. If a school district is participating in

1 an approved unified system as provided in section 79-4,108, regular  
2 meetings of such district's school board shall be held at least twice  
3 during the school year.

4 Sec. 40. Section 79-559, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 79-559 (1) The school board or board of education of any Class III  
7 or IV ~~II, III, IV, or VI~~ school district may include at least one  
8 nonvoting member who is a public high school student from the district.  
9 If the board elects to include such a nonvoting student member, the  
10 student member shall serve for a term of one year, beginning on September  
11 1, and shall be the student body or student council president, the senior  
12 class representative, or a representative elected from and by the entire  
13 student body, as designated by the voting members of the board.

14 (2) Any nonvoting student member of the board has the privilege of  
15 attending all open meetings of the board but shall be excluded from  
16 executive sessions.

17 Sec. 41. Section 79-564, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 79-564 At the first meeting of each school board or board of  
20 education elected in a Class ~~II or III~~ school district, and annually  
21 thereafter, the board shall elect from among its members a president and  
22 vice president. The board shall also elect a secretary who need not be a  
23 member of the board. If the secretary is a member of the board, an  
24 assistant secretary may be named and his or her duties and compensation  
25 set by the board.

26 Sec. 42. Section 79-569, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 79-569 The president of the school board of a Class III or IV ~~I, II,~~  
29 ~~III, IV, or VI~~ school district shall: (1) Preside at all meetings of the  
30 district; (2) countersign all orders upon the treasury for money to be  
31 disbursed by the district and all warrants of the secretary on the county

1 treasurer for money raised for district purposes or apportioned to the  
2 district by the county treasurer; (3) administer the oath to the  
3 secretary and treasurer of the district when such an oath is required by  
4 law in the transaction of the business of the district; and (4) perform  
5 such other duties as may be required by law of the president of the  
6 board. He or she is entitled to vote on any issue that may come before  
7 any meeting. ~~If the president of the school board of a Class I school~~  
8 ~~district is absent from any district meeting, the legal voters present~~  
9 ~~may elect a suitable person to preside at the meeting.~~

10 Sec. 43. Section 79-570, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 79-570 If at any district meeting of a Class III or IV ~~I, II, III,~~  
13 ~~IV, or VI~~ school district any person conducts himself or herself in a  
14 disorderly manner and persists in such conduct after notice by the  
15 president or person presiding, the president or person presiding may  
16 order such person to withdraw from the meeting and, if the person  
17 refuses, may order any person or persons to take such person into custody  
18 until the meeting is adjourned.

19 Sec. 44. Section 79-572, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 79-572 The president of a Class III or IV ~~I, II, III, IV, or VI~~  
22 school district shall appear for and on behalf of the district in all  
23 suits brought by or against the district.

24 Sec. 45. Section 79-576, Revised Statutes Cumulative Supplement,  
25 2016, is amended to read:

26 79-576 The secretary of a Class III or IV ~~I, II, III, IV, or VI~~  
27 school district shall be clerk of the school board and of all meetings  
28 when present, but if he or she is not present, the school board may  
29 appoint a clerk for the time being, who shall certify the proceedings to  
30 the secretary to be recorded by him or her.

31 Sec. 46. Section 79-577, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 79-577 The secretary of a Class III or IV ~~I, II, III, IV, or VI~~  
3 school district shall (1) record all proceedings of the district in a  
4 book furnished by the district to be kept for that purpose, (2) preserve  
5 copies of all reports, and (3) safely preserve and keep all books and  
6 papers belonging to the office.

7 Sec. 47. Section 79-578, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 79-578 The secretary of a Class III or IV ~~I, II, III, IV, or VI~~  
10 school district shall take, or cause to be taken by some person appointed  
11 for the purpose by a majority vote of the school board, the census of the  
12 school district and then make or cause to be made a list in writing of  
13 the names of all the children belonging to such district, from birth  
14 through twenty years of age, together with the names of all the taxpayers  
15 in the district. A copy of the list, verified by oath of the person  
16 taking such census or by affidavit appended to or endorsed on the list,  
17 setting forth that it is a correct list of the names of all children  
18 belonging in the district from birth through twenty years of age and that  
19 it reflects such information as of June 30, shall be maintained as  
20 provided in section 79-524.

21 Sec. 48. Section 79-579, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 79-579 Whenever a secretary or president of the school board of a  
24 Class III or IV ~~I, II, III, IV, or VI~~ school district refuses to sign  
25 orders on the treasurer or the treasurer thinks best to refuse the  
26 payment of orders drawn upon him or her, the difficulty shall be referred  
27 for adjudication to the county attorney, who shall proceed at once to  
28 investigate the matter. If the county attorney finds that the officer  
29 complained of refuses through contumacy or for insufficient reasons, the  
30 county attorney, on behalf of the district, shall apply to the proper  
31 court for a writ of mandamus to compel the officer to perform his or her

1 duty.

2 Sec. 49. Section 79-580, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 79-580 The secretary of the school board or board of education of  
5 each Class III ~~I, II, III, and VI~~ school district ~~having an annual budget~~  
6 ~~of one hundred thousand dollars or more~~ shall, within ten days after any  
7 regular or special meeting of the board, publish one time in a legal  
8 newspaper published in or of general circulation in such district a list  
9 of the claims, arising on contract or tort, allowed at the meeting. The  
10 list shall set forth the name of the claimant and the amount and nature  
11 of the claim allowed, to consist of not more than ten words in stating  
12 the nature of each such claim. The secretary shall likewise cause to be  
13 published a concise summary of all other proceedings of such meetings.  
14 Publication of such claims or proceedings in a legal newspaper shall not  
15 be required unless the publication can be done at an expense not  
16 exceeding the rates provided by law for the publication of proceedings of  
17 county boards.

18 Sec. 50. Section 79-581, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 79-581 The secretary of any school board or board of education of a  
21 Class III ~~I, II, III, or VI~~ school district failing or neglecting to  
22 comply with the provisions of section 79-580 shall be guilty of a Class V  
23 misdemeanor. In the discretion of the court, the judgment of conviction  
24 may provide for the removal from office of such secretary for such  
25 failure or neglect.

26 Sec. 51. Section 79-586, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 79-586 The treasurer of each Class III or IV ~~I, II, III, IV, or VI~~  
29 school district shall, within ten days after his or her election, execute  
30 to the county and file with the secretary a bond or evidence of  
31 equivalent insurance coverage of not less than five hundred dollars in

1 any instance and not more than double the amount of money, as nearly as  
2 can be ascertained, to come into his or her hands as treasurer at any one  
3 time, which bond shall be signed by either a personal surety or a surety  
4 company or companies of recognized responsibility as surety or sureties,  
5 to be approved by the president and secretary, conditioned for the  
6 faithful discharge of the duties of the office. The bond when approved or  
7 evidence of equivalent insurance coverage shall be filed by the secretary  
8 in the office of the county treasurer of the county in which the school  
9 district is situated. If the treasurer fails to execute such bond or  
10 provide evidence of such insurance coverage, the office shall be declared  
11 vacant by the school board or board of education and the board shall  
12 immediately appoint a treasurer who shall be subject to the same  
13 conditions and possess the same powers as if elected to that office. The  
14 treasurer shall have no power or authority to withdraw or disburse the  
15 money of the district prior to filing the bond or evidence of equivalent  
16 insurance coverage provided for in this section.

17 Sec. 52. Section 79-587, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 79-587 The treasurer of each Class III or IV ~~I, II, III, IV, or VI~~  
20 school district shall apply for and receive from the county treasurer all  
21 school money apportioned to or collected for the district by the county  
22 treasurer, upon order of the secretary countersigned by the president.  
23 The treasurer shall pay out all money received by him or her, on the  
24 order of the secretary countersigned by the president of such district.

25 Sec. 53. Section 79-588, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 79-588 The treasurer of a Class III or IV ~~I, II, III, IV, or VI~~  
28 school district shall keep a record in which the treasurer shall enter  
29 all the money received and disbursed by him or her, specifying  
30 particularly (1) the source from which money has been received, (2) to  
31 what fund it belongs, and (3) the person or persons to whom and the

1 object for which the same has been paid out. The treasurer shall present  
2 to the district, at each annual meeting, a report in writing containing a  
3 statement of all money received during the preceding year and of the  
4 disbursement made with the items of such disbursements and exhibit the  
5 vouchers therefor. At the close of the treasurer's term of office, he or  
6 she shall settle with the school board and shall hand over to his or her  
7 successor the records and all receipts, vouchers, orders, and papers  
8 coming into his or her hands as treasurer of the district, together with  
9 all money remaining in his or her hands as such treasurer.

10 Sec. 54. Section 79-594, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 79-594 The school board in a Class III or IV ~~II, III, IV, or VI~~  
13 school district may also elect at any regular meeting one superintendent  
14 of public instruction with such salary as the board deems best and may  
15 enter into contract with him or her at its discretion, for a term not to  
16 exceed three years.

17 Sec. 55. Section 79-598, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 79-598 (1) The school board of any public school district in this  
20 state, when authorized by a majority of the votes cast at any annual or  
21 special meeting, shall (a) contract with the board of any neighboring  
22 public school district or districts for the instruction of all or any  
23 part of the pupils residing in the first named district in the school or  
24 schools maintained by the neighboring public school district or districts  
25 for a period of time not to exceed two years and (b) make provision for  
26 the transportation of such pupils to the school or schools of the  
27 neighboring public school district or districts.

28 (2) The school board of any public school district may also, when  
29 petitioned to do so by at least two-thirds of the parents residing in the  
30 district having children of school age who will attend school under the  
31 contract plan, (a) contract with the board of any neighboring public

1 school district or districts for the instruction of all or any part of  
2 the pupils residing in the first named district in the school or schools  
3 maintained by the neighboring public school district or districts for a  
4 period of time not to exceed two years and (b) make provision for the  
5 transportation of such pupils to the school or schools of the neighboring  
6 public school district or districts.

7 (3) The contract price for instruction referred to in subsections  
8 (1) and (2) of this section shall be the cost per pupil for the  
9 immediately preceding school year or the current year, whichever appears  
10 more practical as determined by the board of the district which accepts  
11 the pupils for instruction. The cost per pupil shall be determined by  
12 dividing the sum of the operational cost and debt service expense of the  
13 accepting district, except retirement of debt principal, plus three  
14 percent of the insurable or present value of the school plant and  
15 equipment of the accepting district, by the average daily membership of  
16 pupils in the accepting district. Payment of the contract price shall be  
17 made in equal installments at the beginning of the first and second  
18 semesters.

19 (4) All the contracts referred to in subsections (1) and (2) of this  
20 section shall be in writing, and copies of all such contracts shall be  
21 filed in the office of the superintendent of the ~~primary-high~~ school  
22 district on or before August 15 of each year. School districts thus  
23 providing instruction for their children in neighboring districts shall  
24 be considered as maintaining a school as required by law. The teacher of  
25 the school providing the instruction shall keep a separate record of the  
26 attendance of all pupils from the first named district and make a  
27 separate report to the secretary of that district. The board of every  
28 sending district contracting under this section shall enter into  
29 contracts with school districts of the choice of the parents of the  
30 children to be educated under the contract plan. Any school district  
31 failing to comply with this section shall not be paid any funds from the

1 state apportionment of school funds while such violation continues.

2 (5) The State Committee for the Reorganization of School Districts  
3 may dissolve any district (a) failing to comply with this section, (b) in  
4 which the votes cast at an annual or special election on the question of  
5 contracting with a neighboring district are evenly divided, or (c) in  
6 which the governing body of the district is evenly divided in its vote on  
7 the question of contracting pursuant to subsection (2) of this section.  
8 The state committee shall dissolve and attach to a neighboring district  
9 or districts any school district which, for two consecutive years,  
10 contracts for the instruction of its pupils, except that when such  
11 dissolution will create extreme hardships on the pupils or the district  
12 affected, the State Board of Education may, on application by the school  
13 board of the district, waive the requirements of this subsection. The  
14 dissolution of any school district pursuant to this section shall be  
15 effected in the manner prescribed in section 79-498.

16 Sec. 56. Section 79-5,104, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 79-5,104 The school board or board of education of any Class ~~II or~~  
19 III school district may, in its discretion, pay the regular school  
20 tuition for any pupil residing in such school district and attending a  
21 school outside such school district when, in the opinion of the board,  
22 the best interests of the pupil or the school district may so require.

23 Sec. 57. Section 79-605, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 79-605 Except as otherwise provided in this section, any school  
26 board may authorize the use of buses belonging to the school district for  
27 the transportation of school children residing outside such district. A  
28 fee sufficient to pay the additional costs of such transportation shall  
29 be charged each person so transported. The board shall prepare a schedule  
30 of all such fees charged, and a copy of such schedule shall be filed in  
31 the office of the superintendent of the ~~primary-high~~ school district.

1 This section shall not apply to an agreement for transportation entered  
2 into pursuant to section 79-241.

3 Sec. 58. Section 79-611, Revised Statutes Cumulative Supplement,  
4 2016, is amended to read:

5 79-611 (1) The school board of any school district shall provide  
6 free transportation, partially provide free transportation, or pay an  
7 allowance for transportation in lieu of free transportation as follows:

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

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

18 (c) When a student attends a secondary school in his or her own  
19 ~~Class II or Class III~~ school district and lives more than four miles from  
20 the public schoolhouse as measured by the shortest route that must  
21 actually and necessarily be traveled by motor vehicle to reach the  
22 student's residence. This subdivision does not apply to any elementary-  
23 only school district that merged with a high-school-only school district  
24 to form a new Class ~~when one or more Class I school districts merge with~~  
25 ~~a Class VI school district to form a new Class II or III school district~~  
26 on or after January 1, 1997, and before June 16, 2006; and

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

1 the student's residence.

2 (2)(a) For school years prior to school year 2017-18 and as required  
3 pursuant to subsection (3) of section 79-241, the school board of any  
4 school district that is a member of a learning community shall provide  
5 free transportation for a student who resides in such learning community  
6 and attends school in such school district if (i) the student is  
7 transferring pursuant to the open enrollment provisions of section  
8 79-2110, qualifies for free or reduced-price lunches, lives more than one  
9 mile from the school to which he or she transfers, and is not otherwise  
10 disqualified under subdivision (2)(c) of this section, (ii) the student  
11 is transferring pursuant to the open enrollment provisions of section  
12 79-2110, is a student who contributes to the socioeconomic diversity of  
13 enrollment at the school building he or she attends, lives more than one  
14 mile from the school to which he or she transfers, and is not otherwise  
15 disqualified under subdivision (2)(c) of this section, (iii) the student  
16 is attending a focus school or program and lives more than one mile from  
17 the school building housing the focus school or program, or (iv) the  
18 student is attending a magnet school or program and lives more than one  
19 mile from the magnet school or the school housing the magnet program.

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

25 (c) For any student who resides within a learning community and  
26 transfers to another school building pursuant to the open enrollment  
27 provisions of section 79-2110 and who had not been accepted for open  
28 enrollment into any school building within such district prior to  
29 September 6, 2013, the school board is exempt from the requirement of  
30 subdivision (2)(a) of this section if (i) the student is transferring to  
31 another school building within his or her home school district or (ii)

1 the student is transferring to a school building in a school district  
2 that does not share a common border with his or her home school district.

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

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

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

22 (b) To the parent, custodial parent, or guardian not providing  
23 transportation for students of other families, two hundred eighty-five  
24 percent of the mileage rate provided in section 81-1176 multiplied by  
25 each mile actually and necessarily traveled, on each day of attendance,  
26 from the residence of the student to the pick-up point at which students  
27 transfer to the vehicle of a parent, custodial parent, or guardian  
28 described in subdivision (a) of this subsection.

29 (5) When a student who qualifies under the mileage requirements of  
30 subsection (1) of this section lives more than three miles from the  
31 location where the student must be picked up and dropped off in order to

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

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

22 (7) No more than one allowance shall be made to a family  
23 irrespective of the number of students in a family being transported to  
24 school. ~~If a family resides in a Class I district which is part of a~~  
25 ~~Class VI district and has students enrolled in any of the grades offered~~  
26 ~~by the Class I district and in any of the non-high school grades offered~~  
27 ~~by the Class VI district, such family shall receive not more than one~~  
28 ~~allowance for the distance actually traveled when both districts are on~~  
29 ~~the same direct travel route with one district being located a greater~~  
30 ~~distance from the residence than the other. In such cases, the travel~~  
31 ~~allowance shall be prorated among the school districts involved.~~

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

3 Sec. 59. Section 79-728, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 79-728 All ~~Class I, II, III, IV, and V~~ school districts shall offer  
6 a kindergarten program.

7 Sec. 60. Section 79-828, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 79-828 (1) The contract of a probationary certificated employee  
10 shall be deemed renewed and remain in full force and effect unless  
11 amended or not renewed in accordance with sections 79-824 to 79-842.

12 (2) The purpose of the probationary period is to allow the employer  
13 an opportunity to evaluate, assess, and assist the employee's  
14 professional skills and work performance prior to the employee obtaining  
15 permanent status.

16 All probationary certificated employees employed by any class of  
17 school district shall, during each year of probationary employment, be  
18 evaluated at least once each semester, unless the probationary  
19 certificated employee is a superintendent, in accordance with the  
20 procedures outlined below:

21 The probationary certificated employee shall be observed and  
22 evaluation shall be based upon actual classroom observations for an  
23 entire instructional period. If deficiencies are noted in the work  
24 performance of any probationary certificated employee, the evaluator  
25 shall provide the probationary certificated employee at the time of the  
26 observation with a list of deficiencies and a list of suggestions for  
27 improvement and assistance in overcoming the deficiencies. The evaluator  
28 shall also provide the probationary certificated employee with followup  
29 evaluations and assistance when deficiencies remain.

30 If the probationary certificated employee is a superintendent, he or  
31 she shall be evaluated twice during the first year of employment and at

1 least once annually thereafter.

2 ~~Any certificated employee employed prior to September 1, 1982, by~~  
3 ~~the school board of any Class I, II, III, or VI school district shall~~  
4 ~~serve the probationary period required by law prior to such date and~~  
5 ~~shall not be subject to any extension of probation.~~

6 (3) If the school board or the superintendent or superintendent's  
7 designee determines that it is appropriate to consider whether the  
8 contract of a probationary certificated employee or the superintendent  
9 should be amended or not renewed for the next school year, such  
10 certificated employee shall be given written notice that the school board  
11 will consider the amendment or nonrenewal of such certificated employee's  
12 contract for the ensuing school year. Upon request of the certificated  
13 employee, notice shall be provided which shall contain the written  
14 reasons for such proposed amendment or nonrenewal and shall be  
15 sufficiently specific so as to provide such employee the opportunity to  
16 prepare a response and the reasons set forth in the notice shall be  
17 employment related.

18 (4) The school board may elect to amend or not renew the contract of  
19 a probationary certificated employee for any reason it deems sufficient  
20 if such nonrenewal is not for constitutionally impermissible reasons, and  
21 such nonrenewal shall be in accordance with sections 79-824 to 79-842.  
22 Amendment or nonrenewal for reason of reduction in force shall be subject  
23 to sections 79-824 to 79-842 and 79-846 to 79-849.

24 (5) Within seven calendar days after receipt of the notice, the  
25 probationary certificated employee may make a written request to the  
26 secretary of the school board or to the superintendent or  
27 superintendent's designee for a hearing before the school board.

28 (6) Prior to scheduling of action or a hearing on the matter, if  
29 requested, the notice of possible amendment or nonrenewal and the reasons  
30 supporting possible amendment or nonrenewal shall be considered a  
31 confidential employment matter as provided in sections 79-539, 79-8,109,

1 and 84-1410 and shall not be released to the public or any news media.

2 (7) At any time prior to the holding of a hearing or prior to final  
3 determination by the school board to amend or not renew the contract  
4 involved, the probationary certificated employee may submit a letter of  
5 resignation for the ensuing year, which resignation shall be accepted by  
6 the school board.

7 (8) The probationary certificated employee shall be afforded a  
8 hearing which shall not be required to meet the requirements of a formal  
9 due process hearing as set forth in section 79-832 but shall be subject  
10 to section 79-834.

11 Sec. 61. Section 79-850, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 79-850 For purposes of sections 79-850 to 79-858:

14 (1) Reorganized school district means: (a) Any expanded or altered  
15 school district, organized or altered by any of the means provided by  
16 Nebraska law including, but not limited to, the methods provided by the  
17 Reorganization of School Districts Act, the Learning Community  
18 Reorganization Act, or section 79-407, 79-413, 79-415, or 79-473,~~or~~  
19 ~~sections 79-415 to 79-417 or 79-452 to 79-455;~~ or (b) any school district  
20 to be formed in the future if the petition or plan for such reorganized  
21 school district has been approved pursuant to any of the methods set  
22 forth in subdivision (1)(a) of this section when the effective date of  
23 such reorganization is prospective. For purposes of this subdivision, a  
24 petition or plan shall be deemed approved when the last legal action has  
25 been taken, as prescribed in section 79-413 or 79-450 ,~~79-450,~~~~or~~  
26 ~~79-455,~~ necessary to effect the changes in boundaries as set forth in the  
27 petition or plan; and

28 (2) Unified system means a unified system as defined in section  
29 79-4,108 recognized by the State Department of Education pursuant to  
30 subsection (3) of such section, which employs certificated staff.

31 Sec. 62. Section 79-1003, Revised Statutes Supplement, 2017, is

1 amended to read:

2 79-1003 For purposes of the Tax Equity and Educational Opportunities  
3 Support Act:

4 (1) Adjusted general fund operating expenditures means (a) for  
5 school fiscal years 2013-14 through 2015-16, the difference of the  
6 general fund operating expenditures as calculated pursuant to subdivision  
7 (23) of this section increased by the cost growth factor calculated  
8 pursuant to section 79-1007.10, minus the transportation allowance,  
9 special receipts allowance, poverty allowance, limited English  
10 proficiency allowance, distance education and telecommunications  
11 allowance, elementary site allowance, summer school allowance,  
12 instructional time allowance, teacher education allowance, and focus  
13 school and program allowance, (b) for school fiscal years 2016-17 through  
14 2018-19, the difference of the general fund operating expenditures as  
15 calculated pursuant to subdivision (23) of this section increased by the  
16 cost growth factor calculated pursuant to section 79-1007.10, minus the  
17 transportation allowance, special receipts allowance, poverty allowance,  
18 limited English proficiency allowance, distance education and  
19 telecommunications allowance, elementary site allowance, summer school  
20 allowance, and focus school and program allowance, and (c) for school  
21 fiscal year 2019-20 and each school fiscal year thereafter, the  
22 difference of the general fund operating expenditures as calculated  
23 pursuant to subdivision (23) of this section increased by the cost growth  
24 factor calculated pursuant to section 79-1007.10, minus the  
25 transportation allowance, special receipts allowance, poverty allowance,  
26 limited English proficiency allowance, distance education and  
27 telecommunications allowance, elementary site allowance, summer school  
28 allowance, community achievement plan allowance, and focus school and  
29 program allowance;

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

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

9 (3) Allocated income tax funds means the amount of assistance paid  
10 to a local system pursuant to section 79-1005.01 as adjusted, for school  
11 fiscal years prior to school fiscal year 2017-18, by the minimum levy  
12 adjustment pursuant to section 79-1008.02;

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

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

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

22 (7) Categorical funds means funds limited to a specific purpose by  
23 federal or state law, including, but not limited to, Title I funds, Title  
24 VI funds, federal vocational education funds, federal school lunch funds,  
25 Indian education funds, Head Start funds, and funds from the Education  
26 Innovation Fund;

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

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

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

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

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

14 (12) District means any ~~Class I, II, III, IV, V, or VI~~ school  
15 district or unified system as defined in section 79-4,108;

16 (13) Ensuing school fiscal year means the school fiscal year  
17 following the current school fiscal year;

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

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

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

27 (17) Formula students means:

28 (a) For state aid certified pursuant to section 79-1022, the sum of  
29 the product of fall membership from the school fiscal year immediately  
30 preceding the school fiscal year in which the aid is to be paid  
31 multiplied by the average ratio of average daily membership to fall

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

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

16 (18) Free lunch and free milk calculated students means, using the  
17 most recent data available on November 1 of the school fiscal year  
18 immediately preceding the school fiscal year in which aid is to be paid,

19 (a) for schools that did not provide free meals to all students pursuant  
20 to the community eligibility provision, students who individually  
21 qualified for free lunches or free milk pursuant to the federal Richard  
22 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the  
23 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts  
24 and sections existed on January 1, 2015, and rules and regulations  
25 adopted thereunder, plus (b) for schools that provided free meals to all  
26 students pursuant to the community eligibility provision, (i) for school  
27 fiscal year 2016-17, the product of the students who attended such school  
28 multiplied by the identified student percentage calculated pursuant to  
29 such federal provision or (ii) for school fiscal year 2017-18 and each  
30 school fiscal year thereafter, the greater of the number of students in  
31 such school who individually qualified for free lunch or free milk using

1 the most recent school fiscal year for which the school did not provide  
2 free meals to all students pursuant to the community eligibility  
3 provision or one hundred ten percent of the product of the students who  
4 qualified for free meals at such school pursuant to the community  
5 eligibility provision multiplied by the identified student percentage  
6 calculated pursuant to such federal provision, except that the free lunch  
7 and free milk students calculated for any school pursuant to subdivision  
8 (18)(b)(ii) of this section shall not exceed one hundred percent of the  
9 students qualified for free meals at such school pursuant to the  
10 community eligibility provision;

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

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

18 (21) General fund budget of expenditures means the total budget of  
19 disbursements and transfers for general fund purposes as certified in the  
20 budget statement adopted pursuant to the Nebraska Budget Act, except that  
21 for purposes of the limitation imposed in section 79-1023 ~~and the~~  
22 ~~calculation pursuant to subdivision (2) of section 79-1027.01~~, the  
23 general fund budget of expenditures does not include any special grant  
24 funds, exclusive of local matching funds, received by a district;

25 (22) General fund expenditures means all expenditures from the  
26 general fund;

27 (23) General fund operating expenditures means for state aid  
28 calculated for school fiscal years 2012-13 and each school fiscal year  
29 thereafter, as reported on the annual financial report for the second  
30 school fiscal year immediately preceding the school fiscal year in which  
31 aid is to be paid, the total general fund expenditures minus (a) the

1 amount of all receipts to the general fund, to the extent that such  
2 receipts are not included in local system formula resources, from early  
3 childhood education tuition, summer school tuition, educational entities  
4 as defined in section 79-1201.01 for providing distance education courses  
5 through the Educational Service Unit Coordinating Council to such  
6 educational entities, private foundations, individuals, associations,  
7 charitable organizations, the textbook loan program authorized by section  
8 79-734, federal impact aid, and levy override elections pursuant to  
9 section 77-3444, (b) the amount of expenditures for categorical funds,  
10 tuition paid, transportation fees paid to other districts, adult  
11 education, community services, redemption of the principal portion of  
12 general fund debt service, retirement incentive plans authorized by  
13 section 79-855, and staff development assistance authorized by section  
14 79-856, (c) the amount of any transfers from the general fund to any bond  
15 fund and transfers from other funds into the general fund, (d) any legal  
16 expenses in excess of fifteen-hundredths of one percent of the formula  
17 need for the school fiscal year in which the expenses occurred, (e)(i)  
18 for state aid calculated for school fiscal years prior to school fiscal  
19 year 2018-19, expenditures to pay for sums agreed to be paid by a school  
20 district to certificated employees in exchange for a voluntary  
21 termination occurring prior to July 1, 2009, occurring on or after the  
22 last day of the 2010-11 school year and prior to the first day of the  
23 2013-14 school year, or, to the extent that a district has demonstrated  
24 to the State Board of Education pursuant to section 79-1028.01 that the  
25 agreement will result in a net savings in salary and benefit costs to the  
26 school district over a five-year period, occurring on or after the first  
27 day of the 2013-14 school year or (ii) for state aid calculated for  
28 school fiscal year 2018-19 and each school fiscal year thereafter,  
29 expenditures to pay for incentives agreed to be paid by a school district  
30 to certificated employees in exchange for a voluntary termination of  
31 employment for which the State Board of Education approved an exclusion

1 pursuant to subdivisions (1)(h), (i), (j), or (k) of section 79-1028.01,  
2 (f)(i) expenditures to pay for employer contributions pursuant to  
3 subsection (2) of section 79-958 to the School Employees Retirement  
4 System of the State of Nebraska to the extent that such expenditures  
5 exceed the employer contributions under such subsection that would have  
6 been made at a contribution rate of seven and thirty-five hundredths  
7 percent or (ii) expenditures to pay for school district contributions  
8 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the retirement  
9 system established pursuant to the Class V School Employees Retirement  
10 Act to the extent that such expenditures exceed the school district  
11 contributions under such subdivision that would have been made at a  
12 contribution rate of seven and thirty-seven hundredths percent, and (g)  
13 any amounts paid by the district for lobbyist fees and expenses reported  
14 to the Clerk of the Legislature pursuant to section 49-1483.

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

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

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

28 (25) ~~(26)~~ Income tax receipts means the amount of income tax  
29 collected pursuant to the Nebraska Revenue Act of 1967 less all  
30 nonrefundable credits earned and refunds made;

31 (26) ~~(27)~~ Limited English proficiency students means the number of

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

8 ~~(27) (28) Local system means a unified system or a learning~~  
9 ~~community for purposes of calculation of state aid for each school fiscal~~  
10 ~~year prior to school fiscal year 2017-18, a unified system, a Class VI~~  
11 ~~district and the associated Class I districts, or a Class II, III, IV, or~~  
12 ~~V district and any affiliated Class I districts or portions of Class I~~  
13 ~~districts. The membership, expenditures, and resources of Class I~~  
14 ~~districts that are affiliated with multiple high school districts will be~~  
15 ~~attributed to local systems based on the percent of the Class I valuation~~  
16 ~~that is affiliated with each high school district;~~

17 ~~(28) (29) Low-income child means (a) for school fiscal years prior~~  
18 ~~to 2016-17, a child under nineteen years of age living in a household~~  
19 ~~having an annual adjusted gross income for the second calendar year~~  
20 ~~preceding the beginning of the school fiscal year for which aid is being~~  
21 ~~calculated equal to or less than the maximum household income that would~~  
22 ~~allow a student from a family of four people to be a free lunch and free~~  
23 ~~milk student during the school fiscal year immediately preceding the~~  
24 ~~school fiscal year for which aid is being calculated and (b) for school~~  
25 ~~fiscal year 2016-17 and each school fiscal year thereafter, a child under~~  
26 ~~nineteen years of age living in a household having an annual adjusted~~  
27 ~~gross income for the second calendar year preceding the beginning of the~~  
28 ~~school fiscal year for which aid is being calculated equal to or less~~  
29 ~~than the maximum household income pursuant to sections 9(b)(1) and 17(c)~~  
30 ~~(4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.~~  
31 ~~1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)~~

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

7 (29) ~~(30)~~ Low-income students means the number of low-income  
8 children within the district multiplied by the ratio of the formula  
9 students in the district divided by the total children under nineteen  
10 years of age residing in the district as derived from income tax  
11 information;

12 (30) ~~(31)~~ Most recently available complete data year means the most  
13 recent single school fiscal year for which the annual financial report,  
14 fall school district membership report, annual statistical summary,  
15 Nebraska income tax liability by school district for the calendar year in  
16 which the majority of the school fiscal year falls, and adjusted  
17 valuation data are available;

18 (31) ~~(32)~~ Poverty students means (a) for school fiscal years prior  
19 to 2016-17, the number of low-income students or the number of students  
20 who are free lunch and free milk students in a district plus the  
21 difference of the number of low-income students or the number of students  
22 who are free lunch and free milk students in a district, whichever is  
23 greater, minus the average number of poverty students for such district,  
24 prior to such addition, for the three immediately preceding school fiscal  
25 years if such difference is greater than zero and (b) for school fiscal  
26 year 2016-17 and each school fiscal year thereafter, the unadjusted  
27 poverty students plus the difference of such unadjusted poverty students  
28 minus the average number of poverty students for such district, prior to  
29 such addition, for the three immediately preceding school fiscal years if  
30 such difference is greater than zero;

31 (32) ~~(33)~~ Qualified early childhood education average daily

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

14 (33) ~~(34)~~ Qualified early childhood education fall membership means  
15 the product of membership on the last Friday in September 2006 and each  
16 year thereafter of students who will be eligible to attend kindergarten  
17 the following school year and are enrolled in an early childhood  
18 education program approved by the department pursuant to section 79-1103  
19 for such school district for such school year multiplied by the ratio of  
20 the planned instructional hours of the program divided by one thousand  
21 thirty-two if: (a) The program is receiving a grant pursuant to such  
22 section for the third year; (b) the program has already received grants  
23 pursuant to such section for three years; or (c) the program has been  
24 approved pursuant to subsection (5) of section 79-1103 for such school  
25 year and the two preceding school years, including any such students in  
26 portions of any of such programs receiving an expansion grant;

27 (34) ~~(35)~~ Regular route transportation means the transportation of  
28 students on regularly scheduled daily routes to and from the attendance  
29 center;

30 (35) ~~(36)~~ Reorganized district means any district involved in a  
31 consolidation and currently educating students following consolidation;

1           ~~(36)~~ ~~(37)~~ School year or school fiscal year means the fiscal year of  
2 a school district as defined in section 79-1091;

3           ~~(37)~~ ~~(38)~~ Sparse local system means a local system that is not a  
4 very sparse local system but which meets the following criteria:

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

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

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

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

21           ~~(38)~~ ~~(39)~~ Special education means specially designed kindergarten  
22 through grade twelve instruction pursuant to section 79-1125, and  
23 includes special education transportation;

24           ~~(39)~~ ~~(40)~~ Special grant funds means the budgeted receipts for  
25 grants, including, but not limited to, categorical funds, reimbursements  
26 for wards of the court, short-term borrowings including, but not limited  
27 to, registered warrants and tax anticipation notes, interfund loans,  
28 insurance settlements, and reimbursements to county government for  
29 previous overpayment. The state board shall approve a listing of grants  
30 that qualify as special grant funds;

31           ~~(40)~~ ~~(41)~~ State aid means the amount of assistance paid to a

1 district pursuant to the Tax Equity and Educational Opportunities Support  
2 Act;

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

4 (42) ~~(43)~~ 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 (43) ~~(44)~~ 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 (44) ~~(45)~~ 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 (45) ~~(46)~~ Teacher has the definition found in section 79-101;

15 (46) ~~(47)~~ Temporary aid adjustment factor means (a) for school  
16 fiscal years before school fiscal year 2007-08, one and one-fourth  
17 percent of the sum of the local system's transportation allowance, the  
18 local 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 (47) ~~(48)~~ 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 (48) ~~(49)~~ 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;

2 ~~(49) (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 ~~(50) (51)~~ 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. 63. Section 79-1029, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 79-1029 A school ~~Class II, III, IV, V, or VI~~ district may exceed the  
21 budget authority for the general fund budget of expenditures prescribed  
22 in section 79-1023 by an amount approved by a majority of legal voters  
23 voting on the issue at a primary, general, or special election called for  
24 such purpose upon the recommendation of the board or upon the receipt by  
25 the county clerk or election commissioner of a petition requesting an  
26 election, signed by at least five percent of the legal voters of the  
27 district. The recommendation of the board or the petition of the legal  
28 voters shall include the amount by which the board would increase its  
29 general fund budget of expenditures for the ensuing school year over and  
30 above the budget authority for the general fund budget of expenditures  
31 prescribed in section 79-1023. The county clerk or election commissioner

1 shall place the question on the primary or general election ballot or  
2 call for a special election on the issue after the receipt of such board  
3 recommendation or legal voter petition. The election shall be held  
4 pursuant to the Election Act or section 77-3444, and all costs for a  
5 special election shall be paid by the district. A vote to exceed the  
6 budget authority for the general fund budget of expenditures prescribed  
7 in section 79-1023 may be approved on the same question as a vote to  
8 exceed the levy limits provided in section 77-3444.

9 Sec. 64. Section 79-1030, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 79-1030 A school ~~Class II, III, IV, V, or VI~~ district may choose not  
12 to increase its general fund budget of expenditures by the full amount of  
13 budget authority for the general fund budget of expenditures as  
14 calculated pursuant to section 79-1023. In such cases, the department  
15 shall calculate the amount of unused budget authority which shall be  
16 carried forward to future budget years. The amount of unused budget  
17 authority that may be used by a district in a single school fiscal year  
18 to increase its general fund budget of expenditures above the budget  
19 authority for the general fund budget of expenditures as calculated  
20 pursuant to section 79-1023 shall be limited to two percent of the  
21 difference of the general fund budget of expenditures minus the sum of  
22 special grant funds, the special education budget of expenditures, and  
23 exceptions pursuant to subsection (1) of section 79-1028.01 for the  
24 immediately preceding school fiscal year.

25 Sec. 65. Section 79-1036, Revised Statutes Cumulative Supplement,  
26 2016, is amended to read:

27 79-1036 (1) In making the apportionment under section 79-1035, the  
28 Commissioner of Education shall distribute from the school fund for  
29 school purposes to (a) for school fiscal years prior to school fiscal  
30 year 2017-18, any and all learning communities and school districts which  
31 are not members of a learning community, and (b) for school fiscal year

1 2017-18 and each school fiscal year thereafter, all school districts in  
2 which there are situated school lands which have not been sold and  
3 transferred by deed or saline lands owned by the state, which lands are  
4 being used for a public purpose, an amount in lieu of tax money that  
5 would be raised by school district levies if such lands were taxable, to  
6 be ascertained in accordance with subsection (2) of this section. ~~7~~  
7 except that:

8 ~~(i) For Class I districts or portions thereof which are affiliated~~  
9 ~~and in which there are situated school or saline lands, 38.6207 percent~~  
10 ~~of the in lieu of land tax money calculated pursuant to subsection (2) of~~  
11 ~~this section, based on the affiliated school system tax levy computed~~  
12 ~~pursuant to section 79-1077, shall be distributed to the affiliated high~~  
13 ~~school district and the remainder shall be distributed to the Class I~~  
14 ~~district;~~

15 ~~(ii) For Class I districts or portions thereof which are part of a~~  
16 ~~Class VI district which offers instruction in grades nine through twelve~~  
17 ~~and in which there are situated school or saline lands, 38.6207 percent~~  
18 ~~of the in lieu of land tax money calculated pursuant to subsection (2) of~~  
19 ~~this section, based on the Class VI school system levy computed pursuant~~  
20 ~~to section 79-1078, shall be distributed to the Class VI district and the~~  
21 ~~remainder shall be distributed to the Class I district;~~

22 ~~(iii) For Class I districts or portions thereof which are part of a~~  
23 ~~Class VI district which offers instruction in grades seven through twelve~~  
24 ~~and in which there are situated school or saline lands, 55.1724 percent~~  
25 ~~of the in lieu of land tax money calculated pursuant to subsection (2) of~~  
26 ~~this section, based on the Class VI school system levy computed pursuant~~  
27 ~~to section 79-1078, shall be distributed to the Class VI district and the~~  
28 ~~remainder shall be distributed to the Class I district; and~~

29 ~~(iv) For Class I districts or portions thereof which are part of a~~  
30 ~~Class VI district which offers instruction in grades six through twelve~~  
31 ~~and in which there are situated school or saline lands, 62.0690 percent~~

1 ~~of the in lieu of land tax money calculated pursuant to subsection (2) of~~  
2 ~~this section, based on the Class VI school system levy computed pursuant~~  
3 ~~to section 79-1078, shall be distributed to the Class VI district and the~~  
4 ~~remainder shall be distributed to the Class I district.~~

5 (2) The county assessor shall certify to the Commissioner of  
6 Education the tax levies of each school district and, for levies  
7 certified prior to January 1, 2017, learning community in which school  
8 land or saline land is located and the last appraised value of such  
9 school land, which value shall be the same percentage of the appraised  
10 value as the percentage of the assessed value is of market value in  
11 subsection (2) of section 77-201 for the purpose of applying the  
12 applicable tax levies for each district and, for levies certified prior  
13 to January 1, 2017, learning community in determining the distribution to  
14 the districts of such amounts. The school board of any school district  
15 and, for levies certified prior to January 1, 2017, the learning  
16 community coordinating council of any learning community in which there  
17 is located any leased or undeeded school land or saline land subject to  
18 this section may appeal to the Board of Educational Lands and Funds for a  
19 reappraisal of such school land if such school board or learning  
20 community coordinating council deems the land not appraised in proportion  
21 to the value of adjoining land of the same or similar value. The Board of  
22 Educational Lands and Funds shall proceed to investigate the facts  
23 involved in such appeal and, if the contention of the school board or  
24 learning community coordinating council is correct, make the proper  
25 reappraisal. The value calculation in this subsection shall be used by  
26 the Commissioner of Education for making distributions in each school  
27 fiscal year.

28 Sec. 66. Section 79-1045, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 79-1045 The county treasurer shall, within twenty days after  
31 receiving the apportionment under section 79-1044, apportion the amount

1 as follows: (1) To each school district lying wholly or partly within any  
2 such forest reserve, an amount equal to the actual per pupil cost for  
3 each pupil actually residing in that part of the district which is within  
4 such forest reserve, but this apportionment per pupil shall not exceed  
5 the average annual cost per pupil, based on average daily attendance  
6 within that county; and (2) of the remaining amount, one-fifth to the  
7 public road fund of the county, one-fifth equally to the several school  
8 districts in the county, and the remaining three-fifths to the several  
9 school districts in the county pro rata according to the enumeration of  
10 scholars last returned by the districts. The county treasurer shall, with  
11 the approval of the county board, have authority to retain the money to  
12 be allocated under this subdivision to Class I, ~~II,~~ and III school  
13 districts of the county to be used for the establishment and support of a  
14 county circulating library for Class I, ~~II,~~ and III school districts. A  
15 school district which has failed to sustain a school taught by a legally  
16 qualified teacher for the length of time required by law shall not be  
17 entitled to receive any portion of the Forest Reserve Fund.

18 Sec. 67. Section 79-1065.02, Reissue Revised Statutes of Nebraska,  
19 is amended to read:

20 79-1065.02 (1) State aid payments shall be adjusted when property  
21 within the boundaries of a school district is transferred to another  
22 school district due to a change in school district boundaries in response  
23 to annexation of the transferred property by a city or village to reflect  
24 transfers of property due to annexation, to any dissolution of a Class I  
25 school district, and to any reorganization involving one or more Class I  
26 school districts.

27 ~~(2) This section applies whenever:~~

28 ~~(a) A Class I school district dissolves or reorganizes in such a~~  
29 ~~manner that the parcels of property making up the Class I district prior~~  
30 ~~to the dissolution or reorganization which were affiliated with a Class~~  
31 ~~II, III, IV, or V school district do not become part of the Class II,~~

1 ~~III, IV, or V school district with which such parcels of property were~~  
2 ~~affiliated; or~~

3 ~~(b) Property within the boundaries of a Class II, III, IV, V, or VI~~  
4 ~~school district is transferred to another school district due to a change~~  
5 ~~in the school district boundaries in response to annexation of the~~  
6 ~~transferred property by a city or village.~~

7 ~~(2) (3)~~ To qualify for additional state aid pursuant to this  
8 section, the school district from which property is being transferred  
9 shall apply on a form prescribed by the State Department of Education on  
10 or before August 20 preceding the first school fiscal year for which the  
11 property will not be available for taxation for the school district's  
12 general fund levy. On or before such deadline, the applicant school  
13 district shall send copies of the application to the high school  
14 districts of the local systems receiving valuation in the transfer. For  
15 purposes of this section, property is deemed transferred from the school  
16 district whether the property was within the boundaries of the school  
17 district or the property was affiliated with the school district.

18 ~~(3) (4)~~ Upon receipt of the application, the department, with the  
19 assistance of the Property Tax Administrator, shall calculate the amount  
20 of additional state aid, if any, that the local system, as defined in  
21 section 79-1003, for the applicant school district would have received  
22 for such school fiscal year if the adjusted valuation for the transferred  
23 property had not been included in the adjusted valuation of such local  
24 system for the calculation of state aid for such school fiscal year. On  
25 or before September 20 of such school fiscal year, the department shall  
26 certify to the applicant school district the amount of additional state  
27 aid, if any, the district will receive. Except as otherwise provided in  
28 this subsection, if such applicant school district receives a lump-sum  
29 payment pursuant to subsection (2) of section 79-1022, such lump-sum  
30 payment shall be increased by the amount of additional state aid. Except  
31 as otherwise provided in this subsection, if such applicant school

1 district does not receive a lump-sum payment pursuant to such subsection,  
2 state aid payments shall be increased by one-tenth of the amount of  
3 additional state aid for each of the ten state aid payments for such  
4 school fiscal year. If a portion of the total reduction calculated  
5 pursuant to subsection (4) ~~(5)~~ of this section for local systems  
6 receiving valuation in the transfer of property that is the subject of  
7 the application is delayed until future years, the additional state aid  
8 to be paid in the school fiscal year described in subsection (2) ~~(3)~~ of  
9 this section shall be reduced by the amount of the total reduction that  
10 is delayed until future years. The amount of the reduction shall be paid  
11 as additional aid in the next school fiscal year.

12 (4) ~~(5)~~ The state aid payments shall be reduced for the high school  
13 district of each receiving local system. An amount equal to the  
14 additional state aid calculated pursuant to subsection (3) ~~(4)~~ of this  
15 section for the local system of an applicant school district shall be  
16 attributed to the local systems receiving valuation in such transfer  
17 based upon the ratio of the adjusted valuation received by each local  
18 system divided by the total adjusted valuation transferred from the  
19 applicant school district. If such high school district receives a lump-  
20 sum payment pursuant to subsection (2) of section 79-1022, such lump-sum  
21 payment shall be reduced by the amount attributed to the receiving local  
22 system. If the high school district of a receiving local system does not  
23 receive a lump-sum payment pursuant to such subsection, state aid  
24 payments shall be reduced by one-tenth of the amount attributed to such  
25 receiving local system for each of the ten state aid payments for such  
26 school fiscal year. If the total reduction is greater than the total  
27 state aid payments for such school fiscal year, the remainder shall be  
28 subtracted from state aid payments in future school fiscal years until  
29 the total reduction has been subtracted from state aid payments. On or  
30 before September 20 of such school fiscal year, the department shall  
31 certify to the high school district of the receiving local system the

1 amount of the reduction in state aid.

2       (5) ~~(6)~~ For purposes of the final calculation of state aid pursuant  
3 to section 79-1065, the adjusted valuation of the property that was  
4 transferred shall also be transferred for purposes of adjusted valuation  
5 for the final calculation of state aid. For determining adjustments in  
6 state aid pursuant to section 79-1065, the final calculation of state aid  
7 shall be compared to the state aid certified for such school fiscal year  
8 combined with any adjustments in state aid payments and transfers from  
9 other districts pursuant to this section.

10       Sec. 68. Section 79-1072, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12       79-1072 The school board or board of education of any ~~Class II, III,~~  
13 ~~IV, V, or VI~~ school district may establish a contingency fund for losses.  
14 Such contingency fund shall be established and maintained by transfers  
15 from the general fund of such school district as authorized by the school  
16 board or board of education of such school district. Disbursements from  
17 such contingency fund shall not exceed five percent of the total budgeted  
18 general fund expenditures of the school district and shall be used only  
19 for defense against losses, payment of losses, and transfer of funds to  
20 the general fund of such school district as authorized by the board.

21       Sec. 69. Section 79-1075, Revised Statutes Cumulative Supplement,  
22 2016, is amended to read:

23       79-1075 (1) The county board of the county in which is located the  
24 schoolhouse or the administrative office of any joint school district or,  
25 for years prior to 2017, learning community shall make a levy for the  
26 school district or, for years prior to 2017, learning community, as may  
27 be necessary, and the county clerk of that headquarters county shall  
28 certify the levy, on or before the date prescribed in section 77-1601, to  
29 the county clerk of each county in which is situated any portion of the  
30 joint school district or learning community. This section shall apply to  
31 all taxes levied on behalf of school districts, including, but not

1 limited to, taxes authorized by sections 10-304, 10-711, ~~10-716.01,~~  
2 77-1601, 79-747, ~~79-1077,~~ 79-1084, 79-1085, 79-1086, 79-10,100,  
3 79-10,110, 79-10,110.02, 79-10,118, 79-10,120, ~~79-10,122,~~ and 79-10,126.

4 (2) The county board of the county in which is located the  
5 schoolhouse or the administrative office of the high school district of a  
6 joint affiliated school system shall make a levy for the joint affiliated  
7 school system, as may be necessary, and the county clerk of that  
8 headquarters county shall certify the levy, on or before the date  
9 prescribed in section 77-1601, to the county clerk of each county in  
10 which is situated any portion of the joint affiliated school system. This  
11 section shall apply to all taxes levied on behalf of affiliated school  
12 systems, including, but not limited to, taxes authorized by sections  
13 ~~10-716.01, 79-1077,~~ 79-10,110, and 79-10,110.02.

14 Sec. 70. Section 79-1089, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-1089 In each school district the school board shall cause to be  
17 examined annually by a public accountant or by a certified public  
18 accountant all financial records which are maintained directly or  
19 indirectly in the administration and management of public school funds.  
20 Rules and regulations governing the scope, extent, pattern, and report of  
21 the examination shall be adopted and promulgated by the State Board of  
22 Education with the advice and counsel of the Auditor of Public Accounts.  
23 A copy of the report shall be filed with the Commissioner of Education  
24 and the Auditor of Public Accounts on or before November 5. ~~A copy of the~~  
25 ~~report regarding the examination of a Class I school district shall be~~  
26 ~~filed with the Commissioner of Education on or before November 5.~~ When  
27 any school district fails to comply with this section, the commissioner  
28 shall, after notice to the district and an opportunity to be heard,  
29 direct that any state aid granted pursuant to the Tax Equity and  
30 Educational Opportunities Support Act be withheld until such time as the  
31 district has complied with this section. In addition, the commissioner

1 shall direct the county treasurer to withhold all school money belonging  
2 to the school district until such time as the commissioner notifies the  
3 county treasurer of compliance by the district with this section. The  
4 county treasurer shall withhold such money. If the school district does  
5 not comply with this section prior to the end of the state's biennium  
6 following the biennium which included the fiscal year for which state aid  
7 was calculated, the state aid funds shall revert to the General Fund. The  
8 amount of any reverted funds shall be included in data provided to the  
9 Governor in accordance with section 79-1031.

10 Sec. 71. Section 79-1090, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 79-1090 When a school board of any class of school district fails to  
13 approve a school district budget on or before the date required by  
14 subsection (1) of section 13-508, the superintendent of the ~~primary-high~~  
15 school district shall prepare and file a budget document in accordance  
16 with the Nebraska Budget Act for the school district's general fund and  
17 for each other fund for which the district budgeted in the immediately  
18 preceding fiscal year. The document shall use the total budget of  
19 expenditures and cash reserves from the immediately preceding school  
20 fiscal year, except that in no case shall the budget of expenditures or  
21 cash reserves exceed any limits prescribed in the Tax Equity and  
22 Educational Opportunities Support Act or other state laws. The  
23 superintendent shall also estimate the revenue from sources other than  
24 property tax for each fund in accordance with subdivision (1)(c) of  
25 section 13-504 and section 79-1022.

26 Sec. 72. Section 79-1098, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 79-1098 Whenever it is deemed necessary (1) to erect a schoolhouse  
29 or school building or an addition or additions and improvements to any  
30 existing schoolhouse or (2) to purchase equipment for such schoolhouse or  
31 school buildings, in any school district in this state ~~except a Class I~~

1 ~~district~~ the school board may and, upon petition of not less than one-  
2 fourth of the legal voters of the school district, shall submit to the  
3 people of the school district at the next general election or special  
4 election a proposition to vote a special annual tax for that purpose of  
5 not to exceed seventeen and five-tenths cents on each one hundred dollars  
6 upon the taxable value of all the taxable property in such district for a  
7 term of not to exceed ten years. Such special tax may be voted at any  
8 annual or special meeting of the district by fifty-five percent of the  
9 legal voters attending such meeting.

10       Sec. 73. Section 79-10,100, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12       79-10,100 The school board or board of education, upon being  
13 satisfied that all the requirements of section 79-1098 ~~sections 79-1098~~  
14 ~~and 79-1099~~ have been substantially complied with and that fifty-five  
15 percent of all votes cast at the election under such section ~~sections~~ are  
16 in favor of such tax, shall enter such proposition and all the  
17 proceedings had thereon upon the records of the school district and shall  
18 certify the special tax levy to the county clerk as other tax levies.

19       Sec. 74. Section 79-10,101, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21       79-10,101 The sum levied and collected under section 79-10,100 shall  
22 (1) constitute a special fund for the purposes for which it was voted,  
23 (2) not be used for any other purpose unless otherwise authorized by a  
24 fifty-five percent majority vote of the legal voters of the school  
25 district cast at the election under section 79-1098 ~~sections 79-1098~~ and  
26 ~~79-1099~~, (3) be paid over to the county treasurer of the county in which  
27 the administrative office of such school district is located, (4) be kept  
28 by the county treasurer and treasurer of the school district separate and  
29 apart from other district funds, and (5) be subject to withdrawal as  
30 provided in section 79-587. Any portion of such sum so levied and  
31 collected, the expenditure of which is not required to effectuate the

1 purposes for which such sum was voted, may be transferred by the school  
2 board, at any regular or special meeting by the vote of a majority of the  
3 members attending, to the general fund of the district. All funds  
4 received by the district treasurer for such purpose shall be immediately  
5 invested by such treasurer in United States Government bonds or in such  
6 securities in which the state investment officer may invest the permanent  
7 school funds during the accumulation of such sinking fund.

8 Sec. 75. Section 79-10,103, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 79-10,103 (1) The school board of any school district may lease,  
11 purchase, acquire, own, manage, and hold title to real property which is  
12 located outside of its school district for laboratory, recreation,  
13 camping, or educational facilities, except that any purchase costing ~~(a)~~  
14 ~~more than one thousand dollars by any Class I or II school district or~~  
15 ~~(b) more than five thousand dollars by any Class III, IV, V, or VI school~~  
16 district shall be submitted to a vote of the legal voters in that school  
17 district seeking to acquire the property.

18 (2) The election provisions of this section do not apply when a  
19 school district which currently owns real property outside the school  
20 district desires to lease, purchase, acquire, own, manage, and hold title  
21 to additional real property located contiguous to such property for  
22 laboratory, recreation, camping, or educational facilities.

23 Sec. 76. Section 79-10,110, Revised Statutes Cumulative Supplement,  
24 2016, is amended to read:

25 79-10,110 (1) Prior to April 19, 2016, after making a determination  
26 that an actual or potential environmental hazard or accessibility barrier  
27 exists, that a life safety code violation exists, or that expenditures  
28 are needed for indoor air quality or mold abatement and prevention within  
29 the school buildings or grounds under its control, a school board may  
30 make and deliver to the county clerk of such county in which any part of  
31 the school district is situated, not later than the date provided in

1 section 13-508, an itemized estimate of the amounts necessary to be  
2 expended for the abatement of such environmental hazard, for  
3 accessibility barrier elimination, or for modifications for life safety  
4 code violations, indoor air quality, or mold abatement and prevention in  
5 such school buildings or grounds. The board shall designate the  
6 particular environmental hazard abatement project, accessibility barrier  
7 elimination project, or modification for life safety code violations,  
8 indoor air quality, or mold abatement and prevention for which the tax  
9 levy provided for by this section will be expended, the period of years,  
10 which shall not exceed ten years, for which the tax will be levied for  
11 such project, and the estimated amount of the levy for each year of the  
12 period based on the taxable valuation of the district at the time of  
13 issuance.

14 (2) Prior to April 19, 2016, after a public hearing, a school board  
15 may undertake any qualified capital purpose in any qualified zone academy  
16 under its control and may levy a tax as provided in this section to repay  
17 a qualified zone academy bond issued for such undertaking. The board  
18 shall designate: (a) The particular qualified capital purpose for which  
19 the qualified zone academy bond was issued and for which the tax levy  
20 provided for by this section will be expended; (b) the period of years  
21 for which the tax will be levied to repay such qualified zone academy  
22 bond, not exceeding the maturity term for such qualified zone academy  
23 bond established pursuant to federal law or, for any such bond issued  
24 prior to May 20, 2009, fifteen years; and (c) the estimated amount of the  
25 levy for each year of the period based on the taxable valuation of the  
26 district at the time of issuance. The hearing required by this subsection  
27 shall be held only after notice of such hearing has been published for  
28 three consecutive weeks prior to the hearing in a legal newspaper  
29 published or of general circulation in the school district.

30 (3) Prior to April 19, 2016, after a public hearing, a school board  
31 may undertake any American Recovery and Reinvestment Act of 2009 purpose

1 and may levy a tax to repay any American Recovery and Reinvestment Act of  
2 2009 bond issued for such undertaking. The board shall designate: (a) The  
3 American Recovery and Reinvestment Act of 2009 purpose for which the  
4 American Recovery and Reinvestment Act of 2009 bond will be issued and  
5 for which the tax levy provided by this section will be expended; (b) the  
6 period of years for which the tax will be levied to repay such American  
7 Recovery and Reinvestment Act of 2009 bond, not exceeding the maturity  
8 term for the type of American Recovery and Reinvestment Act of 2009 bond  
9 established pursuant to federal law or, if no such term is established,  
10 thirty years; and (c) the estimated amount of the levy for each year of  
11 such period based on the taxable valuation of the district at the time of  
12 issuance. Prior to the public hearing, the school board shall prepare an  
13 itemized estimate of the amounts necessary to be expended for the  
14 American Recovery and Reinvestment Act of 2009 purpose. The hearing  
15 required by this subsection shall be held only after notice of such  
16 hearing has been published for three consecutive weeks prior to the  
17 hearing in a legal newspaper published or of general circulation in the  
18 school district.

19 (4) Prior to April 19, 2016, the board may designate more than one  
20 project under subsection (1) of this section, more than one qualified  
21 capital purpose under subsection (2) of this section, or more than one  
22 American Recovery and Reinvestment Act of 2009 purpose under subsection  
23 (3) of this section and levy a tax pursuant to this section for each such  
24 project, qualified capital purpose, or American Recovery and Reinvestment  
25 Act of 2009 purpose, concurrently or consecutively, as the case may be,  
26 if the aggregate levy in each year and the duration of each such levy  
27 will not exceed the limitations specified in this section. Each levy for  
28 a project, a qualified capital purpose, or an American Recovery and  
29 Reinvestment Act of 2009 purpose which is authorized by this section may  
30 be imposed for such duration as the board specifies, notwithstanding the  
31 contemporaneous existence or subsequent imposition of any other levy for

1 another project, qualified capital purpose, or American Recovery and  
2 Reinvestment Act of 2009 purpose imposed pursuant to this section and  
3 notwithstanding the subsequent issuance by the district of bonded  
4 indebtedness payable from its general fund levy.

5 (5) The county clerk shall levy such taxes, not to exceed five and  
6 one-fifth cents per one hundred dollars of taxable valuation ~~for Class~~  
7 ~~II, III, IV, V, and VI districts, and not to exceed the limits set for~~  
8 ~~Class I districts in section 79-10,124,~~ on the taxable property of the  
9 district necessary to (a) cover the environmental hazard abatement or  
10 accessibility barrier elimination project costs or costs for modification  
11 for life safety code violations, indoor air quality, or mold abatement  
12 and prevention itemized by the board pursuant to subsection (1) of this  
13 section and (b) repay any qualified zone academy bonds or American  
14 Recovery and Reinvestment Act of 2009 bonds pursuant to subsection (2) or  
15 (3) of this section. Such taxes shall be collected by the county  
16 treasurer at the same time and in the same manner as county taxes are  
17 collected and when collected shall be paid to the treasurer of the  
18 district and used to cover the project costs.

19 ~~(6) If such board operates grades nine through twelve as part of an~~  
20 ~~affiliated school system, it shall designate the fraction of the project~~  
21 ~~or undertaking to be conducted for the benefit of grades nine through~~  
22 ~~twelve. Such fraction shall be raised by a levy placed upon all of the~~  
23 ~~taxable value of all taxable property in the affiliated school system~~  
24 ~~pursuant to subsection (2) of section 79-1075. The balance of the project~~  
25 ~~or undertaking to be conducted for the benefit of grades kindergarten~~  
26 ~~through eight shall be raised by a levy placed upon all of the taxable~~  
27 ~~value of all taxable property in the district which is governed by such~~  
28 ~~board. The combined rate for both levies in the high school district, to~~  
29 ~~be determined by such board, shall not exceed five and one-fifth cents on~~  
30 ~~each one hundred dollars of taxable value.~~

31 (6) (7) Each board which submits an itemized estimate shall

1 establish an environmental hazard abatement and accessibility barrier  
2 elimination project account, a life safety code modification project  
3 account, an indoor air quality project account, or a mold abatement and  
4 prevention project account, each board which undertakes a qualified  
5 capital purpose shall establish a qualified capital purpose undertaking  
6 account, within the qualified capital purpose undertaking fund, and each  
7 board which undertakes an American Recovery and Reinvestment Act of 2009  
8 purpose shall establish an American Recovery and Reinvestment Act of 2009  
9 purpose undertaking account. Taxes collected pursuant to this section  
10 shall be credited to the appropriate account to cover the project or  
11 undertaking costs. Such estimates may be presented to the county clerk  
12 and taxes levied accordingly.

13 (7) ~~(8)~~ For purposes of this section:

14 (a) Abatement includes, but is not limited to, any inspection and  
15 testing regarding environmental hazards, any maintenance to reduce,  
16 lessen, put an end to, diminish, moderate, decrease, control, dispose of,  
17 or eliminate environmental hazards, any removal or encapsulation of  
18 environmentally hazardous material or property, any related restoration  
19 or replacement of material or property, any related architectural and  
20 engineering services, and any other action to reduce or eliminate  
21 environmental hazards in the school buildings or on the school grounds  
22 under the board's control, except that abatement does not include the  
23 encapsulation of any material containing more than one percent friable  
24 asbestos;

25 (b) Accessibility barrier means anything which impedes entry into,  
26 exit from, or use of any building or facility by all people;

27 (c) Accessibility barrier elimination includes, but is not limited  
28 to, inspection for and removal of accessibility barriers, maintenance to  
29 reduce, lessen, put an end to, diminish, control, dispose of, or  
30 eliminate accessibility barriers, related restoration or replacement of  
31 facilities or property, any related architectural and engineering

1 services, and any other action to eliminate accessibility barriers in the  
2 school buildings or grounds under the board's control;

3 (d) American Recovery and Reinvestment Act of 2009 bond means any  
4 type or form of bond permitted by the federal American Recovery and  
5 Reinvestment Act of 2009, as such act or bond may be amended and  
6 supplemented, including the federal Hiring Incentives to Restore  
7 Employment Act, as amended and supplemented, for use by schools, except  
8 qualified zone academy bonds;

9 (e) American Recovery and Reinvestment Act of 2009 purpose means any  
10 construction of a new public school facility or the acquisition of land  
11 on which such a facility is to be constructed or any expansion,  
12 rehabilitation, modernization, renovation, or repair of any existing  
13 school facilities financed in whole or in part with an American Recovery  
14 and Reinvestment Act of 2009 bond;

15 (f) Environmental hazard means any contamination of the air, water,  
16 or land surface or subsurface caused by any substance adversely affecting  
17 human health or safety if such substance has been declared hazardous by a  
18 federal or state statute, rule, or regulation;

19 (g) Modification for indoor air quality includes, but is not limited  
20 to, any inspection and testing regarding indoor air quality, any  
21 maintenance to reduce, lessen, put an end to, diminish, moderate,  
22 decrease, control, dispose of, or eliminate indoor air quality problems,  
23 any related restoration or replacement of material or related  
24 architectural and engineering services, and any other action to reduce or  
25 eliminate indoor air quality problems or to enhance air quality  
26 conditions in new or existing school buildings or on school grounds under  
27 the control of a school board;

28 (h) Modification for life safety code violation includes, but is not  
29 limited to, any inspection and testing regarding life safety codes, any  
30 maintenance to reduce, lessen, put an end to, diminish, moderate,  
31 decrease, control, dispose of, or eliminate life safety hazards, any

1 related restoration or replacement of material or property, any related  
2 architectural and engineering services, and any other action to reduce or  
3 eliminate life safety hazards in new or existing school buildings or on  
4 school grounds under the control of a school board;

5 (i) Modification for mold abatement and prevention includes, but is  
6 not limited to, any inspection and testing regarding mold abatement and  
7 prevention, any maintenance to reduce, lessen, put an end to, diminish,  
8 moderate, decrease, control, dispose of, or eliminate mold problems, any  
9 related restoration or replacement of material or related architectural  
10 and engineering services, and any other action to reduce or eliminate  
11 mold problems or to enhance air quality conditions in new or existing  
12 school buildings or on school grounds under the control of a school  
13 board;

14 (j) Qualified capital purpose means (i) rehabilitating or repairing  
15 the public school facility in which the qualified zone academy is  
16 established or (ii) providing equipment for use at such qualified zone  
17 academy;

18 (k) Qualified zone academy has the meaning found in (i) 26 U.S.C.  
19 1397E(d)(4), as such section existed on October 3, 2008, for qualified  
20 zone academy bonds issued on or before such date, and (ii) 26 U.S.C.  
21 54E(d)(1), as such section existed on October 4, 2008, for qualified zone  
22 academy bonds issued on or after such date;

23 (l) Qualified zone academy allocation means the allocation of the  
24 qualified zone academy bond limitation by the State Department of  
25 Education to the qualified zone academies pursuant to (i) 26 U.S.C.  
26 1397E(e)(2), as such section existed on October 3, 2008, for allocations  
27 relating to qualified zone academy bonds issued on or before such date,  
28 and (ii) 26 U.S.C. 54E(c)(2), as such section existed on October 4, 2008,  
29 for allocations relating to qualified zone academy bonds issued on or  
30 after such date; and

31 (m) Qualified zone academy bond has the meaning found in (i) 26

1 U.S.C. 1397E(d)(1), as such section existed on October 3, 2008, for such  
2 bonds issued on or before such date, and (ii) 26 U.S.C. 54E(a), as such  
3 section existed on and after October 4, 2008, for such bonds issued on or  
4 after such date, as such section or bonds may be amended or supplemented.

5 ~~(8)~~ ~~(9)~~ Accessibility barrier elimination project costs includes,  
6 but is not limited to, inspection, maintenance, accounting, emergency  
7 services, consultation, or any other action to reduce or eliminate  
8 accessibility barriers.

9 (9)(a) ~~(10)(a)~~ For the purpose of paying amounts necessary for the  
10 abatement of environmental hazards, for accessibility barrier  
11 elimination, for modifications for life safety code violations, indoor  
12 air quality, or mold abatement and prevention, for a qualified capital  
13 purpose, or for an American Recovery and Reinvestment Act of 2009  
14 purpose, the board may borrow money, establish a sinking fund, and issue  
15 bonds and other evidences of indebtedness of the district, which bonds  
16 and other evidences of indebtedness shall be secured by and payable from  
17 an irrevocable pledge by the district of amounts received in respect of  
18 the tax levy provided for by this section and any other funds of the  
19 district available therefor. Bonds issued for a qualified capital purpose  
20 or an American Recovery and Reinvestment Act of 2009 purpose shall be  
21 limited to the type or types of bonds authorized for each purpose in  
22 subsections (2) and (3) of this section, respectively. Bonds and other  
23 evidences of indebtedness issued by a district pursuant to this  
24 subsection shall not constitute a general obligation of the district or  
25 be payable from any portion of its general fund levy.

26 (b) A district may exceed the maximum levy of five and one-fifth  
27 cents per one hundred dollars of taxable valuation authorized by  
28 subsection (5) ~~subsections (5) and (6)~~ of this section in any year in  
29 which (i) the taxable valuation of the district is lower than the taxable  
30 valuation in the year in which the district last issued bonds pursuant to  
31 this section and (ii) such maximum levy is insufficient to meet the

1 combined annual principal and interest obligations for all bonds issued  
2 pursuant to this section. The amount generated from a district's levy in  
3 excess of the maximum levy upon the taxable valuation of the district  
4 shall not exceed the combined annual principal and interest obligations  
5 for such bonds minus the amount generated by levying the maximum levy  
6 upon the taxable valuation of the district and minus any federal payments  
7 or subsidies associated with such bonds.

8 (10) ~~(11)~~ The total principal amount of bonds for modifications to  
9 correct life safety code violations, for indoor air quality problems, for  
10 mold abatement and prevention, or for an American Recovery and  
11 Reinvestment Act of 2009 purpose which may be issued pursuant to this  
12 section shall not exceed the total amount specified in the itemized  
13 estimate described in subsections (1) and (3) of this section.

14 (11) ~~(12)~~ The total principal amount of qualified zone academy bonds  
15 which may be issued pursuant to this section for qualified capital  
16 purposes with respect to a qualified zone academy shall not exceed the  
17 qualified zone academy allocation granted to the board by the department.  
18 The total amount that may be financed by qualified zone academy bonds  
19 pursuant to this section for qualified purposes with respect to a  
20 qualified zone academy shall not exceed seven and one-half million  
21 dollars statewide in a single year. In any year that the Nebraska  
22 qualified zone academy allocations exceed seven and one-half million  
23 dollars for qualified capital purposes to be financed with qualified zone  
24 academy bonds issued pursuant to this section, (a) the department shall  
25 reduce such allocations proportionally such that the statewide total for  
26 such allocations equals seven and one-half million dollars and (b) the  
27 difference between the Nebraska allocation and seven and one-half million  
28 dollars shall be available to qualified zone academies for requests that  
29 will be financed with qualified zone academy bonds issued without the  
30 benefit of this section.

31 Nothing in this section directs the State Department of Education to

1 give any preference to allocation requests that will be financed with  
2 qualified zone academy bonds issued pursuant to this section.

3 (12) ~~(13)~~ The State Department of Education shall establish  
4 procedures for allocating bond authority to school boards as may be  
5 necessary pursuant to an American Recovery and Reinvestment Act of 2009  
6 bond.

7 Sec. 77. Section 79-10,110.02, Revised Statutes Cumulative  
8 Supplement, 2016, is amended to read:

9 79-10,110.02 (1) On and after April 19, 2016, the school board of  
10 any ~~Class II, III, IV, or V~~ school district may make a determination that  
11 an additional property tax levy is necessary for a specific abatement  
12 project to address an actual or potential environmental hazard,  
13 accessibility barrier, life safety code violation, life safety hazard, or  
14 mold which exists within one or more existing school buildings or the  
15 school grounds of existing school buildings controlled by the school  
16 district. Such determination shall not include abatement projects related  
17 to the acquisition of new property, the construction of a new building,  
18 the expansion of an existing building, or the remodeling of an existing  
19 building for purposes other than the abatement of environmental hazards,  
20 accessibility barriers, life safety code violations, life safety hazards,  
21 or mold. Upon such determination, the school board may, not later than  
22 the date provided in section 13-508, make and deliver to the county clerk  
23 of such county in which any part of the school district is situated an  
24 itemized estimate of the amounts necessary to be expended for such  
25 abatement project, any insurance proceeds or other anticipated funds that  
26 will be received by the school district related to the abatement project,  
27 the period of years for which the property tax will be levied for such  
28 project, and the estimated amount of the levy for each year of the period  
29 based on the taxable valuation of the district at the time of issuance.  
30 The period of years for such levy shall not exceed ten years and the levy  
31 for such project when combined with all other levies pursuant to this

1 section and section 79-10,110 shall not exceed three cents per one  
2 hundred dollars of taxable valuation. Nothing in this section shall  
3 affect levies pursuant to section 79-10,110.

4 (2) The county clerk shall levy such taxes and such taxes shall be  
5 collected by the county treasurer at the same time and in the same manner  
6 as county taxes are collected and when collected shall be paid to the  
7 treasurer of the district. A separate abatement project account shall be  
8 established for each project by the school district. Taxes collected  
9 pursuant to this section shall be credited to the appropriate account to  
10 cover the project costs.

11 (3) For purposes of this section:

12 (a) Abatement includes, but is not limited to, any related  
13 inspection and testing, any maintenance to reduce, lessen, put an end to,  
14 diminish, moderate, decrease, control, dispose of, eliminate, or remove  
15 the issue causing the need for abatement, any related restoration or  
16 replacement of material or property, any related architectural and  
17 engineering services, and any other action to reduce or eliminate the  
18 issue causing the need for abatement in existing school buildings or on  
19 the school grounds of existing school buildings under the board's  
20 control;

21 (b) Accessibility barrier means anything which impedes entry into,  
22 exit from, or use of any building or facility by all people; and

23 (c) Environmental hazard means any contamination of the air, water,  
24 or land surface or subsurface caused by any substance adversely affecting  
25 human health or safety if such substance has been declared hazardous by a  
26 federal or state statute, rule, or regulation.

27 (4) For the purpose of paying amounts necessary for the abatement  
28 project, the board may borrow money, establish a sinking fund, and issue  
29 bonds and other evidences of indebtedness of the district, which bonds  
30 and other evidences of indebtedness shall be secured by and payable from  
31 an irrevocable pledge by the district of amounts received in respect of

1 the tax levy provided for by this section and any other funds of the  
2 district available therefor. Bonds and other evidences of indebtedness  
3 issued by a district pursuant to this subsection shall not constitute a  
4 general obligation of the district or be payable from any portion of its  
5 general fund levy. The total principal amount of bonds for abatement  
6 projects pursuant to this section shall not exceed the total amount  
7 specified in the itemized estimate described in subsection (1) of this  
8 section.

9 (5) A district may exceed the maximum levy of three cents per one  
10 hundred dollars of taxable valuation authorized by this section in any  
11 year in which (a) the taxable valuation of the district is lower than the  
12 taxable valuation in the year in which the district last issued bonds  
13 pursuant to this section and (b) such maximum levy is insufficient to  
14 meet the combined annual principal and interest obligations for all bonds  
15 issued pursuant to this section and section 79-10,110. The amount  
16 generated from a district's levy in excess of three cents per one hundred  
17 dollars of taxable valuation shall not exceed the combined annual  
18 principal and interest obligations for such bonds minus the amount  
19 generated by levying three cents per one hundred dollars of taxable  
20 valuation.

21 Sec. 78. Section 79-10,114, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 79-10,114 No school property of any kind belonging to any Class III  
24 or IV ~~II, III, IV, or VI~~ school district shall be sold by the school  
25 board or board of education except at a regular meeting of the board and  
26 with an affirmative recorded vote of at least two-thirds of all the  
27 members of the board. Proceeds of sale of school property sold as  
28 provided in this section may be held separately from other funds of the  
29 school district and may be used for any school purpose as the board may  
30 determine, including, but not limited to, acquiring sites for school  
31 buildings or teacherages and purchasing existing buildings for use as

1 school buildings or teacherages, including the sites upon which such  
2 buildings are located, and the erection, alteration, equipping, and  
3 furnishing of school buildings or teacherages.

4 Sec. 79. Section 79-10,117, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 79-10,117 The legal voters of any Class III ~~or VI~~ school district  
7 have the power, at an election or at any annual or special meeting, to  
8 (1) direct the purchasing or leasing of any appropriate site and the  
9 building, hiring, or purchasing of a teacherage for the purpose of  
10 providing housing facilities for the school employees of the district,  
11 (2) determine the amount necessary to be expended for such purposes the  
12 succeeding year, and (3) vote on a tax on the property of the district  
13 for the payment of the amount.

14 Sec. 80. Section 79-10,118, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 79-10,118 A tax to establish a special fund for the building,  
17 hiring, or purchasing of a teacherage for the purpose of providing  
18 housing facilities for the school employees of any Class III ~~or VI~~  
19 district may be levied when authorized by fifty-five percent of the legal  
20 voters voting on the proposition. The notice of the proposal to establish  
21 such special fund shall include the sum to be raised or the amount of the  
22 tax to be levied, the period of years, and the time of its taking effect.  
23 If fifty-five percent of the legal voters voting at any such election  
24 vote in favor of the proposition, the result of such election shall be  
25 certified to the county board which, upon being satisfied that all the  
26 requirements have been substantially complied with, shall cause the  
27 proceedings to be entered upon the record of the county board and shall  
28 make an order that the levy be made in accordance with the election  
29 result and collected as other taxes.

30 Sec. 81. Section 79-10,120, Revised Statutes Cumulative Supplement,  
31 2016, is amended to read:

1           79-10,120 The school board or board of education of any a Class II,  
2 ~~III, IV, V, or VI~~ school district may establish a special fund for  
3 purposes of acquiring sites for school buildings or teacherages,  
4 purchasing existing buildings for use as school buildings or teacherages,  
5 including the sites upon which such buildings are located, and the  
6 erection, alteration, equipping, and furnishing of school buildings or  
7 teacherages and additions to school buildings for elementary and high  
8 school grades and for no other purpose. The fund shall be established  
9 from the proceeds of an annual levy, to be determined by the board, of  
10 not to exceed fourteen cents on each one hundred dollars upon the taxable  
11 value of all taxable property in the district which shall be in addition  
12 to any other taxes authorized to be levied for school purposes. Such tax  
13 shall be levied and collected as are other taxes for school purposes.

14           Sec. 82. Section 79-1108.02, Revised Statutes Supplement, 2017, is  
15 amended to read:

16           79-1108.02 (1) The department shall distribute funds appropriated  
17 for purposes of this section to local systems as defined in section  
18 79-1003 annually on or before October 15. The funds distributed pursuant  
19 to this section shall be distributed based on a pro rata share of the  
20 eligible costs submitted in grant applications.

21           (2) Local systems may apply to the department for base funds and  
22 matching funds pursuant to this section to be spent on approved  
23 accelerated or differentiated curriculum programs. Each eligible local  
24 system shall receive one-tenth of one percent of the appropriation as  
25 base funds plus a pro rata share of the remainder of the appropriation  
26 based on identified students participating in an accelerated or  
27 differentiated curriculum program, up to ten percent of the prior year's  
28 fall membership as defined in section 79-1003, as matching funds.  
29 Eligible local systems shall:

30           (a) Provide an approved accelerated or differentiated curriculum  
31 program for students identified as learners with high ability;

1 (b) Provide funds from other sources for the approved accelerated or  
2 differentiated curriculum program greater than or equal to fifty percent  
3 of the matching funds received pursuant to this subsection;

4 (c) Provide an accounting of the funds received pursuant to this  
5 section, funds required by subdivision (b) of this subsection, and the  
6 total cost of the program on or before August 1 of the year following the  
7 receipt of funds in a manner prescribed by the department, not to exceed  
8 one report per year; and

9 (d) Provide data regarding the academic progress of students  
10 participating in the accelerated or differentiated curriculum program in  
11 a manner prescribed by the department, not to exceed one report per  
12 year. ~~;~~ and

13 ~~(e) Include identified students from Class I districts that are part~~  
14 ~~of the local system in the accelerated or differentiated curriculum~~  
15 ~~program.~~

16 If a local system will not be providing the necessary matching funds  
17 pursuant to subdivision (b) of this subsection, the local system shall  
18 request a reduction in the amount received pursuant to this subsection  
19 such that the local system will be in compliance with such subdivision.  
20 Local systems not complying with the requirements of this subsection  
21 shall not be eligible local systems in the following year.

22 Sec. 83. Section 79-1217, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 79-1217 (1) All educational service units shall be governed by a  
25 board to be known as the Board of Educational Service Unit No. . . . .  
26 Until the first Thursday after the first Tuesday in January 2009, the  
27 educational service unit board, except the board of an educational  
28 service unit with only one member school district, shall be composed of  
29 one member from each county and four members at large, all of whom shall  
30 reside within the geographical boundaries of the educational service  
31 unit, but no more than two of the members at large shall be appointed or

1 elected from the same county unless any one county within the educational  
2 service unit has a population in excess of one hundred fifty thousand  
3 inhabitants or the educational service unit consists of only one county.  
4 Beginning on the first Thursday after the first Tuesday in January 2009,  
5 the educational service unit board, except the board of an educational  
6 service unit with only one member school district, shall be composed of  
7 one member elected to represent each election district established  
8 pursuant to section 79-1217.01. Successors to the members initially  
9 appointed pursuant to section 79-1212 shall be elected pursuant to  
10 section 32-515.

11 (2) Vacancies in office shall occur as set forth in section 32-560,  
12 except as otherwise provided in section 79-1212 regarding the requirement  
13 to live in the district represented, or in the case of absences, unless  
14 excused by a majority of the remaining members of the board, when a  
15 member is absent from the geographical boundaries of the educational  
16 service unit for a continuous period of sixty days at one time or from  
17 more than two consecutive regular meetings of the board. Whenever any  
18 vacancy occurs on the board, the remaining members of such board shall  
19 appoint an individual residing within the election district of the  
20 educational service unit for which the vacancy exists and meeting the  
21 qualifications for the office to fill such vacancy for the balance of the  
22 unexpired term.

23 (3) Members of the board shall receive no compensation for their  
24 services but shall be reimbursed for the actual and necessary expenses  
25 incurred in the performance of their duties under the Educational Service  
26 Units Act as provided in sections 81-1174 to 81-1177.

27 (4) ~~Any~~ Except as provided in subsection (5) of this section, any  
28 joint school district located in two or more counties shall be considered  
29 a part of the educational service unit in which the greater number of  
30 school-age children of such joint school district reside.

31 (5) ~~Any Class I district which is part of a Class VI district shall~~

1 ~~be considered a part of the educational service unit of which the Class~~  
2 ~~VI district is a member. If the Class VI district has removed itself from~~  
3 ~~an educational service unit, each Class I district which is part of such~~  
4 ~~Class VI district may continue its existing membership in an educational~~  
5 ~~service unit or may change its status relative to membership in an~~  
6 ~~educational service unit in accordance with section 79-1209. The patrons~~  
7 ~~of a Class I district maintaining membership in an educational service~~  
8 ~~unit pursuant to this subsection shall have the same rights and~~  
9 ~~privileges as other patrons of the educational service unit, and the~~  
10 ~~taxable valuation of the taxable property within the geographic~~  
11 ~~boundaries of such Class I district shall be subject to the educational~~  
12 ~~service unit's tax levy established pursuant to section 79-1225.~~

13       (5) (6) The administrator of each educational service unit, prior to  
14 July 1 of each year in which a statewide primary election is to be held,  
15 shall certify to the election commissioner or county clerk of each county  
16 located within the unit the corporate name of each school district, as  
17 described in section 79-405, located within the county. If a school  
18 district is a joint school district located in two or more counties, the  
19 administrator shall certify to each election commissioner or county clerk  
20 the educational service unit of which the school district is considered  
21 to be a part.

22       (6) (7) An educational service unit may consist of a single school  
23 district if the single school district is either a Class IV or Class V  
24 school district. An educational service unit with only one member school  
25 district shall be governed by the school board of such school district  
26 and shall participate in one or more of the statewide projects managed by  
27 the Educational Service Unit Coordinating Council.

28       Sec. 84. Section 79-1504, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30       79-1504 The provisions of Article III, SECTION A., of the Compact  
31 for Education notwithstanding, the members of the Education Commission of

1 the States representing this state shall consist of the Governor, three  
2 members of the Legislature selected by the Executive Board of the  
3 Legislative Council, and three members appointed by the Governor. Of the  
4 three members appointed by the Governor, one member shall be a member of  
5 a school board ~~or board of education of a Class II, III, IV, V, or VI~~  
6 ~~school district~~ or an appointed representative of a state association of  
7 school boards ~~or boards of education representing such districts.~~

8 Sec. 85. This act becomes operative on January 1, 2019.

9 Sec. 86. Original sections 32-570, 32-606, 32-1007, 32-1303,  
10 48-303, 72-2304, 77-3444, 79-102, 79-104, 79-203, 79-413, 79-415, 79-418,  
11 79-419, 79-434, 79-443, 79-447, 79-451, 79-458, 79-470, 79-473, 79-479,  
12 79-4,108, 79-4,129, 79-501, 79-506, 79-524, 79-525, 79-526, 79-547,  
13 79-550, 79-554, 79-559, 79-564, 79-569, 79-570, 79-572, 79-577, 79-578,  
14 79-579, 79-580, 79-581, 79-586, 79-587, 79-588, 79-594, 79-598, 79-5,104,  
15 79-605, 79-728, 79-828, 79-850, 79-1029, 79-1030, 79-1045, 79-1065.02,  
16 79-1072, 79-1089, 79-1090, 79-1098, 79-10,100, 79-10,101, 79-10,103,  
17 79-10,114, 79-10,117, 79-10,118, 79-1217, and 79-1504, Reissue Revised  
18 Statutes of Nebraska, sections 79-101, 79-234, 79-499, 79-4,123, 79-528,  
19 79-576, 79-611, 79-1036, 79-1075, 79-10,110, 79-10,110.02, and 79-10,120,  
20 Revised Statutes Cumulative Supplement, 2016, and sections 13-508,  
21 79-407, 79-1003, and 79-1108.02, Revised Statutes Supplement, 2017, are  
22 repealed.

23 Sec. 87. The following sections are outright repealed: Sections  
24 10-704, 10-716.01, 23-3302, 32-541, 32-542, 32-546, 79-401, 79-402,  
25 79-403, 79-404, 79-406, 79-410, 79-411, 79-416, 79-417, 79-423, 79-424,  
26 79-425, 79-426, 79-427, 79-431, 79-452, 79-453, 79-454, 79-455, 79-472,  
27 79-477, 79-478, 79-492, 79-493, 79-494, 79-495, 79-4,100, 79-4,101,  
28 79-4,102, 79-4,103, 79-4,104, 79-4,109, 79-4,110, 79-4,111, 79-519,  
29 79-523, 79-540, 79-541, 79-542, 79-548, 79-553, 79-556, 79-557, 79-558,  
30 79-563, 79-565, 79-568, 79-585, 79-5,107, 79-5,108, 79-716, 79-717,  
31 79-8,110, 79-1027.01, 79-1077, 79-1078, 79-1083.02, 79-1099, 79-10,111,

- 1 79-10,113, 79-10,121, 79-10,122, 79-10,123, 79-10,124, and 79-10,125,
- 2 Reissue Revised Statutes of Nebraska.